Prospectus

This prospectus is dated and is valid as at
22 March 2022

Federated Hermes Cash Management Funds

Federated Hermes Short-Term Sterling Prime Fund

Federated Hermes Sterling Cash Plus Fund

Federated Hermes US Dollar Cash Plus Fund

Federated Hermes Euro Cash Plus Fund

Federated Hermes Sterling Short Duration Bond Fund

Federated Hermes US Dollar Short Duration Bond Fund

Federated Hermes Euro Short Duration Bond Fund

Important Information

THIS PROSPECTUS

This document constitutes the Prospectus relating to Federated Hermes Cash Management Funds (the "Scheme"), a UK authorised investment fund with Product Reference Number 475469. It has been prepared in accordance with the rules contained in the Collective Investment Schemes Sourcebook ("COLL Sourcebook") which forms part of the FCA Handbook of Rules and Guidance (the "FCA Rules"). This document complies with the requirements of Chapter 4 of the COLL Sourcebook and has been prepared in accordance with the European Union Regulation 2017/1131 on money market funds as incorporated into UK domestic law by The European Union (Withdrawal) Act 2018 as amended. Copies have been sent to the Financial Conduct Authority and to the depositary of the Scheme in accordance with the COLL Sourcebook. Capitalised words and expressions used in this Prospectus are defined on pages 1 to 3.

This document is valid as at 22 March 2022. Any investor or prospective investor in a sub-fund of the Scheme (a "Fund") should check that this is the current Prospectus and that no revisions have been made since this date. The current prospectus is made available on the ACD's website, federatedinvestors.co.uk, or can be obtained by contacting the ACD (see Directory).

Federated Hermes (UK) LLP, as the authorised corporate director of the Scheme, is the person responsible for the information contained in this Prospectus and accepts responsibility accordingly. It has taken all reasonable care to ensure that, to the best of its knowledge and belief, the information in this document does not contain any untrue or misleading statement or omit any matters required by the FCA Rules to be included in it.

This Prospectus and the relevant key investor information document(s) should be read in their entirety before making an application to invest in the Scheme.

The distribution of shares in the Scheme ("Shares") in some jurisdictions may require the translation of this Prospectus, relevant key investor information documents and other documents relating to the Scheme into the languages specified by the regulatory authorities of those jurisdictions. In the case of any inconsistency between the translated and the English version of such documents, the English version shall prevail.

Shares are offered only on the basis of the information contained in the current Prospectus, instrument of incorporation, key investor information documents, any country-specific supplements and, as appropriate, the latest audited annual report and any subsequent semi-annual report. The provisions of the instrument of incorporation of the Scheme are binding on each Shareholder and each Shareholder is taken to have notice of them.

Information on the documents available to investors and how to obtain them is set out at page 39 under "Documents and Information available to Shareholders".

This Prospectus, all other documentation relating to the Scheme issued by or on behalf of the Scheme, and all dealings in Shares of the Scheme are governed by the laws of England and Wales.

DISTRIBUTION RESTRICTIONS

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. This Prospectus does not amount to an offer in any jurisdiction where such offer may be prohibited or to any investor outside the United Kingdom who is prohibited by applicable laws from subscribing for Shares.

Important Information for Persons in the European Economic Area

The Alternative Investment Fund Managers Directive of the European Union ("AIFMD") imposes certain requirements in connection with the marketing of the Scheme in the European Economic Area ("EEA"). The AIFMD regulates alternative investment funds ("AIFs") and their managers ("AIFMs").

For potential investors in an EEA state, the Scheme and each Fund are categorised as a non-EEA AIF, and Federated Hermes (UK) LLP is a non-EEA AIFM. Consequently no offering, whether direct or indirect, or sale of Shares in a Fund may be made in an EEA State at the initiative of or on behalf of the Scheme or the ACD, unless the ACD has first notified the relevant competent authority of the EEA state. This is often referred to as the national private placement regime or "NPPR". If the ACD has made a NPPR notification in an EEA state, this will be disclosed in this Prospectus.

Important Information for U.S. Persons

Shares are not registered under the U.S. Securities Act of 1933 as amended (the "1933 Act"), or the Investment Company Act of 1940 as amended (the "1940 Act"), or with any state regulatory authority, and may not be directly or indirectly offered or sold in the U.S. or to or for the benefit of a U.S. Person, except in a transaction that is exempt from the application of U.S. federal and U.S. state securities laws in accordance with procedures adopted by the ACD. Investors applying to purchase Shares will be required to certify whether they are U.S. Persons, or are acquiring Shares on behalf of, or for the benefit of, a U.S. Person.

This document contains important information about the Scheme and the Funds and should be read carefully before investing. If you have any questions about the content of this Prospectus or are in any doubt about the suitability of investing in Shares of the Scheme you should consult your financial adviser. We do not provide, and this Prospectus does not contain, investment advice. Potential investors are encouraged to seek appropriate advice prior to investing in Shares.

Contents

Terms Used in This Document

ACD – Federated Hermes (UK) LLP, the authorised corporate director of the Scheme

Accumulation Classes – each Share Class identified as an “accumulation” Share Class in the details for each Fund set out in Appendix 1

Accumulation (N) Classes – each Share Class identified as an “accumulation (N)” Share Class in the details for each Fund set out in Appendix 1

Approved Bank – one of the approved banks as defined in the FCA Rules

AUT – a UK authorised unit trust scheme

Authorised Investment Fund – an AUT, a UK authorised contractual scheme or an ICVC

Business Day – a day other than a Saturday, Sunday, or public holiday or bank holiday in the United Kingdom on which banks in England and Wales are open for business

Cash Plus Fund – the Federated Hermes Sterling Cash Plus Fund, the Federated Hermes US Dollar Cash Plus Fund or the Federated Hermes Euro Cash Plus Fund as appropriate (together “the Cash Plus Funds”)

Conversion – the exchange of Shares in one Class in a Fund to Shares of another Class in the same Fund and “convert” shall be construed accordingly

Currency Hedged Share Class – a Share Class intended to hedge the currency in which the assets of the Fund are denominated or valued (as generally indicated in the Fund name) against the currency as indicated in the relevant Share Class name

Dealing Day – each Business Day, excluding: (i) for the Federated Hermes US Dollar Cash Plus Fund and Federated Hermes US Dollar Short Duration Bond Fund, public holidays in the United States of America; and (ii) for the Federated Hermes Euro Cash Plus and Federated Hermes Euro Short Duration Bond Fund, TARGET public holidays (being 1 January, Good Friday, Easter Monday, 1 May, 25 December and 26 December); and (iii) for the purposes of dealings in Shares (but not for Valuation Point purposes), such other days on which the relevant exchanges and/or markets for the Fund are closed on an unscheduled basis due to unforeseen or emergency circumstances, which may be a Special Dealing Day

Dealing Deadline – on each Dealing Day: (i) for the Federated Hermes Euro Cash Plus Fund and Federated Hermes Euro Short Duration Bond Fund – 1.00pm London time; (ii) for the Federated Hermes Short-Term Sterling Prime Fund, Federated Hermes Sterling Cash Plus Fund and Federated Hermes Sterling Short Duration Bond fund – 1.30pm London time; (iii) for the Federated Hermes US Dollar Cash Plus Fund and Federated Hermes US Dollar Short Duration Bond Fund – 3.00pm London time; or such earlier time as may be dictated by the closure of relevant exchanges and/or markets on the Dealing Day

Depositary – The Bank of New York Mellon (International) Limited, the depositary of the Scheme

EEA – the European Economic Area

EEA State – a member state of the EU and any other state within the EEA

Eligible Market – markets in which the property of a UK UCITS may invest as defined in the FCA Rules and summarised under “*Eligible Markets”* at page 84

ESMA – the European Securities and Markets Authority or any successor regulatory body

EU – the European Union

EU MMF – an alternative investment fund or EU UCITS authorised as an MMF under the EU MMF Regulation by the relevant competent authority

EU UCITS – a collective investment scheme authorised pursuant to the EU UCITS Directive

FCA – the Financial Conduct Authority or any successor regulatory body

Fund – a sub-fund of the Scheme – details of the Funds are set out in Appendix 1

HMRC – HM Revenue & Customs

ICVC – a UK authorised open ended investment company

Income Classes – each Share Class identified as an “income” Share Class in the details for each Fund set out in Appendix 1

Instrument – the instrument of incorporation by which the Scheme is constituted

Intermediary – an entity that may facilitate investment by an underlying investor in a Fund such as a professional adviser, bank, insurance company, platform service provider, distributor or other financial intermediary

MMF – a money market fund, which includes an EU MMF and UK MMF

Moody’s – Moody’s Investor Services

Net Asset Value – the value of the property of the Scheme (or Fund or Share Class as appropriate) less the liabilities of the Scheme (or Fund or Share Class as appropriate) calculated in accordance with the Instrument and the Regulations

Public Debt Money Market Instrument – a money market instrument issued or guaranteed separately or jointly by the EU, national, regional and local administrations of the UK or EU member states or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, a central authority or central bank of a country other than the UK or an EU member state, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, or any other relevant international financial institution or organisation to which the UK or one or more EU member states belong

Prospectus – this document, the prospectus for the Scheme as updated or supplemented from time to time

Scheme – Federated Hermes Cash Management Funds

Share – a share in the Scheme, being a share which relates to a particular class of share of a Fund (including fractions of 1/1000 of a share) where appropriate

Shareholder – a holder of Shares

Share Class or Class – a particular class of Share as described in Appendix 1

Short Duration Bond Fund – the Federated Hermes Sterling Short Duration Bond Fund, the Federated Hermes US Dollar Short Duration Bond Fund or the Federated Hermes Euro Short Duration Bond Fund as appropriate (together "the Short Duration Bond Funds")

Short-Term Sterling Prime Fund – the Federated Hermes Short-Term Sterling Prime Fund

Special Dealing Day – any day on which the ACD allows transactions to purchase, redeem or switch Shares when the relevant exchanges and/or markets for a Fund are closed on an unscheduled basis due to unforeseen or emergency circumstances

Standard & Poor's – Standard & Poor's Corporation

UK – the United Kingdom of Great Britain and Northern Ireland UK LVNAV MMF – a UK MMF authorised as a low volatility net asset value MMF under the UK MMF Regulation

UK MMF – an alternative investment fund or UK UCITS authorised as an MMF under the UK MMF Regulation by the FCA

UK Public Debt CNAV MMF – a UK MMF authorised as a public debt constant net asset value MMF under the UK MMF Regulation

UK Qualifying Money Market Fund (or UK Qualifying MMF) – a collective investment undertaking which satisfies the conditions to be a qualifying money market fund for the purposes of the FCA Rules as described at page 12 under *"MMF type – UK Qualifying MMF"*

UK Short-Term MMF – an MMF that satisfies certain criteria specified under the UK MMF Regulation as described on page 11 under *"UK Short-term MMF"*

UK Standard MMF – an MMF that satisfies certain criteria specified under the UK MMF Regulation as described on page 12 under *"UK Standard MMF"*

UK UCITS – an Authorised Investment Fund that is authorised as a UK UCITS by the FCA

UK VNAV MMF – a UK MMF authorised as a variable net asset value MMF under the UK MMF Regulation

U.S. Person – as determined by Regulation S of the 1933 Act, as amended, as follows:

- any natural person resident in the United States;
- any partnership or corporation organised or incorporated under the laws of the United States;
- any estate of which any executor or administrator is a U.S. person;
- any trust of which any trustee is a U.S. person;
- any agency or branch of a foreign entity located in the United States;
- any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
- any partnership or corporation if:
  - organised or incorporated under the laws of any foreign jurisdiction; and

- formed by a U.S. person principally for the purpose of investing in securities not registered under the Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in §230.501(a)) who are not natural persons, estates or trusts

Valuation Point – a valuation point fixed by the ACD for the purposes of valuation of the property of the Scheme as specified for the Short-Term Sterling Prime Fund on page 29 and as specified for the Cash Plus Funds and Short Duration Bond Funds on page 29. The ACD intends that there should be a valuation point for each Fund on each Dealing Day. For the Short-Term Sterling Prime Fund, there must be at least one valuation point on every Dealing Day

Weighted Average Life (WAL) – the average length of time to legal maturity

Weighted Average Maturity (WAM) – the average length of time to legal maturity or, if shorter, to the next interest rate reset to a money market rate

REFERENCES TO UK LAW AND REGULATION IN THIS DOCUMENT

Act – the Financial Services and Markets Act 2000 (as amended)

COLL Sourcebook – the Collective Investment Schemes Sourcebook issued by the FCA as amended or re-enacted from time to time (References in this Prospectus to "COLL" refer to the appropriate chapter or rule in the COLL Sourcebook)

EUWA – The European Union (Withdrawal) Act 2018 (as amended)

FCA Rules – the FCA's Handbook of Rules and Guidance (including the COLL Sourcebook)

OEIC Regulations – The Open-Ended Investment Companies Regulations 2001 (as amended)

Regulations – the OEIC Regulations and the FCA Rules

REFERENCES TO THE EU / EEA, AND EU / EU-DERIVED LAW AND REGULATION

In this Prospectus, references to EU member states may in certain instances include EEA States that are not members of the EU (i.e. Norway, Liechtenstein and Iceland). Generally, this depends on whether the relevant EU law being referred to has been incorporated into the Agreement on the EEA.

The following table sets out EU law referenced in this Prospectus that was incorporated into UK domestic law upon the UK's exit from the EU ("Brexit").

EU	UK
EU EMIR – Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 and all implementing legislation and regulation (as amended)	**UK EMIR** – EU EMIR as it had effect on 31 December 2020 as incorporated into UK domestic law by the EUWA and amended by *inter alia* The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendments. Etc., and Transitional Provision) (EU Exit) Regulations 2020, The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendments. Etc., and Transitional Provision) (EU Exit) Regulations 2019, The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendments. Etc., and Transitional Provision) (EU Exit) (No.2) Regulations 2019, The Central Counterparties (Amendments. Etc., and Transitional Provision) (EU Exit) Regulations 2018 and The Trade Repositories (Amendment and Transitional Provision) (EU Exit) Regulations 2018.
EU MiFID II – the EU Markets in Financial Instruments Directive 2014/65/EU and all implementing legislation and regulation (as amended)	**UK MiFID II** – UK law implementing EU MiFID II and directly applicable aspects of EU MiFID II as it had effect on 31 December 2020 as incorporated into UK domestic law by the EUWA and amended by The Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018
EU MiFIR - **the EU Markets in Financial Instruments Regulation (EU) 600/2014** and all implementing legislation and regulation (as amended)	**UK MiFIR** – EU MiFIR as it had effect on 31 December 2020 as incorporated into UK domestic law by the EUWA and amended by The Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018
EU MMF Regulation – EU Regulation 2017/1131 on money market funds and all implementing legislation and regulation (as amended)	**UK MMF Regulation** – EU MMF Regulation as it had effect on 31 December 2020 as incorporated into UK domestic law by the EUWA and amended by The Money Market Funds (Amendment) (EU Exit) Regulations 2019 (as amended by the Financial Services (Miscellaneous) (Amendment) (EU Exit) (No. 3) Regulations 2019/1390) and the Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019

EU	UK
EU PRIIPs Regulation – EU Regulation 1286/2014 on key information documents for packaged retail and insurance-based investment products (as amended)	**UK PRIIPs Regulation** – EU PRIIPs Regulation as it had effect on 31 December 2020 as incorporated into UK domestic law by the EUWA and amended by The Packaged Retail and Insurance-based Investment Products (Amendment) (EU Exit) Regulations 2019
EU SFTR – Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 and all implementing legislation and regulation (as amended)	**UK SFTR** – EU SFTR as it had effect on 31 December 2020 as incorporated into UK domestic law by the EUWA and amended by the Transparency of Securities Financing Transactions and of Reuse (Amendment) (EU Exit) Regulations 2019, the Public Record, Disclosure of Information and Co-operation (Financial Services) (Amendment) (EU Exit) Regulations and the Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020.
EU UCITS Directive – EU Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by Directive 2014/91/EU and all implementing legislation and regulation (as amended)	**UK UCITS Directive** – UK law implementing the EU UCITS Directive and directly applicable aspects of the EU UCITS Directive as it had effect on 31 December 2020 as incorporated into UK domestic law by the EUWA and amended by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019

About The Scheme

WHAT IS THE SCHEME

Scheme Type, Constitution and Governance

The Scheme is an investment company with variable capital incorporated in England and Wales. The Scheme is constituted by its Instrument of Incorporation (the "Instrument").

The Scheme has a single director rather than a board of directors. The director is a corporate vehicle and not an individual. The director is referred to as the "authorised corporate director'' of the Scheme, and is also the "authorised fund manager'' of the Scheme. For further information, see *"Authorised fund manager''* under *"Management of the Scheme''*

Authorisation by FCA as a UK UCITS

The Scheme was authorised with effect from 6 February 2008 and is regulated by the Financial Conduct Authority. (FCA Product Reference Number 475469). The Scheme and each Fund are classified as a UK UCITS.

THE FUNDS

Structure of the Scheme and Details of the Funds

The Scheme is an umbrella scheme comprising the following Funds:

- Federated Hermes Short-Term Sterling Prime Fund
- Federated Hermes Sterling Cash Plus Fund
- Federated Hermes US Dollar Cash Plus Fund
- Federated Hermes Euro Cash Plus Fund
- Federated Hermes Sterling Short Duration Bond Fund
- Federated Hermes US Dollar Short Duration Bond Fund
- Federated Hermes Euro Short Duration Bond Fund

Each Fund operates as a distinct fund, with its own segregated portfolio of investments.

Details of each Fund, including its investment objective and policy, and the Share Classes available for each Fund, are set out in Appendix 1.

Certain of the Funds are money market funds authorised pursuant to the UK MMF Regulation. Further information regarding the categorisation of the Funds that are MMFs and the requirements applicable to MMFs is set out on page 10 under "*Additional requirements for money market funds*".

Available Funds

The Funds in which Shares are currently available are:

Short-Term Prime Funds

Federated Hermes Short-Term Sterling Prime Fund *(formerly known as the Federated Short-Term Sterling Prime Fund)*

Cash Plus Funds

Federated Hermes Sterling Cash Plus Fund *(formerly known as the Federated Sterling Cash Plus Fund)*

Segregated Liability of Each Fund

Each Fund is treated as having its own segregated portfolio of assets. The assets allocated to a Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of or claims against any other person or body, including the Scheme or any other Fund, and shall not be available for any such purpose.

Any liability incurred on behalf of, or attributable to, a Fund shall be discharged solely out of the assets of that Fund. The Scheme may sue and be sued in respect of a particular Fund and may exercise rights of set-off in relation to that Fund.

Whilst the OEIC Regulations provide for segregated liability between Funds, the concept of segregated liability is untested in some jurisdictions and is subject to the uncertainties that may arise in litigation or upon insolvency. Accordingly, it is not possible to know how a court might react to the segregated liability provisions of the OEIC Regulations where a claim is brought by a creditor, particularly in a foreign court or under foreign law. Consequently, it is not possible to be certain that the assets of a Fund will always be completely isolated from the liabilities of another Fund of the Scheme.

Management of the Scheme

AUTHORISED FUND MANAGER

The authorised fund manager of the Scheme is Federated Hermes (UK) LLP (the "ACD") in its capacity as the authorised corporation director of the Scheme. The ACD is responsible for the management and administration of the Scheme, including the investment management of the Funds.

The ACD is a limited liability partnership registered in England and Wales with registered number OC327292 on 30 March 2007. The registered office of the ACD is at 5th Floor, One New Change, London EC4M 9AF and its head office is at 150 Cheapside, London EC2V 6ET. The ACD is authorised and regulated by the Financial Conduct Authority with Firm Reference Number 469674.

Governance of the ACD

The members of the ACD are Federated Holdings (UK) Ltd and Federated Global Holdings LLC. The members of the ACD may also act as members or corporate directors of companies other than the ACD (including companies that are within the same group of companies as the ACD).

Being a limited liability partnership, the ACD has constituted a governing body. The members of the governing body of the ACD are responsible for managing the business affairs of the ACD in accordance with the Instrument of Incorporation of the ACD.

Members of the Governing Body of the ACD

The members of the governing body of the ACD and their principal occupations are set out below.

Gregory P. Dulski

Gregory Dulski has been appointed as chair of the governing body of the ACD.

Mr. Dulski is senior counsel of Federated Hermes, Inc. ("Federated Hermes," formerly, "Federated Investors, Inc.") and is responsible for all legal and regulatory matters impacting Federated Hermes' international operations.

Mr. Dulski has nearly 20 years of experience in the financial services industry and has worked with Federated Hermes for more than 15 years, both as outside counsel and in-house counsel. Mr. Dulski serves as a director on a number of Federated Hermes' international boards, including as a director of Federated Hermes International Funds plc and Federated International Management Limited, and managing director of Federated International Holdings, B.V., and has worked extensively on financial services reform in both the United States and Europe. In addition to his work with Federated Hermes, Mr. Dulski has extensive industry experience having worked for Janus Capital Group and ALPS Fund Services in Denver, Colorado, and in the investment management group of Reed Smith LLP.

Mr. Dulski graduated with honours from The George Washington University School of Law in 2001 and received his undergraduate degree in Accounting from Arizona State University and is a non-practicing certified public accountant.

Michael Boyce

Michael Boyce has been appointed as an independent, non-executive member of the governing body of the ACD.

Mr. Boyce acts as an independent director and a consultant to a number of Irish collective investment schemes. Mr. Boyce also serves as a director on Federated Hermes' Ireland-domiciled boards, Federated International Funds plc and Federated International Management Limited. Prior to his election as a member of the governing body of the ACD, Mr. Boyce served as Executive Director of Northern Trust Investor Services (Ireland) Limited, formerly known as Ulster Bank Investment Services Limited ("UBIS"), since 1990. Mr. Boyce was Managing Director of Ulster Bank Custodial Services and Managing Director of UBIS. Following Northern Trust's purchase of UBIS in May 2000, he was appointed Director of Client Operations responsible for servicing a large range of institutional and retail clients. Mr. Boyce has worked in the financial services industry for more than 30 years including the areas of stockbroking, fund management and fund administration.

Mr. Boyce is a graduate of the Michael Smurfit School of Business at University College Dublin from which he holds a Diploma in Corporate Governance. He is a member of the Securities Institute and has served on several committees of the Irish Funds Industry Association. He is also a member of the Institute of Directors Ireland, and a member of the Corporate Governance Association of Ireland.

Gordon J. Ceresino

Gordon Ceresino serves as president and chief executive officer of the ACD, and vice chairman of Federated Hermes. With nearly 30 years of industry experience, he is responsible for leading, developing and executing the firm's global business and distribution plan to enhance Federated Hermes' existing efforts as well as explore new opportunities.

Mr. Ceresino joined Federated Investors, Inc. in July of 2006 when Federated Investors, Inc. acquired MDT Advisers. He previously served as chief executive officer and president of MDT Advisers. In this role, Mr. Ceresino provided expert insight and commentary on the wide array of MDT Advisers' investment strategies to individuals and institutions through separately managed accounts and mutual funds. He also led the effort that raised $6 billion in new assets through MDT Advisers' fundamentally based, quantitatively driven investment products. Under Mr. Ceresino's leadership Federated Hermes has established subsidiaries in the UK, Singapore, Australia, Canada and the Cayman Islands.

Mr. Ceresino received his bachelor's degree in economics from Stanford University. Additionally, he received his Certified Investment Management Analyst (CIMA) designation from the Investment Management Consultants Association.

Deborah A. Cunningham

Deborah Cunningham is chief investment officer of Global Money Markets. She joined Federated Investors, Inc. in 1981 as a performance analyst and has 30 years of investment experience. Since 1990 she has been a portfolio manager for all government and prime money market funds. In 1994 she took over the management of the taxable money market group. She is responsible for portfolio management and research in the fixed-income area concentrating on money market and asset-backed securities.

Ms. Cunningham also manages Federated Hermes' US and non-US domiciled money market funds and oversees the management of the Taxable Money Market Group as well as the Tax-Exempt Money Market and Municipal Investment Group. She is a current member of the CFA Society of Pittsburgh and previously held the title of director and president.

Ms. Cunningham earned her MBA from Robert Morris University and a bachelor's degree from Duquesne University. She is also a CFA charterholder.

Ronan Walsh

Ronan Walsh has been appointed as an independent, non-executive member of the governing body of the ACD.

Mr. Walsh is an Irish citizen and serves as a director on Federated Hermes' Ireland-domiciled boards, Federated International Funds plc and Federated International Management Limited. Mr. Walsh was a partner in the law firm of Arthur Cox in Dublin from 1981 to April 2009, specialising in corporate law, with a particular emphasis on corporate finance and financial services. Mr. Walsh is also a non-executive director of a number of Irish companies.

Mr. Walsh was educated at Trinity College, Dublin and qualified as a solicitor in Ireland in 1975.

Terms of Appointment of ACD

The appointment of the ACD was made under an Agreement dated 11 February 2008 between the Scheme and the ACD (the "ACD Agreement").

The ACD is responsible for managing and administering the Scheme's affairs in compliance with the FCA Rules. Under the terms of the ACD Agreement, the ACD is to provide investment management, administrative, accounting, company secretarial and registrar services to the Scheme.

The ACD must:

- make decisions as to the constituents of the scheme property in accordance with the investment objectives and policy of each Fund;
- instruct the Depositary in writing how rights attaching to the ownership of the scheme property are to be exercised; and
- take action immediately to rectify any breach in relation to the valuation and pricing of the Scheme and, where the breach relates to the incorrect pricing of Shares, late payment in respect of the issue of Shares, or for the Short-Term Sterling Prime Fund the failure to maintain a stabilised valuation, the rectification must (unless the Depositary otherwise directs) extend to the reimbursement or payment, or arranging any reimbursement or payment, of money by the ACD to Shareholders and/or former Shareholders as appropriate unless such breach is of minimal significance.

The ACD Agreement may be terminated by the Scheme on 6 months' written notice. The ACD Agreement will terminate if the ACD ceases to be the authorised corporate director of the Scheme or if the Scheme is wound up in accordance with the FCA Rules. The ACD Agreement may be terminated by a notice in writing if the ACD commits a material breach of the ACD Agreement.

The ACD Agreement includes an indemnity from the ACD to the Scheme against costs, claims and expenses incurred by the Scheme as a consequence of the ACD's performance of its responsibilities under the terms of the ACD Agreement except in certain limited circumstances.

Delegation by ACD

Subject to the restrictions in the FCA Rules which are explained below, the ACD may delegate or employ agents to perform certain of its functions. The ACD has appointed:

- Federated Investment Counseling to provide credit research and analysis services, trading and trading services, and general investment management process oversight services;
- The Bank of New York Mellon (International) Limited to provide certain fund administration services (as described below under "Administrator");

- The Bank of New York Mellon SA/NV (an affiliate of the Administrator) to operate the currency hedging arrangements for the Currency Hedged Share Classes; and
- Federated Administrative Services, Inc. to provide certain administrative support services.

Other activities of ACDIn addition to acting as the authorised corporate director of the Scheme, the ACD carries on certain other activities including the following:

- Providing money market investment management services to clients, including:
  1. acting as sub-adviser to an Irish-domiciled MMF, the Federated Hermes Short-Term U.S. Prime Fund;
  2. acting as sub-adviser to a Cayman-domiciled MMF, the Federated Hermes Short-Term Daily U.S. Dollar Fund, Ltd.; and
  3. acting as sub-adviser to segregated accounts.
- Providing trade finance investment management services to clients, including:
  1. acting as sub-adviser to the US-domiciled Federated Hermes Project and Trade Finance Core Fund;
  2. acting as sub-adviser to the US-domiciled Federated Hermes Project and Trade Finance Tender Fund; and
  3. acting as sub-adviser to the Irish-domiciled Federated Hermes Alternative Funds ICAV and its sub-funds, including the Federated Hermes Project and Trade Finance Master Fund, the Federated Hermes Project and Trade Finance Credit Fund and the Federated Hermes Project and Trade Finance Primary Loan Fund.
- Providing emerging market debt investment management services to clients, including:
  1. acting as sub-adviser to the US-domiciled Federated Hermes Emerging Markets Core Fund;
  2. acting as sub-adviser to the US-domiciled Federated Hermes Emerging Market Debt Fund; and
  3. acting as sub-advisor of the Irish-domiciled Federated Hermes Emerging Markets Debt Fund.

DEPOSITARY

The Bank of New York Mellon (International) Limited is the Depositary of the Scheme and, for the avoidance of doubt, acts as the global custodian to the Scheme. The Depositary is a private company limited by shares incorporated in England and Wales on 9 August 1996. Its ultimate holding company is The Bank of New York Mellon Corporation, a public company incorporated in the United States. The registered and head office address of the Depositary is at One Canada Square, London, E14 5AL.

The principal business activity of the Depositary is the provision of custodial, banking and related financial services. The Depositary is authorised by the Prudential Regulation Authority and is dual-regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Terms of Appointment of Depositary

The ACD is required to enter into a written contract with the Depositary to evidence its appointment. The Depositary was appointed under an agreement dated 19 September 2016 between the Scheme, the ACD and BNY Mellon Trust & Depositary (UK) Limited (the "Depositary Agreement"), which amended and restated the previous agreement in place, and which has been subsequently novated to the Depositary with effect from 28 September 2018.

Details of the remuneration the Depositary is entitled to receive is set out on page 34 under "Depositary Fee".

Duties of the Depositary

The Depositary is responsible for the safekeeping of the property of the Scheme (other than tangible moveable property), monitoring the cash flows of the Scheme, and must ensure that certain processes carried out by the ACD are performed in accordance with the applicable rules and the constitutive documents of the Scheme.

Delegation of Safekeeping Function

The Depositary acts as global custodian and may delegate safekeeping to one or more global sub-custodians (such delegation may include the powers of sub-delegation). The Depositary has delegated safekeeping of the assets of the Scheme to The Bank of New York Mellon SA/NV and/or The Bank of New York Mellon (the "Global Sub-Custodians").

The Global Sub-Custodians may sub-delegate safekeeping of assets in certain markets in which the Scheme may invest to various sub-delegates. A list of the sub-delegates is given in Appendix 3. Investors should note that, except in the event of material changes requiring a prompt update of this Prospectus, the list of sub-delegates is updated only at each Prospectus review.

Conflicts of Interest That May Arise Involving the Depositary

For the purposes of this section, the following definitions shall apply:

"Link" means a situation in which two or more natural or legal persons are either linked by a direct or indirect holding in an undertaking which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of the undertaking in which that holding subsists.

"Group Link" means a situation in which two or more undertakings or entities belong to the same group within the meaning of Article 2(11) of Directive 2013/34/EU as incorporated into UK law, or international accounting standards adopted in the UK in accordance with Regulation (EC) No. 1606/2002 or The International Accounting Standards and European Public Limited Liability Company (Amendment Etc.) (EU Exit) Regulations 2019.

Scheme, ACD and Shareholders

The following conflicts of interests exist between the Depositary, the Scheme and the ACD:

- A Group Link in respect of the delegation by the ACD of certain fund administrative functions, including but not limited to transfer agency and fund accounting, to The Bank of New York Mellon (International) Limited (as described at page 9 under "*Other service providers - Administrator*").
- The Depositary shall ensure that policies and procedures are in place to identify all conflicts of interests arising from such Group Links and shall take all reasonable steps to avoid such conflicts of interests. Where such conflicts of interests cannot be avoided, the Depositary and the ACD will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Scheme and its Shareholders.
- To the extent that a Link exists between the Depositary and any Shareholders in the Scheme, the Depositary shall take all reasonable steps to avoid conflicts of interests arising from such Link, and shall ensure that its functions comply with Article 23 of European Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 (as incorporated into UK domestic law by the EUWA) as applicable.

Delegation

The following conflicts of interests exist as a result of the delegation arrangements relating to the safekeeping of the assets of the Scheme as outlined above:

- A Group Link where the Depositary has delegated, or where any Global Sub-Custodian has sub-delegated, the safekeeping of the property of the Scheme to an entity within the same corporate group.

  The Depositary shall ensure that policies and procedures are in place to identify all conflicts of interests arising from such Group Links and shall take all reasonable steps to avoid such conflicts of interests. Where such conflicts of interests cannot be avoided, the Depositary will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Scheme and its Shareholders.
- The Depositary may, from time to time, act as the depositary of other open-ended investment companies with variable capital and as trustee or custodian of other collective investment schemes.

Updated Information Regarding Depositary

Up-to-date information regarding the Depositary, its duties, conflicts of interest that may arise involving the Depositary, and the delegation of its safekeeping functions will be made available to Shareholders on request.

OTHER SERVICE PROVIDERS

Administrator

The Bank of New York Mellon (International) Limited (registered number 3236121) whose registered office is at One Canada Square, London E14 5AL (the "Administrator"), has been appointed to act as administrator, registrar and transfer agent for the Scheme and each Fund.

The Administrator has responsibility for performing the day-to-day administration of the Scheme, including the calculation of the Net Asset Value and the Net Asset Value per Share of each Fund and the provision of transfer agency and related shareholder services. The Administrator is engaged in the provision of fund administration, accounting, registration, transfer agency and related shareholders services to collective investment schemes and investment funds. The Administrator, through its affiliate The Bank of New York Mellon SA/NV, also operates the currency hedging arrangements for the Currency Hedged Share Classes.

The Administrator is a wholly owned indirect subsidiary of The Bank of New York Mellon Corporation. The Bank of New York Mellon Corporation is a global financial services company focused on helping clients manage and service their financial assets, operating in 34 countries and serving more than 100 markets. The company is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team.

Auditor

The auditor of the Scheme is Ernst & Young LLP (the "Auditor") of 1 More London Place, London, SE1 2AF.

Investment Strategy of the Scheme and Funds

OBJECTIVE OF THE SCHEME

The object of the Scheme is to invest the property of the Scheme with the aim of spreading investment risk and giving Shareholders the benefit of the results of the management of that property.

The types of investments and assets in which the property of the Scheme may be invested are money market instruments, transferable securities, deposits, units in collective investment schemes, and derivative instruments and forward transactions subject to:

- the investment objective and investment policy of each Fund;
- the FCA Rules applicable to the Scheme and each Fund as a UK UCITS;
- for a Fund that is authorised as a money market fund, the additional requirements regarding eligible assets and other investment restrictions (see *"Additional requirements for money market funds''* below); and
- any more restrictive provision set out in this Prospectus.

INVESTMENT OBJECTIVE AND INVESTMENT POLICY OF THE FUNDS

Each Fund has a separate specific investment objective and investment policy, details of which are set out in Appendix 1. The assets of each Fund will be invested in accordance with each Fund's investment policy with the aim of achieving the investment objective of that Fund.

INVESTMENT POWERS AND RESTRICTIONS OF THE FUNDS

The assets of a Fund must be invested so as to comply with the investment and borrowing powers and restrictions set out in the FCA Rules, the Scheme's Instrument and this Prospectus. Certain of these powers and restrictions relate to the categorisation of Fund as a UK UCITS (see below) and, for certain Funds, their authorization as money market funds (see *"Additional requirements for money market funds''* below).

UK UCITS CLASSIFICATION

Each of the Funds is classified as a UK UCITS. A summary of the investment powers and restrictions applicable to UK UCITS is set out in Appendix 3.

The investment powers and restrictions generally applicable to a UK UCITS are subject to any additional investment powers and restrictions that may apply to a particular Fund depending on its authorisation. In particular, a Fund that is a money market fund must comply with additional requirements regarding eligible assets and other investment restrictions (discussed on page 10 under "*Additional requirements for money market funds*").

Additional Requirements for Money Market Funds

OVERVIEW OF MMF CLASSIFICATION

Certain of the Funds are money market funds, which are UK MMFs and subject to additional requirements under the UK MMF Regulation. There are different types of UK MMFs, and the specific requirements applicable to a Fund will depend on its classification, namely:

- whether the UK MMF is authorised as a UK Public Debt CNAV MMF, UK LVNAV MMF or UK VNAV MMF;
- whether the UK MMF is a UK Short-Term MMF or a UK Standard MMF for the purposes of the UK MMF Regulation; and
- whether the UK MMF is a UK qualifying money market fund ("UK Qualifying MMF") for the purposes of UK MiFID II.

WHICH FUNDS ARE MMFS

The following table identifies the Funds that are MMFs and indicates their intended classification:

Fund	Type of MMF	Short-term or standard	UK Qualifying MMF
Federated Hermes Short-Term Sterling Prime Fund	UK LVNAV	UK Short-Term MMF	Yes
Federated Hermes Euro Cash Plus Fund	UK VNAV	UK Standard MMF	No
Federated Hermes Sterling Cash Plus Fund	UK VNAV	UK Standard MMF	No
Federated Hermes US Dollar Cash Plus Fund	UK VNAV	UK Standard MMF	No

MMF TYPE – PUBLIC DEBT CNAV, LVNAV OR VNAV

MMFs that are established, marketed or managed in the UK must be authorised in accordance with the UK MMF Regulation and set-up as either:

- a UK Public Debt CNAV MMF;
- a UK LVNAV MMF; or
- a UK VNAV MMF.

UK Public Debt Constant Net Asset Value (CNAV) MMF

These are UK MMFs:

- that seek to maintain an unchanging net asset value (NAV) per unit or share;
- where the income in the fund is accrued daily and can either be paid out to the investor or used to purchase more units or shares in the fund;
- where assets are generally valued according to the amortised cost method and where the NAV is rounded to the nearest percentage point or its equivalent in currency terms; and
- that invests at least 99.5% of its assets in: (i) Public Debt Money Market Instruments; (ii) reverse repurchase agreements secured with the Public Debt Money Market Instruments; and (iii) cash.

UK Low Volatility Net Asset Value (LVNAV) MMF

These are UK MMFs that, provided they comply with certain requirements, are able:

- to value certain types of assets of the UK MMF using the amortised cost method (detailed at page 30 under "*UK MMF valuations - Amortised cost method for UK Public Debt CNAV MMFs, UK LVNAV MMFs and Qualifying UK MMFs*"); and
- to allow dealing in units or shares in the UK MMF at a price equal to the constant net asset value (CNAV) per unit/share of the UK MMF (detailed at page 32 under "*Calculation of a constant Net Asset Value per Share for UK Public Debt CNAV and UK LVNAV MMFs*").

UK Variable Net Asset Value (VNAV) MMF

These are UK MMFs that comply with specific requirements relating to:

- valuation of the property of the UK MMF and the use of the mark-to-market or mark-to-method method (detailed at page 29 under "*Valuation of the Funds*");
- the calculation of the net asset value per unit/share and price at which units/shares in the UK MMF may be issued or redeemed (detailed at page 32 under "*Calculation of price per Share*").

MMF TYPE - SHORT-TERM OR STANDARD

A UK MMF shall be either a "UK Short-Term MMF" or a "UK Standard MMF". Each type of UK MMF referred to in the preceding section may be a UK Short-Term MMF, however only a UK VNAV MMF (and not a UK Public Debt CNAV MMF or UK LVNAV MMF) may be a UK Standard MMF.

UK Short-Term MMF

A UK short-term MMF is an MMF:

- that when investing in money market instruments, may only invest in those meeting certain criteria, in particular that either the legal maturity at issuance or residual maturity is 397 days or less; and
- whose portfolio must meet certain criteria, including criteria regarding the weighted average maturity and weighted average life of the portfolio.

Further details of these requirements are set out in Appendix 2.

UK Standard MMF

A UK standard MMF is a UK MMF:

- that when investing in money market instruments, may invest in those with a residual maturity until the legal redemption date of less than or equal to 2 years in certain circumstances; and
- whose portfolio must meet certain criteria, including criteria regarding the weighted average maturity and weighted average life of the portfolio.

Further details of these requirements are set out in Appendix 2.

MMF TYPE - UK QUALIFYING MMF

UK Qualifying MMF Conditions

A UK qualifying money market fund for the purposes of the COLL Sourcebook is a collective investment undertaking that is a UK UCITS or EU UCITS which is subject to supervision and, if applicable, authorised by either the FCA or an authority under the national law of the authorising EU member state, and which satisfies the following conditions:

- Its primary investment objective is to maintain the net asset value of the undertaking either constant at par (net of earnings) or at the value of the investors' initial capital plus earnings.
- It must, with a view to achieving that primary investment objective, invest exclusively in high quality money market instruments with a maturity or residual maturity of no more than 397 days, or regular yield adjustments consistent with such a maturity, and with a weighted average maturity of no more than 60 days. It may also achieve its objective by investing on an ancillary basis in deposits with credit institutions.
- A money market instrument may be considered to be of high quality if the ACD performs its own documented assessment of the credit quality of the money market instrument that allows it to consider a money market instrument as high quality subject to the following conditions:
  - Where one or more credit rating agencies registered and supervised by the FCA or ESMA have provided a rating of the instrument, the ACD's internal assessment must have regard to those credit ratings.
  - If a money market instrument is downgraded below the two highest short-term credit ratings by any agency registered and supervised by the FCA or ESMA that has rated the instrument, the ACD shall undertake a new assessment of the credit quality of the money market instrument to ensure it continues to be of high quality. In undertaking credit quality assessments, there shall be no mechanistic reliance on external credit ratings by the ACD.
- It must provide liquidity through same day or next day settlement.

Overlap with Other MMF Requirements

The UK Qualifying MMF classification is additional to the types of UK MMF identified above. As such:

- a UK Qualifying MMF will either be a UK Public Debt MMF or UK LVNAV MMF (but not a UK VNAV MMF, since this would be incompatible with the UK Qualifying MMF conditions); and
- a UK Qualifying MMF will be a UK Short-Term MMF (but not a UK Standard MMF, since this would be incompatible with the UK Qualifying MMF conditions).

For a Fund that it a UK Qualifying MMF, the requirements applicable to the Fund as a UK Qualifying MMF are additional to the requirements that apply to the Fund as either a UK Public Debt MMF or UK LVNAV MMF (as appropriate), and a UK Short-Term MMF.

Risk Factors

Prospective investors should carefully consider whether an investment in Shares is suitable for them in the light of their circumstances and financial resources. Risk is about how likely it is that an investment will fluctuate in value over time. The level of risk varies between investment funds. This section provides general information on risks associated with an investment in a Fund. Potential investors should consider these risk factors before investing in a Fund.

The ACD will, on a Shareholder's request, provide supplementary information to that set out in this Prospectus relating to the quantitative limits applying in the risk management of the Funds, the methods used in this connection, and any recent development of the risk yields of the main categories of investment of the Funds.

HISTORICAL PERFORMANCE

Historical performance for each of the Funds is given in Appendix 1 below. **Past performance is not a guide to future performance and yields may vary.**

INVESTMENT RISK/NEGATIVE YIELDS

Investors are reminded that, notwithstanding the investment objectives of the Funds, the achievement of the objectives is not guaranteed. **The price of Shares and the income from them can fall as well as rise and you may not get back the amount originally invested.**

There is no guarantee that a Fund will provide a certain level of income or that any such income will exceed the rate of inflation. Further, a Fund's yield will vary. A low or negative interest rate environment may prevent a Fund from providing a positive yield and, for a Fund that seeks to maintain a constant or stable Net Asset Value, could impair the Fund's ability to maintain a constant or stable Net Asset Value.

Although the investment objective of a Fund may be to maintain a constant or stable Net Asset Value, there can be no assurance that a constant or stable Net Asset Value will be maintained. The UK MMFs do not rely on, and are not permitted to receive, external support to provide liquidity or to stabilise their Net Asset Value.

MARKET RISK/FLUCTUATIONS IN VALUE

The assets of the Fund are subject to the usual risks of investing and participating in securities. Prices of and the yield from securities may go up or down in response to changes in economic conditions, interest rates, and the market's perception of securities. These may cause the price of Shares to go up or down as the price of Shares is based on the current market value of the assets of the Fund.

CURRENCY RISK

Currency risk is a form of risk that arises from the change in price of one currency against another.

Where the investment objective and policy of a Fund permits the Fund to acquire assets not denominated in the base currency of the Scheme (sterling) and the Fund does so, the effect of fluctuations in the rate of exchange between that currency of the asset and the base currency of the Scheme may adversely affect the value of that asset if the positions are not hedged, and this will be reflected in the value of Shares.

Investing in securities denominated in a particular currency entails the risk of being exposed to a currency that may not fully reflect the strengths and weaknesses of the economy of the country or region utilising the currency. In addition, it is possible that a currency (such as, for example, the euro) could be abandoned in the future by countries that have already adopted its use, and the effects of such an abandonment on the applicable country and the rest of the countries utilising the currency are uncertain, but could negatively affect a Fund's investments denominated in the currency. Such investments may continue to be held, or purchased, to the extent consistent with a Fund's investment objective and policy and permitted under applicable law.

Currency risk is managed through a top-down approach by monitoring and evaluating central bank policies, political developments and the macro-economic conditions in the countries/regions in which the Funds invest. Additionally, currency risk may be mitigated by applying currency hedging techniques, such as transacting in forward foreign currency exchange contracts.

Certain Funds issue Currency Hedged Share Classes. These are intended to reduce the effect of fluctuations between the currency in which the assets of the Fund are generally denominated and the currency of the Currency Hedged Share Class. Information regarding such share classes is provided at page 19 under "*Currency Hedged Share Classes*".

For Currency Hedged Share Classes, there is no guarantee that the currency hedging arrangements will be completely successful, and Shareholders may still be exposed to currency fluctuations.

INTEREST RATE RISK

Prices of fixed-income securities rise and fall in response to changes in the interest rate paid by similar securities. Generally, when interest rates rise, prices of fixed-income securities fall. However, market factors, such as the demand for particular fixed-income securities, may cause the price of certain fixed-income securities to fall while the prices of other securities rise or remain unchanged.

The longer the duration or maturity of a fixed-income security, the more susceptible it is to interest-rate risk. The duration of a fixed-income security may be equal to or shorter than the stated maturity of a fixed-income security. Recent and potential future changes in government monetary policy are likely to affect the level of interest rates. Duration measures the price sensitivity of maturities. Certain factors, such as the presence of call features, may cause a particular fixed-income security, or the Fund as a whole, to exhibit less sensitivity to changes in interest rates. For example, if a fixed-income security has an effective duration of three years, a 1% increase in general interest rates would be expected to cause the security's value to decline about 3%, while a 1% decrease in general interest rates would be expected to cause the security's value to increase about 3%.

CREDIT ENHANCEMENT RISK

The securities in which a Fund invests may be subject to credit enhancement (for example, guarantees, letters of credit or bond insurance). Credit enhancement is designed to help assure timely payment of the security; it does not protect the Fund against losses caused by declines in a security's value due to changes in market conditions. Securities subject to credit enhancement generally would be assigned a lower credit rating if the rating were based primarily on the credit quality of the issuer without regard to the credit enhancement. If the credit quality of the credit enhancement provider (for example, a bank or bond insurer) is downgraded, the rating on a security credit enhanced by such credit enhancement provider also may be downgraded.

A single enhancement provider may provide credit enhancement to more than one of a Fund's investments. Having multiple securities credit enhanced by the same enhancement provider will increase the adverse effects on a Fund that are likely to result from a downgrading of, or a default by, such an enhancement provider. Adverse developments in the banking or bond insurance industries also may negatively affect the Fund, as the Fund may invest in securities credit enhanced by banks or by bond insurers without limit. Bond insurers that provide credit enhancement for large segments of the fixed-income markets, including the municipal bond market, may be more susceptible to being downgraded or defaulting during recessions or similar periods of economic stress.

CREDIT RISK

For fixed-income securities, credit risk is the possibility that an issuer will default on a security by failing to pay interest or principal when due. If an issuer defaults, the Fund holding the security will lose money.

Non-investment grade securities generally have a higher default risk than investment grade securities. The Short-Term Sterling Prime Fund and Cash Plus Funds try to minimise this risk by purchasing higher quality securities.

Many fixed-income securities receive credit ratings from services such as Standard & Poor's and Moody's Investor Services, Inc. These services assign ratings to securities by assessing the likelihood of issuer default. Lower credit ratings correspond to higher credit risk and higher credit ratings correspond to lower perceived credit risk. Credit ratings may be upgraded or downgraded from time to time as a rating agency's assessment of the financial condition of a party obligated to make payments with respect to such securities and credit risk changes. The impact of any credit rating downgrade can be uncertain. Credit rating downgrades may lead to increased interest rates and volatility in financial markets, which in turn could negatively affect the value of a Fund's portfolio holdings, its share price and its investment performance. Credit ratings are not a guarantee of quality. Credit ratings may lag behind the current financial conditions of the issuer and/or guarantor and do not provide assurance against default or other loss of money. Credit ratings do not provide assurance against default or other loss of money.

The ACD does not solely or mechanistically rely on credit ratings issued by credit ratings agencies. The ACD has processes in place for the assessment of the creditworthiness of the Fund's assets and prospective investments by the Funds (see page 75 under "*Credit Quality Assessment Procedure*").

Fixed-income securities generally compensate for greater credit risk by paying interest at a higher rate. The difference between the yield of a security and the yield of a U.S. Treasury Security with a comparable maturity (the spread) measures the additional interest paid for risk. Spreads may increase generally in response to adverse economic or market conditions. A security's spread may also increase if the security's rating is lowered, or the security is perceived to have an increased credit risk. An increase in the spread will cause the price of the security to decline.

The credit risk described above is a type of counterparty risk, which is considered more generally below.

CALL RISK

Call risk is the possibility that an issuer may redeem a fixed-income security before maturity (a call) at a price below its current market price. An increase in the likelihood of a call may reduce the security's price. If a fixed-income security is called, a Fund may have to reinvest the proceeds in other fixed-income securities with lower interest rates, higher credit risks, or other less favourable characteristics.

RISKS OF INVESTING IN COLLECTIVE INVESTMENT SCHEMES

A Fund may invest in certain other collective investment schemes, including associated collective investment schemes. Information regarding the types of collective investment scheme in which a Fund may invest and the restrictions on investment in collective investment schemes are provided in Appendix 3. Where a Fund invests in another investment fund, this may create conflicts of interest (discussed further under *"Conflicts of Interest"* on page 43).

As a unitholder or shareholder of another collective investment scheme, a Fund will bear, along with other unitholders or shareholders, its portion of the costs and expenses of the other collective investment schemes, including management and/or other fees. These fees will be in addition to the management fees and other expenses which a Fund bears directly in connection with its own operations.

RISKS OF INVESTING IN EXCHANGE-TRADED FUNDS

An investment in an exchange-traded fund ("ETF") generally presents the same primary risks as an investment in an open-end collective investment scheme (i.e., one that is not exchange traded) that has the same investment objectives, strategies, and policies. The price of an ETF can fluctuate up or down, and the Fund could lose money investing in an ETF if the prices of the securities owned by the ETF go down. In addition, ETFs may be subject to the following risks that do not apply to conventional collective investment schemes: (i) The market price of an ETF's shares may trade above or below their net asset value. (ii) An active trading market for an ETF's shares may not develop or be maintained. (iii) Trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

DERIVATIVES RISKS

Certain Funds may use derivatives for certain purposes. Derivatives are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index.

Derivatives involve risks different from, and in some cases greater than, the risks presented by more traditional securities investments. Some of the risks associated with derivatives are market risk (i.e., the risk of fluctuations in value as a result of market movements and conditions), credit risk, liquidity risk and counterparty risk.

Information identifying the Funds that may use derivatives and setting out the purposes for which derivatives may be used is set out at page 89 under "Proposed use of derivatives by the Funds". **Whilst the use of derivatives is expected, over the longer term, to reduce the risk profile of a Fund, it does introduce additional risks, such as counterparty risk, that otherwise would not be present. Use of derivatives may therefore, to some extent, alter the risk profile of a Fund.**

EMIR

For Funds that enter into derivative transactions, UK EMIR and EU EMIR impose certain requirements including mandatory clearing obligations and bilateral risk-management requirements for over-the-counter ("OTC") derivative transactions and reporting requirements. The potential implications of UK EMIR and EU EMIR for a Fund include, without limitation, the following:

- Clearing obligation: Certain standardised OTC derivative transactions will be subject to mandatory clearing through a central counterparty (a "CCP"). Clearing derivatives through a CCP may result in additional costs and may be on less favourable terms than would be the case if such derivative was not required to be centrally cleared.
- Risk mitigation techniques: For OTC derivative transactions that are not subject to central clearing, the Funds be required to put in place risk mitigation requirements, which may include the collateralisation of OTC derivatives. These risk mitigation requirements may increase the cost to the Fund of pursuing its investment strategy (or hedging risks arising from its investment strategy or in the course of efficient portfolio management).
- Reporting obligations: Each of the Fund's derivative transactions must be reported to a trade repository or, where such a trade repository is not available, the FCA (except where the FCA has suspended the reporting obligation). This reporting obligation may increase the costs to the Fund of utilising derivatives.
- Sanctions: Risk of sanction in the event of non-compliance with the requirements under UK EMIR and/or EU EMIR.

COUNTERPARTY RISK

Counterparty risk is the risk that a party to a transaction involving a Fund will fail to meet its obligations. This could cause the Fund to lose the benefit of the transaction or prevent the Fund from selling or buying other securities to implement its investment strategy. Regardless of the measures the ACD may implement to reduce counterparty credit risk there can be no assurance that a counterparty will not default or that the Scheme will not sustain losses on the transaction as a result.

LIQUIDITY RISK

Liquidity refers to the ability of a Fund to dispose of investments at an acceptable price to enable the Fund to discharge its debts as they become due, including to satisfy requests by Shareholders wishing to redeem their Shares.

Liquidity risk is the risk that a Fund will experience significant net redemptions of Shares at a time when the ACD is unable to sell or otherwise dispose of a Fund's investments on a timely basis, or the ACD can only sell the Fund's investments at a material loss. An inability to sell investments may result from adverse market developments or investor perceptions regarding the Fund's investments.

While the ACD endeavours to maintain a high level of liquidity in each Fund's portfolio to enable redemption requests to be satisfied, the Fund's ability to sell investments can deteriorate rapidly due to credit events affecting a particular issuer or credit enhancement provider, or due to general market conditions and a lack of willing buyers.

A description of the ACD's arrangements to manage liquidity risk and the tools available to the ACD is provided under "*Liquidity Risk Management*" on page 28.

LARGE SHAREHOLDER RISK

A significant percentage of a Fund's shares may be owned or controlled by one or more large shareholders, such as other funds or accounts, including those over which the ACD or an affiliate of the ACD may have investment discretion. Accordingly, a Fund can be subject to the potential for large scale inflows and outflows as a result of purchases and redemptions made by significant shareholders. These inflows and outflows could be significant and, if frequently occurring, could negatively affect the Fund's net asset value and performance, and could cause the Fund to dispose of investments at inopportune times in order to meet redemption requests.

A description of the ACD's arrangements to identify large shareholder risk is provided under *"Monitoring and assessing the liquidity profile of the Funds"* on page 28.

DILUTION RISK

Dilution refers to the reduction in value of the property of a Fund that may occur as a result of costs incurred in dealings in the property of a Fund. This may occur where application monies received upon a purchase of Shares in the Fund are invested by the Fund, or where the property of a Fund is sold to achieve the liquidity needed to satisfy redemption requests. The costs incurred by a Fund may include stamp duty on transactions in the Fund's investments, or where the property of a Fund is transacted at a price other than the mid-market price used to calculate the Fund's Net Asset Value. If the price of Shares calculated for the subscription or redemption differs from the value of the proportionate interests those Shares represent in the Fund, dealing at that price could lead to a reduction in the value of the scheme property of the Fund and so disadvantage other Shareholders. The risk of dilution will typically be greater where the net levels of subscriptions and redemptions are high.

A description of the ACD's arrangements to manage dilution risk is provided under "Dilution Policy" on page 33 and under "*Liquidity Risk Management*" on page 28.

RISK ASSOCIATED WITH INVESTING SHARE PURCHASE PROCEEDS

On a Dealing Day during which the purchases of Shares in a Fund exceed redemptions, there will be an increase in the net asset value of that Fund and the net amount received will be invested at prevailing market yields or held in cash in accordance with the Fund's investment objective and investment policy. If a Fund holds cash, or if the yield of the securities purchased is less than that of the securities already held by the Fund, the Fund's yield is likely to decrease. Conversely, if the short term yields of the securities purchased are higher than those held by the Fund, this is likely to cause a Fund's yield to increase. The larger the amount that must be invested or the greater the difference between the yield of the securities purchased and the yield of the existing investments, the greater the impact will be on the yield of a Fund.

CHARGES AND EXPENSES

Where an initial charge is imposed, an investor who realises his Shares after a short period may not (even in the absence of a fall in value of the relevant investments) realise the amount originally invested.

TAX POSITION

The tax position as stated in this document is believed to be accurate as at the date of this Prospectus. Investors should consider their tax position which would depend on their circumstances. Investors should note that the tax position for investors, the Scheme, each Fund and the underlying assets of a Fund is subject to change. Investors should note that in the event the tax position of the Scheme is adverse or the Scheme is subject to adverse taxation (whether or not arising from a change), the ACD may take such steps as are described on page 27 under "*Compulsory Redemptions of Shares*".

REPORTING TO TAX AUTHORITIES AND WITHHOLDING ON CERTAIN PAYMENTS

Under the regime known as the Foreign Account Tax Compliance Act ("FATCA") enacted in the United States of America (the "US"), and implemented in the UK by virtue of The International Tax Compliance Regulations 2015, the Scheme will be required to provide certain information regarding relevant Shareholders to HMRC, who will provide this information to the US Internal Revenue Service (the "IRS"). In addition, FATCA may in some instances give rise to certain withholding tax obligations.

Information reporting regimes similar to FATCA have been and may continue to be introduced in other jurisdictions, including as between the UK government and other countries.

Shareholders will be required to provide certain information to the Scheme, the ACD or their delegates in order to enable them to comply with their obligations to report information to HMRC or other tax authorities. Such obligations may arise under legislation adopting the Common Reporting Standard, European information reporting requirements and FATCA. Failure by a Shareholder or the Scheme to supply the required information may in certain cases result in the Shareholder or Scheme or Fund being subject to a withholding tax or incurring some other liability. If a Shareholder fails to provide the information requested, the Scheme may exercise its right to compulsorily redeem the Shares held by the relevant Shareholder.

Further information is provided on page 38 under "Provision and disclosure of information for taxation matters".

REGULATORY CHANGE AND GOVERNMENT INTERVENTION

Governments, regulatory authorities, public bodies or self-regulatory organisations may take actions that affect the regulation of the securities and instruments in which the Funds invest, or the issuers of such securities and instruments, in ways that are unforeseeable. Legislation or regulation may also change the way in which the Funds themselves are regulated. Such legislation or regulation could limit or preclude a Fund's ability to achieve its investment objectives. The ACD will monitor legislative, regulatory and market developments and seek to manage each Fund's portfolio in a manner consistent with achieving that Fund's investment objectives, but there can be no assurance that it will be successful in doing so.

EPIDEMIC AND PANDEMIC RISK

An outbreak of respiratory disease caused by a novel coronavirus was first detected in China in December 2019 and subsequently spread internationally. This coronavirus has resulted in closing borders, enhanced health screenings, healthcare service preparation and delivery, quarantines, cancellations, disruptions to supply chains, workflow operations and customer activity, as well as general concern and uncertainty. The impact of this coronavirus may be short-term or may last for an extended period of time and result in a substantial economic downturn. Health crises caused by outbreaks, such as the coronavirus outbreak, may exacerbate other pre-existing political, social and economic risks. The impact of this outbreak, and other epidemics and pandemics that may arise in the future, could negatively affect the worldwide economy, as well as the economies of individual countries, individual companies (including fund service providers) and the market in general in significant and unforeseen ways. Any such impact could adversely affect a Fund's performance.

UK WITHDRAWAL FROM THE EUROPEAN UNION (BREXIT)

In a referendum on the UK's continued membership of the EU on 23 June 2016, the people of the UK voted to leave the EU (so called "Brexit"). On 31 January 2020 the UK ceased to be a member of the EU, and there commenced a transition period during which the EU and UK negotiated key aspects of their future relationship. The UK continued to be treated as if it was an EU member state for the duration of the transition period. On 31 December 2020, the transition period ended and the UK ceased to be treated as if it was an EU member state.

The period following the UK's withdrawal from the EU is expected to be one of significant political and economic uncertainty particularly until the UK government and EU member states agree and implement the terms of the UK's future relationship with the EU. Brexit may create additional economic stresses for the UK, which may include causing a contraction of the UK economy and price volatility in UK stocks, decreased trade, capital outflows, devaluation of pounds sterling, and wider corporate bond spreads due to uncertainty and declines in business and consumer spending as well as foreign direct investment.

Withdrawal from the EU may have a detrimental effect on the Scheme. The nature of the future relationship between the UK and the EU post withdrawal by the UK from the EU will affect the legislation and regulation applicable to the Scheme, and the ability to distribute Shares to investors in the EU. Depending on the nature of the future relationship, it may be necessary to make changes to the Scheme and/or the arrangements for managing the Scheme.

SYSTEMS AND TECHNOLOGY RISK

Federated Hermes utilises software and related technologies throughout its business including, for example, both proprietary systems and those provided by outside service providers (or vendors). Service providers to, and clients of, Federated Hermes and its products, and third parties on which such service providers and clients rely, also utilise software and related technologies in their businesses. Unanticipated issues could occur and it is not possible to predict with certainty all of the adverse effects that could result from a failure of Federated Hermes or a third party to address technology or computer system problems. Along with cyber incidents described more fully below, data or model imprecision, software or other technology malfunctions, human error, programming inaccuracies and similar or other circumstances or events may impair the performance of systems and technology. Accordingly, there can be no assurance that potential system interruptions, other technology-related issues or the cost necessary to rectify the problems would not have a material adverse effect on Federated Hermes' business (including, but not limited to, business prospects), results of operations, financial condition and/or cash flows.

CYBER SECURITY AND OPERATIONAL RISK

Like other funds and business enterprises, Federated Hermes' business relies on the security and reliability of information and communications technology, systems and networks. Federated Hermes uses digital technology, including, for example, networked systems, email and the Internet, as well as mobile devices and "cloud"-based service offerings, to conduct business operations and engage clients, employees, products, accounts, shareholders, and relevant service providers, among others. Federated Hermes, as well as its funds and certain service providers, also generate, compile and process information for purposes of preparing and making filings or reports to governmental agencies, or providing reports or statements to customers, and a cybersecurity attack or incident that impacts that information, or the generation and filing process, can prevent required regulatory filings and reports from being made, or reports or statements from being delivered, or cause the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). The use of the internet and other electronic media and technology exposes the Scheme and each of its Funds, Shareholders, and the Scheme's service providers, and their respective operations, to potential risks from cybersecurity attacks or incidents (collectively, "cyber-events"). The work-from-home environment necessitated by Covid-19 has increased the risk of cyber incidents given the increase in cyber attack surface stemming from the use of personal devices and non-office or personal technology.

Cyber-events can result from intentional (or deliberate) attacks or unintentional events by insiders (e.g., employees) or third parties, including cybercriminals, competitors, nation-states, and "hacktivists" among others. Cyber-events can include, for example, phishing, credential harvesting or use of stolen access credentials, unauthorised access to systems, networks or devices (for example, through "hacking" activity), structured query language attacks, infection from or spread of malware, ransomware, computer viruses or other malicious software code, corruption of data, exfiltration of data to malicious sites, the dark web or other locations or threat actors, and attacks (including, but not limited to, denial-of-service attacks on websites), which shut down, disable, slow, impair or otherwise disrupt operations, business processes, technology, connectivity or website or internet access, functionality or performance. Like other funds and business enterprises, the Scheme and its service providers have experienced, and will continue to experience, cyber-events on a daily basis. In addition to intentional cyber-events, unintentional cyber-events can occur, such as, for example, the inadvertent release of confidential information. Cyber-events can also be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on the service providers' systems or websites rendering them unavailable to intended users or via “ransomware” that renders the systems inoperable until appropriate actions are taken. To-date, cyber-events have not had a material adverse effect on the Scheme’s business operations or performance.

Cyber-events can affect, potentially in a material way, Federated Hermes’ relationships with its customers, employees, products, accounts, shareholders and relevant service providers. A cyber-event could adversely impact the Scheme, a Fund, or the Scheme’s service providers, and cause the Scheme to incur financial loss and expense, as well as face exposure to regulatory penalties, reputational damage, damage to employee perceptions of the company, and additional compliance costs associated with corrective measures and credit monitoring for impacted individuals. A cyber-event can cause the Scheme or its service providers, to lose proprietary information, suffer data corruption, lose operational capacity (such as, for example, the loss of the ability to process transactions, generate or make filings or deliver reports or statements, calculate a Fund’s NAV, or allow Shareholders to transact business or other disruptions to operations) and/or fail to comply with applicable privacy and other laws. Among other potentially harmful effects, cyber-events also can result in theft, unauthorised monitoring and failures in the physical infrastructure or operating systems that support the Scheme, a Fund and the Scheme’s service providers. In addition, cyber-events affecting issuers in which a Fund invests could cause the Fund’s investment to lose value.The ACD and its relevant affiliates have established risk management systems reasonably designed to seek to reduce the risks associated with cyber-events. The ACD employs various measures aimed at mitigating cybersecurity risk, including, among others, use of firewalls, system segmentation, system monitoring, virus scanning, periodic penetration testing, employee phishing training and an employee cybersecurity awareness campaign. Among other service provider management efforts, Federated Hermes also conducts due diligence on key service providers relating to cybersecurity. Federated Hermes has established a committee to oversee Federated Hermes’ information security and data governance efforts, and updates on cyber-events and risks are reviewed with relevant committees, as well as Federated Hermes’ and its Funds’ boards of directors or trustees (or a committee thereof), on a periodic (generally quarterly) basis (and more frequently when circumstances warrant) as part of risk management oversight responsibilities. However, there is no guarantee that the efforts of Federated Hermes, the ACD or its affiliates, or other service providers, will succeed, either entirely or partially as there are limits on Federated Hermes’ and a Fund’s ability to prevent, detect or mitigate cyber-events. Among other reasons, the cybersecurity landscape is constantly evolving, the nature of malicious cyber-events is becoming increasingly sophisticated and the ACD, and its relevant affiliates, cannot control the cyber systems and cybersecurity systems of issuers or third-party service providers.The Funds can be exposed to operational risk arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of the Funds’ service providers, counterparties, or other third parties, failed or inadequate processes and technology or system failures. In addition, other disruptive events, including (but not limited to) natural disasters and public health crises (such as the novel coronavirus (“Covid-19”) pandemic), can adversely affect the Funds’ ability to conduct business, in particular if the Funds’ employees or the employees of their service providers are unable or unwilling to perform their responsibilities as a result of any such event. Even if the Funds’ employees and the employees of their service providers are able to work remotely, those remote work arrangements could result in the Funds’ business operations being less efficient than under normal circumstances, could lead to delays in its processing of transactions, and could increase the risk of cyber-events.

REFERENCE OR BENCHMARK RATES

Certain debt securities, or other financial instruments in which the Funds may invest, utilise or may utilise reference or benchmark rates for interest rate calculations.

Following the cessation of the principal settings of the London Interbank Offered Rate (“LIBOR”) with effect from 31 December 2021, there has been a transition to alternative reference rates. The Bank of England established a Working Group on Sterling Risk-Free Reference Rates in 2017. That Working Group recommended the Sterling Overnight Interbank Average Rate (“SONIA”), which is administered by the Bank of England, as its preferred reference rate.

The effectiveness of alternative reference rates such as SONIA may not be clear until there has been a sustained period of operation following the cessation of LIBOR. Specifically in relation to SONIA, following its reform in 2017, the methodology for determining SONIA is based on the interest rates on eligible sterling denominated deposit transactions, which includes transactions by non-banks. Whilst the inclusion of non-bank transactions has raised the volume of transactions taken into consideration, this may have consequences for SONIA’s behaviour. In particular, SONIA’s behaviour may be sensitive to different market conditions, and fiscal and monetary policy decisions by governments and central banks, which may cause it to be more volatile relative to other reference rates and historical rates.

FUND SPECIFIC RISK FACTORS

Please refer to Appendix 1 for details of specific risk factors which apply to particular Funds.

Shares in the Funds

SHARE CAPITAL AND BASE CURRENCY

The minimum share capital of the Scheme is £1,000 and the maximum share capital of the Scheme is £1 trillion.

The base currency of the Scheme is pounds sterling of the United Kingdom. The base currency of each Fund and each Fund’s respective Share Classes is as set out in the details for each Fund in Appendix 1.

SHARE CLASSES

The Scheme may issue a number of Share Classes in respect of a Fund. Different charging structures, minimum investment levels and eligibility provisions apply to each Share Class. The Scheme may issue income and/or accumulation Shares in each of the Funds. Different types of Shares may be offered to different types of investors. Different periodic charge rates may apply to different Share Classes.

The terms for the Share Classes in issue in the Scheme from time to time are as set out in this Prospectus.

Details of the Share Classes which are currently available in each Fund are set out in the details of the Funds in Appendix 1. Currently:

- Only gross paying Shares are issued by the Funds.
- Income Classes are available for the Federated Hermes Short-Term Sterling Prime Fund and the Federated Hermes Sterling Cash Plus Fund.
- Accumulation Classes are available for all of the Funds.
- Accumulation (N) Classes are available for the Federated Hermes Short-Term Sterling Prime Fund.
- Currency Hedged Share Classes are available in the Federated Hermes Sterling Cash Plus Fund.

The ACD may resolve to create further Share Classes in respect of a Fund in the future. As and when the further Share Classes are added, this Prospectus will be updated accordingly.

The Shares in the Scheme are not listed or dealt in on any investment exchange.

INCOME AND ACCUMULATION SHARE CLASSES

For Income Classes, Shareholders become entitled to any income attributed to the Income Class Shares on the income allocation date (listed for each Share Class of each Fund in Appendix 1). Income to be distributed to Shareholders holding Income Class Shares is either paid to investors or, at a Shareholder's request, reinvested by the purchase of further Income Class Shares of the same Income Class.

For Accumulation Classes and Accumulation (N) Classes, income attributable to the Accumulation Class Shares and Accumulation (N) Class Shares on each income allocation date is automatically added to (and retained as part of) the capital assets of the relevant Fund and is reflected in the Share price of the Accumulation Class Shares and Accumulation (N) Class Shares.

CURRENCY HEDGED SHARE CLASSES

Where a Fund issues Currency Hedged Share Classes, currency hedging transactions may be entered into for the Currency Hedged Share Class in order to reduce the effect of fluctuations in the rate of exchange between the currency in which the assets of the Fund are generally denominated or valued (as indicated in the name of the Fund) and the currency of the Currency Hedged Share Class (as indicated in the name of the Class).

The Currency Hedged Share Classes are identified by the currency abbreviation ("EUR" or "USD") in the name of the Share Class, which identifies the currency in respect of which currency hedging transactions may be entered into ("Euros" or "US Dollars" respectively).

The currency hedging transactions that may be entered into include foreign exchange spot transactions and forward transactions. The use of derivatives, such as foreign exchange forward transactions, introduces additional risks, such as counterparty risk, that otherwise would not be present.

Class hedging transactions entered into for a Currency Hedged Share Class will be attributable only to that Currency Hedged Share Class, and the effect of class hedging transactions shall be attributable only to the Shareholders of the relevant Currency Hedged Share Class. Assets, liabilities, expenses, costs and charges in respect of class hedging transactions entered into for a Fund will be attributed to the relevant Currency Hedged Share Class issued by the Fund.

Shareholders in Currency Hedged Share Classes should note that there is no guarantee that the hedging arrangement will be completely successful. Currency Hedged Share Classes may therefore still be exposed to currency fluctuations.

While not the intention, over-hedged or under-hedged positions may arise due to factors outside of the control of the ACD, for example, during periods of large purchases or redemptions, or significant movements in the value of portfolio securities or changes in exchange rates. Over-hedged positions will not be permitted to exceed 105% of the net asset value of the Currency Hedged Share Class. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed the permitted level. This review will also incorporate a procedure to ensure that positions materially in excess of 100% will not be carried forward from month to month.

The ACD has appointed The Bank of New York Mellon SA/NV, an affiliate of the Administrator, to operate the currency hedging process and arrange appropriate currency hedging transactions.

INTERESTS OF SHAREHOLDERS

Shareholders are not liable for the debts of the Scheme. A Shareholder is not liable to make any further payment to the Scheme after he has paid the purchase price of the Shares.

Each holder of Shares in the Scheme is entitled to participate in the property of the Scheme and its income in accordance with its proportionate share entitlements calculated in accordance with the terms of the Instrument.

SHARE REGISTER

Entitlement to Shares is conclusively evidenced by entry on the register of Shareholders. The Depositary and the ACD are not obliged to take notice of any trust or equity or other interest affecting the title to any of the Shares.

The register of Shareholders is maintained by The Bank of New York Mellon (International) Limited, on behalf of the ACD, at Capital House, 2 Festival Square, Edinburgh EH3 9SU, Scotland. The register of Shareholders is also available for inspection by any Shareholder or their duly authorised agent free of charge during normal office hours on any Business Day at 150 Cheapside, London EC2V 6ET (subject to the power to close the register of Shareholders for such periods not exceeding 30 days in any one year). Copies of the entries on such registers relating to a Shareholder are available on request by that Shareholder free of charge.

As a collective investment scheme established in the UK, the Scheme is prohibited from issuing bearer certificates. Consequently, no bearer certificates representing Shares have been issued or will be issued by the Scheme.

CERTIFICATES

Certificates will not be issued in respect of Shares in the Scheme. The Instrument relieves the ACD and the Depositary from the duty to issue certificates representing Shares to Shareholders whose names appear on the register of Shareholders. Title to Shares will be conclusively proved by entry on the register of Shareholders (see page 20 under "*The Register*").

Different Ways to Invest in a Fund

Shares in the Funds may be bought directly from the ACD or through an Intermediary (such as a professional adviser, bank, insurance company, distributor, platform service provider or other financial intermediary).

DIRECT INVESTMENT

A person buying Shares in a Fund directly from the ACD (such as an investor buying Shares on their own behalf, or an Intermediary purchasing Shares on behalf of its clients) must do so in accordance with the dealing procedures on page 21 under "*Making an Investment*".

Where a person purchases Shares directly from the ACD, that person will be the Shareholder and they will be entered on the register of Shareholders (see page 20 under "*Share Register*"). As such, the provisions of this Prospectus and the Instrument applicable to "Shareholders" will apply directly to them.

INVESTMENT THROUGH AN INTERMEDIARY

Appointment of Authorised Intermediaries by ACD

The ACD may appoint Intermediaries to distribute Shares in the Funds. Authorised Intermediaries must comply with all applicable laws and regulations in distributing the Funds, including product and distribution governance and disclosure requirements.

Position for Investors Using an Intermediary

Where an investor uses an Intermediary to invest in a Fund, the investor will be bound by the terms and conditions agreed between the investor and the Intermediary. Those terms and conditions may specify different procedures to those described in this Prospectus, for example for the purchase and sale of Shares, and the payment of sale proceeds and income distributions.

The arrangements for holding Shares where an investor purchases Shares through an Intermediary may vary. The typical arrangements are as follows:

- The Intermediary may utilise a nominee or omnibus account to purchase the Shares on behalf of its clients (i.e., the underlying investor). In such circumstances, the Intermediary's nominee or omnibus accountholder will be the Shareholder and will be entered on the register of Shareholders accordingly (see page 20 under "*The Register*"). As such, the provisions of this Prospectus and the Instrument applicable to "Shareholders" will apply to the nominee or omnibus accountholder.
- Alternatively, the Intermediary may arrange the purchase of the Shares for the investor, potentially acting as agent for the underlying investor or by simply relaying dealing instructions. In such circumstances, the underlying investor will be the Shareholder and will be entered on the register of Shareholders accordingly (see page 20 under *"The Register*"). As such, the provisions of this Prospectus and the Instrument applicable to "Shareholders" will apply to the underlying investor.

Remuneration of Intermediaries

Authorised intermediaries may be remunerated by the ACD out of its own funds, or by payment of an amount of the annual management charge due to the ACD (a "rebate"), or by payment of other commission if and to the extent permissible under applicable law and regulation. If the payment of a rebate or commission to a particular Intermediary becomes prohibited, those payments will cease when the prohibition takes effect.

Investor Eligibility and Target Market

SHAREHOLDER ELIGIBILITY - CLIENT CATEGORISATION

Shares in the Funds are available for purchase directly only by investors who may be categorised as "eligible counterparties" or "professional clients" (as defined in the FCA Rules). **Shares in the Funds are therefore *not* available for purchase directly by investors who are categorised as "retail clients" (as defined in the FCA Rules). If you are a "retail client", you must purchase Shares through an authorised Intermediary.**

Prospective Shareholders will be required to confirm their categorisation upon making their first investment in the Scheme. Certain persons may be categorised as "per se professional clients" (for example entities required to be authorised or regulated to operate in the financial markets). Other persons may be required to provide information to enable the ACD to determine whether they satisfy the criteria to be categorised as an "elective professional client" (for example local public authorities or municipalities). Information regarding the client categories is set out in the Application Form. Shareholders are required to notify the ACD of any changes to their circumstances affecting their categorisation.

SHAREHOLDER ELIGIBILITY - MINIMUM INVESTMENT AMOUNTS AND HOLDINGS

The minimum initial lump sum purchase, minimum subsequent investment amount and minimum holding amount (if any) to be satisfied by each Shareholder are set out for the relevant Share Class of each Fund in Appendix 1. The ACD may waive those requirements in its absolute discretion.

OTHER SHAREHOLDER ELIGIBILITY CRITERIA

This Prospectus and the Instrument may specify other criteria that must be satisfied to be eligible to become a Shareholder. Note that for an investor purchasing Shares through an Intermediary where the Intermediary uses a nominee or omnibus account, the Shareholder eligibility criteria will apply to the Intermediary as the entity applying to purchase the Shares, and not the underlying investor or the Intermediary's nominee or omnibus accountholder.

PROFILE OF A TYPICAL INVESTOR

The expected profile of a typical investor (or for persons investing through an Intermediary, the underlying end investor) for each Fund is set out in Appendix 1. In addition, it is intended that different Share Classes of a Fund may be issued to different types of investors. Potential investors should therefore consider the minimum initial investment amount for the Share Classes set out in Appendix 1.

Currently only gross paying Shares are available. Under current UK tax law, interest distributions are paid gross (irrespective of the status or category of the investor). Further details are set out on page 37 under "*Taxation of Shareholders*".

Additional information regarding the target market for each of the Funds is available from the ACD upon request.

Making an Investment in a Fund

This section, "*Dealings in Shares*", describes the arrangements for a person purchasing Shares directly from the ACD (including Intermediaries purchasing Shares on behalf of their clients).

HOW TO SEND A DEALING REQUEST

General

Requests to purchase, sell, switch or convert Shares may be made to the ACD by contacting the ACD Service Centre for Dealing in Shares (see Directory on page 101) between 9 a.m. and 5 p.m. on each Dealing Day. Requests may be made:

- by telephone;
- in writing, including:
  - by fax using the Dealing Template Form available on the ACD's website federatedinvestors.co.uk or upon request;
  - in certain circumstances, using electronic communications including online platforms (discussed at page 22 under "*Electronic Dealing*"); or
  - by such other means as the ACD may from time to time permit.

Details of the different procedures to purchase, sell, switch and convert Shares are described below.

Electronic Dealing

The ACD may accept instructions to purchase, redeem, switch or convert Shares on the basis of an authority communicated by electronic means and sent by the Shareholder or delivered on the Shareholder's behalf by a person that is authorised by the FCA or regulated in another jurisdiction by an equivalent supervisory authority, subject to:

- prior agreement between the ACD and the person making the communication as to:
  - the electronic media by which such communications may be delivered; and
  - how such communications will be identified as conveying the necessary authority; and
- assurance from any person who may deliver such communications on behalf of the investor that they will have obtained the required appointment in writing from the Shareholder.

The ACD may at its discretion refuse to permit dealing instructions to be communicated by electronic means, or may with immediate effect provide written notice revoking any permission previously provided to permit dealing instructions to be communicated by electronic means. Such refusal or revocation may apply in respect of a particular Shareholder or prospective Shareholder, or in respect of a particular provider of electronic dealing services.

Where a Shareholder communicates dealing instructions by electronic means, the Shareholder's sole recourse for any losses or damages incurred in connection with the transmission of dealing instructions through the third party communication system shall be pursuant to the Shareholder's appointment of the third party communication system. The ACD shall not be liable to a Shareholder for any losses or damages associated with the Shareholder's use of such third party communication system.

At present, a transfer of title by a Shareholder to another person will not be accepted by electronic communication.

DEALING DAYS AND SPECIAL DEALING DAYS

Requests to deal in Shares in a Fund will generally be processed on Dealings Days, subject to the arrangements and procedures described in this Prospectus, the Application Form and Dealing Template Form.

However, in respect of any day on which the relevant exchanges and/or markets for a Fund are closed on an unscheduled basis due to unforeseen or emergency circumstances, the ACD may allow transactions to purchase, redeem or switch Shares on such days (a "Special Dealing Day").

In the event of a Special Dealing Day, information regarding the dealing arrangements will be disclosed on the ACD's website at federatedinvestors.co.uk and may also be made available by telephoning 0344 892 0977 (or +44 203 528 4092 if calling from overseas). The information in this Prospectus regarding buying, selling and switching Shares concerns Dealing Days. Consequently, on a Special Dealing Day the Dealing Deadline and Valuation Point may not be the same as on a Dealing Day. Although the ACD will attempt to make such information available in advance of a Special Dealing Day, given the nature of Special Dealing Days, it may not be able to do so.

HOW TO BUY SHARES

Procedure

Requests to purchase Shares may be made by telephone or in writing as described under "*General*" above. Applicants should note that different procedures apply for initial and subsequent investments.

- *Initial investment:* In the case of an initial investment, the applicant must complete an Application Form. If the ACD approves the application and any required supporting documentation (see "*Anti Money Laundering Procedures*" on page 25), the applicant will receive a Federated Hermes account number and subsequently will be able to request to purchase Shares in writing or by telephone. A Dealing Template Form is available for applicants wishing to make a purchase request by fax.
- *Subsequent investment:* For an applicant that holds or has previously held Shares in the Scheme, the applicant may request to purchase Shares in writing or by telephone. A Dealing Template Form is available for applicants wishing to make a purchase request by fax. The ACD reserves the right to require the applicant to provide such information, documentation or completed forms as the ACD may in its absolute discretion request, for example, to comply with applicable anti-money laundering requirements (see "*Anti Money Laundering Procedures*" on page 25).

The Application Form and Dealing Template Form are available from the ACD upon request or from the ACD's website, federatedinvestors.co.uk.

If a valid purchase request is received and accepted by the ACD before the Dealing Deadline on a Dealing Day, the Shares will be purchased on that Dealing Day at the share price calculated at the Valuation Point on that Dealing Day. For a valid purchase request received and accepted after the Dealing Deadline on a Dealing Day, the Shares will be purchased on the following Dealing Day at the share price calculated at the Valuation Point on the following Dealing Day unless otherwise determined by the ACD.

Documents the Purchaser will Receive

For each purchase of Shares, a contract note will be sent, normally by the close of business on the Dealing Day following the execution of the transaction. This will show the number of Shares purchased and the price. Share certificates will not be issued in respect of Shares.

Where appropriate, a notice of the Shareholder's right to cancel the purchase of Shares will also be sent, under separate cover, within eight days of the receipt by the ACD of the application to purchase Shares (see under "*Cancelling a dealing request*" on page 25).

Timing for Settlement of Application Monies

Application monies are due and must be received before the time indicated below unless otherwise approved by the ACD:

- For the Federated Hermes Short-Term Sterling Prime Fund:
  - for Income Classes and Accumulation (N) Classes - before the Dealing Deadline on the Dealing Day on which the Shares are to be purchased; or
  - for Accumulation Classes (but not Accumulation (N) Classes) - before the Dealing Deadline on the Business Day following the Dealing Day on which the Shares are purchased (T+1 settlement).
- For all Share Classes of the Cash Plus Funds - before the Dealing Deadline on the Business Day following the Dealing Day on which the Shares are purchased (T+1 settlement).
- For all Shares Classes of the Short Duration Bond Funds - before the Dealing Deadline on the Dealing Day on which the Shares are to be purchased.

For information on the treatment of monies received by the ACD for the purchase of Shares, see "*Client Money*" on page 25.

If application monies are not received by the time specified above, the ACD may require the applicant to reimburse any interest costs and any other charges or costs directly incurred as a result of the late payment. In addition, in the event of a late payment, the ACD reserves the right to cancel the purchase of Shares and to recover from the applicant any shortfall arising. The ACD shall not be responsible for any losses caused to the applicant as a result of any such cancellation.

ACD's Lien Over Unsettled Shares

The ACD has and retains a lien over every Share for which the application monies payable to the ACD have not been received. The lien shall take priority over any third party's interest in that Share and extend to any income allocated or other money payable by the Scheme in respect of that Share and, if the Share is sold, the proceeds of sale of that Share. The ACD may enforce its lien by selling that Share in such manner as it decides.

HOW TO SELL SHARES

Procedure

Requests to redeem Shares may be made by telephone or in writing as described under "General" on page 21.

If a valid redemption request is received and accepted before the Dealing Deadline on a Dealing Day, the Shares will be redeemed on that Dealing Day at the share price calculated at the Valuation Point on that Dealing Day. For a valid redemption request received and accepted after the Dealing Deadline on a Dealing Day, the Shares will be redeemed on the following Dealing Day at the share price calculated at the Valuation Point on the following Dealing Day.

Any request to redeem Shares, once given, cannot subsequently be withdrawn.

Documents the Seller will Receive

For each redemption of Shares, a contract note will be sent, normally by the close of business on the Dealing Day following the execution of the redemption. This will give details of the Shares sold back to the ACD and the price.

Payment of Redemption Proceeds

Redemption proceeds will usually be paid by telegraphic transfer to a specified account at the Shareholder's risk and expense in accordance with the timing indicated below:

- For the Federated Hermes Short-Term Sterling Prime Fund
  - for Income Classes and Accumulation (N) Classes - on the same Dealing Day on which the Shares are redeemed; or
  - for Accumulation Classes (but not Accumulation (N) Classes) - on the Business Day following the Dealing Day on which the Shares are redeemed (T+1 settlement).
- For all Share Classes of the Cash Plus Funds - on the Business Day following the Dealing Day on which the Shares are redeemed (T+1 settlement).
- For all Share Classes of the Short Duration Bond Funds - on the same Dealing Day on which the Shares are redeemed.

For the Currency Hedged Share Classes, the timing of the payment of redemption proceeds may be affected where a Dealing Day coincides with a public holiday in the country or territory of the markets or trading venues where currency hedging transactions are entered into (for example, in relation to a USD Currency Hedged Share Class, if it is a public holiday in the United States of America but not in the UK). For Shares in a Currency Hedged Share Class redeemed on such a day or on the preceding Dealing Day, the redemption proceeds will usually be paid on the next Dealing Day that is or follows a business day in the relevant country or territory (being a day on which the relevant markets or trading venues are open for business).

Shareholders should note that the timings for the payment of redemption proceeds described above are not guaranteed. The ACD provides no assurance that redemption proceeds will be paid within the time specified. In any event, the COLL Sourcebook requires proceeds to be paid no later than the fourth Business Day after either the day of the calculation of the redemption price or receipt by the ACD of the relevant duly signed repurchase documents, whichever is later.

If a Shareholder requires redemption proceeds to be paid to an account other than that specified in the Application Form provided by the Shareholder, the Shareholder must provide an original request in writing to the ACD using the contact details for the ACD Services Centre in the Directory to change the payment account details prior to making the redemption request.

For information on the treatment of monies payable to a Shareholder upon a redemption of Shares, see "*Client Money*" on page 25.

SWITCHING BETWEEN FUNDS / CONVERTING TO ANOTHER CLASS

A Shareholder in a Fund may exchange all or some of their Shares in a Fund for:

- Shares of another Class issued in respect of the same Fund (described as a Conversion); or
- Shares issued in respect of a different Fund, whether of the same or a different Class (described as a Switch).

A Conversion or Switch involves a sale of the original Shares held and a purchase of new Shares.

Procedure

Requests to Switch or Convert Shares may be made by telephone or in writing as described under "General" on page 21.

If a valid Switch or Conversion request is received and accepted before the Dealing Deadline on a Dealing Day, the Shares will be redeemed on that Dealing Day at the share price calculated at the Valuation Point on that Dealing Day. For a valid Switch or Conversion request received and accepted after the Dealing Deadline on a Dealing Day, the Shares will be redeemed on the following Dealing Day at the share price calculated at the Valuation Point on the following Dealing Day.

The redemption proceeds will be applied towards the purchase of new Shares to complete the Switch or Conversion request.

Any request to Switch or Convert Shares, once given, cannot subsequently be withdrawn. A Shareholder who converts or switches their Shares will have no right to cancel the purchase of Shares under the FCA Rules.

The ACD may impose a conversion or switch charge (instead of an initial charge) on the purchase of the new Shares. Such a charge may be up to an amount equal to the amount of the initial charge for the Fund in which the new Shares are to be purchased. As indicated under "*ACD fee for managing and administering the Funds*" on page 33, currently there is no conversion of switch charge.

If a Conversion or Switch would result in the Shareholder holding a number of original or new Shares of a value which is less than the minimum initial investment amount or minimum holding amount for the Class concerned, the ACD may, if it thinks fit, convert or switch the whole of the applicant's holding of original Shares to new Shares, or refuse to effect the Conversion or Switch of the original Shares.

Taxation of Switches and Conversions

Investors should note that a Switch between Funds as described above is treated as a disposal for the purposes of tax on capital gains and may therefore give rise to capital gains tax liability for UK resident Shareholders (see page 37 under "*Taxation of Shareholders*").

Investors should note that a Conversion within a Fund as described above should not be treated as a disposal for the purposes of tax on capital gains (where the Conversion relates to new and original Shares of substantially the same value and there is no overall change in the terms of that Fund or its property at that time disregarding conversion charges) and therefore may not give rise to capital gains tax allowable loss for UK resident Shareholders.

A compulsory Conversion in a negative yield environment for Federated Hermes Short-Term Sterling Prime Fund (see page 27) (from an Income Class to an Accumulation (N) Class) would not be expected to constitute a disposal giving rise to a chargeable gain (or allowable loss) for UK capital gains tax purposes under current UK tax law.

HOW TO TRANSFER SHARES TO ANOTHER PERSON

Shareholders are entitled to transfer their Shares to another person. All transfers must be in writing in the form of an instrument of transfer approved by the ACD for this purpose. The transferee must be eligible to become a Shareholder and the ACD may require the transferee to provide such representations and warranties as it reasonably requests. Completed instruments of transfer must be returned to the ACD in order for the transfer to be registered by the ACD.

CANCELLING A DEALING REQUEST

Certain investors may be entitled under the FCA Rules to cancel an application to purchase Shares for a period of fourteen days from their receipt of the contract note, and to request the return of their money. If an investor has a right to cancel and exercises that right, and if the value of the investment has fallen before the ACD receives notice of the cancellation, then the amount of refund that the investor receives will be reduced to reflect that fall in value. Generally, it is expected that investors in the Scheme will have no cancellation rights under the FCA Rules.

ANTI MONEY LAUNDERING PROCEDURES

The ACD is subject to applicable law and regulation relating to the prevention of money laundering. The ACD undertakes detailed internal compliance procedures in relation to each application to purchase Shares in the Scheme so as to verify the identity and bone fides of the investor and the source of funds offered in consideration for the prospective purchase. This may include using the services of a licensed reference agency, which may result in a record that an enquiry has been made in respect of the applicant. The type and degree of information required will vary from case to case, and may depend on whether, for example, the prospective Shareholder has been introduced to the ACD by or through an associate of the ACD, or an independent financial intermediary in good standing with the ACD. Details of the information required of a prospective investor in Shares are set out in the Application Form, which is available from the ACD upon request or from the ACD's website, federatedinvestors.co.uk. The ACD has discretion to request additional information and or documentation.

Failure to comply with the ACD's requests to furnish information and/or to provide documents may result in the application to purchase Shares being rejected, or may delay the payment of any redemption proceeds. The ACD reserves the right to refuse to redeem Shares, to delay the payment of redemption proceeds, and/or to withhold any payments due to a Shareholder pending receipt of such information and/or documents.

INITIAL OFFER OF SHARES

The Federated Hermes US Dollar Cash Plus Fund, the Federated Hermes Euro Cash Plus Fund and the Short Duration Bond Funds are to be launched at a future date. At that point, this Prospectus will be updated to include details of the initial offer.

Other Arrangements Relevant to Dealing in Shares in a Fund

ACD'S ROLE IN PROCESSING DEALS IN SHARES

Box Management

Generally investors purchasing or redeeming Shares transact with the ACD rather than directly with the Scheme. The ACD holds Shares, which it acquires using its own capital, and uses those Shares to satisfy requests from investors to purchase Shares. Where a Shareholder redeems Shares, the Shares are sold to the ACD, and may be used by the ACD to satisfy investor requests to purchase Shares. At the end of each Dealing Day, generally depending on whether there have been net subscriptions or redemptions, the Scheme will either issue new Shares to the ACD or cancel some of the ACD's Shares. This practice is often referred to as "box management".

Profits Arising from Box Management

Since Shares are priced on a single pricing basis, generally no profit arises from the ACD's box management. If a profit does arise, the ACD may offset it against losses it has incurred from box management at the same Valuation Point, in accordance with the FCA Rules. If the profit exceeds any losses, or if offsetting is not permitted, the profit would be allocated to Shareholders in a way that is deemed to be fair by the ACD. This may include paying the profit into the property of the Scheme for the benefit of or one or more Funds, or redistributing the profit individually to transacting investors.

CLIENT MONEY HELD FOR INVESTORS

Money received by the ACD for the purchase of Shares or payable to a Shareholder upon a redemption of Shares shall not be treated as client money by the ACD for the purposes of the FCA Rules provided:

- in respect of an application to purchase Shares, if an allocation of Shares has not yet been made to the investor, the money is paid to the Scheme by the close of business on the Business Day following receipt of the money from the investor; or
- in respect of a redemption of Shares, a cheque is issued or electronic transfer initiated for payment of the redemption proceeds within four Business Days of the later of receipt by the ACD of a valid redemption request (including all instruments, authorisations or instructions as may be required) or the Valuation Point at which the price of the redeemed Shares was determined and in any event no later than the close of business on the Business Day following receipt of the money from the Scheme (see "*Selling Shares*" above for the expected timing for the payment of redemption proceeds).

It is the ACD's intention that all purchases and redemptions of Shares shall proceed within the time limits specified above to permit the ACD to not treat such money as client money in accordance with the exemption under the FCA Rules known as the delivery versus payment ("DvP") transaction exemption. By agreeing to purchase Shares, each investor agrees to the use of the DvP exemption by the ACD.

For application monies or redemption proceeds held outside of the time limits specified above, the ACD will treat such money as client money for the purposes of the FCA Rules. Client money will be held in a client bank account maintained by the ACD with a credit institution. The client bank accounts shall be used to hold client money on an omnibus basis for multiple clients, and shall not be used to hold money belonging to the ACD. Money held in a client bank account does not form part of the assets of the Scheme.

For client money allocated to an investor that is unclaimed for at least six years, the ACD may cease to treat the unclaimed amount as client money and pay the amount to a registered charity of its choice provided the ACD has taken such steps as required under the FCA Rules.

No interest is payable by the ACD on money credited to the client bank account or on other money held by the ACD for or in respect of an investor.

IN SPECIE ISSUE AND CANCELLATION OF SHARES

The Instrument of the Scheme authorises payment for the issue or cancellation of Shares to be made by transfer of assets other than cash but only if the Depositary has taken reasonable care to ensure that the property concerned would not be likely to result in any material prejudice to the interests of Shareholders.

Where a Shareholder requests a redemption of Shares representing in value not less than 5% of the value of the scheme property of a Fund, the ACD may by notice of election served on the Shareholder, choose to transfer scheme property to that Shareholder. Any such notice must be served no later than the second Dealing Day following the receipt of the request for redemption. The Shareholder may then serve a further notice on the ACD requiring the sale of the property and the payment to the Shareholder of the net proceeds of sale. This further notice must be served on the ACD no later than the close of business on the fourth Dealing Day following the date of receipt of the notice from the ACD.

DEFERRED REDEMPTIONS OF SHARES

Purpose of Deferred Redemption Power

The ACD has the power to limit the number of redemptions that may take place on a specific Dealing Day in certain circumstances (also known as a "redemption gate"). The intention of any deferral of redemptions shall be to reduce the impact of "dilution" on the relevant Fund, meaning the costs incurred by a Fund to achieve the liquidity needed to satisfy redemption requests (as described further on page 33 under "*Dilution Policy*").

Circumstances Where Redemptions May Be Deferred

- *For Cash Plus Funds and Short Duration Bond Funds:* If requested redemptions of Shares on a particular Dealing Day exceed 20% of the relevant Fund's Net Asset Value, redemptions of Shares may be deferred to the next Valuation Point.
- *For Federated Hermes Short-Term Prime Fund:* Any Fund that is a UK LVNAV MMF may have the ability to defer redemptions in certain circumstances prescribed under the UK MMF Regulation. For further information, see page 28 under "*Liquidity Risk Management*".

Procedure Upon Any Deferral of Redemptions

Any deferral of redemptions will only be undertaken in such manner as to ensure consistent treatment of all Shareholders who had sought to redeem Shares at the Valuation Point at which redemptions were deferred. Deferral will be pro-rated based on the value of Shares being redeemed (provided that the ACD may determine in its discretion a value threshold below which all redemptions will be effected, and above which the foregoing pro-rata deferral shall apply), and so that all deals relating to an earlier Valuation Point are completed before those relating to a later Valuation Point are considered.

SUSPENSION OF DEALINGS IN SHARES

Circumstances Where Dealings in Shares May Be Suspended

Dealings in Shares may be suspended in the following circumstances:

- *For all Funds:* The ACD may if the Depositary agrees, and must without delay if the Depositary so requires, temporarily suspend dealings in Shares in a Fund where due to exceptional circumstances it is in the interests of all the Shareholders.
- *For UK LVNAV MMFs:* In addition, any Fund that is a UK LVNAV MMF may have the ability to suspend redemptions in Shares in certain circumstances prescribed under the UK MMF Regulation. For further information, see page 28 under "*Liquidity Risk Management*".

Procedure Upon Any Suspension of Dealings in Shares

On a suspension, the FCA will be immediately informed. Any such suspension will be notified to Shareholders as soon as practicable after the suspension commences, and the ACD will ensure it publishes sufficient details to keep Shareholders appropriately informed about the suspension including, if known, its likely duration.

The ACD and the Depositary will formally review the suspension at least every 28 days and will inform the FCA of the results of this review and any change in the information previously provided to the FCA regarding the suspension. A suspension of dealings in Shares must cease as soon as practicable after the exceptional circumstances which caused the suspension have ceased.

At the end of the period of suspension, the recalculation of the price of Shares will recommence by reference to the price calculated at the first Valuation Point after the recommencement of dealings in Shares. It is anticipated that recalculation of issue and cancellation prices will commence on the Dealing Day immediately following the end of the suspension at 8.00 am.

COMPULSORY CONVERSION OF SHARES

The ACD may exchange all or some of a Shareholder's Shares in a Fund for Shares of another Class issued in respect of the same Fund (described as a "Compulsory Conversion").

The ACD may carry out a Compulsory Conversion if the ACD:

- reasonably believes it is in the interests of Shareholders to do so; and
- provides notice to the Shareholder of the Compulsory Conversion (such notice to be provided to Shareholders in advance, except in a negative yield environment where it may not be practicable to provide prior notice, as discussed under "*Compulsory Conversion in a negative yield environment*").

Compulsory Conversion in a Negative Yield Environment for Federated Hermes Short-Term Sterling Prime Fund

This section describes the ability of the ACD to effect a Compulsory Conversion in the event of a negative yield affecting the Income Classes of the Federated Hermes Short-Term Sterling Prime Fund. The ACD shall only effect a Compulsory Conversion where the Bank of England base rate is less than 0% and market conditions cause the Federated Hermes Short-Term Sterling Prime Fund to invest in negative-yielding or low-yielding assets, and a negative yield arises as a consequence (a "Negative Yield Environment"). A Compulsory Conversion will not be used if a negative yield arises in other circumstances.

In a Negative Yield Environment, the ACD may decide to undertake a Compulsory Conversion to transfer Shareholders in the Federated Hermes Short-Term Sterling Prime Fund from an Income Class to an Accumulation (N) Class that has either the same or a lower management fee. The Accumulation (N) Classes use historic pricing (as described under "*Share Prices*" on page 31) and have same day settlement.

Shareholders should note that the price of Accumulation (N) Class Shares will change to reflect any negative yield incurred.

Where the ACD decides to undertake a Compulsory Conversion in a Negative Yield Environment, it will seek to provide advanced notice to Shareholders. However, in the event the Federated Hermes Short-Term Sterling Prime Fund incurs negative yields abruptly, it may not be possible for notice to be provided to Shareholders in advance. Following any Compulsory Conversion, the Income Classes in the Federated Hermes Short-Term Sterling Prime Fund shall not be available for investment until the ACD decides otherwise.

Following the end of any Negative Yield Environment, the ACD shall transfer Shareholders from the Accumulation (N) Classes to an Income Class with either the same or a lower management fee. For Shareholders that held Income Class Shares prior to the Compulsory Conversion, the transfer is expected to be to the Income Class the Shareholder originally held prior to the Negative Yield Environment.

COMPULSORY REDEMPTIONS OF SHARES

The ACD may impose such restrictions as it thinks necessary to ensure that no Shares are acquired or held by or on behalf of any person in breach of law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory. The ACD may reject any application to purchase, redeem or switch Shares.

If the ACD becomes aware that Shares ("affected Shares") are acquired or held by or on behalf of any person in circumstances:

- which would constitute a breach of any law or governmental regulation (or any interpretation of a law of regulation by a competent authority) of any country or territory; or
- which would result in the Scheme incurring any liability to taxation which the Scheme would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or
- where that person is not, or the ACD reasonably believes that person is not, eligible or entitled to hold Shares in the Scheme, or where the Shares in the Scheme would be held in a manner by virtue of which that person is not qualified or entitled to hold such shares; or
- which constitute a breach of the Instrument or this Prospectus as to eligibility or entitlement to hold any Shares;

then the ACD may give notice requiring the transfer, repurchase or exchange of such Shares. If any person does not take such steps within 30 days, he shall then be deemed to have given a written request for the redemption of all of his Shares.

As only gross paying Shares are currently available in each of the Funds, a Shareholder must at all times be eligible to receive gross interest. If a Shareholder ceases to be eligible to hold gross paying Shares then the ACD may give notice requiring the transfer, repurchase or exchange of such Shares. If any person does not take such steps within 30 days, he shall then be deemed to have given a written request for the redemption of all of his Shares.

A person who becomes aware that he is holding or owning beneficially Shares in breach of any law or governmental regulation or is not eligible to hold those Shares must either:

- transfer all those Shares to a person qualified to own them; or
- give a request in writing for the redemption of all such Shares unless he has already received such a notice from the ACD to transfer the Shares or for them to be repurchased.

LIQUIDITY RISK MANAGEMENT

In order to mitigate liquidity risk, the ACD has in place liquidity risk management policies and procedures. The ACD monitors and manages the liquidity profile of each Fund to ensure each Fund's portfolio is sufficiently liquid to meet the ACD's expectations regarding anticipated redemption requests.

The ACD has a number of tools available to mitigate the impact of liquidity constraints on a Fund. The tools available to the ACD are detailed below, together with information on the specific liquidity risk management procedures in place for Funds that are UK LVNAV MMFs.

Monitoring and Assessing the Liquidity Profile of the Funds

The ACD monitors on an ongoing basis the liquidity profile of each Fund and assesses its adequacy taking into account anticipated redemption requests. To enable the ACD to anticipate the effect of concurrent redemption requests by several investors, the ACD will undertake due diligence to determine at least the profile of the underlying investors in a Fund, the number of units or shares owned by a single underlying investor, the investment history of each underlying investor (including inflows and outflows), and any identifiable patterns regarding each underlying investor's cash needs. The ACD may also seek information regarding an investor's attitude to risk and any close links or correlation an investor may have with other investors.

Where a person invests directly in a Fund (as described under "*Direct Investment*" on page 20), that person will be the Shareholder and the ACD shall request the information described above from the Shareholder. Where an investor uses an Intermediary to invest in a Fund, the ACD will require information regarding the underlying investor. The ACD may ask the Intermediary to provide such information to it.

Liquidity Risk Management Tools for All Funds

The tools available to the ACD to mitigate the impact of liquidity constraints on a Fund include:

- the ability to defer redemptions in certain circumstances as described on page 26 under "*Deferred Redemptions of Shares*";
- the ability to make in specie redemptions in certain circumstances as described on page 26 under "*In Specie Issue and Cancellation of Shares*";
- (for Funds that are not MMFs) the ability to borrow money on a temporary basis subject to certain restrictions as described in Appendix 3;
- the ability to make changes to the arrangements for dealing in Shares where a relevant exchange and/or market for a Fund is closed on an unscheduled basis due to unforeseen or emergency circumstances as described on page 22 under "*Special Dealing Days*"; and
- the ability to suspend dealings in Shares in a Fund in certain circumstances as described on page 26 under "*Suspension of Dealings in Shares*".

Liquidity Management Procedure for UK Public Debt CNAV MMFs and UK LVNAV MMFs

UK Public Debt CNAV MMFs and UK LVNAV MMFs are subject to weekly liquidity thresholds (detailed under "*Portfolio rules for UK Short-Term MMFs*" in Appendix 2). Managers of UK Public Debt CNAV MMFs and UK LVNAV MMFs are required to apply prudent and rigorous liquidity management procedures to ensure compliance with such weekly liquidity thresholds. We describe below the actions that may be taken by the ACD in respect of any UK Public Debt CNAV MMF or UK LVNAV MMF it manages that is a UK Short-Term MMF if such UK MMF falls below the weekly liquidity threshold.

- If: (i) the weekly maturing assets of the UK MMF fall below 30% of the Net Asset Value of the UK MMF, and (ii) the net daily redemption requests on a single Dealing Day exceed 10% of the Net Asset Value of the UK MMF, then the Governing Body of the ACD shall undertake a documented assessment of the situation to determine the appropriate course of action having regard to the interests of the Shareholders.

The Governing Body will decide whether to apply one or more of the following measures:

– Apply liquidity fees (i.e., a dilution levy) on redemptions of Shares that adequately reflect the cost to the relevant UK MMF of achieving liquidity and ensure that Shareholders who remain in the UK MMF are not unfairly disadvantaged when other Shareholders redeem their Shares during the period. (For further information on the operation of dilution levies, see page 33 under "*Dilution Policy*".)

– Apply a redemption gate (i.e., deferral of redemptions) on redemptions of Shares to limit the amount of Shares to be redeemed in the UK MMF on any one Dealing Day to a maximum of 10% of the Shares in the UK MMF for any period up to 15 Business Days. (For further information on the operation of a deferral of redemptions, see page 26 under "*Deferred Redemptions of Shares*".)

– Suspend redemptions for a period of up to 15 Business Days. (For further information on dealing suspensions, see page 26 under "*Suspension of Dealings in Shares*".)

– Take no immediate action other than adopting as a priority objective the correction of the situation taking due account of the interests of Shareholders.

- If the weekly maturing assets of the UK MMF fall below 10% of the Net Asset Value of the UK MMF, then the Governing Body of the ACD shall undertake a documented assessment of the situation to determine the appropriate course of action having regard to the interests of the Shareholders.

The Governing Body will apply one or more of the following measures and document the reasons for this choice:

– Apply liquidity fees (i.e., a dilution levy) on redemptions that adequately reflect the cost to the relevant UK Short-Term MMF of achieving liquidity and ensure that Shareholders who remain in the UK Short-Term MMF are not unfairly disadvantaged when other Shareholders redeem their Shares during the period. (For further information on the operation of dilution levies, see page 33 under "*Dilution Policy*".)

– Suspend redemptions for a period of up to 15 Business Days. (For further information on dealing suspensions, see page 26 under "*Suspension of Dealings in Shares*".)

- If there is a suspension of redemptions and the total duration of such suspensions exceeds 15 Business Days within a period of 90 days, the relevant UK Public Debt CNAV MMF or UK LVNAV MMF will convert to a UK VNAV MMF. Each Shareholder in the relevant MMF will receive notice in writing upon the occurrence of any such conversion.
- The ACD must promptly provide details to the FCA of any actions taken to restore compliance with the applicable weekly liquidity thresholds.

Valuation and Pricing of Shares

VALUATION OF THE FUNDS

Valuation Point for Each Fund

The property of each Fund will be valued on each Dealing Day for the purpose of determining the price at which Shares in each Fund may be purchased or redeemed by the ACD as at the following times or at such other time as the ACD may decide (the "Valuation Point"):

- *Sterling denominated Funds:* For the Federated Hermes Short-Term Sterling Prime Fund, Federated Hermes Sterling Cash Plus Fund and Federated Hermes Sterling Short Duration Bond Fund – 1.30pm London time.
- *Euro denominated Funds:* For the Federated Hermes Euro Cash Plus Fund and Federated Hermes Euro Short Duration Bond Fund – 1.00pm London time.
- *U.S dollar denominated Funds:* For the Federated Hermes US Dollar Cash Plus Fund and the Federated Hermes US Dollar Short Duration Bond Fund – 3.00pm London time.

On a Special Dealing Day, the Valuation Point shall be at such time as the ACD may decide.

The Fund may be valued more frequently if the ACD so decides. This is only likely to take place in cases where there has been a substantial change amounting to 2% or more in the value of the underlying assets of the Fund since the previous valuation.

General Valuation Approach - Mark-to-Market Method

Subject to the provisions described below for UK MMFs, generally each Fund shall be valued on the usual applicable basis for an Authorised Investment Fund, which is generally on a mark-to-market basis. "Mark-to-market" means the valuation of positions at readily available close out prices that are sourced independently, including exchange prices, screen prices, or quotes from several independent reputable brokers.

As at each Valuation Point, the valuation shall be carried out on a mark-to-market basis as follows:

- Investments for which there is a single price (whether a money market instrument, transferable security, unit or share in a collective investment scheme or exchange-traded derivative) shall be valued at that price.
- Investments for which different buying and selling prices are quoted will be valued at the mid-market price.
- Other scheme property shall be valued at a fair and reasonable mid-market value.
- Over-the-counter derivatives and forward transactions shall be valued in accordance with the method agreed between the ACD and the Depositary.
- Adjustments will be made for tax, any outstanding borrowings (if permitted for a Fund) and dealing expenses.

UK MMF Valuations - Adapted Mark-to-Market Method

Subject to the exceptions described below, the assets of a UK MMF shall be valued by using the mark-to-market method described above whenever possible. When using mark-to-market:

- The asset of a UK MMF shall be valued at the more prudent side of bid and offer unless the asset can be closed out at mid-market.
- Only good quality market data shall be used.
- Such data shall be assessed on the basis of all of the following factors:
  - The number and quality of the counterparties.
  - The volume and turnover in the market of the asset of the UK MMF.
  - The issue size and the portion of the issue that the UK MMF plans to buy or sell.

UK MMF Valuations - Mark-to-Model Method

Where use of the mark-to-market method is not possible or the market data is not of sufficient quality, an asset of a UK MMF shall be valued conservatively by using mark-to-model. “Mark-to-model” means any valuation which is benchmarked, extrapolated or otherwise calculated from one or more market input.

The model shall accurately estimate the intrinsic value of the asset of a UK MMF, based on all of the following up-to-date key factors:

- The volume and turnover in the market of that asset.
- The issue size and the portion of the issue that the UK MMF plans to buy or sell.
- Market risk, interest rate risk and credit risk attached to the asset.

When using the mark-to-model method, the amortised cost method described below shall not also be used.

UK MMF Valuations - Amortised cost method for UK Public Debt CNAV MMFs, UK LVNAV MMFs and Qualifying UK MMFs

The types of UK MMF listed below may use the amortised cost method. “Amortised cost method” means a valuation method which takes the acquisition cost of an asset and adjusts that value for amortisation of premiums or discounts until maturity (rather than taking its current market value).

- *UK Public Debt CNAV MMFs:* The assets of a UK Public Debt CNAV MMF may additionally be valued by using the amortised cost method provided the mark-to-model approach is not also used.
- *UK LVNAV MMFs:* A UK LVNAV MMF may additionally value assets that have a residual maturity of up to 75 days using the amortised cost method provided:
  - the price of that asset calculated in accordance with the mark-to-market method does not deviate from the price of that asset calculated in accordance with the amortised cost method by more than 10 basis points; and
  - the mark-to-model approach is not also used.
- *UK Qualifying MMFs:* A UK Qualifying MMF may use the amortised cost method provided the ACD:
  - carries out a valuation of the assets of the UK MMF on a mark-to-market basis at least once every week and at the same Valuation Point used to value the assets of the UK MMF on an amortised cost basis; and
  - ensures the value of the assets of the UK MMF when valued on a mark-to-market basis does not differ more than 0.5% from the value of the assets of the UK MMF when valued on an amortised cost basis.

  The ACD shall advise the Depositary when the ACD considers that the mark-to-market value of the UK MMF varies from its amortised cost value by 0.1%, 0.2% and 0.3% respectively.

As noted on page 12 under “*Overlap with other MMF requirements*”, a Fund that is a UK Qualifying MMF will also be classified as either a UK Public Debt MMF or UK LVNAV MMF, and will be a UK Short-Term MMF. As such, the UK Qualifying MMF valuation requirements will be additional to the valuation requirements applicable to a UK Public Debt MMF or UK LVNAV MMF (as appropriate).

UK MMF Valuations - Smoothing Policy Where Using Amortised Cost Method

The ACD may resolve to operate a policy of smoothing in relation to Funds using the amortised cost method. Pursuant to such policy, if any cumulative net realised capital gains or losses arising within the Fund would have an impact on the Net Asset Value per Share of greater than 5 basis points when applied on a single Dealing Day, the ACD may spread such gains or losses over a maximum period of 60 days. The ACD retains discretion to amend any such policy from time to time either directly or through its duly appointed delegate.

Valuation Committee

The ACD may refer valuations and matters related to the valuation of the property of the Funds to the Federated Hermes’ valuation committee (“Valuation Committee”). The Valuation Committee is comprised of officers of the ACD and affiliated entities. Its purpose is to assist the ACD to fulfil its responsibilities with respect to the valuation of the Funds and to provide additional oversight. This may include input on the mark-to-model approach described above under “*UK MMF valuations - Mark-to-model method*” and with “*Fair valuations*” (as described below).

Fair Valuations

Where the ACD has reasonable grounds to believe that no reliable price exists for an investment at a Valuation Point or the most recent price available does not reflect the ACD’s best estimate of the value of the investment at the Valuation Point, the ACD shall take steps to value the investment at a price which, in its opinion, reflects a fair and reasonable price for the investment.

The circumstances that may give rise to a fair value being used include if:

- there is no recent trading in the investment concerned;
- market quotations and/or price evaluations are not available; or
- a significant event affecting the value of the investment has occurred between the time as at which the price of the investment would otherwise be determined and the time as of which the Net Asset Value is computed.

Where the ACD determines that a fair value assessment of an investment is required, the ACD may refer the matter to the Valuation Committee. The Valuation Committee shall determine the fair value of the investment in accordance with procedures approved by the ACD. The ACD and the Valuation Committee may utilise external pricing services to assist with the fair value determination. The fair value may be different from the investment’s most recent closing price and from the prices used by other collective investment schemes.

SHARE PRICES

Calculation of Single Price for All Funds

Shares are priced on a single pricing basis in accordance with the COLL Sourcebook, the Instrument and, for those Funds that are UK MMFs, the UK MMF Regulation. This means the ACD calculates a single price at which Shares are to be bought and sold.

Forward Pricing Basis - for all Funds except the Accumulation (N) Classes of the Federated Hermes Short-Term Sterling Prime Fund

Each Fund deals on a forward pricing basis (and not on the basis of published prices) except for the Accumulation (N) Classes of the Federated Hermes Short-Term Sterling Prime Fund. A forward price is a price calculated at the next Valuation Point after the sale, or redemption is agreed. As such, instructions received and accepted prior to the Dealing Deadline shall be transacted at the price per Share calculated at the next Valuation Point.

Special provisions apply in the case of an initial offer of Shares, where the ACD sets the initial offer price (discussed at page 25 under “*Initial Offer of Shares*”).

Historic Pricing Basis - for Accumulation (N) Classes of the Federated Hermes Short-Term Sterling Prime Fund

The Accumulation (N) Classes of the Federated Hermes Short-Term Sterling Prime Fund generally deal on a historic pricing basis where and to the extent permitted by the FCA Rules[1]. A historic price is a price calculated at the Valuation Point immediately preceding when the sale or redemption is agreed. As such:

- Instructions received and accepted prior to the Dealing Deadline shall be transacted at the price per Share calculated at the Valuation Point immediately preceding the Dealing Deadline provided the Federated Hermes Short-Term Sterling Prime Fund is permitted to calculate a constant Net Asset Value per Share (as adjusted for yields for the Accumulation (N) Class) as described under "Calculation of a constant Net Asset Value per Share for UK Public Debt CNAV and UK LVNAV MMFs".
- The ACD shall monitor the value of the assets of the Federated Hermes Short-Term Sterling Prime Fund with a view to ensuring fluctuations in their value between the Valuation Point preceding a Dealing Deadline and the Valuation Point following the Dealing Deadline would not impact the ability to calculate the price per Share at a constant Net Asset Value per Share (as adjusted for yields for the Accumulation (N) Class) at the Valuation Point preceding the Dealing Deadline. If the ACD determines that there would be an impact, the price per Share shall be calculated on a forward pricing basis using the mark-to-market and/or mark-to model approach calculated at the Valuation Point immediately following the Dealing Deadline.

Special provisions apply in the case of an initial offer of Shares, where the ACD sets the initial offer price (discussed at page 25 under "*Initial Offer of Shares*").

Timing of Calculation of Price Per Share

Calculation of the Share price will take place on each Dealing Day at a time not later than two hours following the commencement of the valuation of the property of the Scheme, as described on page 29 under "*Valuation and Pricing of Shares*".

Calculation of Price Per Share

The price of a Share is the Net Asset Value of a Fund attributable to the relevant Share Class of that Fund calculated in accordance with the relevant valuation basis for the Fund (as described above under "*Valuation of the Funds*") divided by the number of Shares in that Class in issue.

Calculation of a Constant Net Asset Value per Share for UK Public Debt CNAV and UK LVNAV MMFs

Certain types of MMF shall calculate a constant Net Asset Value ("CNAV") per Share in accordance with the amortised cost method described under "*UK MMF valuations - Amortised cost method for UK Public Debt CNAV MMFs, UK LVNAV MMFs and Qualifying UK MMFs*" at page 30, and may be permitted to deal in Shares at a price equal to the CNAV per Share.

- *UK Public Debt CNAV MMF:* A UK Public Debt CNAV MMF shall calculate a CNAV per Share. Dealings in Shares of a UK Public Debt CNAV may be transacted at a price equal to the CNAV per Share.
- *UK LVNAV MMF:* A UK LVNAV MMF shall calculate a CNAV per Share. Dealings in Shares of a UK LVNAV MMF may be transacted at a price equal to the CNAV per Share provided the CNAV per Share does not deviate from the NAV per Share calculated using the mark-to-market and/or mark-to-model approach (as applicable) by more than 20 basis points. If the deviation is more than 20 basis points, dealing in Shares in the UK LVNAV MMF will be transacted at the price equal to that calculated using the mark-to-market and/or mark-to-model approach (as applicable).

The constant Net Asset Value per Share shall be rounded to the nearest percentage point (or its equivalent when published in a currency unit), meaning the Share price shall be calculated to two decimal places. If a UK LVNAV MMF is required to transact at a variable Net Asset Value per Share in the circumstances described above, the Net Asset Value per Share shall be rounded to the nearest basis point (or its equivalent when published in a currency unit), meaning the Share price shall be calculated to four decimal places.

Publication of Prices (and shadow NAV for UK Public Debt CNAV and UK LVNAV MMFs)

Share prices will be available daily on the ACD's website at federatedinvestors.co.uk. In addition, prices can be obtained by calling the ACD on +44 (0)20 7292 8620. These prices will, unless for reasons beyond the control of the ACD, relate to the valuation on the Dealing Day immediately prior to the date of publication.

For a UK Public Debt CNAV MMF and UK LVNAV MMF, the difference between the constant Net Asset Value per Share and the Net Asset Value per Share calculated other than using the amortised cost method (known as the "shadow NAV") will be published daily on the ACD's website at federatedinvestors.co.uk.

1 The ACD has applied for and been granted a modification to the FCA Rules to permit the use of historic pricing in certain limited circumstances, which are specified in this Prospectus. As such, historic pricing may only be used in a Negative Yield Environment as described under "Compulsory Conversion in a negative yield environment for Federated Hermes Short-Term Sterling Prime Fund".

DILUTION POLICY

The basis on which the Scheme's investments are valued for the purpose of calculating the price of Shares in accordance with the FCA Rules and the Scheme's Instrument is summarised in the sections immediately above. This is subject to the application of the Scheme's dilution policy as described in this section, which is intended to reduce the impact of dilution (as described under "*Dilution risk*" on page 16).

Dilution Levy

In order to prevent dilution, the ACD may apply a dilution levy on the issue and/or redemption of Shares as outlined below.

A dilution levy is a charge of such amount or at such rate as is determined by the ACD in accordance with the COLL Sourcebook to be made for the purpose of reducing dilution. Any dilution levy will be calculated by reference to the estimated costs of dealing in the underlying investments of the Scheme, including any dealing spreads, commission and transfer taxes. Any dilution levy must be fair to all Shareholders and potential Shareholders. The ACD reserves the right to impose a dilution levy on purchases and sales of Shares of whatever size and whenever made.

When Might a Dilution Levy be Imposed?

It is not possible to predict accurately whether dilution will occur at any point in time and whether a dilution levy is to be imposed. However, the ACD reserves the right to impose a dilution levy in the following circumstances:

- If a proposed transaction falls or potentially falls within the large deal category i.e., any deal or series of deals which together relates to Shares having an aggregate value of £50 million or more. If a proposed deal or series of deals falls into the large deal category, the investor should enquire as to whether a dilution levy will be applied in respect of that transaction before giving instructions to the ACD.
- For a Fund that is a UK Public Debt CNAV MMF or UK LVNAV MMF, the ACD may impose a dilution levy (or liquidity fee) if the UK MMF fails to comply with certain weekly maturity portfolio rules as described on page 28 under "*Liquidity management procedure for UK Public Debt CNAV MMFs and UK LVNAV MMFs*".

In deciding whether to impose a dilution levy, the ACD may consider a number of factors including the size of the transaction relative to the overall value of the Fund, the level of transaction costs within the relevant particular markets, the liquidity of the underlying investments within the Fund, the amount of the investments to be bought/sold and the likely time that this will take, the likelihood of an adverse impact on the value of the investments as a result of the accelerated rate of disposal and the length of time for which the Shares in question were held.

As dilution is directly related to the inflows and outflows of monies from a Fund, it is not possible to predict accurately whether or not dilution will occur at any particular point in time, and how frequently the ACD will need to impose such a dilution levy. However, based on future projections, it is envisaged that the ACD would not expect to apply a dilution levy in respect of a Fund on a frequent basis in the future.

As at the date of this Prospectus, the ACD has not charged any dilution levy. Based on future projections, the levy (if imposed) will be up to 0.5% of the purchase cost or the redemption, switch or conversion proceeds. This is an estimated rate and does not limit the dilution levy that may be imposed in respect of a particular transaction. The amount of any dilution levy may vary over time and may differ for each Fund.

Fees and Charges of the Funds

ACD FEE FOR MANAGING AND ADMINISTERING THE FUNDS

The Instrument provides for a number of different types of payments to be made to the ACD by way of remuneration, but at present only a periodic charge is to be taken by the ACD. There is no initial charge, redemption charge, conversion charge or switch charge imposed by the ACD or the Scheme in relation to dealings in Shares.

The current rate of the ACD's periodic charges for each Share Class for each Fund is set out in the details for each Fund in Appendix 1. This comprises a charge in respect of the ACD's services as authorised corporate director for the Scheme. The charge is calculated and accrued daily for pricing purposes based on the value of the scheme property attributable to the relevant Fund at the Valuation Point on each Dealing Day. The charge is payable in arrears on the last Dealing Day of each month.

In respect of all Classes of Shares, other than Share Class 1 on which no management fee is charged, the aim is that investors may see a single clear percentage charge encompassing all periodic fees (excluding expenses) payable out of the Fund. The percentage figure disclosed in the details of the Funds in Appendix 1 for each of these Share Classes effectively sets out the total periodic fees which will be charged, since it includes the following:

- The ACD's periodic fee for management and administration services, out of which the ACD shall meet the fees payable to the Administrator. The Administrator's fee is as follows: for the first £5 billion of assets in the Funds: 1.0 basis points, for the next £5 billion of assets in the Funds: 0.8 basis points, for the next £10 billion of assets in the Funds: 0.6 basis points and for amounts in excess of £20 billion in the Funds: 0.4 basis points. Additional charges are £5 per money transfer, £10 per FX transactionand £35 per securities transaction.

- The Depositary's remuneration, which is disclosed below under "*Depositary's Remuneration*". The ACD will discount the amount of the periodic charge it is entitled to take to the extent of the amount of the Depositary's remuneration invoiced to the Fund.

In addition, expenses for certain purposes may be payable out of the property of the Scheme (including to the ACD) as explained below under "*Expenses paid out of property of the Scheme*".

DEPOSITARY FEE

As remuneration for its services, the Depositary is entitled to receive a periodic charge and transaction fees out of the property of each Fund. The periodic fee, which accrues at each Valuation Point and is payable monthly, is based on the value of the scheme property of the relevant Fund and is determined at each Valuation Point on the same basis as the ACD's charge. The rate of the fee is currently: for the first £5 billion of assets in the Funds: 0.25 basis points, for the next £5 billion of assets in the Funds: 0.2 basis points, for the next £10 billion of assets in the Funds: 0.15 basis points and for amounts in excess of £20 billion: 0.10 basis points subject to a minimum annual payment of £10,000 per Fund plus VAT.

There are no additional charges due to the Depositary.

The Depositary's remuneration is charged to the Scheme and taken out of the property attributable to the relevant Funds. In practice however in relation to Share classes other than Class 1 in each of the Funds the ACD intends to discount the amount invoiced by the Depositary from the amount taken in the ACD's periodic charge so that investors in effect only bear the straightforward basis points periodic charge payable to the ACD and no additional charges.

EXPENSES PAID OUT OF PROPERTY OF THE SCHEME

The following expenses may be paid out of the property of the Scheme:

- all reasonable and properly evidenced out of pocket expenses incurred by the ACD in the performance of its duties in respect of the Scheme, including any stamp duty reserve tax paid by the ACD in relation to the cancellation of Shares (whether or not the amount of that tax has been deducted from the payments made to Shareholders who cancelled their Shares);
- certain expenses properly incurred by the Depositary in performing its duties in respect of the Scheme, including the following:
  - the fees and expenses and disbursements of any person to whom the Depositary may delegate any function including custody fees (without limitation);
  - expenses incurred in the collection and distribution of income including bank charges, professional and accountancy fees and expenses and disbursements bona fide incurred in respect of the computation claiming or reclaiming of all taxation release and payments;
  - all expenses incurred in the submission of tax returns;
  - all costs and expenses of or incidental to preparation of reports and accounts required to be prepared for the Depositary by regulation or general law in relation to the Scheme and the costs and expenses of or incidental to the preparation and dispatch of any communications from the Depositary to Shareholders; and
  - all such other charges, expenses and disbursements properly incurred by the Depositary in performing its duties in respect of the Scheme.
- brokers' commission, fiscal charges and other disbursements which are:
  - necessary to be incurred in effecting transactions for the Scheme; and
  - normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- interest on borrowings permitted under the COLL Sourcebook and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- taxation and duties payable in respect of the property of the Scheme, the Instrument or the issue of Shares and any stamp duty reserve tax charged;
- any costs incurred in modifying the Instrument or the Prospectus including costs incurred in respect of meetings of Shareholders convened for purposes which include the purpose of modifying the Instrument where the modification is:
  - necessary to implement or necessary as a direct consequence of any change in the law (including changes in the COLL Sourcebook);
  - expedient having regard to any change in the law made by or under any fiscal enactment and which the ACD and the Depositary agree is in the interest of Shareholders; or
  - to remove from the Instrument obsolete provisions;
- any costs incurred in respect of meetings of Shareholders convened by the Depositary or on a requisition by Shareholders not including the ACD or an associate of the ACD;

- liabilities on unitisation, amalgamation or reconstruction arising in certain circumstances as set out in the COLL Sourcebook;
- the audit fee properly payable to the Auditor and VAT thereon plus any proper expenses of the Auditor;
- any fees due to rating agencies;
- the periodic fees of the FCA under the Act or the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares in the Scheme are or may be marketed;
- the costs of preparing the key investor information document(s);
- the costs of printing and distributing copies of the Prospectus;
- costs of establishing and maintaining the register and/or plan sub-register;
- fees payable to the FCA or the Registrar of Companies in relation to the filing of any details concerning the Scheme in accordance with the OEIC Regulations or FCA Rules;
- costs associated with the publication of any information concerning the Scheme, including the price of a net asset value of Shares from time to time in any medium whatsoever; and
- such other expenses as may be permitted by the COLL Sourcebook from time to time.

RESEARCH COSTS

It is the ACD's current policy that third party research (as defined in the FCA Rules) received by the ACD in connection with the investment management services provided by the ACD to the Funds will be paid for by the ACD. Accordingly, research costs will not be charged to the Funds.

INITIAL EXPENSES

The costs of authorisation and incorporation of the Scheme were paid by the ACD.

VALUE ADDED TAX (VAT)

The above remuneration and expenses are subject to value added tax where applicable. There are currently some exemptions from VAT in respect of the ACD's charges for management of the Scheme's investments and also any initial charge.

ALLOCATION OF FEES AND EXPENSES BETWEEN FUNDS

All the above fees and expenses will be charged as follows:

- Fees and expenses which are directly attributable to a particular Share Class of a Fund will be charged to that Share Class.
- Fees and expenses which are attributable to a particular Fund will be charged to that Fund. If there is more than one Share Class in issue in the Fund, they will normally be allocated pro rata to the value of the scheme property attributable to those Share Classes.
- Fees and expenses which are attributable to the Scheme generally will normally be charged to each of the Funds (and its Share Classes) pro rata to the value of the scheme property attributable to those Funds (and its Share Classes).

The ACD has discretion to allocate fees and expenses in a different manner where it considers this to be fair to Shareholders.

PAYMENT OF FEES AND EXPENSES

All remuneration and expenses shall be made from the income property of the Scheme in the first instance. However, if there is insufficient income in any accounting period, such remuneration and expenses shall be charged to the capital account. If deductions are made from capital, this may result in the erosion of, or may constrain the growth of, the capital of the Scheme and the relevant Fund.

Allocation of Income Earned by the Funds

WHEN AND HOW IS INCOME ALLOCATED

In general terms, income is allocated on each income allocation date. For Income Classes, Shareholders become entitled on the income allocation date to be paid any income allocated to Income Classes. For Accumulation Classes, net income allocated to Accumulation Class Shares will be automatically added to (and retained as part of) the capital assets of the relevant Fund and reflected in the Share price of the Accumulation Class Shares.

Allocations of income are made in respect of the income available for allocation in each accounting period. The amount available for allocation in an accounting period is calculated by:

- taking the aggregate of the income property received or receivable for the account of the relevant Fund for that period;
- deducting the charges and expenses of that Fund paid or payable out of the income of the property for that accounting period;

- adjusting for the ACD's best estimate of tax charge or tax relief on these expenses and charges; and
- making such other adjustments which the ACD considers appropriate in relation to tax and other issues.

Where there is more than one Share Class in issue, income available for allocation will be allocated between the Share Classes based on the respective proportionate interests represented by those Share Classes on a daily basis.

Currently only gross paying Shares are available. Under current UK tax law, gross paying Shares may be available to be held by or on behalf of investors irrespective of status or category. Interest distributions are therefore paid gross irrespective of the status or category of the investor. In accordance with UK tax law, the income allocated to such shares is distributed periodically to Shareholders (in the case of gross paying income shares) or added periodically to capital (in the case of gross paying accumulation shares) without deduction of any income tax. Further details are set out on page 37 under "*Taxation of Shareholders*".

For each Share Class of a Fund, information is set out in Appendix 1 regarding:

- the income allocation dates;
- for Income Classes, any aggregation of income for payment purposes and the expected timing for payments of income distributions; and
- for Accumulation Classes, the expected timing for the addition of income to the capital of a Fund.

For distributions of income, generally payment will be made by means of direct credit to the Shareholder's nominated bank account.

No distribution or other monies payable on or in respect of a Share shall bear interest against the Scheme. All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the Scheme. The ACD reserves the right to not make a distribution of income to a Shareholder where the amount of income to be distributed is small (de minimis). An amount will be regarded as small for these purposes if it is £100 or less.

ACCOUNTING PERIODS AND INCOME ALLOCATION DATES

The annual accounting period for the Scheme ends on 31 March in each year (the accounting reference date), and the half-yearly accounting period ends on 30 September in each year. The first annual accounting period ended on 31 March 2009. The income allocation dates for each of the Funds are set out in Appendix 1.

INCOME EQUALISATION

Where a Shareholder buys Shares in an Income Class, the first allocation of income may include an income equalization amount. The income equalization amount represents the part of the purchase price of Shares that is accrued income of the Fund that had not been allocated at the time of the purchase.

For a Fund, the amount of income equalisation in respect of a Share is calculated by dividing the aggregate of the amounts of income included in the price of Shares of that Class bought during the income allocation period by the number of those Shares and applying the resultant average to each of the Shares in question.

Note that for Income Classes with an income allocation date on each Dealing Day, there is no need for equalisation to be considered in respect of the Share prices because there will at no point be any income property included within the calculation of the valuation used for ascertaining the price of a Share.

Taxation

The information given below does not constitute legal or tax advice, and prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of any jurisdiction in which they may be subject to tax.

TAXATION OF THE SCHEME AND THE FUNDS

Each Fund is treated as a separate open-ended investment company resident in the United Kingdom (UK) for the purposes of UK taxation.

Each Fund is regarded as a bond fund for UK taxation purposes because the market value of qualifying investments of each Fund will exceed 60% of the market value of the investments of the Fund throughout the distribution period. A qualifying investment is one or more of the following:

- money placed at interest;
- securities (not including shares in a company);
- shares in a building society;
- units in another Authorised Investment Fund which itself holds more than 60% of its investments in qualifying investments (other than shares or units in another Authorised Investment Fund or an offshore fund) throughout the distribution period;

- shares or units in an offshore fund which itself holds more than 60% of its investments in qualifying investments (other than shares or units in an Authorised Investment Fund or an offshore fund) throughout the distribution period;
- derivative contracts whose underlying subject matter consists wholly of any one or more of the first five categories above and currency;
- contracts for differences whose underlying subject matter consists wholly of any one or more of interest rates, creditworthiness and currency;
- derivative contracts not within the previous two categories where there is a hedging relationship between the derivative contract and an asset within the first five categories above; or
- alternative finance arrangements.

The effect of each Fund being regarded as a bond fund is that all distributions by the Fund are deemed to be payments of yearly interest.

Each Fund is exempt from any liability to UK taxation in respect of any capital gains realised by it on the disposal of its investments.

Each Fund is liable to UK corporation tax (at the current special rate of 20%) on all types of income (except dividends from UK resident companies and certain dividends from non-UK resident companies). However, it is able to deduct all interest distributions and other allowable expenses.

Imposition of this tax rate should not mean that investors suffer an additional tax impact when investing through the Fund compared with investing on a direct basis in the Fund's underlying assets. The taxation regime which applies to the Scheme and its Funds is designed to ensure an efficient flow-through of returns to investors. Any income allocations allocated by any Fund to its Shareholders will be interest distributions.

Any income derived by a Fund from foreign sources (other than dividends from certain non-UK resident companies which are exempt) will be included in its taxable income, but, in computing its liability to corporation tax on any such income, credit may be available for any foreign withholding taxes that the income has borne.

TAXATION OF SHAREHOLDERS

Taxation of Income Allocations

When a Fund allocates income, this will be a distribution for UK tax purposes.

- **For Income Classes**: The distribution of income allocated to Income Class Shares will be a distribution for UK tax purposes. This applies where the income is paid to the Shareholder, and also where the Shareholder reinvests income by the purchase of further Income Class Shares.
- **For Accumulation Classes and Accumulatio**n **(N) Classes**: Where income is accumulated (i.e., added to the capital assets of the Fund) and reflected in the Share price of the Accumulation Class Shares and Accumulation (N) Class Shares, the allocated income will be a distribution for the UK tax purposes.

Because the Funds are "bond funds'' for the UK tax purposes (see "Taxation of the Scheme and the Funds'' above,) the types of distribution described above for the different Share Classes constitute interest distributions and are deemed payments of year interest.

The UK tax treatment of interest distributions is different for different types of shareholders:

- **For UK resident individual Shareholders**: For a UK resident individual, the rate of tax applicable to the individual's receipts of yearly interest will apply to interest distributions of the Fund allocated to the individual. This will depend on personal circumstances including other income, and will be subject to any allowances applicable to yearly interest.
- **For ISA Account Holders**: Income allocated to (and so treated as a distribution by) Shares held as account investments by an individual within an individual savings account under the Individual Savings Account Regulations 1998 (1998/1868) ("ISA'') will generally be effectively exempt from UK income tax for that individual.
- **For UK corporate Shareholders**: For Shareholders subject to UK corporation tax, interest distributions will be subject to the applicable corporation tax main rate.

Under current UK tax law interest distributions are paid gross irrespective of the status or category of the investor.

Taxation of Income Equalisation

When a Shareholder buys Income Class Shares, the first allocation of income in respect of those Shares may include an amount representing income equalization (as described under "*Income equalisation''* on page 36). The income equalization amount is a return of capital to the Shareholder, and so is not normally taxable as income in the hands of UK resident individual Shareholders. For UK resident individual Shareholders, the income equalization amount may be required to be deducted from the cost of Shares in computing any gains realized on a subsequent disposal of the Shares.

Taxation of Capital Gains

Shareholders may be liable to tax on gains where they sell or otherwise dispose of Shares. An exchange of Shares, such as a Switch and in certain circumstances a Conversion, may constitute a disposal for UK capital gains tax purposes, as discussed in more detail under "Switching between Funds / Converting to another Class'' on page 24.

The UK tax treatment of gains is different for different types of Shareholder:

- **For UK resident individual Shareholders**: For a UK resident individual, the Shareholder may be liable to capital gains tax in respect of gains arising from the sale or other disposal of Shares if their capital gains from all sources in the tax year exceeds the annual exempt amount, subject to any other reliefs then available.
- **For ISA Account Holders**: Gains arising from the disposal of Shares held as account investments by an individual within an ISA (as defined above) will generally be effectively exempt from UK capital gains tax for that individual.
- **For UK corporate Shareholders**: For Shareholders subject to UK corporation tax gains are subject to tax under the loan relationship rules under the UK tax law as a creditor relationship. This is on the basis that each Fund will investment more than 60% in qualifying investments for the purposes of the loan relationship rules under the UK tax law, which are broadly equivalent to the qualifying investments for a fund to be regarded as a bond fund for UK taxation purposes, as described under "*Taxation of the Scheme and the Funds*" on page 36). As a result, UK corporate Shareholders may be liable to tax in respect of both realized and unrealized gains (as well as income) for an accounting period calculation on a fair value basis of accounting.

Stamp Duty Reserve Tax ("SDRT")

SDRT is generally not chargeable on the surrender of shares in a UK open-ended investment company. Consequently, the sale of Shares in a Fund will generally not be subject to an SDRT charge.

In relation to an in specie redemption of Shares in a Fund (as described at page 26) where a Shareholder receives a proportion of each of the Fund's underlying assets, SDRT will not be chargeable provided the distribution in specie is of underlying assets proportionate to, or as nearly as practicable proportionate to, the Shareholder's holding of Shares.

PROVISION AND DISCLOSURE OF INFORMATION FOR TAXATION RELATED PURPOSES

In the UK, international provisions relating to the disclosure and reporting of information are set out in The International Tax Compliance Regulations 2015 SI 2015/878 (as amended, "ITC Regulations"). These harmonise the requirements under the Common Reporting Standard and FATCA, as discussed below.

In the UK domestic provisions relating to the disclosure and reporting of information relating to UK resident individuals are set out in Schedule 23 of the Finance Act 2011. These enable HMRC to require persons (including the ACD) who pay (or receive) interest distributions treated as made directly or indirectly to (or for) United Kingdom resident individuals to report to HMRC prescribed financial account data.

Common Reporting Standard

The Standard for Automatic Exchange of Financial Account Information published by the OECD is now commonly known as the "Common Reporting Standard" ("CRS"). The CRS is a single global standard for the automatic exchange of information ("AEOI") between taxation authorities in participating jurisdictions. The CRS aims to improve transparency to counter tax evasion in participating jurisdictions and to provide taxation authorities in participating jurisdictions with information on offshore or cross-border financial accounts and assets owned by individuals and entities resident in their local jurisdiction.

The CRS sets out details of the financial information to be exchanged, the financial institutions required to report such information to local tax authorities, and the common due diligence standards to be followed by financial institutions to obtain financial account information. A "financial institution" for the purposes of the CRS will include the ACD and could include any intermediary financial undertaking operating a custodial account in a participating jurisdiction in which Shares are directly or indirectly held by an individual or entity resident in another participating jurisdiction.

Broadly, the CRS regime has been implemented in the UK by the ITC Regulations and the implementation of the CRS in the UK is independent of former membership of the EU.

Over 100 jurisdictions effect AEOI under the CRS. The CRS is now fully operational for all financial accounts in participating jurisdictions and it is expected that the number of participating jurisdictions effecting AEOI under the CRS will increase.

Shareholders and prospective investors should note that there will be a requirement for the name, address, jurisdiction(s) of tax residence, date and place of birth, account reference number, tax identification number(s) of each reportable person in respect of a reportable account for the CRS, and information relating to each Shareholder's investment (including but not limited to the value of and any payments in respect of the Shares) to be disclosed by or on behalf of the ACD to HMRC. HMRC may in turn exchange this information with the tax authorities in territories who are participating jurisdictions for the purposes of the CRS. In order to comply with its obligations, Shareholders may be required to provide additional information for the purposes of complying with the CRS.

Shareholders and prospective investors resident in the UK should note that if Shares are held directly or indirectly by an individual or prescribed entity resident in the UK through a financial institution operating a custodial account in another participating jurisdiction, prescribed financial account information relating to that holding of Shares may be reported to HMRC under the CRS.

European Information Reporting and the CRS

The ITC Regulations were amended upon the end of the Brexit transition period on 31 December 2020 to reflect that the UK ceased to be treated as a member state of the European Union. However, the ITC Regulations continue to require compliance with the CRS in the UK. As a result of this and the application of the CRS in the EU, there continues to be arrangements for cooperation and the automatic exchange of information between tax authorities in the UK and EU member states under the CRS.

US Regime Under FATCA

Under tax legislation in the US, a new information reporting regime has been introduced known as the Foreign Account Tax Compliance Act ("FATCA"). Broadly, the intention of FATCA is to safeguard against US tax evasion by requiring non-US financial institutions to report to the US Internal Revenue Service ("IRS") certain information in respect of certain account holders. In the event of non-compliance with the FATCA regime, the Scheme or a Fund may be subject to a US tax withholding of 30% on certain payments it receives and may in certain circumstances in the future be obliged to make withholding from payments to Shareholders.

Broadly, the FATCA regime has been implemented in the UK by ITC Regulations. Provided that the Scheme registers with the IRS as a foreign financial institution and complies with its obligations pursuant to the ITC Regulations, no FATCA withholding tax should apply. If there is significant non-compliance with the ITC Regulations, FATCA withholding tax could then apply. Any non-compliance could give rise to penalties under the ITC Regulations.

Shareholder Agreement to Provision and Disclosure of Information to HMRC and Other Tax Authorities

In order to comply with the CRS, FATCA and other regimes as implemented in the UK under the ITC Regulations, the Scheme, the Fund, the ACD or their delegates will report information regarding the Scheme, the Fund and Shareholders to HMRC, as its local tax authority. The Administrator will assist with the provision of information to HMRC. This information may be passed by HMRC to other tax authorities including the IRS under other information sharing agreements.

The ability of the Scheme, Fund or the ACD to report information to HMRC will depend on each affected Shareholder providing the information required to satisfy the applicable obligations. By subscribing for Shares in a Fund, each Shareholder agrees to provide upon request such information as may be required for taxation purposes including but not limited to the CRS and FATCA, and will be deemed to have authorised the automatic disclosure of information by or on behalf of the ACD to HMRC or other relevant tax authorities. The non-provision of such information may result in the compulsory redemption of Shares or other appropriate action taken by the ACD. Shareholders refusing to provide the requisite information to the ACD or its delegates may also be reported to HMRC.

Shareholders should consult their own independent professional tax advisers regarding the possible implications of these rules on any investment in a Fund.

The statements in this 'Taxation' section are based on UK law and HMRC practice as known at the date of this document. Shareholders are recommended to consult their professional advisers if they are in any doubt about their tax position.

General Information for Investors

DOCUMENTS AND INFORMATION AVAILABLE TO SHAREHOLDERS

Documents of the Scheme

The following documents may be inspected free of charge at the ACD's offices on any business day:

- Prospectus.
- Key investor information documents for each Share Class.
- Instrument.
- Most recent annual and interim periodic reports for the Scheme.

The above documents are available on the ACD's website at federatedinvestors.co.uk. Copies of the above documents will be made available free of charge upon request except for the Instrument. Copies of the Instrument may be obtained by a Shareholder or prospective Shareholder on payment of a reasonable charge to the ACD.

Reports

Annual reports and financial statements of the Scheme will be made available within four months of the end of each annual accounting period. Interim reports and financial statements will be made available within two months of the end of each half-yearly accounting period.

The most recent annual and interim periodic report for the Scheme will be available on the ACD's website at federatedinvestors.co.uk and will be sent (by post, by electronic mail or any other means of electronic communication) to Shareholders upon request.

Statements

At least once each year, the ACD will send a statement to each person who holds or has held Shares (or is or was the first named of joint holders of Shares) since the time of issue of the last such statement. That statement shall describe any current holding of Shares in the Scheme as at the date the statement is compiled and any transactions in Shares in the Scheme carried out by or on behalf of that person, since the date on which the last such statement was compiled.

Share Price

For details of how to obtain current Share prices, see "*Publication of prices (and shadow NAV for UK Public Debt CNAV and UK LVNAV MMFs)*" on page 32.

Portfolio information

Information regarding the investment portfolios of a Fund may be published on the ACD's website at federatedinvestors.co.uk and made available to investors upon request.

In particular, for each Fund that is a UK MMF, the ACD shall publish on its website, federatedinvestors.co.uk, on at least a weekly basis the following information regarding the UK MMF:

- the maturity breakdown of the UK MMF;
- the credit profile of the UK MMF;
- the Weighted Average Maturity and Weighted Average Life of the UK MMF;
- details of the 10 largest holdings in the UK MM (including the name, country, maturity and asset type, and the counterparty in the case of repurchase and reverse repurchase agreements);
- the total value of the assets of the UK MMF; and
- the net yield of the UK MMF.

Additional information

Additional information regarding the Scheme and the Funds may be made available to investors upon request, including information required for legal or regulatory purposes. Investors and prospective investors seeking additional information should contact their usual contact at Federated Hermes or by emailing Federated.US.Services@federatedinv.com.

Information About the Scheme Required Under EU MiFID II, UK MiFID II, EU PRIIPs Regulation and UK PRIIPs Regulation

UK and EU legislation prescribes requirements regarding the information that must be disclosed to investors in the Scheme. Alongside the FCA Rules and UK UCITS Directive, investment firms subject to EU MiFID II or UK MiFID II that are distributing Shares must provide certain information to investors and prospective investors regarding the financial products they are distributing. In addition, before a UCITS scheme is made available to investors in the UK or EU through a packaged retail investment product or an insurance-based investment product (together referred to as "PRIIP"), the manufacturer of the PRIIP is required by the UK PRIIPs Regulation or EU PRIIPs Regulation to disclose certain information to investors and prospective investors in the form of a key information document for the PRIIP (known as a "PRIIPs KID").

The ACD intends to make available information regarding the Scheme and each Fund to assist investment firms subject to EU MiFID II, UK MiFID II, and PRIIPs manufacturers to fulfil these regulatory requirements. In relation to EU MiFID II and UK MiFID II, such information will include information regarding the ACD's identified target market and distribution strategy for each Fund, and information regarding costs and charges including portfolio transaction costs. In relation to the EU PRIIPs Regulation and UK PRIIPs Regulation, this will include information regarding risk and performance calculations, and costs and charges information including portfolio transaction costs. Information will be provided using industry-accepted templates, and will be available to investment firms subject to EU MiFID II and UK MiFID II, PRIIPs manufacturers, and investors and prospective investors upon request by contacting their usual contact at Federated Hermes or by emailing Federated.US.Services@federatedinv.com.

HOW MAY THE SCHEME BE CHANGED

Under the COLL Sourcebook, the ACD is required to seek Shareholder approval to, or notify Shareholders of, various types of changes to the Scheme and the Funds. Annual General Meetings are not held but Extraordinary General Meetings may be convened from time to time.

The provisions below apply to a class of shares, a Fund or the Scheme as appropriate.

Fundamental Changes

A fundamental change is a change or event which changes the purposes or nature of the Scheme or a Fund, or may materially prejudice a Shareholder or alters the risk profile of a Fund or introduces any new type of payment out of the scheme property of a Fund. The ACD must, by way of an extraordinary resolution (which needs 75% of the votes cast at the meeting to be in favour if the resolution is to be passed), obtain prior approval from Shareholders for any such change. An extraordinary resolution is required, for example, for a change of investment objective or policy of a Fund.

The convening and conduct of meetings of Shareholders and the voting rights of Shareholders at those meetings is governed by the provisions of the FCA Rules and the Instrument of the Scheme.

A meeting of all Shareholders in the Scheme, a Fund or a Share Class of a Fund may be convened at any time. All references below to a meeting apply equally to Scheme, Fund and Share Class meetings.

The ACD may convene a meeting at any time. Shareholders registered as holding at least 1/10th in value of all the Shares then in issue may require that a meeting be convened. A requisition by Shareholders must state the objective of the meeting, and be dated and signed by those Shareholders and deposited at the head office of the Scheme. The ACD must convene a meeting no later than eight weeks after receipt of such requisition by the Scheme.

Shareholders will receive at least 14 days' written notice of a meeting (including the day of service of the notice and the day of the meeting). The notice will specify the day, hour and place of the meeting and the resolutions to be put to the meeting. They are entitled to be counted in the quorum and vote at a meeting either in person or by proxy. The quorum for a meeting is two Shareholders, present in person or by proxy. If, at an adjourned meeting, a quorum is not present after a reasonable time from the time appointed for the meeting, one person entitled to be counted in a quorum present at the meeting shall constitute a quorum.

The ACD will not be counted in the quorum for a meeting. The ACD and its associates are not entitled to vote at any meeting, except in respect of Shares which the ACD or an associate holds on behalf of or jointly with a person who, if himself the registered Shareholder, would be entitled to vote and from whom the ACD or associate has received voting instructions.

Every Shareholder who (being an individual) is present in person or (being a corporation) by its properly authorised representative shall have one vote on a show of hands. Where there are joint holders of a Share, the vote of the holder whose name in the register of Shareholders stands above the names of each other such holder who votes shall be counted to the exclusion of each other vote cast in respect of that Share.

A Shareholder may vote in person or by proxy (a person appointed by the Shareholder to attend and vote in place of the Shareholder) on a poll vote. A poll may be demanded by the chairman of the meeting (who shall be a person appointed by the Depositary, or in the absence of such a person, a person nominated by the Shareholders), the Depositary or any two Shareholders. A Shareholder entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

Where every Shareholder is prohibited from voting at a meeting of Shareholders by reason of each such Shareholder being either the ACD or an associate of the ACD and a resolution is required to do business at a meeting of Shareholders, a meeting of Shareholders need not be called and a resolution may, with the prior written consent of the Depositary to the process, instead be passed with the written consent of Shareholders representing 50% or more, or for an extraordinary resolution 75% or more, of the Shares of the Scheme or of the Class in question.

Significant Changes

A significant change is a change or event which is not fundamental but which affects the Shareholder's ability to exercise his rights in relation to his investment; or would reasonably be expected to cause the Shareholder to reconsider his participation in a Fund; or results in any increased payments out of the scheme property to the ACD or an associate of the ACD; or materially increases any other type of payments out of the scheme property of a Fund. The ACD must give reasonable prior notice (of not less than 60 days) in respect of any such significant change to the operation of the Scheme or its Funds.

Notifiable Changes

A notifiable change is a change or event which a Shareholder must be made aware of that is not considered by the ACD to be insignificant, and is not a fundamental change or a significant change. The ACD must inform Shareholders in an appropriate manner and time scale of any notifiable changes that are reasonably likely to affect or have affected the operation of the Scheme or a Fund.

WINDING UP THE SCHEME OR TERMINATING A FUND

The Scheme

The Scheme may be wound up:

- by the court as an unregistered company under Part V of the Insolvency Act 1986; or
- if the Scheme is solvent, under the provisions of the COLL Sourcebook.

To wind up the Scheme under the FCA Rules, the ACD has to notify the FCA of the proposal, confirming to the FCA that the Scheme will be able to meet all its liabilities within the following 12 months.

The Scheme can be wound up under the FCA Rules:

1. if an extraordinary resolution is passed to that effect;
2. if the FCA agrees to a request by the ACD for revocation of the order in respect of the Scheme (provided no material change in any relevant factor occurs prior to the date of the revocation); or
3. on the expiration of any period for the duration of the Scheme or the occurrence of an event specified in the instrument of incorporation as triggering a winding up of the Scheme.

On a winding-up under the COLL Sourcebook:

- Chapter 5 of the COLL Sourcebook (concerning pricing investment and borrowing powers) and Chapter 6, Parts 2 and 3 of the COLL Sourcebook (concerning dealing and pricing) will cease to apply;
- the Scheme will cease to issue and cancel Shares;
- the ACD will stop selling and redeeming Shares; and
- no transfer of Shares will be registered and no change to the register will be made without the sanction of the ACD.

The Scheme will cease to carry on its business except as is required for its beneficial winding up. The ACD shall, as soon as practicable, realise assets of the Scheme and pay the respective shares of the proceeds to Shareholders in accordance with the FCA Rules.

A Fund

A Fund of the Scheme may be terminated under the FCA Rules:

- where any of the events set out in 1, 2 or 3 above occurs in respect of that particular Fund; or
- if the ACD is of the opinion that it is desirable to terminate the Fund.

If so, the assets of the Fund will be realised and the Shareholders in the Fund will receive their respective shares of the proceeds, net of liabilities and the expenses of the termination.

A Fund may also be terminated in connection with its amalgamation or reconstruction. In that case Shareholders in the Fund will become entitled to receive shares or units in another regulated collective investment scheme in exchange for their Shares in the Fund.

USE OF SHAREHOLDER INFORMATION INCLUDING PERSONAL DATA

We will receive and may obtain information relating to Shareholders.

Use and Disclosure of Information

We may use information in various ways and for various purposes, including to comply with legal and regulatory obligations, to conduct our business, to provide our products and services to clients, to review our operations, and for product development and marketing purposes.

Information may be disclosed to various recipients or categories of recipient, including the following:

- To Federated Hermes, Inc. and its subsidiaries (the “Federated Hermes Group”).
- To third parties including: (i) the ACD’s delegates, agents, sub-contractors, service providers, vendors and business partners; (ii) persons providing services or functions in relation to the ACD’s products (including any credit rating agency, transfer agent, registrar, fund administrator, depositary, custodian, paying agent, auditor, and legal and other professional adviser; and (iii) Shareholder delegates, agents, sub-contractors, service providers (including in relation to a client any investment adviser, discretionary investment manager, distributor, platform or other intermediary, auditor, and legal and other professional adviser) and any other person Shareholders involve in connection with the ACD’s products or services.
- In the event that the Federated Hermes Group sells or buys any business or assets, to the prospective seller or buyer. If Federated Hermes, Inc. sells all or substantially all of its assets, information held by it will be one of the transferred assets.
- To competent authorities (including tax authorities such as HMRC as described at page 38 under “*Provision and Disclosure of Information for Taxation Matters*”, and regulatory bodies such as the FCA), or to other persons for the purposes of making regulatory filings, submissions or reports, or in connection with any regulatory supervisory action or internal investigation or review.

Data Protection

To the extent we receive personal data about Shareholders (and in the case of a Shareholder that is not an individual, your personnel or persons connected with you) and, if the Shareholder is an Intermediary, any end investor, we will process that personal data in accordance with current data protection law applicable to us. The ACD will be the data controller of such personal data. The ACD sets out information regarding the basis on which it collects, uses and processes personal data, any rights of individuals whose personal data it holds, in its Privacy Notice, which it may update from time to time. The ACD's current Privacy Notice is made available on the ACD's website, federatedinvestors.co.uk, or can be obtained by contacting the ACD (see Directory).

CONFLICTS OF INTEREST

This section describes the conflicts of interest that may arise involving the Scheme and the ACD, and the approach of the Scheme and the ACD to managing conflicts of interest. Information regarding conflicts of interest involving the Depositary (which also acts as Administrator) is set out at page 9 under "*Conflicts of interest that may arise involving the Depositary*".

Existing or Potential Conflicts of Interest

The ACD, the Depositary, the Administrator and any party to whom investment management, investment advisory, administrative, oversight and/or custodial functions are delegated may, from time to time, perform such functions in relation to, or be otherwise involved in, other funds which have investment objectives similar to those of a Fund. It is, therefore, possible that any one of them may, in the course of business, have potential conflicts of interest with the Funds. In addition, any of the foregoing may deal, as principal or agent, with the Funds, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis and that such transactions are consistent with the best interests of Shareholders.

Conflicts of interest will be resolved fairly and in the best interests of Shareholders. Dealings will be deemed to have been effected on normal commercial terms if:

1. a certified valuation of a transaction by a person approved by the Depositary as independent and competent is obtained; or
2. the transaction is executed on best terms reasonably obtainable on an organised investment exchange in accordance with the rules of such exchange; or,
3. where neither 1. or 2. are practical, the transaction is executed on terms which the Depositary (or the ACD in the case of a transaction involving the Depositary) is satisfied are normal commercial terms negotiated at arm's length.

Conflicts of interest may arise as a result of transactions in financial derivative instruments and efficient portfolio management techniques and instruments. For example, the counterparties to, or agents, intermediaries or other entities which provide services in respect of, such transactions may be related to the Depositary. As a result, those entities may generate profits, fees or other income or avoid losses through such transactions. Furthermore, conflicts of interests may also arise where the collateral provided by such a counterparty is subject to a valuation or haircut applied by a party related to such counterparty.

If a Fund invests its assets in another investment fund, or if an investment fund invests in a Fund, it can create conflicts of interest for the investment manager of the acquiring fund and the investment manager of the acquired fund. For example, a conflict of interest can arise due to the possibility that the investment manager of the acquiring fund could make a decision to redeem the acquiring fund's investment. Where the investment managers of the acquiring fund and acquired fund are the same or affiliated, a conflict of interest can arise. For example, if the investment by the acquiring fund assists the acquired fund to garner more assets from third-party investors and thereby growing the fund, this may increase the management fees received by the investment manager or its affiliate.

To the extent the ACD or its delegate provides valuations for securities whose market price is unrepresentative or whose value is unavailable, a potential conflict of interest exists since an increase in a Fund's net asset value could result in a higher management fee. However, all such securities will be valued at their probable realisation value estimated with care and in good faith.

Managing Conflicts of Interest

The ACD has policies designed to ensure that in all transactions, an appropriate effort is made to avoid conflicts of interest, and that when they cannot be avoided, the Scheme and its Shareholders are fairly treated.

The FCA Rules contain various requirements relating to transactions entered into between the Scheme and the ACD or any associate may involve a conflict of interest. These are designed to protect the interests of the Scheme. Certain transactions between the Scheme and the ACD, or an associate of the ACD, may be voidable at the instance of the Scheme in certain circumstances.

OTHER POLICIES AND PROCEDURES

Remuneration Policy

The ACD applies a remuneration policy which is consistent with, and promotes sound and effective risk management. The ACD's remuneration policy and practices must not encourage risk taking which is inconsistent with the risk profile or prospectus of the Scheme, and must not impair compliance with the ACD's duty to act in the best interests of the Scheme.

Further information on the current remuneration policy of the ACD is available at federatedinvestors.co.uk, and a paper copy of this information will be made available free of charge upon request.

Order Execution Information

The ACD has policies designed to ensure that it and its service providers act in the Scheme's best interests when executing decisions to deal in respect of a Fund in the context of managing the Funds' portfolios. For these purposes, all sufficient steps must be taken to obtain the best possible result for the Funds, taking into account price, costs, speed, likelihood of execution, likelihood of settlement, order size and nature, and any other consideration relevant to the execution of the decision to deal. Information about the Funds' execution policies is available to Shareholders at no charge upon request.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) COMMITMENT

UN Principles for Responsible Investment

In December 2017, Federated Investors, Inc., now Federated Hermes, Inc., became a signatory to the Principles for Responsible Investment ("PRI"). The PRI were developed through an investor initiative in partnership with the United Nations Environment Programme Finance Initiative and the United Nations Global Compact. Commitments made as a signatory to the PRI are not legally binding, but are voluntary and aspirational. They include efforts, where consistent with our fiduciary responsibilities, to incorporate environmental, social and corporate governance ("ESG") issues into investment analysis and investment decision making, to be active owners and incorporate ESG issues into our ownership policies and practices, to seek appropriate disclosure on ESG issues by the entities in which we invest, to promote acceptance and implementation of the PRI within the investment industry, to enhance our effectiveness in implementing the PRI, and to report on our activities and progress towards implementing the PRI. Being a signatory to the PRI does not obligate Federated Hermes to take, or not take, any particular action as it relates to investment decisions or other activities.

Federated Hermes' Approach to ESG Investing

In July 2018, Federated Investors, Inc., now Federated Hermes, acquired a majority interest in Hermes Fund Managers Limited ("HFML"), a pioneer of integrated ESG investing. Following transactions on 31 August 2021 and 14 March 2022, Federated Hermes acquired the shares held by the minority shareholders in HFML, and HFML became a wholly owned subsidiary undertaking of Federated Hermes. HFML's experience with ESG issues contributes to Federated Hermes' understanding of the material risks and opportunities that these issues may present.

EOS at Federated Hermes, Inc., which was established as Equity Ownership Services ("EOS") in 2004 as an affiliate of HFML, is our in-house engagement and stewardship team. The team conducts long-term, objectives-driven dialogue with board and senior executive level representatives of more than 1,000 companies. It seeks to address the most material ESG risks and opportunities through constructive and continuous discussions with the goal of improving long term results for investors. The team's deep understanding across sectors, themes and regional markets, along with language and cultural expertise, allows EOS to provide insights to companies on the merits of addressing ESG risks and the positive benefits of capturing opportunities. The ACD's investment management teams have access to the insights gained from understanding a company's approach to these long term strategic matters as an additional input to improve portfolio risk/return characteristics.

Integrating ESG into Security Selection Process

As part of the analysis inherent in the ACD's security selection process, the ACD's investment management teams evaluate among other factors whether ESG factors could have a positive or negative impact on the risk profiles of many issuers in the universe of securities in which the Funds may invest. The ACD's investment management teams may also consider information derived from active engagements conducted by its in-house stewardship team, EOS, with certain issuers. This qualitative analysis does not automatically result in including or excluding specific securities, but is used by the ACD as an additional input to improve portfolio risk/return characteristics.

COMMUNICATING WITH US

Our Contact Details

The ACD's contact details are set out in the Directory. If you wish to contact the ACD to deal in Shares, please use the contact details for the ACD Service Centre in the Directory on page 101.

Service of Notices

Notices or documents will be served on Shareholders by first class post, with copies available by facsimile and/or secure email.

The address of the head office and the place for service on the Scheme of notices or other documents required or authorised to be served on it is 150 Cheapside, London EC2V 6ET.

Recording of Telephone Calls and Communications

Telephone calls and communications with the ACD will be recorded and monitored. A copy of the conversations and communications relating to your investment or possible investment in the Scheme will be retained and made available to you upon request for a period of five years.

COMPLAINTS AND COMPENSATION

Complaints about any aspect of the ACD's service or the operation of any Fund should in the first instance be made in writing to the Compliance Officer of the ACD at 150 Cheapside, London EC2V 6ET. A copy of the ACD's internal complaints handling procedure is available on request.

If a complaint is unresolved or a Shareholder is dissatisfied with the response received, the Shareholder may have the right to refer it to the Financial Ombudsman Service ("FOS"), Exchange Tower, London E14 9SR. Information on the categories of eligible complainant and the circumstances when a complaint may be referred to the FOS may be obtained by contacting the FOS and are available on the FOS website (www.financial-ombudsman.org.uk).

The Financial Services Compensation Scheme ("FSCS") may pay compensation to clients if a firm is unable, or likely to be unable, to pay claims against it. This depends on whether the Shareholder is an eligible complainant, the type of business and the circumstances of the claim. Further information is available from the Financial Services Compensation Scheme, 7th floor, Lloyds Chambers, Portsoken Street, London E1 8BN and is available on the FSCS website (www.fscs.co.uk).

Information for Investors Outside the UK

GENERAL INFORMATION

Persons not resident in the United Kingdom who are interested in purchasing Shares should note the Important Information at the start of the Prospectus and inform themselves as to:

- the legal requirements within their own countries for subscription of Shares;
- any foreign exchange restrictions; and
- the income, estate and other tax consequences of becoming a Shareholder.

It is the responsibility of any person not resident in the United Kingdom making an application for Shares to satisfy themselves as to full observance of the laws of the relevant territory, including obtaining any governmental or other consents which may be required or observing any formality which needs to be observed in such territory.

For information regarding the availability of the documents of the Scheme, see page 39 under "*General information for investors*".

Share prices, information regarding income allocations and distributions, as well as any notices to Shareholders, are made available on the ACD's website at federatedinvestors.co.uk.

FOR INVESTORS IN THE ISLE OF MAN

The following Funds and Share Classes may be marketed in the Isle of Man:

Fund	Share Class
Federated Hermes Short-Term Sterling Prime Fund	Class 1 Shares – income Class 2 Shares – income Class 3 Shares – income Class 4 Shares – income Class 5 Shares – income Class 8 Shares – accumulation
Federated Hermes Sterling Cash Plus Fund	Class 1 Shares – accumulation Class 2 Shares – accumulation Class 3 Shares – accumulation Class 3 EUR Shares – accumulation Class 3 USD Shares – accumulation Class 4 Shares – accumulation Class 6 Shares – income

Basis for Marketing in the Isle of Man

The Scheme has been recognised under paragraph (1) of Schedule 4 to the Collective Investment Schemes Act 2008 of the Isle of Man (the "CISA 2008"). This Prospectus constitutes the offering document prepared in accordance with the Isle of Man Collective Investment Schemes (Recognised Schemes) Regulations 2015. It contains the relevant information specified in Appendix 2 of the Schedule to the Authorised Collective Investment Schemes Regulations 2010.

The Scheme is incorporated in England and Wales and is authorised and regulated by the Financial Conduct Authority in the UK (see page 5 under "*Establishment and Authorisation*"). The ACD, the Depositary and the Administrator are not authorised persons for the purposes of the CISA 2008. Isle of Man investors are not protected by any statutory compensation arrangement.

Arrangements for Investors in the Isle of Man

IQ EQ (Isle of Man) Limited, whose registered office is at First Names House, Victoria Road, Douglas, Isle of Man, IM2 4DF, has agreed to act as the Scheme's information agent in the Isle of Man (the "Isle of Man Information Agent").

Investors in the Isle of Man wishing to directly purchase, sell, switch or convert Shares may submit dealing instructions directly to the ACD in accordance with the procedures set out at page 20 under "*Different ways to invest in a Fund*". Alternatively, investors may deal in Shares through an Intermediary (such as a professional adviser, distributor, platform or other financial intermediary) including the Isle of Man Information Agent, who may specify the form and manner for the provision of dealing instructions.

Payments to Shareholders in the Isle of Man (redemption proceeds, distributions (if any) and other payments) may be made into Isle of Man bank accounts.

For information regarding the availability of the documents of the Scheme, see page 39 under "*General information for investors*". In addition, the Prospectus, relevant key investor information documents, the Instrument, and the most recent annual and interim periodic reports for the Scheme may be obtained free of charge in paper form and are available for inspection on each bank business day in Douglas, Isle of Man during normal business hours at the office of the Isle of Man Information Agent.

Share prices, information regarding income allocations and distributions, as well as any notices to Shareholders, are made available on the ACD's website at federatedinvestors.co.uk. The price of Shares as well as any notices to Shareholders may also be obtained from the Isle of Man Information Agent on each bank business day in Douglas, Isle of Man during normal business hours.

The Isle of Man Information Agent is authorised to accept on behalf of the ACD any process, notice or other document required or authorised to be served on the ACD in the Isle of Man. In addition, any complaint about the operation of the Scheme may be submitted in writing to the Isle of Man Information Agent and will be forwarded to the ACD. Alternatively, complaints may be made directly to the ACD (see page 44 under "*Complaints and compensation*").

Taxation in the Isle of Man

Shareholders resident in the Isle of Man for taxation purposes will, subject to their personal circumstances, be liable to Isle of Man income tax in respect of gross dividends declared by the Scheme. Under current legislation there is no capital gains tax, stamp duty, capital transfer tax, estate or inheritance tax in the Isle of Man. Isle of Man investors should seek independent tax advice on their investments in the Funds.

FOR INVESTORS IN THE BAILIWICK OF GUERNSEY

This Prospectus is only being, and may only be, made available in or from within the Bailiwick of Guernsey and any offer of Shares is only being, and may only be, made in or from within the Bailiwick of Guernsey:

1. by persons licensed to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended); or
2. to persons licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended), the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended), the Regulation of Fiduciaries, Administration Business and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (as amended) or the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 (as amended) provided:
   - the person making the Prospectus available or offering the Shares is established in a country or territory listed in the first column of the Schedule to the Investor Protection (Designated Countries and Territories) (Bailiwick of Guernsey) Regulations, 2017 and the promotion is in accordance with the laws of that designated country or territory; and
   - written notice has been provided to the Guernsey Financial Services Commission ("GFSC") of the intention to promote the Shares in the Bailiwick of Guernsey; or
3. by persons promoting collective investment schemes in Guernsey who (a) are from a "designated territory" as set out in the Investor Protection (Designated Countries and Territories) Regulations 1989 and 1992; (b) are promoting such collective investment scheme in accordance with the laws of that designated territory; and (c) notify the GFSC of their intention to carry out the restricted activity of promotion of controlled investments (collective investment schemes) and receive confirmation of an exemption from the GFSC.

This Prospectus (and any offer of Shares) is only made available in or from within the Bailiwick of Guernsey in accordance with one of the above paragraphs (1), (2) and (3). This Prospectus must not be relied upon by any person unless it is made available or received in accordance with one of the paragraphs set out above.

FOR INFORMATION FOR INVESTORS IN THE BAILIWICK OF JERSEY

Consent under the Control of Borrowing (Jersey) Order 1958 has not been obtained for the circulation of this Prospectus to persons in the Bailiwick of Jersey. Accordingly, the offer that is the subject of this Prospectus may only be made in Jersey where the offer is not an offer to the public or the offer is valid in the United Kingdom or Guernsey and is circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom or Guernsey as the case may be. By accepting this offer each prospective investor in Jersey represents and warrants that he or she is in possession of sufficient information to be able to make a reasonable evaluation of the offer.

Neither the Scheme, the ACD nor the activities of any functionary with regard to the Scheme are subject to all the provisions of the Financial Services (Jersey) Law 1998.

Appendix 1

THE FUNDS

Fund name	Product Reference Number (PRN)
Federated Hermes Short-Term Sterling Prime Fund	640254
Federated Hermes Sterling Cash Plus Fund	640257
Federated Hermes US Dollar Cash Plus Fund	640258
Federated Hermes Euro Cash Plus Fund	640259
Federated Hermes Sterling Short Duration Bond Fund	640260
Federated Hermes US Dollar Short Duration Bond Fund	640261
Federated Hermes Euro Short Duration Bond Fund	640262

Federated Hermes Short-Term Sterling Prime Fund

INVESTMENT OBJECTIVE

The investment objective of the Federated Hermes Short-Term Sterling Prime Fund is to maximise current income consistent with the preservation of principal and liquidity by investing in a diversified portfolio of high quality Sterling denominated short term debt and debt related instruments described below. The primary objective is to maintain the net asset value of the undertaking either constant at par (net of earnings) or at the value of the investors' initial capital plus earnings.

INVESTMENT POLICY

In pursuit of its investment objective the Federated Hermes Short-Term Sterling Prime Fund shall invest in assets that are eligible for investment by a money market fund, which will include fixed or floating rate instruments including but not limited to commercial paper, floating rate notes, certificates of deposit, freely transferable promissory notes, debentures, asset-backed securities, bonds and covered bonds. The investments shall be denominated in Sterling and may be issued or guaranteed as to principal or interest by sovereign governments, their agencies and instrumentalities, supranational entities and EU and non-EU corporations and financial institutions.

The Federated Hermes Short-Term Sterling Prime Fund may invest up to 100% of its net assets in money market instruments issued or guaranteed separately or jointly by: the EU, or the national, regional and local administrations of the UK (including but not limited to the UK Government), or the Bank of England, or international financial institutions and organisations, including the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, and any other relevant international financial institution or organisation to which the UK belongs.

The Federated Hermes Short-Term Sterling Prime Fund may invest an aggregate of 10% of its net assets in the shares of other collective investment schemes as permitted for a money market fund.

The Federated Hermes Short-Term Sterling Prime Fund may also hold ancillary liquid assets such as bank deposits, subject to any applicable limits set out in this Prospectus or otherwise applicable.

The Federated Hermes Short-Term Sterling Prime Fund is managed with the intention of maintaining its status as a UK qualifying money market fund under the FCA Rules.

MMF CLASSIFICATION

The Federated Hermes Short-Term Sterling Prime Fund is authorised, and managed with the intention of maintaining its status, as a Low Volatility Net Asset Value Money Market Fund that is a Short-Term Money Market Fund (as those terms are understood under the UK MMF Regulation).

In addition, as indicated in the Investment Policy above, the Federated Hermes Short-Term Sterling Prime Fund is intended to be a UK qualifying money market fund (as that term is understood under UK MiFID II and the FCA Rules).

RATING AWARD

The Federated Hermes Short-Term Sterling Prime Fund has sought and obtained an AAAmmf Money Market Fund rating from Fitch or a rating of comparable quality from another rating agency such as Moody's or Standard & Poor's (together or singly the "Rating Agencies"). Fees are typically payable to a Rating Agency to obtain a rating. The current rating of the Fund can be viewed on the ACD's website at federatedinvestors.co.uk.

When awarding these ratings the Rating Agencies take into account, amongst other things, the Federated Hermes Short-Term Sterling Prime Fund's portfolio quality, its counterparties and management, operating procedures and controls, regulatory compliance and market price risk relative to the Fund's published objectives. The ACD intends to operate the Federated Hermes Short-Term Sterling Prime Fund in accordance with the relevant Rating Agency's requirements (as amended from time to time) to maintain the rating award. Such requirements may, amongst other things, further restrict the weighted average to maturity period of the investment portfolio, the maximum percentage of the Federated Hermes Short-Term Sterling Prime Fund value that can be invested with any one counterparty, borrowing and lending powers, securities lending and the use of efficient portfolio management techniques and instruments.

RISK FACTORS

The general risk factors as set out at page 12 shall apply.

In addition to the general risk factors, investors should also note that subscription for Shares of the Federated Hermes Short-Term Sterling Prime Fund is not the same as making a deposit with a bank or other deposit-taking body and the value of the Shares is not insured or guaranteed. Although it is intended to maintain a constant Net Asset Value per Share for Classes 1 to 5 in the Federated Hermes Short-Term Sterling Prime Fund, there can be no assurance that a constant Net Asset Value per Share for Classes 1 to 5 will be maintained. The value of the Federated Hermes Short-Term Sterling Prime Fund may be affected by the creditworthiness of issuers of the Federated Hermes Short-Term Sterling Prime Fund's investments and, notwithstanding the policy of the Federated Hermes Short-Term Sterling Prime Fund of investing in short-term instruments, may also be affected by substantial adverse movements in interest rates.

GOVERNMENT AND PUBLIC SECURITIES ISSUERS

More than 5% in value of the property of the Federated Hermes Short-Term Sterling Prime Fund may be invested in money market instruments issued or guaranteed separately or jointly by:

- the EU;
- the national, regional and local administrations of the UK (including but not limited to the UK Government);
- the Bank of England;
- international financial institutions and organisations, including the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, and any other relevant international financial institution or organisation to which the UK belongs.

ELIGIBLE MARKETS FOR THE FEDERATED HERMES SHORT-TERM STERLING PRIME FUND

Generally, investments by a UK UCITS in transferable securities and approved money market instruments must be in securities and instruments admitted to or dealt in on an Eligible Market (as detailed in Appendix 3).

An Eligible Market is a regulated market or market in the UK or an EEA State which is regulated, operates regularly and is open to the public (see page 84 under "*Eligible Markets*"). In addition, the ACD and the Depositary have agreed that the following specific markets will be deemed an eligible market:

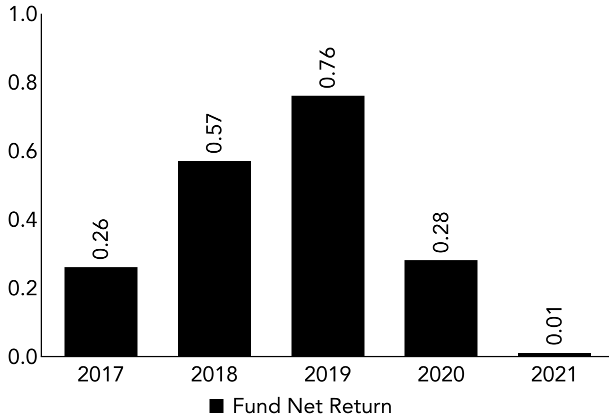
- The market organised by the International Capital Markets Association.
- The (i) market conducted by banks and other institutions regulated by the FCA and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook; and (ii) market in non-investment products which is subject to the guidance contained in the Non-Investment Products Code drawn up by the participants in the London market, including the FCA and the Bank of England.

PAST PERFORMANCE FOR FEDERATED HERMES SHORT-TERM STERLING PRIME FUND

Past performance is not a guide to future performance and yields may vary. The price of Shares and the income from them can fall as well as rise and you may not get back the amount originally invested.

Information concerning the historical performance of the Fund is shown below. Full details are also available in the latest accounts.

Period	Fund Net Return (%)
31/12/20 - 31/12/21	0.01
31/12/19 - 31/12/20	0.28
31/12/18 - 31/12/19	0.76
31/12/17 - 31/12/18	0.57
31/12/16 - 31/12/17	0.26



Notes to past performance information:

Federated Hermes Short-Term Sterling Prime Fund was formerly known as Federated Short-Term Sterling Prime Fund prior to 26 June 2020. Prior to 20 September 2013, the Fund was known as Federated Prime Rate Sterling Liquidity Fund.

The table shows past performance information for the Fund for complete 12-month periods ending on 31 December.

The bar chart shows past performance information for the Fund for each complete calendar year since 2017.

Performance information is based on Share Class 3. Performance information is net of any management fee and expenses charged to the Fund. Performance may vary on a net basis among different share classes due to differences in fund management fees and expenses.

Assessing Past Performance

The ACD does not use any benchmark to compare the performance of the Fund, constrain the management of the Fund, or to set targets for the Fund. Investors should assess the performance of the Fund by considering whether the value of their investment has been maintained, and whether the yield is in line with what they might otherwise obtain on day-to-day (instant access) cash including from other Low Volatility Net Asset Value Money Market Funds that are Short-Term Money Market Funds investing in Sterling denominated short term debt and debt related instruments.

PROFILE OF TYPICAL INVESTOR

The Fund is suitable for investors seeking to maintain the stability of their investment and requiring liquidity, whilst generating a yield in line with what they might otherwise obtain on day-to-day (instant access) cash. The Fund may be suitable for holdings of any duration, including short-term investments.

Typical direct investors in the Fund are expected to include institutional investors, including commercial companies, financial services entities including insurance companies, banks and investment firms, pension schemes, collective investment schemes, and public bodies including national or regional government, and international or supranational institutions, educational institutions and charitable organisations. Prospective Shareholders must satisfy the applicable eligibility criteria (discussed at page 21 under "*Investor Target Market*").

For investors acquiring Shares through an Intermediary, there may be a broader range of typical end investors. End investors should consult with their Intermediary if they are in any doubt as to whether a Fund is suitable or appropriate for them.

KEY INFORMATION FOR PURCHASING AND REPURCHASING

Base Currency

Sterling.

Classes of Shares – Minimum Initial Investment Amounts

Class 1 Shares – income	£ 200,000 – only available to investors who have a segregated mandate with Federated Hermes (UK) LLP
Class 1 Shares – accumulation (N)*	£ 200,000 – only available to investors who have a segregated mandate with Federated Hermes (UK) LLP
Class 2 Shares – income	£ 250,000,000 – only available to investors where specifically offered by Federated Hermes (UK) LLP
Class 2 Shares – accumulation (N)*	£ 250,000,000 – only available to investors where specifically offered by Federated Hermes (UK) LLP
Class 3 Shares – income	£ 30,000,000
Class 3 Shares – accumulation (N)*	£ 30,000,000
Class 4 Shares – income	£ 5,000,000
Class 4 Shares – accumulation (N)*	£ 5,000,000
Class 5 Shares – income	£ 1,000,000
Class 5 Shares – accumulation (N)*	£ 1,000,000
Class 8 Shares – accumulation	£ 30,000,000

The above table sets out the minimum initial lump sum purchase amount for each Share Class of the Fund, which must be satisfied by each Shareholder. Currently there is no minimum holding amount and no minimum subsequent investment amount. The ACD may waive the requirements for each Share Class in its absolute discretion.

Settlement Date

Information on the timing for the payment of application monies and redemption proceeds is set out at page 21 under "*Making an investment in a Fund*".

INCOME ALLOCATION

Annual income allocation date:	31 March
Interim income allocation dates:	every Dealing Day (and payable monthly on or about the first Dealing Day of each following month)

For Income Classes

The ACD intends to declare all net income of the Federated Hermes Short-Term Sterling Prime Fund on each Dealing Day as a dividend to Shareholders on the register of Shareholders as at the close of business on the relevant Dealing Day in an attempt to stabilise the Net Asset Value per Share at £1.00. Dividends will be declared daily and payable monthly on or about the first Dealing Day of each following month. For this purpose, net income (from the time immediately preceding determination thereof) shall consist of interest and dividends earned by the Federated Hermes Short-Term Sterling Prime Fund and realised and unrealised profits on the disposal/valuation of investments as may be lawfully distributed less realised and unrealised losses (including fees and expenses) of the Federated Hermes Short-Term Sterling Prime Fund. Dividends payable to Shareholders will be re-invested each month by subscription for additional Shares of the same class in the Federated Hermes Short-Term Sterling Prime Fund unless Shareholders specifically advise on the Application Form that dividends be paid by electronic transfer. Additional Shares will be issued to Shareholders at a price calculated in the same way as for other issues of the relevant class of Share on the same date. There is no minimum of such further Shares which may be so subscribed.

In the case of Shareholders who request the repurchase of part of their Shares and the payment to them of accrued dividends on those Shares, payment of the accrued dividend will, if the date of repurchase is other than the first Dealing Day of any month, be made (together with the dividend entitlement on the balance of the Shareholder's holding of Shares) on the first Dealing Day of the next month following the repurchase, provided that dividends shall only accrue up to the date of repurchase.

In the case of Shareholders who request the repurchase of all of their Shares and the payment to them of accrued dividends, such dividends will be paid at the time of such redemption.

For Accumulation Classes and Accumulation (N) Classes

Accumulation Classes and Accumulation (N) Classes receive the right to income in the same way as Income Shares (Classes 1 to 5). Income attributable to the Accumulation Classes and Accumulation (N) Classes is not however paid out but is automatically added to (and retained as part of) the capital assets of the Federated Hermes Short-Term Sterling Prime Fund on each income allocation date and is reflected in the share price of the Accumulation Class Shares and Accumulation (N) Class Shares.

REMUNERATION AND EXPENSES

The total annual management charges of the Federated Hermes Short-Term Sterling Prime Fund are based on a percentage of the Net Asset Value of the Federated Hermes Short-Term Sterling Prime Fund prior to the deduction of any fees or other expenses.

For Class 1 Shares (available to investors who hold the Fund as an asset in their investment portfolio on which they are already paying a management fee to Federated Hermes (UK) LLP), the ACD's periodic charge is limited to a fee in respect of administration services. The Administrator's fee is set out on page 33 under "ACD fee for managing and administering the Funds".

The only fees payable out of the Fund for Class 1 Shares will be the administration fee plus the Depositary's remuneration as set out on page 34 under "*Depositary Fee*".

In respect of all other Share Classes, the aim is that investors may see a single clear percentage charge encompassing all fees payable out of the Fund. The percentage figure disclosed below for each of these Share classes effectively sets out the total fees which will be charged, comprising an ACD periodic fee for management and administration services and the Depositary's remuneration which is disclosed on page 34 under "*Depositary Fee*". (The ACD will discount the amount of the periodic charge it is entitled to take to the extent of the amount of the Depositary's remuneration invoiced to the Fund.)

Further details are set out at page 33 under "*Remuneration and Expenses*".

The total annual management charges of the Federated Hermes Short-Term Sterling Prime Fund differ for the various classes of Shares. The total annual management charges of each class of Shares in the Federated Hermes Short-Term Sterling Prime Fund will be as follows:

Class 1 Shares – ACD charges fee in respect of administration services as disclosed on page 33 under "ACD fee for managing and administering the Funds".

Note that, for Class 1 Shares, in addition to this ACD charge, the Depositary charges explained on page 8 under "*Depositary fee''* are payable out of the Fund.

Class 2 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 5 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee''* and the ACD levies the remainder to cover its management and administration services.

Class 3 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 10 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee''* and the ACD levies the remainder to cover its management and administration services.

Class 4 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 15 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee''* and the ACD levies the remainder to cover its management and administration services

Class 5 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 20 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee''* and the ACD levies the remainder to cover its management and administration services.

Class 8 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 10 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee''* and the ACD levies the remainder to cover its management and administration services.

The above fees will be payable monthly in arrears and be calculated with reference to the daily Net Asset Value of the Federated Hermes Short-Term Sterling Prime Fund. No performance fees will be payable in respect of the Federated Hermes Short-Term Sterling Prime Fund. Details of the management charges and management expenses payable in relation to any new Share Class will be determined at the time of creating the new Share Class.

All other charges and expenses which may be charged against the Federated Hermes Short-Term Sterling Prime Fund are described at page 33 under "*Remuneration and Expenses*".

PUBLICATION OF PERIODIC REPORTS

Annual report published by:	31 July
Interim report published by:	30 November

Federated Hermes Sterling Cash Plus Fund

INVESTMENT OBJECTIVE

The investment objective of the Federated Hermes Sterling Cash Plus Fund is to provide investors with stability of capital and income through investment in short term fixed income and variable rate securities.

INVESTMENT POLICY

In pursuit of its investment objective the Federated Hermes Sterling Cash Plus Fund shall invest in assets that are eligible for investment by a money market fund. This may include a broad range of liquid securities, instruments and obligations which may be available in the prevailing markets (both within and outside the UK) for Sterling denominated instruments, including securities, instruments and obligations issued or guaranteed by the UK government or other sovereign governments or their agencies and securities, instruments and obligations issued by supranational or public international bodies, banks, corporates or other commercial issuers. These types of securities, instruments and obligations are described below and may be issued by both UK and non-UK issuers and will be denominated in Sterling or hedged into Sterling:

UK Government Gilts – Fixed interest securities issued by Her Majesty's Government and sold by the Bank of England to raise money for Her Majesty's Government.

UK Government T-Bills – Short-term securities issued by Her Majesty's Government.

Non-UK Government Sovereign Bonds – Bonds denominated in Sterling which are issued or guaranteed by one or more non-UK sovereign governments or by any of their political sub-divisions, agencies or instrumentalities. Bonds of such political sub-divisions, agencies or instrumentalities are often, but not always, supported by the full faith and credit of the relevant non-UK sovereign government.

Supranational Bonds – Debt obligations issued or guaranteed by supranational entities and public international bodies including international organisations designated or supported by governmental entities to promote economic reconstruction or development and international banking institutions and related government agencies including the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, the International Monetary Fund, the European Investment Bank, the International Bank for Reconstruction and Development (the World Bank) (collectively "Supranational Entities").

Certificates of Deposit – Negotiable interest-bearing debt instruments with a specific maturity. Certificates of deposit are issued by banks, building societies and other financial institutions in exchange for the deposit of funds, and normally can be traded in the secondary market prior to maturity.

Floating Rate Notes ("FRNs") – FRNs are debt securities issued by banks, building societies and other financial institutions with a variable interest rate. The interest rate payable on FRNs may be reset periodically by reference to some independent interest rate index or according to a prescribed formula.

Short and Medium Term Obligations – Debt obligations, notes, debentures or bonds including but not limited to certificates of deposit, commercial paper, floating rate notes or short dated fixed rate bonds or any other type of debt instrument which are transferable securities listed or traded on Recognised Exchanges.

Commercial Paper – Unsecured short-term promissory notes issued by corporations and other entities with maturities varying from a few days to nine months and which are readily transferable.

Asset-Backed Commercial Paper – A form of commercial paper that is collateralized by other financial assets.

Covered Bonds – Debt securities issued by a bank or mortgage institution and collateralised against a pool of assets.

The Federated Hermes Sterling Cash Plus Fund may invest up to 100% of its net assets in money market instruments issued or guaranteed separately or jointly by: the EU, or the national, regional and local administrations of the UK (including but not limited to the UK Government), or the Bank of England, or international financial institutions and organisations, including the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, and any other relevant international financial institution or organisation to which the UK belongs.

The Federated Hermes Sterling Cash Plus Fund may invest an aggregate of 17.5% of its net assets in the shares of other collective investment schemes as permitted for a money market fund.

The Federated Hermes Sterling Cash Plus Fund may also hold ancillary liquid assets such as bank deposits, subject to any limits set out in this Prospectus or otherwise applicable.

MMF CLASSIFICATION

The Federated Hermes Sterling Cash Plus Fund is authorised, and managed with the intention of maintaining its status, as a Variable Net Asset Value Money Market Fund that is a Standard Money Market Fund (as those terms are understood under the UK MMF Regulation).

RATING AWARD

The Federated Hermes Sterling Cash Plus Fund has sought and obtained an AAAf/S1 Money Market Fund rating from Fitch or a rating of comparable quality from another rating agency such as Moody's or Standard & Poor's (together or singly the "Rating Agencies"). Fees are typically payable to a Rating Agency to obtain a rating. The current rating of the Fund can be viewed on the ACD's website at federatedinvestors.co.uk.

When awarding these ratings the Rating Agencies take into account, amongst other things, the Federated Hermes Sterling Cash Plus Fund's portfolio quality, its counterparties and management, operating procedures and controls, regulatory compliance and market price risk relative to the Federated Hermes Sterling Cash Plus Fund's published objectives. The ACD intends to operate the Federated Hermes Sterling Cash Plus Fund in accordance with the relevant Rating Agency's requirements (as amended from time to time) to maintain the rating award. Such requirements may, amongst other things, further restrict the weighted average to maturity period of the investment portfolio, the maximum percentage of the Federated Hermes Sterling Cash Plus Fund value that can be invested with any one counterparty, borrowing and lending powers, securities lending and the use of efficient portfolio management techniques and instruments.

RISK FACTORS

The general risk factors as set out at page 12 shall apply.

GOVERNMENT AND PUBLIC SECURITIES ISSUERS

More than 5% in value of the property of the Federated Hermes Sterling Cash Plus Fund may be invested in money market instruments issued or guaranteed separately or jointly by any one of the following:

- the EU;
- the national, regional and local administrations of the UK (including but not limited to the UK Government);
- the Bank of England;
- international financial institutions and organisations, including the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, and any other relevant international financial institution or organisation to which the UK belongs.

ELIGIBLE MARKETS FOR THE FEDERATED HERMES STERLING CASH PLUS FUND

Generally, investments by a UK UCITS in transferable securities, approved money market instruments and approved derivatives must be in securities and instruments admitted to or dealt in on an Eligible Market (as detailed in Appendix 3).

An Eligible Market is a regulated market or market in the UK or an EEA State which is regulated, operates regularly and is open to the public (see page 84 under "*Eligible Markets*").

In addition, the ACD and the Depositary have agreed that the following specific markets will be deemed an eligible securities market:

- The market organised by the International Securities Market Association.
- The (i) market conducted by banks and other institutions regulated by the FCA and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook; and (ii) market in non-investment products which is subject to the guidance contained in the Non-Investment Products Code drawn up by the participants in the London market, including the FCA and the Bank of England.

In addition, the ACD and the Depositary have agreed that the following specific markets will be deemed eligible derivative markets:

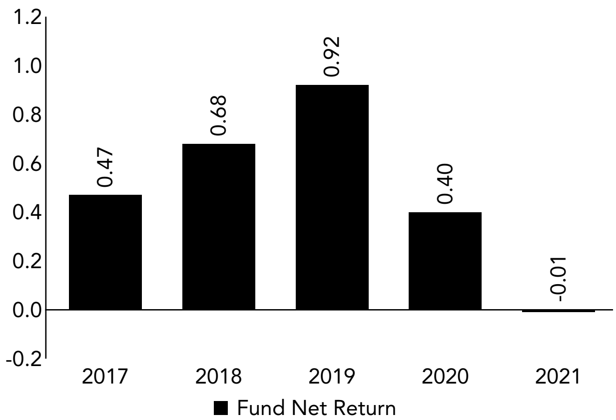
- In relation to any exchange traded financial derivative contract, any stock exchange on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is located in the UK or an EEA State.
- OMLX, the London Securities and Derivatives Exchange.

PAST PERFORMANCE FOR FEDERATED HERMES STERLING CASH PLUS FUND

Past performance is not a guide to future performance and yields may vary. The price of Shares and the income from them can fall as well as rise and you may not get back the amount originally invested.

Information concerning the historical performance of the Fund is shown below. Full details are also available in the latest accounts.

Period	Fund Net Return (%)
31/12/20 - 31/12/21	-0.01
31/12/19 - 31/12/20	0.40
31/12/18 - 31/12/19	0.92
31/12/17 - 31/12/18	0.68
31/12/16 - 31/12/17	0.47



Notes to past performance information:

Federated Hermes Sterling Cash Plus Fund was formerly known as Federated Sterling Cash Plus fund prior to 26 June 2020. Prior to 20 September 2013 the Fund was formerly known as Federated Prime Rate Sterling Cash Plus Fund.

The table shows past performance information for the Fund for complete 12-month periods ending on 31 December.

The bar chart shows past performance information for the Fund for each complete calendar year since 2017.

Performance information is based on Share Class 3. Performance information is net of any management fee and expenses charged to the Fund. Performance may vary on a net basis among different share classes due to differences in fund management fees and expenses.

Assessing Past Performance

The ACD does not use any benchmark to compare the performance of the Fund, constrain the management of the Fund, or to set targets for the Fund. Investors should assess the performance of the Fund by considering whether the value of their investment has been maintained, and whether the yield is in line with what they might otherwise obtain on short-term deposits including from other Variable Net Asset Value Money Market Funds that are Standard Money Market Funds investing in Sterling denominated short term fixed income and variable rate securities.

PROFILE OF TYPICAL INVESTOR

The Fund is suitable for investors seeking to maintain the stability of their investment and requiring liquidity, whilst generating a yield in line with what they might otherwise obtain on short-term deposits. The Fund may be suitable for holdings of any duration, including short-term investments, with an expectation that Shares will be held for at least three months.

Typical direct investors in the Fund are expected to include institutional investors, including commercial companies, financial services entities including insurance companies, banks and investment firms, pension schemes, collective investment schemes, and public bodies including national or regional government, and international or supranational institutions, educational institutions and charitable organisations. Prospective Shareholders must satisfy the applicable eligibility criteria (discussed at page 21 under "*Investor eligibility and Target Market*").

For investors acquiring Shares through an Intermediary, there may be a broader range of typical end investors. End investors should consult with their Intermediary if they are in any doubt as to whether a Fund is suitable or appropriate for them.

KEY INFORMATION FOR PURCHASING AND REPURCHASING

Base Currency

Sterling.

Classes of Shares – Minimum Initial Investment Amounts

Class 1 Shares – accumulation	£ 250,000 only available to investors who hold the Fund as an asset in their investment portfolio on which they are already paying a management fee to Federated Hermes (UK) LLP.
Class 2 Shares – accumulation	£ 250,000 – only available to investors where specifically offered by Federated Hermes (UK) LLP
Class 3 Shares – accumulation	£ 30,000,000
Class 3 EUR Shares – accumulation	£ 30,000,000
Class 3 USD Shares – accumulation	£ 30,000,000
Class 4 Shares – accumulation	£ 5,000,000
Class 6 Shares – income	£ 30,000,000

The above table sets out the minimum initial lump sum purchase amount, which must be satisfied by each Shareholder. Currently there is no minimum holding amount and no minimum subsequent investment amount. The ACD may waive the requirements for each Share Class in its absolute discretion.

Settlement Date

Information on the timing for the payment of application monies and redemption proceeds is set out at page 21 under "*Making an investment in a Fund*".

INCOME ALLOCATION

Annual income allocation date:	31 March
Interim income allocation dates:	Classes 1 – 4: every Dealing Day (and payable monthly on or about the first Dealing Day of each following month) Class 6: the penultimate Dealing Day of each month (first income allocation date was on 26 February 2015)

For Income Classes

The ACD intends to declare all net income of the Federated Hermes Sterling Cash Plus Fund on each income allocation date as a dividend to Shareholders on the register of Shareholders as at the close of business on the Dealing Day immediately preceding the income allocation date. Dividends will be payable on or about the first Dealing Day following the income allocation date. For this purpose, net income (from the time immediately preceding determination thereof) shall consist of interest and dividends earned by the Federated Hermes Sterling Cash Plus Fund and realised profits on the disposal/valuation of investments as may be lawfully distributed less realised losses (including fees and expenses) of the Federated Hermes Sterling Cash Plus Fund. Dividends payable to Shareholders will be re-invested on the income allocation date or, if the income allocation date is not a Dealing Day, on the next following Dealing Day, by subscription for additional Shares of the same class in the Federated Hermes Sterling Cash Plus Fund unless Shareholders specifically advise on the Application Form that dividends be paid by electronic transfer. Additional Shares will be issued to Shareholders at a price calculated in the same way as for other issues of the relevant class of Share on the same date. There is no minimum of such further Shares which may be so subscribed.

For Accumulation Classes

Income attributable to the Accumulation Class Shares is not paid out but is automatically added to (and retained as part of) the capital assets of the Fund on each income allocation date and is reflected in the Share price of the Accumulation Class Shares.

REMUNERATION AND EXPENSES

The total annual management charges of the Federated Hermes Sterling Cash Plus Fund are based on a percentage of the Net Asset Value of the Federated Hermes Sterling Cash Plus Fund prior to the deduction of any fees or other expenses.

For Class 1 Shares (available to investors who hold the Fund as an asset in their investment portfolio on which they are already paying a management fee to Federated Hermes (UK) LLP), the ACD's periodic charge is limited to a fee in respect of administration services. The Administrator's fee is set out on page 33 under "*ACD fee for managing and administering the Funds*".

The only fees payable out of the Fund for Class 1 Shares will be the administration fee plus the Depositary's remuneration as set out on page 34 under "*Depositary Fee*".

In respect of Classes 2-4 and Class 6 Shares, the aim is that investors may see a single clear percentage charge encompassing all fees payable out of the Fund. The percentage figure disclosed below for each of these Share classes effectively sets out the total fees which will be charged, comprising an ACD periodic fee for management and administration services and the Depositary's remuneration which is disclosed on page 34 under "*Depositary Fee*". (The ACD will discount the amount of the periodic charge it is entitled to take to the extent of the amount of the Depositary's remuneration invoiced to the Fund).

Further details are set out at page 33 under "*Remuneration and Expenses*".

The total annual management charges of the Federated Hermes Sterling Cash Plus Fund differ for the various classes of Shares. The total annual management charges of each class of Shares in the Federated Hermes Sterling Cash Plus Fund will be as follows:

Class 1 Shares – ACD charges fee in respect of administration services as disclosed on page 33 under "*ACD fee for managing and administering the Funds*".

Note that, for Class 1 Shares, in addition to this ACD charge, the Depositary charges explained on page 8 under "*Depositary fee*'' are payable out of the Fund.

Class 2 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 10 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee*'' and the ACD levies the remainder to cover its management and administration services.

Class 3 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 15 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee*'' and the ACD levies the remainder to cover its management and administration services.

Class 3 EUR and Class 3 USD Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 15 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee*'' and the ACD levies the remainder to cover its management and administration services.

Class 4 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 20 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee*'' and the ACD levies the remainder to cover its management and administration services.

Class 6 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 15 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee*'' and the ACD levies the remainder to cover its management and administration services.

The above fees will be payable monthly in arrears and be calculated with reference to the daily Net Asset Value of the Federated Hermes Sterling Cash Plus Fund. No performance fees will be payable in respect of the Federated Hermes Sterling Cash Plus Fund.

Details of the management charges and management expenses payable in relation to any new Share Class will be determined at the time of creating the new Share Class.

All other charges and expenses which may be charged against the Federated Hermes Sterling Cash Plus Fund are described at page 33 under "*Remuneration and Expenses*".

PUBLICATION OF PERIODIC REPORTS

Annual report published by:	31 July
Interim report published by:	30 November

Federated Hermes US Dollar Cash Plus Fund

INVESTMENT OBJECTIVE

The investment objective of the Federated Hermes US Dollar Cash Plus Fund is to provide investors with stability of capital and income through investment in short term fixed income and variable rate securities.

INVESTMENT POLICY

In pursuit of its investment objective the Federated Hermes US Dollar Cash Plus Fund shall invest in assets that are eligible for investment by a money market fund. This may include a broad range of liquid securities, instruments and obligations which may be available in the prevailing markets (both within and outside the US) for US Dollar denominated instruments, including securities, instruments and obligations issued or guaranteed by the US government or other sovereign governments or their agencies and securities, instruments and obligations issued by supranational or public international bodies, banks, corporates or other commercial issuers. These types of securities, instruments and obligations are described below and may be issued by both US and non-US issuers and will be denominated in US Dollar or hedged into US Dollars:

US Government Securities – US Treasury bills and notes which are freely transferable and supported by the full faith and credit of the United States. Debt securities issued by the US government sponsored enterprises, agencies and instrumentalities including, but not limited to, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and the Federal National Home Loan Bank. Such securities may also include debt securities such as bonds and notes (which may be fixed or floating) issued by international organisations designated or supported by multiple governmental entities such as the International

Bank for Reconstruction and Development. Government agency securities are not direct obligations of the US Treasury but involve various forms of US government sponsorship or guarantees. The US government is not obligated to provide financial support to any of the above.

Non-US Government Sovereign Bonds – Bonds denominated in US Dollars which are issued or guaranteed by one or more non-US sovereign governments or by any of their political sub-divisions, agencies or instrumentalities. Bonds of such political sub-divisions, agencies or instrumentalities are often, but not always, supported by the full faith and credit of the relevant non-US sovereign government.

Supranational Bonds – Debt obligations issued or guaranteed by supranational entities and public international bodies including international organisations designated or supported by governmental entities to promote economic reconstruction or development and international banking institutions and related government agencies including the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, the International Monetary Fund, the European Investment Bank, the International Bank for Reconstruction and Development (the World Bank) (collectively "Supranational Entities").

Certificates of Deposit – Negotiable interest-bearing debt instruments with a specific maturity. Certificates of deposit are issued by banks, building societies and other financial institutions in exchange for the deposit of funds, and normally can be traded in the secondary market prior to maturity.

Floating Rate Notes ("FRNs") – FRNs are debt securities issued by banks, building societies and other financial institutions with a variable interest rate. The interest rate payable on FRNs may be reset periodically by reference to some independent interest rate index or according to a prescribed formula.

Short and Medium Term Obligations – Debt obligations, notes, debentures or bonds including but not limited to certificates of deposit, commercial paper, floating rate notes or short dated fixed rate bonds or any other type of debt instrument which are transferable securities listed or traded on a Recognised Exchange.

Commercial Paper – Unsecured short-term promissory notes issued by corporations and other entities with maturities varying from a few days to nine months and which are readily transferable.

The Federated Hermes US Dollar Cash Plus Fund may invest up to 100% of its net assets in money market instruments issued or guaranteed separately or jointly by: the EU, or the government of the United States of America, or the Federal Reserve of the United States of America, or international financial institutions and organisations, including the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, and any other relevant international financial institution or organisation to which the UK belongs.

The Federated Hermes US Dollar Cash Plus Fund may invest an aggregate of 10% of its net assets in the shares of other collective investment schemes as permitted for a money market fund.

The Federated Hermes US Dollar Cash Plus Fund may also hold ancillary liquid assets such as bank deposits, subject to any limits set out in this Prospectus or otherwise applicable.

MMF CLASSIFICATION

The Federated Hermes US Dollar Cash Plus Fund is authorised, and managed with the intention of maintaining its status, as a Variable Net Asset Value Money Market Fund that is a Standard Money Market Fund (as those terms are understood under the UK MMF Regulation).

RATING AWARD

The current rating (if any) of the Fund can be viewed on the ACD's website at federatedinvestors.co.uk. Fees are typically payable to a Rating Agency to obtain a rating.

RISK FACTORS

The general risk factors as set out at page 12 shall apply.

GOVERNMENT AND PUBLIC SECURITIES ISSUERS

More than 5% in value of the property of the Federated Hermes US Dollar Cash Plus Fund may be invested in money market instruments issued or guaranteed separately or jointly by any one of the following:

- the EU;
- the government of the United States of America;
- the Federal Reserve of the United States of America;
- international financial institutions and organisations, including the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, the

International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, and any other relevant international financial institution or organisation to which the UK belongs.

ELIGIBLE MARKETS FOR THE FEDERATED HERMES US DOLLAR CASH PLUS FUND

Generally, investments by a UK UCITS in transferable securities, approved money market instruments and approved derivatives must be in securities and instruments admitted to or dealt in on an Eligible Market (as detailed in Appendix 3).

An Eligible Market is a regulated market or market in the UK or an EEA State which is regulated, operates regularly and is open to the public (see page 84 under "*Eligible Markets*").

In addition, the ACD and the Depositary have agreed that the following markets will be deemed eligible securities markets:

- Any market located in any of the following countries where the criteria specified in the FCA Rules are satisfied will be deemed an eligible market:
  - United States of America.
- The following specific markets:
  - The market organised by the International Capital Markets Association.
  - The (i) market conducted by banks and other institutions regulated by the FCA and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook; and (ii) market in non-investment products which is subject to the guidance contained in the Non-Investment Products Code drawn up by the participants in the London market, including the FCA and the Bank of England.
  - The market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York and the US Securities and Exchange Commission.
  - The over-the-counter market in the United States conducted by primary and second dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation).
  - NASDAQ in the United States of America.

In addition, the ACD and the Depositary have agreed that the following specific markets will be deemed eligible derivative markets:

- In relation to any exchange traded financial derivative contract, any stock exchange on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is (i) located in the UK or an EEA State, (ii) located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland or the United States, or (iii) any of the following:
  - The Chicago Board of Trade.
  - The Chicago Mercantile Exchange.
  - The Chicago Board Options Exchange.
  - New York Mercantile Exchange.
  - New York Board of Trade.

PAST PERFORMANCE FOR FEDERATED HERMES US DOLLAR CASH PLUS FUND

Past performance is not a guide to future performance and yields may vary. The price of Shares and the income from them can fall as well as rise and you may not get back the amount originally invested.

As the Fund has not yet been launched there is no past performance data which is currently available. Past performance data will be added to subsequent versions of this Prospectus when it becomes available.

PROFILE OF TYPICAL INVESTOR

The Fund is not currently available for investment. Typical investor information will be included in subsequent versions of this Prospectus when the Fund is launched.

KEY INFORMATION FOR PURCHASING AND REPURCHASING

Base Currency

US Dollar.

Classes of Shares – Minimum Initial Investment Amounts

Class 1 Shares – accumulation	US$ 250,000 only available to investors who hold the Fund as an asset in their investment portfolio on which they are already paying a management fee to Federated Hermes (UK) LLP.
Class 2 Shares – accumulation	US$ 250,000,000 – only available to investors where specifically offered by Federated Hermes (UK) LLP
Class 3 Shares – accumulation	US$ 30,000,000
Class 4 Shares – accumulation	US$ 5,000,000
Class 5 Shares – accumulation	US$ 1,000,000

The above table sets out the minimum initial lump sum purchase amount and minimum holding amount for each Share Class of the Fund, which must be satisfied by each Shareholder. Currently there is no minimum holding amount and no minimum subsequent investment amount. The ACD may waive the requirements for each Share Class in its absolute discretion.

Settlement Date

Information on the timing for the payment of application monies and redemption proceeds is set out at page 21 under "*Making an investment in a Fund*".

INCOME ALLOCATION

Annual income allocation date:	31 March
Interim income allocation dates:	every Dealing Day (and payable monthly on or about the first Dealing Day of each following month)

For Accumulation Classes

Income attributable to the Accumulation Class Shares is not paid out but is automatically added to (and retained as part of) the capital assets of the Fund on each income allocation date and is reflected in the Share price of the Accumulation Class Shares.

REMUNERATION AND EXPENSES

The total annual management charges of the Federated Hermes US Dollar Cash Plus Fund are based on a percentage of the Net Asset Value of the Federated Hermes US Dollar Cash Plus Fund prior to the deduction of any fees or other expenses.

For Class 1 Shares (available to investors who hold the Fund as an asset in their investment portfolio on which they are already paying a management fee to Federated Hermes (UK) LLP), the ACD's periodic charge is limited to a fee in respect of administration services. The Administrator's fee is set out on page 33 under "*ACD fee for managing and administering the Funds*".

The only fees payable out of the Fund for Class 1 Shares will be the administration fee plus the Depositary's remuneration as set out on page 34 under "*Depositary fee*".

In respect of Class 2-6 Shares, the aim is that investors may see a single clear percentage charge encompassing all fees payable out of the Fund. The percentage figure disclosed below for each of these Share classes effectively sets out the total fees which will be charged, comprising an ACD periodic fee for management and administration services and the Depositary's remuneration which is disclosed on page 34 under "*Depositary Fee*". (The ACD will discount the amount of the periodic charge it is entitled to take to the extent of the amount of the Depositary's remuneration invoiced to the Fund.) For Class 2-8 Shares, it should be noted that there will be an additional fee component to the ACD periodic fee for the first year of operation of the Fund which will be charged to investors and is designed to cover one off work of the ACD in the initial set up phase of the relevant Fund. This additional fee component is detailed below.

Further details are set out at page 33 under "*Remuneration and Expenses*".

The total annual management charges of the Federated Hermes US Dollar Cash Plus Fund differ for the various classes of Shares. The total annual management charges of each class of Shares in the US Dollar Cash Plus Fund will be as follows:

Class 1 Shares – ACD charges fee in respect of administration services as disclosed on page 33 under "*ACD fee for managing and administering the Funds*".

Note that, for Class 1 Shares, in addition to this ACD charge, the Depositary charges explained on page 8 under "*Depositary fee*'' are payable out of the Fund.

Class 2 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 10 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee*'' and the ACD levies the remainder to cover its management and administration services

Class 3 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 15 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee*'' and the ACD levies the remainder to cover its management and administration services.

Class 4 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 20 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee*'' and the ACD levies the remainder to cover its management and administration services.

Class 5 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 25 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee*'' and the ACD levies the remainder to cover its management and administration services.

The above fees will be payable monthly in arrears and be calculated with reference to the daily Net Asset Value of the Federated Hermes US Dollar Cash Plus Fund. No performance fees will be payable in respect of the Federated Hermes US Dollar Cash Plus Fund.

Details of the management charges and management expenses payable in relation to any new Share Class will be determined at the time of creating the new Share Class.

All other charges and expenses which may be charged against the Federated Hermes US Dollar Cash Plus Fund are described at page 33 under "*Remuneration and Expenses*".

PUBLICATION OF PERIODIC REPORTS

Annual report published by:	31 July
Interim report published by:	30 November

Federated Hermes Euro Cash Plus Fund

INVESTMENT OBJECTIVE

The investment objective of the Federated Hermes Euro Cash Plus Fund is to provide investors with stability of capital and income through investment in short term fixed income and variable rate securities.

INVESTMENT POLICY

In pursuit of its investment objective the Federated Hermes Euro Cash Plus Fund shall invest in assets that are eligible for investment by a money market fund. This may include a broad range of liquid securities, instruments and obligations which may be available in the prevailing markets (both within and outside the Eurozone) for Euro denominated instruments, including securities, instruments and obligations issued or guaranteed by the Eurozone government or other sovereign governments or their agencies and securities, instruments and obligations issued by supranational or public international bodies, banks, corporates or other commercial issuers. These types of securities, instruments and obligations are described below and may be issued by issuers both inside and outside the Eurozone and will be denominated in Euro or hedged into Euro:

Government Bonds – Fixed interest securities issued by the governments of EU member states (whether or not part of the Eurozone).

Government T-Bills (Eurozone) – Short-term securities issued by the governments of EU member states (whether or not part of the Eurozone).

Government (ex-Eurozone) Sovereign Bonds – Bonds denominated in Euro which are issued or guaranteed by one or more sovereign governments outside the Eurozone or by any of their political subdivisions, agencies or instrumentalities. Bonds of such political sub-divisions, agencies or instrumentalities are often, but not always, supported by the full faith and credit of the relevant government.

Supranational Bonds – Debt obligations issued or guaranteed by supranational entities and public international bodies including international organisations designated or supported by governmental entities to promote economic reconstruction or development and international banking institutions and related government agencies including the Asian Development Bank, the European Bank for Reconstruction and Development, the European Central Bank, the Inter-American Development Bank, the International Monetary Fund, the European Investment Bank, the International Bank for Reconstruction and Development (the World Bank) (collectively "Supranational Entities").

Certificates of Deposit – Negotiable interest-bearing debt instruments with a specific maturity. Certificates of deposit are issued by banks, building societies and other financial institutions in exchange for the deposit of funds, and normally can be traded in the secondary market prior to maturity.

Floating Rate Notes ("FRNs") – FRNs are debt securities issued by banks, building societies and other financial institutions with a variable interest rate. The interest rate payable on FRNs may be reset periodically by reference to some independent interest rate index or according to a prescribed formula.

Short and Medium Term Obligations – Debt obligations, notes, debentures or bonds including but not limited to certificates of deposit, commercial paper, floating rate notes or short dated fixed rate bonds or any other type of debt instrument which are transferable securities listed or traded on Recognised Exchanges.

Commercial Paper – Unsecured short-term promissory notes issued by corporations and other entities with maturities varying from a few days to nine months and which are readily transferable.

The Federated Hermes Euro Cash Plus Fund may invest up to 100% of its net assets in money market instruments issued or guaranteed separately or jointly by: the EU, or the national, regional and local administrations of any one of the following EU member states whose currency is Euros: Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovenia and Spain, or the central banks of any of the following EU member states whose currency is Euros: Austria, Belgium, Cyprus, Finland, France, Germany Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovenia and Spain, or international financial institutions and organisations, including the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, and any other relevant international financial institution or organisation to which the UK belongs.

The Federated Hermes Euro Cash Plus Fund may invest an aggregate of 10% of its net assets in the shares of other collective investment schemes as permitted for a money market fund.

The Federated Hermes Euro Cash Plus Fund may also hold ancillary liquid assets such as bank deposits, subject to any limits set out in this Prospectus or otherwise applicable.

MMF CLASSIFICATION

The Federated Hermes Euro Cash Plus Fund is authorised, and managed with the intention of maintaining its status, as a Variable Net Asset Value Money Market Fund that is a Standard Money Market Fund (as those terms are understood under the UK MMF Regulation).

RATING AWARD

The current rating (if any) of the Fund can be viewed on the ACD's website at federatedinvestors.co.uk. Fees are typically payable to a Rating Agency to obtain a rating.

RISK FACTORS

The general risk factors as set out at page 12 shall apply.

In addition to the general risk factors, investors should also note that subscription for Shares of the Federated Hermes Euro Cash Plus Fund is not the same as making a deposit with a bank or other deposit-taking body and the value of the Shares is not insured or guaranteed. The value of the Federated Hermes Euro Cash Plus Fund may be affected by the creditworthiness of issuers of the Federated Hermes Euro Cash Plus Fund's investments and, notwithstanding the policy of the Federated Hermes Euro Cash Plus Fund of investing in short term instruments, may also be affected by substantial adverse movements in interest rates.

GOVERNMENT AND PUBLIC SECURITIES ISSUERS

More than 5% in value of the property of the Federated Hermes Euro Cash Plus Fund may be invested in money market instruments issued or guaranteed separately or jointly by:

- the EU;
- the national, regional and local administrations of any one of the following EU member states whose currency is Euros: Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovenia and Spain;
- the central banks of any of the following EU member states whose currency is Euros: Austria, Belgium, Cyprus, Finland, France, Germany Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovenia and Spain;
- international financial institutions and organisations, including the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, and any other relevant international financial institution or organisation.

ELIGIBLE MARKETS FOR THE FEDERATED HERMES EURO CASH PLUS FUND

Generally, investments by a UK UCITS in transferable securities, approved money market instruments and approved derivatives must be in securities and instruments admitted to or dealt in on an Eligible Market (as detailed in Appendix 3).

An Eligible Market is a regulated market or market in the UK or an EEA State which is regulated, operates regularly and is open to the public (see page 84 under the heading "*Eligible Markets*"). In addition, the ACD and the Depositary have agreed that the following specific markets will be deemed an eligible market:

- The market organised by the International Capital Markets Association.
- The (i) market conducted by banks and other institutions regulated by the FCA and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook; and (ii) market in non-investment products which is subject to the guidance contained in the Non-Investment Products Code drawn up by the participants in the London market, including the FCA and the Bank of England.
- The French market for Titres de Creance Negotiable (over-the-counter market in negotiable debt instruments).

In addition, the ACD and the Depositary have agreed that the following specific markets will be deemed eligible derivative markets:

- In relation to any exchange traded financial derivative contract, any stock exchange on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is located in the UK or an EEA State.
- OMLX, the London Securities and Derivatives Exchange.

PAST PERFORMANCE

Past performance is not a guide to future performance and yields may vary. The price of Shares and the income from them can fall as well as rise and you may not get back the amount originally invested.

As the Fund has not yet been launched there is no past performance data which is currently available. Past performance data will be added to subsequent versions of this Prospectus when it becomes available.

PROFILE OF TYPICAL INVESTOR

The Fund is not currently available for investment. Typical investor information will be included in subsequent versions of this Prospectus when the Fund is launched.

KEY INFORMATION FOR PURCHASING AND REPURCHASING

Base Currency

Euro.

Classes of Shares – Minimum Initial Investment Amounts

Class 1 Shares – accumulation	€ 250,000 – only available to investors who hold the Fund as an asset in their investment portfolio on which they are already paying a management fee to Federated Hermes (UK) LLP.
Class 2 Shares – accumulation	€ 250,000 – only available to investors where specifically offered by Federated Hermes (UK) LLP
Class 3 Shares – accumulation	€ 30,000,000
Class 4 Shares – accumulation	€ 5,000,000
Class 5 Shares – accumulation	€ 1,000,000

The above table sets out the minimum initial lump sum purchase amount and minimum holding amount for each Share Class of the Fund, which must be satisfied by each Shareholder. Currently there is no minimum holding amount and no minimum subsequent investment amount. The ACD may waive the requirements for each Share Class in its absolute discretion.

Settlement Date

Information on the timing for the payment of application monies and redemption proceeds is set out at page 21 under "*Making an investment in a Fund*".

INCOME ALLOCATION

Annual income allocation date:	31 March
Interim income allocation dates:	every Dealing Day (and payable monthly on or about the first Dealing Day of each following month)

For Accumulation Classes

Income attributable to the Accumulation Class Shares is not paid out but is automatically added to (and retained as part of) the capital assets of the Fund on each income allocation date and is reflected in the Share price of the Accumulation Class Shares.

REMUNERATION AND EXPENSES

The total annual management charges of the Federated Hermes Euro Cash Plus Fund are based on a percentage of the Net Asset Value of the Federated Hermes Euro Cash Plus Fund prior to the deduction of any fees or other expenses.

For Class 1 shares (available to investors who hold the Fund as an asset in their investment portfolio on which they are already paying a management fee to Federated Hermes (UK) LLP), the ACD's periodic charge is limited to a fee in respect of administration services. The Administrator's fee is set out on page 33 under "*ACD fee for managing and administering the Funds*".

The only fees payable out of the Fund for Class 1 Shares will be the administration fee plus the Depositary's remuneration as set out on page 34 under "*Depositary fee*".

In respect of Class 2-5 Shares, the aim is that investors may see a single clear percentage charge encompassing all fees payable out of the Fund. The percentage figure disclosed below for each of these Share classes effectively sets out the total fees which will be charged, comprising an ACD periodic fee for management and administration services and the Depositary's remuneration which is disclosed on page 34 under "*Depositary fee*". (The ACD will discount the amount of the periodic charge it is entitled to take to the extent of the amount of the Depositary's remuneration invoiced to the Fund.) For Class 2-8 Shares, it should be noted that there will be an additional fee component to the ACD periodic fee for the first year of operation of the Fund which will be charged to investors and is designed to cover one off work of the ACD in the initial set up phase of the relevant Fund. This additional fee component is detailed below.

Further details are set out at page 33 under "*Remuneration and Expenses*".

The total annual management charges of the Federated Hermes Euro Cash Plus Fund differ for the various classes of Shares. The total annual management charges of each class of Shares in the Federated Hermes Euro Cash Plus Fund will be as follows:

Class 1 Shares – ACD charges fee in respect of administration services as disclosed on page 33 under "*ACD fee for managing and administering the Funds*".

Note that, for Class 1 Shares, in addition to this ACD charge, the Depositary charges explained on page 8 under "*Depositary fee''* are payable out of the Fund.

Class 2 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 10 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee''* and the ACD levies the remainder to cover its management and administration services.

Class 3 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 15 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee''* and the ACD levies the remainder to cover its management and administration services.

Class 4 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 20 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee''* and the ACD levies the remainder to cover its management and administration services.

Class 5 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 25 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee''* and the ACD levies the remainder to cover its management and administration services. The above fees will be payable monthly in arrears and be calculated with reference to the daily Net Asset Value of the Federated Hermes Euro Cash Plus Fund. No performance fees will be payable in respect of the Federated Hermes Euro Cash Plus Fund.

Details of the management charges and management expenses payable in relation to any new Share Class will be determined at the time of creating the new Share Class.

All other charges and expenses which may be charged against the Federated Hermes Euro Cash Plus Fund are described at page 33 under "*Remuneration and Expenses*".

PUBLICATION OF PERIODIC REPORTS

Annual report published by:	31 July
Interim report published by:	30 November

Federated Hermes Sterling Short Duration Bond Fund

INVESTMENT OBJECTIVE

The investment objective of the Federated Hermes Sterling Short Duration Bond Fund is to generate a return for investors by investing primarily in Sterling denominated fixed income securities.

INVESTMENT POLICY

In pursuit of its investment objective the Federated Hermes Sterling Short Duration Bond Fund may invest in a broad range of liquid securities, instruments and obligations which may be available in the prevailing markets (both within and outside the UK) for Sterling denominated instruments, including securities, instruments and obligations issued or guaranteed by the UK government or other sovereign governments or their agencies and securities, instruments and obligations issued by supranational or public international bodies, banks, corporates or other commercial issuers. These types of securities, instruments and obligations may be issued by both UK and non-UK issuers and will be denominated in Sterling or hedged into Sterling.

It is intended that investments will have at the time of purchase a short term credit rating of at least A1 and/or a long term credit rating of at least A (or in each case its equivalent) from a recognised rating agency such as Standard & Poor's or be deemed by the Investment Manager to be of equivalent quality.

The weighted average of the Federated Hermes Sterling Short Duration Bond Fund will be maintained at no more than five years in order to retain the AAAf/S2 rating from Standard & Poor's.

The Federated Hermes Sterling Short Duration Bond Fund will invest in securities, instruments and obligations with remaining maturities of twenty years or less. The Federated Hermes Sterling Short Duration Bond may invest an aggregate of 10% of its net assets in the shares of other collective investment schemes as permitted for a UK UCITS where the Investment Manager considers that such investment would:

- assist in the preservation of capital through further diversification of credit risk;
- provide a better net return than direct investment in money market instruments; and/or
- such investment would enhance available liquidity.

The Federated Hermes Sterling Short Duration Bond Fund may also hold ancillary liquid assets such as bank deposits, subject to any applicable limits set out in this Prospectus.

The Federated Hermes Sterling Short Duration Bond Fund may also use derivative instruments including, interest rate swaps, currency swaps and exchange traded futures and options for efficient portfolio management.

RATING AWARD

The current rating (if any) of the Fund can be viewed on the ACD's website at federatedinvestors.co.uk. Fees are typically payable to a Rating Agency to obtain a rating.

RISK FACTORS

The general risk factors as set out at page 12 shall apply.

In addition to the general risk factors, investors should also note that subscription for Shares of the Federated Hermes Sterling Short Duration Bond Fund is not the same as making a deposit with a bank or other deposit-taking body and the value of the Shares is not insured or guaranteed. The value of the Federated Hermes Sterling Short Duration Bond Fund may be affected by the creditworthiness of issuers of the Federated Hermes Sterling Short Duration Bond Fund's investments and, notwithstanding the policy of the Federated Hermes Sterling Short Duration Bond Fund of investing in short term instruments, may also be affected by substantial adverse movements in interest rates.

GOVERNMENT AND PUBLIC SECURITIES ISSUERS

More than 35% in value of the property of the Federated Hermes Sterling Short Duration Bond Fund may be invested in government and public securities issued or guaranteed by any one of the following:

- The Government of the United Kingdom.

ELIGIBLE MARKETS FOR THE FEDERATED HERMES STERLING SHORT DURATION BOND FUND

Generally, investments by a UK UCITS in transferable securities, approved money market instruments and approved derivatives must be in securities and instruments admitted to or dealt in on an Eligible Market (as detailed in Appendix 3).

An Eligible Market is a regulated market or market in the UK or an EEA State which is regulated, operates regularly and is open to the public (see page 84 under "*Eligible Markets*").

In addition, the ACD and the Depositary have agreed that the following specific markets will be deemed an eligible securities market:

- The market organised by the International Capital Markets Association.
- The (i) market conducted by banks and other institutions regulated by the FCA and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook; and (ii) market in non-investment products which is subject to the guidance contained in the Non-Investment Products Code drawn up by the participants in the London market, including the FCA and the Bank of England.

In addition, the ACD and the Depositary have agreed that the following specific markets will be deemed eligible derivative markets:

- In relation to any exchange traded financial derivative contract, any stock exchange on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is located in an EEA State.
- OMLX, the London Securities and Derivatives Exchange.

PAST PERFORMANCE FOR FEDERATED HERMES STERLING SHORT DURATION BOND FUND

Past performance is not a guide to future performance and yields may vary. The price of Shares and the income from them can fall as well as rise and you may not get back the amount originally invested.

As the Fund has not yet been launched there is no past performance data which is currently available. Past performance data will be added to subsequent versions of this Prospectus when it becomes available.

PROFILE OF TYPICAL INVESTOR

The Fund is not currently available for investment. Typical investor information will be included in subsequent versions of this Prospectus when the Fund is launched.

KEY INFORMATION FOR PURCHASING AND REPURCHASING

Base Currency

Sterling.

Classes of Shares – Minimum Initial Investment Amounts and Holdings

Class 1 Shares – accumulation	£ 250,000 – only available to investors who hold the Fund as an asset in their investment portfolio on which they are already paying a management fee to Federated Hermes (UK) LLP.
Class 2 Shares – accumulation	£ 10,000,000 – only available to investors where specifically offered by Federated Hermes (UK) LLP
Class 3 Shares – accumulation	£ 1,000,000
Class 4 Shares – accumulation	£ 1,000,000

The above table sets out the minimum initial lump sum purchase amount and minimum holding amount for each Share Class of the Fund, which must be satisfied by each Shareholder. Currently there is no minimum subsequent investment amount. The ACD may waive the requirements for each Share Class in its absolute discretion.

Settlement Date

Information on the timing for the payment of application monies and redemption proceeds is set out at page 21 under "*Making an investment in a Fund*".

INCOME ALLOCATION

Annual income allocation date:	31 March
Interim income allocation dates:	every Dealing Day (and payable monthly on or about the first Dealing Day of each following month)

For Accumulation Classes

Income attributable to the Accumulation Class Shares is not paid out but is automatically added to (and retained as part of) the capital assets of the Fund on each income allocation date and is reflected in the Share price of the Accumulation Class Shares.

REMUNERATION AND EXPENSES

The total annual management charges of the Federated Hermes Sterling Short Duration Bond Fund are based on a percentage of the Net Asset Value of the Federated Hermes Sterling Short Duration Bond Fund prior to the deduction of any fees or other expenses.

For Class 1 Shares (available to investors who hold the Fund as an asset in their investment portfolio on which they are already paying a management fee to Federated Hermes (UK) LLP), the ACD's periodic charge is limited to a fee in respect of administration services. The Administrator's fee is set out on page 33 under "*ACD fee for managing and administering the Funds*".

The only fees payable out of the Fund for Class 1 Shares will be the administration fee plus the Depositary's remuneration as set out on page 34 under "*Depositary fee*".

In respect of Class 2-4 Shares, the aim is that investors may see a single clear percentage charge encompassing all fees payable out of the Fund. The percentage figure disclosed below for each of these Share classes effectively sets out the total fees which will be charged, comprising an ACD periodic fee for management and administration services and the Depositary's remuneration which is disclosed on page 34 under "*Depositary fee*". (The ACD will discount the amount of the periodic charge it is entitled to take to the extent of the amount of the Depositary's remuneration invoiced to the Fund.) For Class 2-8 Shares, it should be noted that there will be an additional fee component to the ACD periodic fee for the first year of operation of the Fund which will be charged to investors and is designed to cover one off work of the ACD in the initial set up phase of the relevant Fund. This additional fee component is detailed below.

Further details are set out at page 33 under "*Remuneration and Expenses*".

The total annual management charges of the Federated Hermes Sterling Short Duration Bond Fund differ for the various classes of Shares. The total annual management charges of each class of Shares in the Federated Hermes Sterling Short Duration Bond Fund will be as follows:

Class 1 Shares – ACD charges fee in respect of administration services as disclosed on page 33 under "*ACD fee for managing and administering the Funds*".

Note that, for Class 1 Shares, in addition to this ACD charge, the Depositary charges explained on page 8 under "*Depositary fee''* are payable out of the Fund.

Class 2 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 10 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee''* and the ACD levies the remainder to cover its management and administration services. In addition, a management fee of 1 basis point per annum of the Net Asset Value attributable to that share class on a temporary basis for the first year of operation of the Fund.

Class 3 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 15 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee''* and the ACD levies the remainder to cover its management and administration services. In addition, a management fee of 1 basis point per annum of the Net Asset Value attributable to that share class on a temporary basis for the first year of operation of the Fund.

Class 4 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 25 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee''* and the ACD levies the remainder to cover its management and administration services. In addition, a management fee of 1 basis point per annum of the Net Asset Value attributable to that share class on a temporary basis for the first year of operation of the Fund.

The above fees will be payable monthly in arrears and be calculated with reference to the daily Net Asset Value of the Federated Hermes Sterling Short Duration Bond Fund. No performance fees will be payable in respect of the Federated Hermes Sterling Short Duration Bond Fund.

Details of the management charges and management expenses payable in relation to any new Share Class will be determined at the time of creating the new Share Class.

All other charges and expenses which may be charged against the Federated Hermes Sterling Short Duration Bond Fund are described at page 33 under "*Remuneration and Expenses*".

PUBLICATION OF PERIODIC REPORTS

Annual report published by:	31 July
Interim report published by:	30 November

Federated Hermes US Dollar Short Duration Bond Fund

INVESTMENT OBJECTIVE

The investment objective of the Federated Hermes US Dollar Short Duration Bond Fund is to generate a return for investors by investing primarily in US Dollar denominated fixed income securities.

INVESTMENT POLICY

In pursuit of its investment objective the Federated Hermes US Dollar Short Duration Bond Fund may invest in a broad range of liquid securities, instruments and obligations which may be available in the prevailing markets (both within and outside the US) for US Dollar denominated instruments, including securities, instruments and obligations issued or guaranteed by the US government or other sovereign governments or their agencies and securities, instruments and obligations issued by supranational or public international bodies, banks, corporates or other commercial issuers. These types of securities, instruments and obligations are described below and may be issued by both US and non-US issuers and will be denominated in US Dollar or hedged into US Dollars.

It is intended that investments will have at the time of purchase a short term credit rating of at least A1 and/or a long term credit rating of at least A (or in each case its equivalent) from a recognised rating agency such as Standard & Poor's or be deemed by the Investment Manager to be of equivalent quality.

The weighted average of the Federated Hermes US Dollar Short Duration Bond Fund will be maintained at no more than five years in order to retain the AAAf/S2 rating from Standard & Poor's.

The Federated Hermes US Dollar Short Duration Bond Fund will invest in securities, instruments and obligations with remaining maturities of twenty years or less. The Federated Hermes US Dollar Short Duration Bond may invest an aggregate of 10% of its net assets in the shares of other collective investment schemes as permitted for a UK UCITS where the Investment Manager considers that such investment would:

- assist in the preservation of capital through further diversification of credit risk;
- provide a better net return than direct investment in money market instruments; and/or
- such investment would enhance available liquidity.

The Federated Hermes US Dollar Short Duration Bond Fund may also hold ancillary liquid assets such as bank deposits, subject to any applicable limits set out in this Prospectus.

The Federated Hermes US Dollar Short Duration Bond Fund may also use derivative instruments including, interest rate swaps, currency swaps and exchange traded futures and options for efficient portfolio management.

RATING AWARD

The current rating (if any) of the Fund can be viewed on the ACD's website at federatedinvestors.co.uk. Fees are typically payable to a Rating Agency to obtain a rating.

RISK FACTORS

The general risk factors as set out at page 12 shall apply.

In addition to the general risk factors, investors should also note that subscription for Shares of the Federated Hermes US Dollar Short Duration Bond Fund is not the same as making a deposit with a bank or other deposit-taking body and the value of the Shares is not insured or guaranteed. The value of the Federated Hermes US Dollar Short Duration Bond Fund may be affected by the creditworthiness of issuers of the Federated Hermes US Dollar Short Duration Bond Fund's investments and, notwithstanding the policy of the Federated Hermes US Dollar Short Duration Bond Fund of investing in short term instruments, may also be affected by substantial adverse movements in interest rates.

GOVERNMENT AND PUBLIC SECURITIES ISSUERS

More than 35% in value of the property of the Federated Hermes US Dollar Short Duration Bond Fund may be invested in government and public securities issued or guaranteed by any one of the following:

- The Government of the United States of America.

ELIGIBLE MARKETS FOR THE FEDERATED HERMES US DOLLAR SHORT DURATION BOND FUND

Generally, investments by a UK UCITS in transferable securities, approved money market instruments and approved derivatives must be in securities and instruments admitted to or dealt in on an Eligible Market (as detailed in Appendix 3).

An Eligible Market is a regulated market or market in the UK or an EEA State which is regulated, operates regularly and is open to the public (see page 84 under "*Eligible Markets*").

In addition, the ACD and the Depositary have agreed that the following markets will be deemed eligible securities markets:

- any market located in any of the following countries where the criteria specified in the FCA Rules are satisfied will be deemed an eligible market:
  - United States of America.
- The following specific markets will be deemed an eligible market:
  - The market organised by the International Capital Markets Association.
  - The (i) market conducted by banks and other institutions regulated by the FCA and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook; and (ii) market in non-investment products which is subject to the guidance contained in the Non-Investment Products Code drawn up by the participants in the London market, including the FCA and the Bank of England.

- The market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York and the US Securities and Exchange Commission.
- The over-the-counter market in the United States conducted by primary and second dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation).
- NASDAQ in the United States of America.

In addition, the ACD and the Depositary have agreed that the following specific markets will be deemed eligible derivative markets:

- In relation to any exchange traded financial derivative contract, any stock exchange on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is: (i) located in the UK or an EEA State, (ii) located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland or the United States, or (iii) any of the following:
  - The Chicago Board of Trade.
  - The Chicago Mercantile Exchange.
  - The Chicago Board Options Exchange.
  - New York Mercantile Exchange.
  - New York Board of Trade.

PAST PERFORMANCE FOR FEDERATED HERMES US DOLLAR SHORT DURATION BOND FUND

Past performance is not a guide to future performance and yields may vary. The price of Shares and the income from them can fall as well as rise and you may not get back the amount originally invested.

As the Fund has not yet been launched there is no past performance data which is currently available. Past performance data will be added to subsequent versions of this Prospectus when it becomes available.

PROFILE OF TYPICAL INVESTOR

The Fund is not currently available for investment. Typical investor information will be included in subsequent versions of this Prospectus when the Fund is launched.

KEY INFORMATION FOR PURCHASING AND REPURCHASING

Base Currency

US Dollar.

Classes of Shares – Minimum Initial Investment Amounts and Holdings

Class 1 Shares – accumulation	US$ 250,000 – only available to investors who hold the Fund as an asset in their investment portfolio on which they are already paying a management fee to Federated Hermes (UK) LLP.
Class 2 Shares – accumulation	US$ 10,000,000 – only available to investors where specifically offered by Federated Hermes (UK) LLP
Class 3 Shares – accumulation	US$ 1,000,000
Class 4 Shares – accumulation	US$ 1,000,000

The above table sets out the minimum initial lump sum purchase amount and minimum holding amount for each Share Class of the Fund, which must be satisfied by each Shareholder. Currently there is no minimum subsequent investment amount. The ACD may waive the requirements for each Share Class in its absolute discretion.

Settlement Date

Information on the timing for the payment of application monies and redemption proceeds is set out at page 21 under "*Dealings in Shares*".

INCOME ALLOCATION

Annual income allocation date:	31 March
Interim income allocation dates:	every Dealing Day (and payable monthly on or about the first Dealing Day of each following month)

For Accumulation Classes

Income attributable to the Accumulation Class Shares is not paid out but is automatically added to (and retained as part of) the capital assets of the Fund on each income allocation date and is reflected in the Share price of the Accumulation Class Shares.

REMUNERATION AND EXPENSES

The total annual management charges and management expenses of the Federated Hermes US Dollar Short Duration Bond Fund are based on a percentage of the Net Asset Value of the Federated Hermes US Dollar Short Duration Bond Fund prior to the deduction of any fees or other expenses. For Class 1 Shares (available to investors who hold the Fund as an asset in their investment portfolio on which they are already paying a management fee to Federated Hermes (UK) LLP), the ACD's periodic charge is limited to a fee in respect of administration services. The Administrator's fee is set out on page 33 under "ACD fee for managing and administering the Funds".

The only fees payable out of the Fund for Class 1 Shares will be the administration fee plus the Depositary's remuneration as set out on page 34 under "*Depositary's fee*".

In respect of Class 2-4 Shares, the aim is that investors may see a single clear percentage charge encompassing all fees payable out of the Fund. The percentage figure disclosed below for each of these Share classes effectively sets out the total fees which will be charged, comprising an ACD periodic fee for management and administration services and the Depositary's remuneration which is disclosed on page 34 under "*Depositary fee*". (The ACD will discount the amount of the periodic charge it is entitled to take to the extent of the amount of the Depositary's remuneration invoiced to the Fund.) For Class 2-8 Shares, it should be noted that there will be an additional fee component to the ACD periodic fee for the first year of operation of the Fund which will be charged to investors and is designed to cover one off work of the ACD in the initial set up phase of the relevant Fund. This additional fee component is detailed below.

Further details are set out at page 33 under "*Remuneration and Expenses*".

The total annual management charges and management expenses of the Federated Hermes US Dollar Short Duration Bond Fund differ for the various classes of Shares. The total annual management charges and management expenses of each class of Shares in the Federated Hermes US Dollar Short Duration Bond Fund will be as follows:

Class 1 Shares – ACD charges fee in respect of administration services as disclosed on page 33 under "*ACD fee for managing and administering the Funds*".

Note that, for Class 1 Shares, in addition to this ACD charge, the Depositary charges explained on page 8 under "*Depositary fee''* are payable out of the Fund.

Class 2 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 10 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee''* and the ACD levies the remainder to cover its management and administration services. In addition, a management fee of 1 basis point per annum of the Net Asset Value attributable to that share class on a temporary basis for the first year of operation of the Fund.

Class 3 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 15 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee''* and the ACD levies the remainder to cover its management and administration services. In addition, a management fee of 1 basis point per annum of the Net Asset Value attributable to that share class on a temporary basis for the first year of operation of the Fund.

Class 4 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 25 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee''* and the ACD levies the remainder to cover its management and administration services. In addition, a management fee of 1 basis point per annum of the Net Asset Value attributable to that share class on a temporary basis for the first year of operation of the Fund.

The above fees will be payable monthly in arrears and be calculated with reference to the daily Net Asset Value of the Federated Hermes US Dollar Short Duration Bond Fund. No performance fees will be payable in respect of the Federated Hermes US Dollar Short Duration Bond Fund.

Details of the management charges and management expenses payable in relation to any new Share Class will be determined at the time of creating the new Share Class.

All other charges and expenses which may be charged against the Federated Hermes US Dollar Short Duration Bond Fund are described at page 33 under "*Remuneration and Expenses*".

PUBLICATION OF PERIODIC REPORTS

Annual report published by:	31 July
Interim report published by:	30 November

Federated Hermes Euro Short Duration Bond Fund

INVESTMENT OBJECTIVE

The investment objective of the Federated Hermes Euro Short Duration Bond Fund is to generate a return for investors by investing primarily in Euro denominated fixed income securities.

INVESTMENT POLICY

In pursuit of its investment objective the Federated Hermes Euro Short Duration Bond Fund may invest in a broad range of liquid securities, instruments and obligations which may be available in the prevailing markets (both within and outside the Eurozone) for Euro denominated instruments, including securities, instruments and obligations issued or guaranteed by the Eurozone government or other sovereign governments or their agencies and securities, instruments and obligations issued by supranational or public international bodies, banks, corporates or other commercial issuers. These types of securities, instruments and obligations are described below and may be issued by issuers both inside and outside the Eurozone and will be denominated in Euro or hedged into Euro.

It is intended that investments will have at the time of purchase a short term credit rating of at least A1 and/or a long term credit rating of at least A (or in each case its equivalent) from a recognised rating agency such as Standard & Poor's or be deemed by the Investment Manager to be of equivalent quality.

The weighted average of the Federated Hermes Euro Short Duration Bond Fund will be maintained at no more than five years in order to retain the AAAf/S2 rating from Standard & Poor's.

The Federated Hermes Euro Short Duration Bond Fund will invest in securities, instruments and obligations with remaining maturities of twenty years or less. The Federated Hermes Euro Short Duration Bond may invest an aggregate of 10% of its net assets in the shares of other collective investment schemes as permitted for a UK UCITS where the Investment Manager considers that such investment would:

- assist in the preservation of capital through further diversification of credit risk;
- provide a better net return than direct investment in money market instruments; and/or
- such investment would enhance available liquidity.

The Federated Hermes Euro Short Duration Bond Fund may also hold ancillary liquid assets such as bank deposits, subject to any applicable limits set out in this Prospectus.

The Federated Hermes Euro Short Duration Bond Fund may also use derivative instruments including, interest rate swaps, currency swaps and exchange traded futures and options for efficient portfolio management.

RATING AWARD

The current rating (if any) of the Fund can be viewed on the ACD's website at federatedinvestors.co.uk. Fees are typically payable to a Rating Agency to obtain a rating.

RISK FACTORS

The general risk factors as set out at page 12 shall apply.

GOVERNMENT AND PUBLIC SECURITIES ISSUERS

More than 35% in value of the property of the Federated Hermes Euro Short Duration Bond Fund may be invested in government and public securities issued or guaranteed by any one of the following EU Governments whose currency is Euros:

- Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovenia and Spain.

ELIGIBLE MARKETS FOR THE FEDERATED HERMES EURO SHORT DURATION BOND FUND

Generally, investments by a UK UCITS in transferable securities, approved money market instruments and approved derivatives must be in securities and instruments admitted to or dealt in on an Eligible Market (as detailed in Appendix 3).

An Eligible Market is a regulated market or market in the UK or an EEA State which is regulated, operates regularly and is open to the public (see page 84 under "*Eligible Markets*"). In addition, the ACD and the Depositary have agreed that the following specific markets will be deemed an eligible market:

- The market organised by the International Capital Markets Association.
- The (i) market conduct by banks and other institutions regulated by the FCA and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook; and (ii) market in non-investment products which is subject to the guidance contained in the Non-Investment Products Code drawn up by the participants in the London market, including the FCA and the Bank of England.

- The French market for Titres de Creance Negotiable (over-the-counter market in negotiable debt instruments).

In addition, the ACD and the Depositary have agreed that the following specific markets will be deemed eligible derivative markets:

- In relation to any exchange traded financial derivative contract, any stock exchange on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is located in the UK or an EEA State.
- OMLX, the London Securities and Derivatives Exchange.

PAST PERFORMANCE FOR FEDERATED HERMES EURO SHORT DURATION BOND FUND

Past performance is not a guide to future performance and yields may vary. The price of Shares and the income from them can fall as well as rise and you may not get back the amount originally invested.

As the Fund has not yet been launched there is no past performance data which is currently available. Past performance data will be added to subsequent versions of this Prospectus when it becomes available.

PROFILE OF TYPICAL INVESTOR

The Fund is not currently available for investment. Typical investor information will be included in subsequent versions of this Prospectus when the Fund is launched.

KEY INFORMATION FOR PURCHASING AND REPURCHASING

Base Currency

Euro

Classes of Shares – Minimum Initial Investment Amounts and Holdings

Class 1 Shares – accumulation	€ 250,000 – only available to investors who hold the Fund as an asset in their investment portfolio on which they are already paying a management fee to Federated Hermes (UK) LLP.
Class 2 Shares – accumulation	€ 10,000,000 – only available to investors where specifically offered by Federated Hermes (UK) LLP
Class 3 Shares – accumulation	€ 1,000,000
Class 4 Shares – accumulation	€ 1,000,000

The above table sets out the minimum initial lump sum purchase amount and minimum holding amount for each Share Class of the Fund, which must be satisfied by each Shareholder. Currently there is no minimum subsequent investment amount. The ACD may waive the requirements for each Share Class in its absolute discretion.

Settlement Date

Information on the timing for the payment of application monies and redemption proceeds is set out at page 21 under "*Making an investment in a Fund*".

INCOME ALLOCATION

Annual income allocation date:	31 March
Interim income allocation dates:	every Dealing Day (and payable monthly on or about the first Dealing Day of each following month)

For Accumulation Classes

Income attributable to the Accumulation Class Shares is not paid out but is automatically added to (and retained as part of) the capital assets of the Fund on each income allocation date and is reflected in the Share price of the Accumulation Class Shares.

REMUNERATION AND EXPENSES

The total annual management charges of the Federated Hermes Euro Short Duration Bond Fund are based on a percentage of the Net Asset Value of the Federated Hermes Euro Short Duration Bond Fund prior to the deduction of any fees or other expenses.

For Class 1 Shares (available to investors who hold the Fund as an asset in their investment portfolio on which they are already paying a management fee to Federated Hermes (UK) LLP), the ACD's periodic charge is limited to a fee in respect of administration services. The Administrator's fee is set out on page 33 under "*ACD fee for managing and administering the Funds*".

The only fees payable out of the Fund for Class 1 Shares will be the administration fee plus the Depositary's remuneration as set out on page 34 under "*Depositary fee*".

In respect of Class 2-4 Shares, the aim is that investors may see a single clear percentage charge encompassing all fees payable out of the Fund. The percentage figure disclosed below for each of these Share classes effectively sets out the total fees which will be charged, comprising an ACD periodic fee for management and administration services and the Depositary's remuneration which is disclosed on page 34 under "*Depositary fee*". (The ACD will discount the amount of the periodic charge it is entitled to take to the extent of the amount of the Depositary's remuneration invoiced to the Fund.) For Class 2-8 Shares, it should be noted that there will be an additional fee component to the ACD periodic fee for the first year of operation of the Fund which will be charged to investors and is designed to cover one off work of the ACD in the initial set up phase of the relevant Fund. This additional fee component is detailed below.

Further details are set out at page 33 under "*Remuneration and Expenses*".

The total annual management charges of the Federated Hermes Euro Short Duration Bond Fund differ for the various classes of Shares. The total annual management charges of each class of Shares in the Federated Hermes Euro Short Duration Bond Fund will be as follows:

Class 1 Shares – ACD charges fee in respect of administration services as disclosed on page 33 under "*ACD fee for managing and administering the Funds."*

Note that, for Class 1 Shares, in addition to this ACD charge, the Depositary charges explained on page 8 under "*Depositary fee''* are payable out of the Fund.

Class 2 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 10 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee''* and the ACD levies the remainder to cover its management and administration services. In addition, a management fee of 1 basis point per annum of the Net Asset Value attributable to that share class on a temporary basis for the first year of operation of the Fund.

Class 3 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 15 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee''* and the ACD levies the remainder to cover its management and administration services. In addition, a management fee of 1 basis point per annum of the Net Asset Value attributable to that share class on a temporary basis for the first year of operation of the Fund.

Class 4 Shares – Aggregate fee charged to the property of the Fund which is attributable to that share class is 25 basis points per annum of the Net Asset Value attributable to that share class. The Depositary levies the fees set out on page 8 under "*Depositary fee''* and the ACD levies the remainder to cover its management and administration services. In addition, a management fee of 1 basis point per annum of the Net Asset Value attributable to that share class on a temporary basis for the first year of operation of the Fund.

The above fees will be payable monthly in arrears and be calculated with reference to the daily Net Asset Value of the Federated Hermes Euro Short Duration Bond Fund. No performance fees will be payable in respect of the Federated Hermes Euro Short Duration Bond Fund.

Details of the management charges and management expenses payable in relation to any new Share Class will be determined at the time of creating the new Share Class.

All other charges and expenses which may be charged against the Federated Hermes Euro Short Duration Bond Fund are described at page 33 under "*Remuneration and Expenses*".

PUBLICATION OF PERIODIC REPORTS

Annual report published by:	31 July
Interim report published by:	30 November

Appendix 2

ADDITIONAL INVESTMENT RESTRICTIONS FOR MMFS

Appendix 2 summarises the investment restrictions applicable to money market funds under the FCA Rules and UK MMF Regulation.

The investment restrictions in this Appendix 2 are applicable to each Fund that is a money market fund (see "*Classification of Funds that are MMFs*" at page 11). These investment restrictions apply to an MMF in addition to - and further constrain - the investment powers and restriction generally applicable to UK UCITS, which are summarised in Appendix 3.

ELIGIBLE ASSETS FOR UK MMFS

A UK MMF shall invest only in one or more of the following categories of financial assets and only under the conditions specified pursuant to the UK MMF Regulation:

- Money market instruments, including Public Debt Money Market Instruments.
- Securitisations and asset-backed commercial paper ("ABCPs").
- Deposits with credit institutions.
- Financial derivative instruments.
- Repurchase agreements.
- Reverse repurchase agreements.
- Units or shares of other UK MMFs or EU MMFs.

Eligible Money Market Instruments

The eligibility criteria for money market instruments depend on the following:

- Whether the UK MMF is a UK Short-Term MMF or UK Standard MMF.
  - For a description of the differences between a UK Short-Term MMF and UK Standard MMF, see "*MMF type – Short-Term or Standard*" on page 11.
  - For a description of the eligibility criteria for money market instruments for the different types of UK MMF, see "*Eligible money market instruments for UK Short-Term MMFs*" on page 75 *and* "*Eligible money market instruments for UK Standard MMFs*" on page 77; and
- Whether the UK MMF is a UK Qualifying MMF, which may only invest in money market instruments that are of "high quality", as described under "*MMF type - UK Qualifying MMF*" on page 12.

Eligible Securitisations and ABCPs

To be eligible for investment by a UK MMF, securitisations and ABCPs must be: (i) sufficiently liquid; (ii) have received a favourable assessment pursuant to the internal credit quality assessment procedure undertake by the manager of the UK MMF; and (iii) be either:

- a "Level 2B securitisation" under the European Union Delegated Regulation (EU) 2015/61 as it had effect on 31 December 2020 as incorporated into UK domestic law by the EUWA and amended by The Securitisation (Amendment) (EU Exit) Regulations 2019;
- an ABCP meeting criteria specified pursuant to the UK MMF Regulation; or
- a simple, transparent and standardised ("STS") securitisation or ABCP.

In addition, a securitisation and ABCP must fulfil certain maturity conditions, which depend on whether the UK MMF is a UK Short-Term MMF or UK Standard MMF, as described under "*Eligible securitisations and ABCPs for UK Short-Term MMFs*" on page 76 or "*Eligible securitisations and ABCPs for UK Standard MMFs*" on page 77.

Eligible Deposits with Credit Institutions

A deposit with a credit institution shall be eligible for investment by a UK MMF provided that all of the following conditions are fulfilled:

- the deposit is repayable on demand or is able to be withdrawn at any time;
- the deposit matures in no more than 12 months;

- the credit institution has its registered office in the UK or in an EU member state or, where the credit institution has its registered office in a country other than the UK or an EU member state, it is subject to prudential rules considered equivalent to those laid down:
  - in EU law in accordance with a decision adopted before 31 December 2020 by the European Commission under the procedure laid down in Article 107(4) of Regulation (EU) No 575/2013; or
  - in the law of the UK in accordance with regulations made on or after 31 December 2020 by HM Treasury under Article 107(4) of that Regulation as incorporated into UK domestic law.

Eligible Financial Derivative Instruments

A derivative instrument shall be eligible for investment by a UK MMF if it is an eligible exchange-traded or OTC derivative under the COLL Sourcebook (see "*Permitted derivative transactions for UK UCITS schemes*" on page 85) and meets the following conditions:

- It is admitted to trading or dealt in on an Eligible Market (see "*Eligible Markets*" on page 84).
- The underlying consists of interest rates, foreign exchange rates, currencies or indices representing one of those categories.
- Its only purpose is hedging the interest rate or exchange rate risks inherent in other investments of the UK MMF.
- For an OTC derivative transaction, the counterparties are institutions subject to prudential regulation and supervision and belonging to the categories approved by the FCA.
- For an OTC derivative transaction, it is subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the UK MMF's initiative.

Eligible Repurchase Agreements

A repurchase agreement shall be eligible to be entered into by a UK MMF provided that all of the following conditions are fulfilled:

(a) It is used on a temporary basis, for no more than seven working days, only for liquidity management purposes and not for investment purposes other than as referred to in point (c) below;

(b) The counterparty receiving assets transferred by the UK MMF as collateral under the repurchase agreement is prohibited from selling, investing, pledging or otherwise transferring those assets without the UK MMF's prior consent.

(c) The cash received by the UK MMF as part of the repurchase agreement is able to be: (i) placed on deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in the UK or in an EU member state or, if the credit institution has its registered office in a country other than the UK or an EU member state, provided that it is subject to prudential rules considered by the FCA as equivalent to those laid down in the law of the UK; or (ii) invested in assets issued or guaranteed by certain prescribed government and public bodies and meeting specified criteria, but shall not otherwise be invested in assets eligible for a UK MMF (described above), transferred or otherwise reused.

(d) Cash received by the UK MMF as part of the repurchase agreement does not exceed 10 % of its assets.

(e) The UK MMF has the right to terminate the agreement at any time upon giving prior notice of no more than two working days.

Eligible Reverse Repurchase Agreements

1. A reverse repurchase agreement shall be eligible to be entered into by a UK MMF provided that all of the following conditions are fulfilled:

   (a) The UK MMF has the right to terminate the agreement at any time upon giving prior notice of no more than two working days.

   (b) The market value of the assets received as part of the reverse repurchase agreement is at all times at least equal to the value of the cash paid out.

2. The assets received by a UK MMF as part of a reverse repurchase agreement:

   (a) may only be (i) money market instrument eligible for the UK MMF or (ii) liquid transferable securities or money market instruments issued or guaranteed by certain prescribed government and public bodies and meeting specified criteria.

   (b) shall not be sold, reinvested, pledged or otherwise transferred;

   (c) must be sufficiently diversified with a maximum exposure to a single issue of 15% of the UK MMF's NAV (unless the assets are Public Debt Money Market Instruments);

(d) must be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

3. The UK MMF must be able to recall the full amount of cash at any time on either an accrued basis or a mark-to-market basis.

ELIGIBLE UNITS/SHARES OF UK MMFS

1. A UK MMF may acquire the units or shares of a UK MMF or EU MMF ("targeted MMF") provided that all of the following conditions are fulfilled:

   (a) No more than 10% of the assets of the targeted MMF are able, according to its fund rules or instruments of incorporation, to be invested in aggregate in units or shares of other MMFs.

   (b) The targeted MMF does not hold units or shares in the acquiring UK MMF.

   A targeted MMF shall not invest in the acquiring UK MMF during the period in which the acquiring UK MMF holds units or shares in it.

2. A UK MMF may acquire the units or shares of other UK MMFs or EU MMFs, provided that no more than 5% of its assets are invested in units or shares of a single MMF.

3. A UK MMF may, in aggregate, invest no more than 17.5% of its assets in units or shares of other UK MMFs and EU MMFs.

4. Units or shares of UK MMFs or EU MMFs shall be eligible for investment by a UK MMF provided that all of the following conditions are fulfilled:

   (a) The targeted MMF is authorised under the UK MMF Regulation or EU MMF Regulation.

   (b) Where the targeted MMF is managed, whether directly or under a delegation, by the same manager as that of the acquiring UK MMF or by any other company to which the manager of the acquiring UK MMF is linked by common management or control, or by a substantial direct or indirect holding, the manager of the targeted MMF, or that other company, is prohibited from charging subscription or redemption fees on account of the investment by the acquiring UK MMF in the units or shares of the targeted MMF.

5. A UK Short-term MMF may only invest in units or shares of other Short-Term MMFs (as defined in the UK MMF Regulation).

6. UK Standard MMFs may invest in units or shares of Short-Term MMFs and Standard MMFs (as those terms are defined in the UK MMF Regulation).

CREDIT QUALITY ASSESSMENT PROCEDURE

The ACD has in place a prudent internal credit quality assessment procedure for determining the credit quality of money market instruments, securitisations and ABCPs that may be held by Funds that are UK MMFs (the "Credit Quality Assessment Procedure"). This procedure is based on prudent, systematic and continuous assessment methodologies that include an analysis of factors that influence the creditworthiness of the issuers of those money market instruments and the credit quality of money market instruments. These methodologies are reviewed at least annually to ensure they are appropriate. The Credit Quality Assessment Procedure and the reviews shall be performed by the ACD or its delegate, and will not be undertaken by the team who perform or are responsible for the portfolio management of the UK MMF.

PROHIBITED ACTIVITIES FOR MMFS

A UK MMF shall not undertake any of the following activities:

- Short sales of money market instruments, securitisations, ABCPs or units or shares of other MMFs.
- Take direct or indirect exposure to equities or commodities, including via derivatives, certificates representing them, indices based on them, or any other means or instrument that would give an exposure to them.
- Enter into securities lending agreements or securities borrowing agreements, or any other agreement that would encumber the assets of the UK MMF.
- Borrow or lend cash.

INVESTMENT RESTRICTIONS FOR UK SHORT-TERM MMFS

Eligible Money Market Instruments for UK Short-Term MMFs

- A UK Short-Term MMF may only invest in money market instruments that fulfil all of the following requirements:
- It is a type of approved money market instrument that is eligible for investment under the COLL Sourcebook (as detailed under "*Eligible Investments In Approved Money Market Instruments*" in Appendix 3 at page 81) or is a recently issued transferable security as detailed under "*Recently issued transferable securities*" in Appendix 3 at page 84.

- It displays one of the following alternative characteristics:
  - it has a legal maturity at issuance of 397 days or less;
  - it has a residual maturity of 397 days or less.
- The issuer of the money market instrument and the quality of the money market instrument have received a favourable assessment pursuant to the internal credit quality assessment procedure undertaken by the manager of the UK MMF, or the money market instrument is issued or guaranteed by the EU, a central authority or central bank of the UK or an EU member state, the European Central Bank, the European Investment Bank, the European Stability Mechanism or the European Financial Stability Facility.

Eligible Securitisations and ABCPs for UK Short-Term MMFs

A UK Short-Term MMF may only invest in an eligible securitisation or ABCP if one of the following conditions is fulfilled:

- For a Level 2B securitisation, the legal maturity at issuance is 2 years or less and the time remaining until the next interest rate reset date is 397 days or less.
- For an eligible ABCP (including an STS ABCP) and an STS securitisation, the legal maturity at issuance or residual maturity is 397 days or less.
- For a Level 2B securitisation or STS securitisation, the securitisation is an amortising instrument and has a WAL of 2 years or less.

Portfolio Rules for UK Short-Term MMFs

1. A UK Short-Term MMF shall comply on an ongoing basis with all of the following portfolio requirements:
   (a) Its portfolio is to have a Weighted Average Maturity of no more than 60 days.
   (b) Its portfolio is to have a Weighted Average Life of no more than 120 days, subject to paragraphs 2 and 3 below.
   (c) For UK LVNAV MMFs and UK Public Debt CNAV MMFs:
   - At least 10% of their assets are to be comprised of daily maturing assets, reverse repurchase agreements which are able to be terminated by giving prior notice of one working day or cash which is able to be withdrawn by giving prior notice of one working day.
   - They are not to acquire any asset other than a daily maturing asset when such acquisition would result in that UK MMF investing less than 10% of its portfolio in daily maturing assets.

   (d) For a short-term UK VNAV MMF
   - At least 7.5% of its assets are to be comprised of daily maturing assets, reverse repurchase agreements which are able to be terminated by giving prior notice of one working day, or cash which is able to be withdrawn by giving prior notice of one working day.
   - They are not to acquire any asset other than a daily maturing asset when such acquisition would result in that UK MMF investing less than 7.5% of its portfolio in daily maturing assets.

   (e) For UK LVNAV MMFs and UK Public Debt CNAV MMFs:
   - at least 30% of their assets are to be comprised of weekly maturing assets, reverse repurchase agreements which are able to be terminated by giving prior notice of five working days or cash which is able to be withdrawn by giving prior notice of five working days.
   - They are not to acquire any asset other than a weekly maturing asset when such acquisition would result in that UK MMF investing less than 30% of its portfolio in weekly maturing assets.

   (f) For a short-term UK VNAV MMF:
   - At least 15% of its assets are to be comprised of weekly maturing assets, reverse repurchase agreements which are able to be terminated by giving prior notice of five working days, or cash which is able to be withdrawn by giving prior notice of five working days.
   - They are not to acquire any asset other than a weekly maturing asset when such acquisition would result in that UK MMF investing less than 15% of its portfolio in weekly maturing assets.

   (g) For the purpose of the calculation referred to in sub-paragraph 1(e) above, Public Debt Money Market Instruments which are highly liquid and can be redeemed and settled within one working day and have a residual maturity of up to 190 days may also be included within the weekly maturing assets of a UK LVNAV MMF and UK Public Debt CNAV MMF, up to a limit of 17.5% of its assets.

(h) For the purpose of the calculation referred to in sub-paragraph 1(f) above, money market instruments or units or shares of other UK MMFs may be included within the weekly maturing assets of a short-term UK VNAV MMF up to a limit of 7.5% of its assets provided they are able to be redeemed and settled within five working days.

2. For the purposes of sub-paragraph 1(b) above, when calculating the WAL for securities, including structured financial instruments, a UK Short-Term MMF shall base the maturity calculation on the residual maturity until the legal redemption of the instruments. However, in the event that a financial instrument embeds a put option, a UK Short-Term MMF may base the maturity calculation on the exercise date of the put option instead of the residual maturity, but only if all of the following conditions are fulfilled at all times:

   (a) The put option is able to be freely exercised by the UK Short-Term MMF at its exercise date.

   (b) The strike price of the put option remains close to the expected value of the instrument at the exercise date.

   (c) The investment strategy of the UK Short-Term MMF implies that there is a high probability that the option will be exercised at the exercise date.

3. By way of derogation from paragraph 2 above, when calculating the WAL for securitisations and ABCPs, a UK Short-Term MMF may instead, in the case of amortising instruments, base the maturity calculation on one of the following:

   (a) The contractual amortisation profile of such instruments.

   (b) The amortisation profile of the underlying assets from which the cash-flows for the redemption of such instruments result.

INVESTMENT RESTRICTIONS FOR UK STANDARD MMFS

Eligible Money Market Instruments for UK Standard MMFs

A UK Standard MMF may only invest in the following types of money market instrument:

- Money market instruments that are eligible for a UK Short-Term MMF (as detailed under "*Eligible money market instruments for UK Short-Term MMFs*" at page 75).
- Money market instruments with a residual maturity until the legal redemption date of less than or equal to 2 years, provided that the time remaining until the next interest rate reset date is 397 days or less. For that purpose, floating-rate money-market instruments and fixed-rate money-market instruments hedged by a swap arrangement shall be reset to a money market rate or index.

Eligible Securitisations and ABCPs for UK Standard MMFs

A UK Standard MMF may only invest in an eligible securitisation or ABCP if one of the following conditions is fulfilled:

- The legal maturity at issuance or residual maturity is 2 years or less and the time remaining until the next interest rate reset date is 397 days or less.
- For a Level 2B securitisation or STS securitisation, the securitisation is an amortising instrument and has a WAL of 2 years or less.

Portfolio Rules for UK Standard MMFs

1. A UK Standard MMF shall comply on an ongoing basis with all of the following requirements:

   (a) Its portfolio is to have at all times a Weighted Average Maturity of no more than 6 months.

   (b) Its portfolio is to have at all times a Weighted Average Life of no more than 12 months, subject to the second and third sub-paragraphs.

   (c) At least 7.5% of its assets are to be comprised of daily maturing assets, reverse repurchase agreements which can be terminated by giving prior notice of one working day or cash which can be withdrawn by giving prior notice of one working day. A UK Standard MMF is not to acquire any asset other than a daily maturing asset when such acquisition would result in that UK MMF investing less than 7.5% of its portfolio in daily maturing assets.

   (d) At least 15% of its assets are to be comprised of weekly maturing assets, reverse repurchase agreements which can be terminated by giving prior notice of five working days or cash which can be withdrawn by giving prior notice of five working days. A UK Standard MMF is not to acquire any asset other than a weekly maturing asset when such acquisition would result in that UK MMF investing less than 15% of its portfolio in weekly maturing assets.

   (e) For the purpose of the calculation referred to in sub-paragraph 1(d) above, money market instruments or units or shares of other UK MMFs may be included within the weekly maturing assets up to 7.5% of its assets provided they are able to be redeemed and settled within five working days.

2. For the purposes of sub-paragraph 1(b) above, when calculating the WAL for securities, including structured financial instruments, a UK Standard MMF shall base the maturity calculation on the residual maturity until the legal redemption of the instruments. However, in the event that a financial instrument embeds a put option, a UK Standard MMF may base the maturity calculation on the exercise date of the put option instead of the residual maturity, but only if all of the following conditions are fulfilled at all times:

   (a) The put option is able to be freely exercised by the UK Standard MMF at its exercise date.

   (b) The strike price of the put option remains close to the expected value of the instrument at the exercise date.

   (c) The investment strategy of the UK Standard MMF implies that there is a high probability that the option will be exercised at the exercise date.

3. By way of derogation from paragraph 2, when calculating the WAL for securitisations and ABCPs, a UK Standard MMF may instead, in the case of amortising instruments, base the maturity calculation on one of the following:

   (a) The contractual amortisation profile of such instruments.

   (b) The amortisation profile of the underlying assets from which the cash-flows for the redemption of such instruments result.

DIVERSIFICATION AND CONCENTRATION REQUIREMENTS

General Diversification Requirements

1. A UK MMF shall invest no more than:

   (a) 5% of its assets in money market instruments, securitisations and ABCPs issued by the same body;

   (b) 10% of its assets in deposits made with the same credit institution, unless the structure of the banking sector in the UK is such that there are insufficient viable credit institutions to meet that diversification requirement and it is not economically feasible for the MMF to make deposits in an EU member state, in which case up to 15% of its assets may be deposited with the same credit institution.

2. By way of derogation from sub-paragraph 1(a) above, a UK VNAV MMF may invest up to 10% of its assets in money market instruments, securitisations and ABCPs issued by the same body provided that the total value of such money market instruments, securitisations and ABCPs held by the VNAV MMF in each issuing body in which it invests more than 5% of its assets does not exceed 40% of the value of its assets.

3. The aggregate of all of a UK MMF's exposures to securitisations and ABCPs shall not exceed 20% of the assets of the MMF, whereby up to 15% of the assets of the MMF may be invested in securitisations and ABCPs that do not comply with the criteria for the identification of STS securitisations and ABCPs.

4. The aggregate risk exposure of a UK MMF to the same counterparty stemming from over-the-counter ("OTC") eligible derivative transactions shall not exceed 5% of the assets of the UK MMF.

5. The aggregate amount of cash provided to the same counterparty of a UK MMF in reverse repurchase agreements shall not exceed 15% of the assets of the UK MMF. The cash received by a UK MMF as part of any one repurchase agreement shall not exceed 10% of its assets.

6. Notwithstanding paragraphs 1 and 4 above, a UK MMF shall not combine, where to do so would result in an investment of more than 15% of its assets in a single body, any of the following:

   (a) investments in money market instruments, securitisations and ABCPs issued by that body;

   (b) deposits made with that body;

   (c) OTC financial derivative instruments giving counterparty risk exposure to that body.

7. By way of derogation from the diversification requirement provided for in paragraph 6 above, where the structure of the financial market in the UK is such that there are insufficient viable financial institutions to meet that diversification requirement and it is not economically feasible for the UK MMF to use financial institutions in an EU member state, the UK MMF may combine the types of investments referred to in points 6(a) to 6(c) above up to a maximum investment of 20% of its assets in a single body.

8. Companies which are included in the same group for the purposes of consolidated accounts under the Companies Partnerships and Groups (Accounts and Reports) Regulations 2015 or in accordance with recognised international accounting rules, shall be regarded as a single body for the purpose of calculating the limits referred to in paragraphs 1 to 7 above.

Investment in Public Debt Money Market Instruments

9. By way of derogation from 1(a) above, a UK MMF may invest up to 100% of its assets in different Public Debt Money Market Instruments.

10. The power under paragraph 9 above shall only apply where all of the following requirements are met:

  (a) the UK MMF holds money market instruments from at least six different issues by the issuer;

  (b) the UK MMF limits the investment in money market instruments from the same issue to a maximum of 30% of its assets;

  (c) the UK MMF makes express reference, in its fund rules or instrument of incorporation, to all administrations, institutions or organisations referred to in the first sub-paragraph that issue or guarantee separately or jointly money market instruments in which it intends to invest more than 5% of its assets; and

  (d) the UK MMF includes a prominent statement in its prospectus and marketing communications drawing attention to the use of the derogation and indicating all administrations, institutions or organisations referred to in the first sub-paragraph that issue or guarantee separately or jointly money market instruments in which it intends to invest more than 5% of its assets.

Investment in Credit Institutions

11. Notwithstanding the individual limits laid down in paragraph 1 above, a UK MMF may invest no more than 10% of its assets in bonds issued by a single credit institution that has its registered office in the UK or an EU member state and is subject by law to special public supervision designed to protect bond-holders. In particular, sums deriving from the issue of those bonds shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

12. Where a UK MMF invests more than 5% of its assets in the bonds referred to in paragraph 11 above issued by a single issuer, the total value of those investments shall not exceed 40% of the value of the assets of the UK MMF.

13. Notwithstanding the individual limits laid down in paragraph 1 above, a UK MMF may invest no more than 20% of its assets in bonds issued by a single credit institution meeting the criteria for extremely high quality covered bonds or high quality covered bonds under the European Union Delegated Regulation (EU) 2015/61, including any possible investment in assets referred to in paragraph 11 above.

14. Where a UK MMF invests more than 5% of its assets in the bonds referred to in paragraph 13 above issued by a single issuer, the total value of those investments shall not exceed 60% of the value of the assets of the UK MMF, including any possible investment in assets referred to in paragraph 11 above, respecting the limits set out therein.

Concentration

15. A UK MMF shall not hold more than 10% of the money market instruments (except for Public Debt Money Market Instruments), securitisations and ABCPs issued by a single body.

Appendix 3

UK UCITS INVESTMENT POWERS AND LIMITS

Appendix 3 summarises the restrictions applicable to a UK UCITS which will apply for each Fund.

An aim of the restrictions on investment and borrowing powers for a UK UCITS set out in the FCA Rules is to help protect Shareholders by laying down minimum requirements for the investments that may be held by a Fund. There are requirements for the types of investments which may be held by a Fund. There are also a number of investment rules requiring diversification of investment of a Fund, and so providing a prudent spread of risk.

MONEY MARKET FUND RESTRICTIONS

Certain Funds are authorised as money market funds (see "Which Funds are MMFs'' at page 11). UK MMFs are subject to specific investment restrictions, which are summarised in Appendix 2. Those investment restrictions are additional to those applicable generally to a UK UCITS scheme. **Consequently, the eligible assets and applicable investment powers and restrictions for a Fund that is a UK MMF are different - and in most instances, more restrictive - than those set out in this Appendix 3.**

"[***MMF****]" in a heading denotes that the applicable investment powers and restrictions are different for a Fund that is a UK MMF.

PRUDENT SPREAD OF RISK

The object of the Scheme is to invest the property of the Scheme with the aim of spreading investment risk and giving Shareholders the benefit of the results of the management of that property. The ACD must ensure that, taking account of the investment objective and policy of the relevant Fund, the scheme property of the Fund aims to provide a prudent spread of risk.

The ACD will, on a Shareholder's request, provide supplementary information to that set out in this Prospectus relating to the quantitative limits applying in the risk management of a Fund, the methods used in this connection and any recent development of the risk and yields of the main categories of investment of a Fund.

TYPES OF INVESTMENT [MMF†]

The property of each Fund must, except where otherwise provided in the FCA Rules, consist solely of any or all of:

- transferable securities;
- approved money market instruments;
- derivatives and forward transactions;
- deposits; and
- units in collective investment schemes;

each as is permitted for a UK UCITS under the provisions of the COLL Sourcebook.

Each of the Funds may, in principle, invest in up to 100% in any of the types of assets mentioned in the bulleted list above.

The types of assets held by a Fund are subject to any more restrictive provisions set out in this Prospectus from time to time.

Each of the Funds is managed subject to its investment objective and policy, and this indicates the likely type of investments which will be held. In accordance with each Fund's investment objective and policy:

- The Short-Term Sterling Prime Fund will invest predominantly in money market instruments, deposits, transferable securities and bonds;
- Each Cash Plus Fund will invest predominantly in money market instruments, deposits, transferable securities, bonds and collective investment schemes; and
- Each Short Duration Bond Fund will invest predominantly in money market instruments, deposits, transferable securities, bonds and collective investment schemes.

† For Funds that are UK MMFs, there are further restrictions on the eligible types of assets - see Appendix 2 ("Eligible assets for UK MMFs" on page 73).

Approved Money Market Instruments [*MMF*‡]

WHAT IS AN "APPROVED MONEY MARKET INSTRUMENT"?

An approved money market instrument is a money market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined at any time.

- Normally dealt in on the money market

  A money market instrument shall be regarded as normally dealt in on the money market if it:

  1. has a maturity at issuance of up to and including 397 days;
  2. has a residual maturity of up to and including 397 days;
  3. undergoes regular yield adjustments in line with money market conditions at least every 397 days; or
  4. has a risk profile including credit and interest rate risks corresponding to that of the instrument which has a maturity as set out in 1 or 2 or is subject to yield adjustment as set out in 3.

- Regarded as liquid

  A money market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame taking into account the obligation of the ACD to redeem Shares at the request of any qualifying Shareholder.

- Has a value which can be accurately determined at any time

  A money market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuation systems, which will fulfil the following criteria, are available:

  1. they enable the ACD to calculate a net asset value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and
  2. they are based either on market data or on valuation models including systems based on amortised costs.

ELIGIBLE INVESTMENTS IN APPROVED MONEY MARKET INSTRUMENTS

Generally investment may be made in the following types of approved money market instrument:

- **Money market instruments admitted to/dealt in on an Eligible Market**

  A money market instrument that is normally dealt in on the money market and is admitted to or dealt in on an Eligible Market shall be presumed to be liquid and have a value which can be accurately determined at any time, and so be an approved money market instrument, unless there is information available to the ACD that would lead to a different determination.

- **Money market instruments with certain regulated issuers**

  In addition to instruments admitted to or dealt in on an Eligible Market, a UK UCITS may invest in an approved money market instrument provided:

  1. the issue or the issuer is regulated for the purpose of protecting investors and savings

     This is regarded as being the case if:

     – the instrument is an approved money market instrument (as explained above);

     – appropriate information is available for the instrument (including information which allows an appropriate assessment of credit risks related to investment in it); and

     – the instrument is freely transferable.

     Regarding the requirement for there to be appropriate information for the instrument, generally, the following information must be available:

     – information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;

     – updates of that information on a regular basis and whenever a significant event occurs; and

     – available and reliable statistics on the issue or the issuance programme, or where appropriate, other data enabling an appropriate assessment of the credit risks related to investment in those instruments.

‡ For Funds that are UK MMFs, there are additional eligibility criteria for money market instruments, which depend on the categorisation of the UK MMF - see Appendix 2 ("Eligible money market instruments" on page 73).

In addition, in the case of an approved money market instrument issued or guaranteed by a central authority of the UK or an EEA State or, if the EEA State is a federal state, one of the members making up the federation, the EU or the European Investment Bank or a non-EEA State or, in the case of a federal state, one of the members making up the federation, or which is issued by a regional or local authority of the UK or an EEA State or a public international body to which the UK or one or more EEA States belong and is guaranteed by a central authority of the UK or an EEA State or, if the EEA State is a federal state, one of the members making up the federation, then information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.

2. the instrument is:

   – issued or guaranteed by any one of the following: a central authority of the UK or an EEA State or, if the EEA State is a federal state, one of the members making up the federation; a regional or local authority of the UK or an EEA State; the Bank of England, the European Central Bank or a central bank of an EEA State; the EU or the European Investment Bank; a non-EEA State or, in the case of federal state, one of the members making up the federation; a public international body to which the UK or one or more EEA States belong;

   – issued by a body, any securities of which are dealt in on an Eligible Market; or

   – issued or guaranteed by an establishment which is: (i) subject to prudential supervision in accordance with the criteria defined by UK or EU law or (ii) subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU law. (This latter condition is considered satisfied if it is subject to and complies with prudential rules and fulfils one or more of the following criteria: it is located in the EEA; it is located in an OECD country belonging to the Group of Ten; it has at least investment grade rating or, on the basis of an in depth analysis of the issuer, it can be demonstrated that prudential rules applicable to that issuer are at least as stringent as those laid down by UK or EU law.)

- **Certain other money market instruments with a regulated issuer**

  In addition to instruments admitted to or dealt in on an Eligible Market, a UK UCITS may also, with the express consent of the FCA (which takes the form of a waiver under Section 138A and 138B of the Act), invest in an approved money market instrument provided:

  – the issue or issuer is itself regulated for the purpose of protecting investors and savings on the basis explained above;

  – investment in that instrument is subject to investor protection equivalent to that provided by instruments which satisfy the requirements explained above; and

  – the issuer is a company whose capital and reserves amount to at least € 10 million and which presents and publishes its annual accounts in accordance with the requirements of the Companies Act 2006 applicable to public companies limited by shares or by guarantee, or private companies limited by shares or by guarantee, or for companies incorporated in the EEA, Directive 2013/34/EU, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

  A securitisation vehicle is a structure, whether in corporate, trust or contractual form, set out for the purpose of securitisation operations.

  A banking liquidity line is a banking facility secured by a financial institution which is an establishment subject to prudential supervision in accordance with criteria defined by UK or EU law or in an establishment which is subject to, and complies with, prudential rules considered by the FCA to be at least a stringent as those laid down by UK or EU law.

LIMITED INVESTMENT IN OTHER APPROVED MONEY MARKET INSTRUMENTS

Not more than 10% in value of the scheme property of a Fund may consist of approved money market instruments which are not within any of the three categories under “*Eligible Investments in Approved Money Market Instruments*” at page 81 (together with any transferable securities which are not approved securities or recently issued transferable securities as explained under “*Limited Investment in Unapproved Securities*” at page 84).

Note: For a Fund that is a UK MMF, all money market instruments must comply with the eligibility criteria for money market instruments applicable to the UK MMF. For the avoidance of doubt, this applies even for the acquisition of approved money market instruments that are not within any of the three categories under “*Eligible Investments in Approved Money Market Instruments*” at page 81.

Deposits [*MMF*§]

A Fund may invest in deposits only if it is with an Approved Bank, repayable on demand or has the right to be withdrawn, and matures in no more than 12 months.

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§ For Funds that are UK MMFs, deposits are subject to additional conditions - see Appendix 2 (“Eligible deposits with credit institutions” on page 73).

Transferable Securities [*MMF***]

WHAT IS A TRANSFERABLE SECURITY?

A transferable security is an investment which is any of the following: a share; a debenture; a government and public security; a warrant; or a certificate representing certain securities. An investment is not a transferable security if title to it cannot be transferred, or can be transferred only with the consent of a third party (although, in the case of an investment which is issued by a body corporate and which is a share or debenture, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored). An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.

A Fund may invest in a transferable security only to the extent that that transferable security fulfils the following criteria:

- The potential loss which the Fund may incur with respect to holding the transferable securities is limited to the amount it paid for it.
- Its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder.
- A reliable valuation is available for it as follows: (i) for a transferable security admitted to or dealt in on an Eligible Market, there are accurate reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers; and (ii) for a transferable security not admitted to or dealt in on an Eligible Market, there is a valuation on a periodic basis which is derived from information from the issuers of the transferable security or from competent investment research).
- Appropriate information is available for it as follows: (i) for a transferable security admitted to or dealt in on an Eligible Market, there is regular accurate and comprehensive information available to the market on that security or, where relevant on the portfolio of the transferable security; and (ii) for a transferable security not admitted to or dealt in on an Eligible Market, there is regular and accurate information available to the ACD on the transferable security or where relevant on the portfolio of the transferable security.
- It is negotiable.
- Its risks are adequately captured by the risk management process of the ACD.

Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to, or dealt in on, an Eligible Market is presumed not to compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder and to be negotiable.

Note that a unit in a closed ended fund is taken to be a transferable security provided it fulfils the above criteria and either:

- where the closed ended fund is constituted as an investment company or a unit trust:
    1. it is subject to corporate governance mechanisms applied to companies; and
    2. where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or
- where the closed ended fund is constituted under the law of contract:
    1. it is subject to corporate governance mechanisms equivalent to those applied to companies; and
    2. it is managed by a person who is subject to national regulation for the purposes of investor protection.

(Shares in UK investment trusts are classified as transferable securities.)

TRANSFERABLE SECURITIES LINKED TO OTHER ASSETS

A Fund may invest in any other investment which may be taken to be a transferable security for the purposes of investment by a Fund provided that the investment fulfils the criteria set out above and is backed by or linked to the performance of other assets which may differ from those in which a UK UCITS can invest.

Where such an investment contains an embedded derivative component, the requirements with respect to derivatives and forwards will apply to that component.

ELIGIBLE INVESTMENTS IN TRANSFERABLE SECURITIES – "APPROVED SECURITIES"

Generally investment may be made in "approved securities", which are transferable securities which are admitted to or dealt in on an Eligible Market for the purposes of the FCA Rules.

*** For Funds that are UK MMFs, the ability to acquire transferable securities is restricted under the eligible asset requirements and is subject to additional conditions - see Appendix 2 ("Eligible assets for UK MMFs" on page 73).*

LIMITED INVESTMENT IN UNAPPROVED SECURITIES

Not more than 10% in value of a Fund's property is to consist of transferable securities which are not such approved securities or recently issued transferable securities as explained below (together with any approved money market instruments which are not within any of the three paragraphs under "*Eligible Investments in Approved Money Market Instruments*" at page 81).

Note: The application of the 10% restriction to Funds that are MMFs is noted above under "*Limited investment in other approved money market instruments*" at page 82.

ELIGIBLE MARKETS

An Eligible Market for the purpose of the FCA Rules is:

- a UK regulated market (within the meaning of UK MiFIR);
- an EU regulated market (within the meaning of EU MiFIR) which is authorised and functions regularly;
- a market in the UK or an EEA State which is regulated, operates regularly and is open to the public; or
- a market which the ACD, after consultation with and notification to the Depositary, determines is appropriate for the purpose of investment of, or dealing in, the property of the Scheme. In accordance with the relevant criteria in the FCA Rules, such a market must be regulated; operate regularly; be recognised as a market or exchange or as a self-regulating organisation by an overseas regulator; be open to the public; be adequately liquid; and have adequate arrangements for unimpeded transmission of income and capital to or to the order of investors.

The eligible securities markets for each Fund as at the date of this Prospectus are set out in Appendix 1.

RECENTLY ISSUED TRANSFERABLE SECURITIES

Recently issued transferable securities may be held by a Fund provided that:

- the terms of issue include an undertaking that application will be made to be admitted to an Eligible Market; and
- such admission is secured within a year of issue.

Derivatives [*MMF*††]

Under the FCA Rules, derivatives (a contract for difference, a future or an option) are permitted for UK UCITS for investment purposes. Derivative transactions may, under the FCA Rules be used for the purposes of efficient portfolio management (including hedging) or meeting the investment objectives, or both.

Subject to certain detailed restrictions, a transaction in derivatives or a forward transaction may be effected for a UK UCITS if it is a permitted transaction and the transaction is covered, on the basis explained below. A transaction in a derivative must not cause a Fund to diverge from its investment objectives.

PERMITTED UNDERLYING ASSETS FOR DERIVATIVE TRANSACTIONS

The underlying of any transaction in a derivative must consist of any one or more of the following to which the scheme is dedicated:

- transferable securities;
- approved money market instruments admitted to, or dealt in on, an Eligible Market or with a regulated issuer;
- deposits;
- permitted derivatives;
- units in a collective investment scheme;
- financial indices which satisfy certain criteria (see below);
- interest rates;
- foreign exchange rates; and
- currencies.

A UK UCITS may not undertake a transaction in derivatives on commodities.

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†† For Funds that are UK MMFs, transactions in derivative instruments are subject to additional conditions - see Appendix 2 ("Eligible financial derivative instruments" on page 74).

Criteria for financial index to be a permitted underlying asset

For a financial index to be a permitted underlying asset for a derivative transaction, the financial index must satisfy the following criteria:

- The index is sufficiently diversified

  A financial index is sufficiently diversified if it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index; where it is composed of assets in which a UK UCITS is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out for UK UCITS; and, where it is composed of assets in which a UK UCITS cannot invest it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration applicable to UK UCITS;

- The index represents an adequate benchmark

  A financial index represents an adequate benchmark for the market to which it refers if it measures the performance of a representative group of underlyings in a relevant and appropriate way; it is revised or rebalanced periodically to ensure that it continues to reflect the market to which it refers, following criteria which are publicly available; and the underlying is sufficiently liquid, allowing users to replicate it if necessary; and

- The index is published in an appropriate manner

  An index is published in an appropriate manner if its publication process relies on sound procedures to collect prices and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall, where they satisfy the requirements with respect to any other underlyings which are permitted underlyings for a transaction in derivatives mentioned above, be regarded as a combination of those underlyings.

Note that an index based on derivatives on commodities or an index on property may be regarded as a financial index provided it satisfies these criteria.

If the composition of an index is not sufficiently diversified in order to avoid undue concentration, its underlying assets should be combined with the other assets of the UK UCITS when assessing compliance with the requirements on cover for transactions in derivatives and forwards transactions and also the spread requirements.

In order to avoid undue concentration, where derivatives of an index composed of assets in which a UK UCITS cannot invest are used to track or gain high exposure to the index, the index should at least be diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration explained below.

If derivatives on that index are used for risk diversification purposes, provided the exposure of the UK UCITS to that index complies with the 5%, 10% and 40% ratios required for spread restriction purposes, there is no need to look at the underlying components of that index to ensure that it is sufficiently diversified.

UK UCITS should not be invested in commodity indices that do not consist of different commodities.

PERMITTED DERIVATIVE TRANSACTIONS FOR UK UCITS SCHEMES

Subject to certain detailed restrictions, a transaction in derivatives or a forward transaction may be effected for a Fund if it is:

- a permitted transaction; and
- the transaction is covered;

in each case on the basis explained below.

For any derivative transaction, there are requirements specified if that transaction will or could lead to the delivery of property, and there must be an appropriate risk management process in place.

PERMITTED TRANSACTIONS ([*MMF**] SEE APPENDIX 2)

A transaction in a derivative must be either:

- in an approved derivative, i.e., a transaction effected on or under the rules of an Eligible Market

  (See page 84 under "*Eligible Markets*" for details of Eligible Markets under the FCA Rules. Specific eligible derivatives markets for each Fund may be agreed between the ACD and the Depositary and set out in Appendix 1.)

- subject to restrictions, an OTC derivative transaction.

  Any transaction in an OTC derivative must be:

  1. with an approved counterparty

     A counterparty to a transaction in derivatives is approved only if the counterparty is:

     – an Eligible Institution or an Approved Bank (as defined in the FCA Rules);

     – a person whose permission to carry on regulated activities in the UK, or whose home EU member state authorisation, permits it to enter into transactions as principal off-exchange;

     – a Central clearing counterparty ("CCP") that is authorised in that capacity for the purposes of EMIR;

     – a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or

     – to the extent not already covered above, a CCP supervised in a jurisdiction that has implemented the relevant G20 reforms on over-the-counter derivatives to at least the same extent as the United Kingdom, and is identified as having done so by the Financial Stability Board in its summary report on progress in implementation of G20 financial regulatory reforms dated 25 June 2019.

  2. on approved terms

     The terms of the transaction in derivatives are approved only if the ACD:

     – carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value (being the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction) and which does not rely only on market quotations by the counterparty; and

     – can enter into a further transaction to close out that transaction at any time at its fair value.

  3. capable of reliable valuation

     A transaction in derivatives is capable of reliable valuation only if the ACD, having taken reasonable care, determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:

     – on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable, or

     – if the value referred to above is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and

  4. subject to verifiable valuation

     A transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into), verification of the valuation is carried out by:

     – an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the ACD is able to check it; or

     – a department within the ACD which is independent from the department in charge of managing the scheme property and which is adequately equipped for such a purpose.

     In this connection, if a Fund invests in OTC derivative transactions, there will be arrangements and procedures designed to ensure appropriate, transparent and fair valuation of the exposures of each Fund to OTC derivatives, and to ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment. These arrangements and procedures are intended to be adequate and proportionate to the nature and complexity of the OTC derivative concerned and adequately documented.

     A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, approved money market instruments, units in a collective investment scheme or derivatives.

     Any forward transaction must be made with an Eligible Institution or an Approved Bank (as defined in the FCA Rules).

DERIVATIVES EXPOSURE

The requirements for cover are intended to ensure that a Fund is not exposed to the risk of loss of the property, including money, to an extent greater than the net value of the scheme property. Therefore a scheme is required to hold scheme property sufficient in value or amount to match the exposure arising from the derivative obligation to which the scheme is committed.

Limitation on derivatives exposure

The ACD will ensure that the global exposure relating to derivatives and forward transactions held by a Fund does not exceed the net value of the scheme property of that Fund.

Property which is the subject of a stock lending transaction is only available for cover if the ACD has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.

Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or Approved Bank (as defined in the FCA Rules) to be committed to provide, is not available for cover unless the Scheme borrows an amount of currency from an Eligible Institution or Approved Bank and keeps an amount in another currency at least equal to the borrowing for the time being in the initial amount of currency on deposit with the lender (or his agent and nominee) in which case the requirements for cover applies if the borrowed currency and not the deposited currency were part of the scheme property.

Calculation of derivatives exposure

The ACD will calculate the global exposure of a Fund on at least a daily basis. This calculation will take into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions, and be calculated as either:

- the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives), which may not exceed 100% of the net value of the scheme property of the Fund; or
- the market risk of the scheme property of the Fund.

Where the ACD employs techniques and instruments (including repo contracts or securities lending transactions) in order to generate additional leverage or exposure to market risk for a Fund, the ACD will take those transactions into consideration when calculating the global exposure for the Fund.

The ACD will undertake the calculation of global exposure by using either the commitment approach or the value at risk approach. The ACD will select an appropriate method taking into account the investment strategy pursued by the Fund, the types and complexities of the derivatives and forward transactions used and the proportion of the scheme property comprising derivatives and forward transactions.

Where the ACD is required to calculate global exposure, the ACD intends to use either uses the commitment approach or the value at risk approach for the Funds.

- Commitment approach

  Under the "standard commitment approach" the ACD will convert each derivative or forward transaction into the market value of an equivalent position in the underlying asset of that derivative or forward. This would apply to all derivative and forward transactions, including embedded derivatives, whether used as part of the Fund's general investment policy, for the purposes of risk reduction or for the purposes of efficient portfolio management in accordance with the rules explained in this Prospectus.

  The ACD may apply other calculation methods which are equivalent to the standard commitment approach.

  Where the commitment approach is used:

  – temporary borrowing arrangements entered into on behalf of the Fund need not form part of the global exposure calculation; and

  – where the use of derivatives or forward transactions does not generate incremental exposure for a Fund, the underlying exposure need not be included in the commitment calculation for the Fund.

- Value at risk ("VaR") approach

  The "value at risk" approach means a measure of the maximum expected loss at a given confidence level over the specific time period. Under the absolute VaR approach, global exposure should not exceed a percentage limit determined by reference to the value of the scheme property of the Fund. Under the relative VaR approach, global exposure should not exceed a limit calculated against the value of a reference portfolio.

The ACD may take account of netting and hedging arrangements when calculating the global exposure of a Fund where those arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure.

TRANSACTIONS FOR THE PURCHASE OF PROPERTY

A derivative or forward transaction which will or could lead to the delivery of property for the account of a Fund may be entered into only if:

- that property can be held for the account of the Fund; and
- the ACD, having taken reasonable care, determines that delivery of the property under that transaction will not occur or will not lead to a breach of the applicable restrictions.

REQUIREMENT TO COVER SALES

No agreement by or on behalf of a Fund to dispose of property or rights may be made unless:

- the obligation to make the disposal and any other similar obligation could immediately be honoured by the Fund by delivery of property or the assignment (or, in Scotland, assignation) of rights; and
- such property and rights are attributable to the Fund at the time of the agreement.

However this requirement can be met where:

- the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument and the underlying financial instrument is highly liquid; or
- the ACD or the Depositary has the right to settle the derivative in cash, and cover exists within the scheme property which falls within one or more of the following asset classes: (i) cash; (ii) liquid debt instrument (for example government bonds of first credit rating) with appropriate safeguards; or (iii) other highly liquid assets having regard to their correlation with the underlying of the financial derivative instruments (subject to appropriate safeguards).

  (For this purpose an asset may be considered as liquid where the instrument can be converted into cash in no more than seven business days at a price closely corresponding to the current valuation of the financial instrument on its own market.)

The requirement to cover sales does not apply to a deposit.

EXPOSURE TO UNDERLYING ASSETS

Where a Fund invests in derivatives, the exposure to the underlying assets must not exceed the spread limits explained at page 91 under "*Spread requirements*", save that where a Fund invests in an index based derivative, provided the relevant index falls within the definition of "relevant index" (being an index which satisfies the following criteria: (i) the composition is sufficiently diversified; (ii) the index represents an adequate benchmark for the market to which it refers; and (iii) the index is published in an appropriate manner), the underlying constituents of the index do not have to be taken into account for the purposes of the spread requirements. Such relaxation in respect of index based derivatives is subject to the requirement for the ACD to maintain a prudent spread of risk.

A derivative includes an instrument which fulfils the following criteria:

- it allows the transfer of the credit risk of the underlying independently from the other risks associated with that underlying;
- it does not result in the delivery or the transfer of assets other than those referred to regarding permitted types of scheme property for a UK UCITS including cash;
- in the case of an OTC derivative, it complies with the requirements for OTC transactions in derivatives explained above; and
- its risks are adequately captured by the risk management process of the ACD, and by its internal control mechanisms in the case of risks of asymmetry of information between the ACD and the counterparty to the derivative, resulting from potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.

TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS EMBEDDING DERIVATIVES

Where a transferable security or approved money market instrument embeds a derivative, this must be taken into account for the purposes of complying with the restrictions on derivatives.

A transferable security or an approved money market instrument will embed a derivative if it contains a component which fulfils the following criteria:

- by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a standard alone derivative;
- its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
- it has a significant impact on the risk profile and pricing of the transferable security or approved money market instrument.

A transferable security or an approved money market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money market instrument. That component shall be deemed to be a separate instrument.

Collateralised debt obligations ("CDOs") or asset-backed securities using derivatives, with or without an active management will generally not be considered as embedding a derivative except if: (i) they are leveraged (i.e., the CDOs or asset-backed securities are not limited recourse vehicles and the investors' loss can be higher than their initial investment); or (ii) they are not sufficiently diversified.

Where a transferable security or approved money market instrument embedding a derivative is structured as an alternative to an OTC derivative, the requirements with respect to transactions in OTC derivatives will apply. This will be the case for tailor-made hybrid instruments such as a single tranche CDO structured to meet the specific needs of a scheme, which should be considered as embedding a derivative. Such a product offers an alternative to the use of an OTC derivative for the same purpose of achieving a diversified exposure with a pre-set credit risk level to a portfolio of entities.

The following list of transferable securities and approved money market instruments (which is illustrative and non-exhaustive) could be assumed to embed a derivative:

- credit linked notes;
- transferable securities or approved money market instruments whose performance is linked to the performance of a bond index;
- transferable securities or approved money market instruments whose performance is linked to the performance of a basket of shares, with or without active management;
- transferable securities or approved money market instruments with a fully guaranteed nominal value whose performance is linked to the performance of a basket of shares with or without active management;
- convertible bonds; and
- exchangeable bonds.

No UK UCITS can use transferable securities or approved money market instruments which embed a derivative to circumvent the restrictions regarding use of derivatives.

Transferable securities and approved money market instruments which embed a derivative are subject to the rules applicable to derivatives as outlined in this section. It is the ACD's responsibility to check that these requirements are satisfied. The nature, frequency and scope of checks performed will depend on the characteristics of the embedded derivatives and on their impact on the Fund, taking into account its stated investment objective and risk profile.

RISK MANAGEMENT: DERIVATIVES

As mentioned below, the ACD must use a risk management process enabling it to monitor and measure as frequently as appropriate the risk of the Fund's positions and their contribution to the overall risk profile of the Fund.

The ACD should undertake the risk assessment with the highest care when the counterparty to the derivative is an associate of the ACD or the credit issuer.

PROPOSED USE OF DERIVATIVES BY THE FUNDS

For the Short-Term Sterling Prime Fund

For the Short-Term Sterling Prime Fund, although the use of derivatives is permitted subject to the requirements of the FCA Rules as summarised above, **the ACD will not use derivatives.**

For the Cash Plus Funds and Short Duration Bond Funds

For the Cash Plus Funds and Short Duration Bond Funds, unless a Fund's investment policy (as specified in) states that the contrary is intended, **the ACD does not intend to use derivatives except for the purposes of efficient portfolio management (as explained below).**

For Funds that issue Currency Hedged Share Classes

For Funds that issue Currency Hedged Share Classes, the currency hedging techniques used by the Fund for the purposes of those share classes may include the use of derivatives including foreign exchange forward transactions. Information regarding the currency hedging arrangements for such share classes is provided at page 19 under "*Currency hedged share classes*".

Efficient management of the portfolio

Transactions entered into for the purposes of efficient management of the portfolio of a Fund are transactions which are reasonably regarded by the ACD as economically appropriate and which are permitted by the FCA Rules to be effected in order to achieve a reduction in certain risks or costs or the generation of additional capital or income for the Fund with an acceptably low level of risk. There is no limit on the amount or value of the property of the Fund which may be used for such efficient management purposes, but the ACD will only enter into the transaction if it reasonably believes the transaction to be economically appropriate. The following types of risk are relevant in relation to efficient management of each Fund: market risk; interest rate risk; credit risk and foreign exchange (FX) risk.

Whilst the use of derivatives is expected, over the longer term, to reduce the risk profile of a Fund, it does introduce additional risks, such as counterparty risk, that otherwise would not be present. Use of derivatives may therefore, to some extent, alter the risk profile of a Fund.

Collective investment schemes [*MMF*‡‡]

Investment by a UK UCITS in units in collective investment schemes is subject to the following restrictions.

RELEVANT TYPES OF COLLECTIVE INVESTMENT SCHEME

A Fund may invest in any of the following types of collective investment scheme (a second scheme):

1. A UK UCITS or EU UCITS.
2. A scheme which is recognised under the Act that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man provided the requirements at COLL 5.2.13AR are met.
3. A scheme which is a UK authorised scheme which is classified as a non-UCITS retail scheme provided the requirements at COLL 5.2.13AR(1), (3) and (4) are met.
4. A scheme which is authorised in an EEA State provided the requirements at COLL 5.2.13AR are met.
5. A scheme which is authorised by the competent authority of an OECD member country (other than an EEA State) which has:
   – signed the IOSCO Multilateral Memorandum of Understanding; and
   – approved the scheme's management company, rules and depositary/custody arrangements, provided the requirements at COLL 5.2.13AR are met.

In relation to the schemes mentioned at paragraphs 2 to 5 above, the requirements of COLL 5.2.13AR are that:

1. the second scheme is an undertaking:
   a. with the sole object of collective investment in transferable securities or in other liquid financial assets, as referred to in chapter 5 of the COLL Sourcebook, of capital raised from the public and which operate on the principle of risk-spreading; and
   b. with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings' assets (action taken by a scheme to ensure that the price of its units on an investment exchange does not significantly vary from their net asset value shall be regarded as equivalent to such repurchase or redemption);
2. the second scheme is authorised under laws which provide that they are subject to supervision considered by the FCA to be equivalent to that laid down in UK law, and that co-operation between the FCA and the supervisory authorities of the second scheme is sufficiently ensured;

- the level of protection for unitholders in the second scheme is equivalent to that provided for unitholders in a UK UCITS scheme and in particular that the rules on asset segregation, borrowing, lending and uncovered sales of transferable securities and approved money market instruments are equivalent to the requirements of chapter 5 of the COLL Sourcebook;
- the business of the second scheme is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period; and
- no more than 10% in value of the scheme's assets, whose acquisition is contemplated, can, according to its fund rules or instrument of incorporation, be invested in aggregate in units of other collective investment undertakings.

It is therefore anticipated that UK non-UCITS retail schemes are likely to be possible investments, given that the FCA Rules for such schemes are very similar to those for UK UCITS schemes other than in respect of investment in certain asset classes.

Note: In order that each Fund is available as an investment of a fund of funds scheme which is a UK UCITS, the Scheme's Instrument provides that no more than 10% in value of the scheme property of a Fund may consist of units in collective investment schemes.

SPREAD AND DIVERSIFICATION RESTRICTIONS FOR INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Whilst investment by a UK UCITS is possible in schemes in any of the categories mentioned in paragraphs 1 to 5 above immediately under the heading "Relevant types of collective investment scheme", the following restrictions apply for an investment of a UCITS scheme:

- not more than 30% in value of a Fund may be invested in schemes which are not UK UCITS or EU UCITS (i.e., schemes within paragraphs 2 to 5 above immediately under the heading "Relevant types of collective investment scheme") (**Note:** This is in effect reduced to 10% for each Fund in view of the restriction in the Instrument mentioned above);
- any scheme in which a Fund invests must have terms which prohibit more than 10% in value of the scheme property consisting of units in collective investment schemes;

‡‡ For Funds that are UK MMFs, the acquisition of shares/units in collective investment schemes is restricted by the eligible asset requirements, which require UK MMFs to only invest in units/shares of other MMFs subject to certain conditions - see Appendix 2 ("Eligible units/shares of UK MMFs" on page 75).

- as mentioned at page 91 under "*Spread requirements*", no more than 20% in value of a Fund is to consist of units in any one collective investment scheme (but note this is in effect reduced to 10% for each Fund in view of the restriction in the Instrument mentioned above). For the purposes of this spread requirement, if investment is made in sub-funds of an umbrella scheme, each sub-fund is treated as if it were a separate scheme; and
- also, as mentioned at page 92 under "*Concentration restrictions*", a Fund must not acquire more than 25% of the units in any single collective investment scheme.

INVESTMENT IN ANOTHER FUND OR ASSOCIATED COLLECTIVE INVESTMENT SCHEMES

A Fund may invest in another Fund of the Scheme (the second Fund) or in an associated collective investment scheme (the second scheme). (A collective investment scheme will be an associated collective investment scheme if it is managed or operated by the ACD or an associate of the ACD.) In this connection, where an investment or disposal of units in such other Fund or an associated collective investment scheme is made, and there is a charge in respect of such investment or disposal, the ACD must pay certain amounts within four Business Days following the date of the agreement to invest or dispose namely:

- when an investment is made, any initial charge; and
- when a disposal is made, any charge made for the account of the operator of the second scheme or second Fund or an associate of any of them in respect of the disposal.

Note that, for this purpose, dilution and any SDRT provisions are not regarded as part of any charge. The intention is to prevent any double charging of the initial charge on investment, or redemption charge on disinvestment.

An investment in another Fund of the Scheme is only permitted if:

- the second Fund does not hold Shares in any other Fund of the Scheme; and
- the Fund investing or disposing of Shares in the second Fund is not a feeder to the second Fund. (A Fund will be a feeder if it has approval to invest over 85% of its assets in the units of a single master UCITS.)

Note: In order that each Fund is available as an investment of a fund of funds scheme which is a UK UCITS or an EU UCITS, the Scheme's Instrument of Incorporation provides that no more than 10% in value of the scheme property of a Fund may consist of units in collective investment schemes.

Spread requirements [*MMF*§§]

There are limitations on the proportion of the value of a Fund which may be held in certain forms of investment. These rules relating to spread of investments do not apply until the expiry of six months after the initial offer of Shares of a Fund, although the ACD must still aim to maintain a prudent spread of risk during this initial period.

GENERAL SPREAD REQUIREMENTS

The general spread requirements are as follows:

1. Not more than 20% in value of a Fund's property is to consist of deposits with a single body.
2. Not more than 5% in value of a Fund's property is to consist of transferable securities or approved money market instruments issued by a single body, except that:
   – the 5% limit is increased to 10% in respect of up to 40% in value of the Fund's property (and in applying these limits certificates representing certain securities are treated as equivalent to the underlying security); and
   – covered bonds need not be taken into account for the purposes of applying the limit of 40%. The limit of 5% is raised to 25% in value of the scheme property in respect of covered bonds, provided that, when a Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the scheme property.
3. The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of a Fund's property, although this limit is raised to 10% where the counterparty is an Approved Bank.
4. Not more than 20% in value of a Fund is to consist of transferable securities or approved money market instruments issued by the same group (meaning companies included in the same group for the purposes of consolidated accounts as defined in accordance with section 399 of Companies Act 2006, EU Directive 2013/34/EU or in the same group in accordance with international accounting standards, and which will therefore be regarded as a single body for the purposes of the general spread requirements).
5. (Subject to the additional restriction in the Instrument that no more than 10% in value of the scheme property of a Fund may consist of units in collective investment schemes) Not more than 20% in value of a Fund is to consist of units in any one collective investment scheme.

§§ Funds that are UK MMFs are subject to different diversification (spread) requirements - see Appendix 2 ("Diversification and concentration requirements" on page 78).

In applying the limits in 1, 2 and 3 and subject to the restriction on covered bonds mentioned in 2 above, not more than 20% in value of a Fund's property is to consist of any combination of any two or more of:

- transferable securities (including covered bonds) or approved money market instruments issued by a single body; or
- deposits made with a single body; or
- exposure from OTC derivatives transactions made with a single body (including any counterparty risk relating to the OTC derivative transactions).

Notwithstanding that these limits do not apply to government and public securities, and subject as mentioned below, in applying this 20% limit with respect to a single body, government and public securities issued by that body shall be taken into account.

GOVERNMENT AND PUBLIC SECURITIES [*MMF****]

The above '*General Spread Requirements'* do not apply to government and public securities.

No more than 35% of a Fund's property will be invested in government and public securities issued by any one body with the exception of securities named in respect of a Fund in the Scheme's Instrument of Incorporation and in this Prospectus for which the limit of 35% of the value of a Fund's property may be exceeded. In respect of any Fund which invests more than 35% in value of its property in such securities issued or guaranteed separately or jointly by any one body then:

- the ACD will, before any such investment is made, consult with the Depositary and as a result consider whether the issuer of such securities is one which is appropriate in accordance with the investment objective of the Fund;
- no more than 30% in value of the property of the Fund may consist of such securities of any one issue; and
- the scheme property shall include such securities issued by that or another issuer, of at least six different issues.

The issuers in respect of which up to 100% in value of the property of a Fund may invest are as set out in the details of the Funds in Appendix 1

EXPOSURE TO OTC DERIVATIVES

For the purposes of calculating the exposure of a Fund to a counterparty in relation to OTC derivatives, the ACD will use the positive mark-to-market value of the OTC derivative contract with that party.

The ACD may net the OTC derivative positions of a Fund with the same counterparty provided:

- it is able legally to enforce netting agreements with the counterparty on behalf of the Fund; and
- those netting agreements do not apply to any other exposures the Fund may have with that same counterparty.

The ACD will take collateral into account in calculating exposure to counterparty risk when it passes collateral to a counterparty to an OTC derivative on behalf of a Fund. Such collateral may be taken into account on a net basis only if the ACD is able legally to enforce netting arrangements with that counterparty on behalf of the Fund.

The exposure in respect of an OTC derivative may be reduced through the receipt of collateral provided the collateral received is sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation. Further information regarding the arrangements for the management of collateral for the Funds is set out at page 94 under "*Management of collateral*".

The ACD will calculate the issuer limits referred to above on the basis of the underlying exposure created through the use of OTC derivatives in accordance with the commitment approach.

USE OF INDEX BASED DERIVATIVES

Where a scheme invests in an index based derivative, provided the relevant index complies with the above criteria, the underlying constituents of the index do not need to be taken into account for the purposes of the spread requirements provided the ACD takes into account the requirement to provide a prudent spread of risk.

Concentration Restrictions [*MMF†††*]

The Scheme must not acquire for its Funds:

1. transferable securities (other than debt securities) issued by a body corporate which do not carry rights to vote at a general meeting of that body corporate and represent more than 10% of the securities issued by that body corporate;
2. more than 10% of the debt securities (which are debentures, government and public securities and warrants which confer rights of investment in these) issued by a single body;
3. more than 25% of the units in a collective investment scheme; or

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**** For Funds that are UK MMFs, there are additional disclosure requirements relating to government and public securities - see Appendix 2 ("Investment in Public Debt Money Market Instruments" on page 78).*

††† For Funds that are UK MMFs, there are additional concentration requirements - see Appendix 2 ("Concentration" on page 79).

4. more than 10% of the approved money market instruments issued by any single body;

but need not comply with the limits in 2, 3 and 4 if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

Prohibition on Acquiring Significant Influence in a Company

The Scheme may only acquire for its Funds transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:

- immediately before the acquisition, the aggregate of such securities held by the Scheme does not give the Scheme power significantly to influence the conduct of business of that corporate body; or
- the acquisition will not give the Scheme such power.

The power significantly to influence is assumed if such securities allow the Scheme to exercise or control the exercise of 20% or more of the votes cast in that body.

Warrants

A warrant is an instrument giving entitlements to investment (which includes both a warrant and any other instrument entitling the holder to subscribe for a share, debenture or government and public security) and any other transferable security (not being a nil paid or partly paid security) which is listed on an eligible securities market; and is akin to an investment which is an instrument giving entitlements to investments, in that it involves a down payment by the then holder and a right later to surrender the instrument and pay more money in return for a further transferable security.

Where a Fund invests in a warrant, the exposure created by the exercise of the right conferred by that warrant must not exceed the spread requirements set out above.

A warrant falls within any power of investment if it is reasonably foreseeable that the right conferred by the proposed warrant could be exercised by the ACD without contravening the FCA Rules on investment restrictions (assuming that there is no change in the Fund's property between the acquisition of the proposed warrant and its exercise and that the rights conferred by the proposed warrants and all other warrants forming part of the Fund's property at the time of acquisition of the proposed warrant will be exercised, whether or not it is intended that they will be).

The ACD does not, however, intend to enter into warrants and, in any event, not more than 5% in value of the Fund's property will consist of warrants.

Nil and Partly Paid Securities

A transferable security or an approved money market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by a Fund, at the time when payment is required, without contravening the FCA Rules as they are applicable to the Fund.

Efficient Portfolio Management Techniques and Instruments [*MMF*‡‡‡]

A Fund may employ techniques and instruments relating to transferable securities and approved money market instruments which are used for the purpose of efficient portfolio management.

For this purpose efficient portfolio management means techniques and instruments which relate to transferable securities and approved money market instruments and which:

- are economically appropriate in that they are realised in a cost effective way; and
- are entered into for one or more of the following specific aims: reduction of risks; reduction of costs; general of additional capital or income for the Scheme with a risk level which is consistent with the risk profile of the Scheme and the risk diversification rules laid down in the FCA Rules.)

Such techniques and instruments include, but are not limited to, collateral, repurchase agreements, the receipt of guarantees and stock lending. The use of derivatives for efficient portfolio management purposes is described above (see page 89 under "*Proposed Use of Derivatives by the Funds*"); and the use of stock lending and repurchase agreements for efficient portfolio management purposes is described below (see page 94 under "*Stock Lending and Repo Contracts*").

The use of efficient portfolio management techniques by a Fund may give rise to operational costs and fees that are deducted from the assets of the Fund. Where a Fund undertakes stock lending, the Fund will incur certain fees and may be required to reimburse certain costs. Where a Fund uses efficient portfolio management techniques, all revenues arising shall be retained by the Fund net of any direct or indirect operational costs.

The use of efficient portfolio management techniques may impact positively or negatively on the performance of a Fund.

‡‡‡ For Funds that are UK MMFs, the use of such techniques is subject to the prohibition on certain activities including stock-lending - see Appendix 2 ("Prohibited Activities for MMFs" on page 75).

Stock Lending and Repurchase Contracts [*MMF*§§§]

Stock lending covers techniques relating to transferable securities and approved money market instruments which are used for the purpose of efficient portfolio management. It permits the generation of additional income for the benefit of the Fund and hence its investors, by entering into stock lending transactions for the account of the Fund.

Stock lending involves a lender transferring securities to a borrower otherwise than by way of sale and the borrower transferring those securities, or securities of the same type and amount, back to the lender at a later date. In accordance with market practice, a separate transaction by way of transfer of assets is involved for the purposes of providing collateral to the "lender" to cover him against the risk that the future transfer back of the securities may not be satisfactorily completed.

A repurchase ("repo") contract is an agreement between a seller and buyer for the sale/purchase of securities, under which the seller/buyer agrees to repurchase/resell the securities, or equivalent securities, at an agreed date and, usually, at a stated price. Where the Scheme is purchasing the securities and agrees to sell them at an agreed date and, usually, at a stated price, this type of repo contract is known as a "reverse repo".

A stock lending arrangement or repo contract may be entered into in respect of a Fund when it is appropriate with a view to generating additional income with an acceptable degree of risk. The Depositary, at the ACD's request, may enter into a stock lending arrangement or repo contract in respect of a Fund of a kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C) on certain terms specified in the FCA Rules. There is no limit on the value of the property of a Fund which may be the subject of stock lending transactions or repo contract.

Where a stock lending arrangement is entered into, the scheme property remains unchanged in terms of value. The securities transferred cease to be part of the scheme property but there is obtained in return an obligation on the part of the counterparty to transfer back equivalent securities. The Depositary will also receive collateral to set against the risk of default and transfer and that collateral is equally irrelevant to the value of the scheme property. The FCA Rules make provision for treatment of collateral in that context. Where the Scheme generates leverage through the re-investment of collateral, this should be taken into account in the calculation of the Scheme's global exposure.

Management of Collateral

The following collateral management arrangements apply in relation to collateral received by the Scheme, including collateral obtained through the use of efficient portfolio management techniques ("Collateral").

CRITERIA FOR COLLATERAL

Collateral must satisfy the following criteria:

- **Liquidity:** Collateral received (other than cash) must be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation.
- **Valuation:** Collateral must be capable of being valued on at least a daily basis. Assets received as collateral that exhibit high price volatility shall not be accepted as Collateral unless suitably conservative haircuts are in place. The ACD is required to have in place a clear haircut policy for adjusting the value of the Collateral taking into consideration the characteristics of the relevant asset class, including the credit standing of the issuer of the Collateral, the price volatility of the Collateral and the results of any stress testing performed.
- **Issuer credit quality:** Collateral must be of high quality.
- **Counterparty correlation:** Collateral must be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- **Diversification:** Collateral must be sufficiently diversified in terms of country, markets and issuers. In respect of issuer diversification, for non-cash Collateral (and reinvested cash collateral) the aggregate exposure to a given issuer must not exceed 20% of the net asset value of the Fund.

  By way of derogation from the above collateral diversification requirements, each Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by the UK or an EU member state, one or more of its local authorities, a country other than the UK and outside the EEA, or a public international body to which the UK or one or more EU member states belong provided:

  – the Fund receives securities from at least six different issues; and

  – securities from any single issue do not account for more than 30% of the Fund's net asset value.

§§§ For Funds that are UK MMFs, there are restrictions on stock-lending, and transactions in repos and reverse repos are subject to additional conditions - see Appendix 2 ("Prohibited Activities for MMFs" on page 75 and "Eligible repurchase agreements" on page 74).

For each Fund, the EU member states, other countries, local authorities, and public international bodies issuing or guaranteeing securities for which the Fund may be able to accept collateral exceeding 20% of its net asset value are as follows:

Fund	Issuer
Short-Term Sterling Prime Fund Sterling Cash Plus Fund Sterling Short Duration Bond Fund	The Government of the United Kingdom
Euro Cash Plus Fund Euro Short Duration Bond Fund	The Governments of Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovenia and Spain.
US Dollar Cash Plus Fund US Dollar Short Duration Bond Fund	The Government of the United States of America

- **Immediately available:** Collateral must be capable of being fully enforced for the Fund at any time without reference to or approval from the counterparty. In particular, for a repo contract under which securities are sold, the Fund should be able at any time to recall any security subject to the repo contract or to terminate the repo contract into which it has entered. For a reverse repo contract the Fund should be able at any time to recall the full amount of cash or to terminate the reverse repo contract on either an accrued basis or a mark-to-market basis.

PERMITTED TYPES OF COLLATERAL

It is proposed that a Fund will accept the following types of Collateral:

- Cash.
- Government or other public securities.
- Certificates of deposit.

Non-cash collateral shall not be sold, pledged or reinvested. Cash collateral may be reinvested as described below.

CASH COLLATERAL AND REINVESTMENT OF CASH COLLATERAL

Cash received as Collateral must be:

- placed on deposit with, or invested in certificates of deposit (which mature in no more than 12 months) issued by, relevant institutions; or
- invested in high quality government bonds; or
- used for the purpose of reverse repurchase agreements provided that the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on an accrued basis; or
- invested in a UK Qualifying MMF.

If cash Collateral is re-invested, it must be diversified in accordance with the diversification requirements applicable to non-cash Collateral (as described above).

SECURITIES FINANCING TRANSACTIONS AND TOTAL RETURN SWAPS

The use of securities financing transactions ("SFTs") and total return swaps by the Funds is required to be disclosed under the UK SFTR. SFTs include the use of repurchase contracts but do not include derivative contracts. A total return swap describes a derivative contract in which one counterparty transfers the total economic performance of a reference obligation to another counterparty.

- Expected usage: Where consistent with a Fund's investment objective and policy, a Fund may enter into an SFT or TRS. Currently the Funds are not expected to enter into TRS. The SFTs used by the Funds may include repurchase contracts as described under "*Stock lending and repurchase contracts*" on page 94. The Funds may use SFTs for the purposes of efficient portfolio management (see "*Efficient portfolio management techniques and instruments*" on page 93) or with a view to generating additional income with an acceptable degree of risk.

  Subject to the investment restrictions described in this Prospectus, any asset of a Fund may be subject to an SFT, however it is the ACD's intention that the use of SFTs will be limited to reverse repo contracts entered into with respect to cash and near cash held by the Fund. Whilst up to 100% of the net asset value of a Fund may be the subject of SFTs, the ACD's expectation is that at any time up to 20% of the net asset value of a Fund may be subject to one or more SFTs.
- Counterparties: SFTs will only be entered into with "approved counterparties" as defined in the FCA Rules that are determined by the ACD to be of high quality. Other than this, the selection of counterparties is not determined by or restricted on the basis of their legal status or country of origin.

- Collateral: Information regarding the collateral that may be accepted in respect of an SFT and the valuation of such collateral is described under "*Management of collateral*" on page 94.
- Risk factors: SFTs, the collateral received in respect of an SFT, and the re-use of such collateral are subject to various risks as described under "*Management of collateral*" (commencing on page 94), including counterparty risk, credit risk and leverage risk.
- Custody: The assets of a Fund that are subject to an SFT, and any collateral received are held by the Depositary or its delegate.
- Reuse of collateral: The reuse of collateral is subject to the restrictions described under "*Management of collateral*" on page 94. Any reuse of collateral must be consistent with the investment objective and policy of a Fund and must not increase substantially a Fund's risk profile.
- Returns: All revenues arising from the use of SFTs shall be retained by the relevant Fund net of direct and indirect operational costs.

RISK EXPOSURE

Non-cash Collateral and reinvested cash Collateral will be exposed to counterparty and other investment risk. Additional risks linked to the management of collateral include operational and legal risks.

Power to Underwrite or Accept Placings [*MMF*****]

The exposure of a Fund to agreements and understandings which are underwriting or sub underwriting agreements, or contemplate that securities will or may be issued or subscribed for or acquired for the account of the Fund, must, on any day be covered (as explained above in relation to derivative transactions) and such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in the FCA Rules.

Guarantees and Indemnities

Neither the Scheme nor the Depositary (on account of the Scheme) may provide any guarantee or indemnity in respect of the obligation of any person. None of the property of the Scheme may be used to discharge any obligation arising under any guarantee, or indemnity with respect to the obligation of any person.

This is subject to exceptions in the case of any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with the FCA Rules (summarised above), certain indemnities for certain insurances against liability for certain persons, indemnities to the Depositary against certain liabilities for safe keeping of scheme property, or an indemnity given to a person winding up the Scheme.

Borrowing [*MMF*[††††]]

The Scheme (on the instruction of the ACD) may borrow money for the use of a Fund on terms that the borrowing is to be repayable out of the property of a Fund from an Eligible Institution or an Approved Bank (as defined in the FCA Rules). Borrowings may be arranged with the Depositary. The ACD must ensure that any such borrowings comply with the FCA Rules.

Borrowing must be on a temporary basis and not be persistent, and in any event must not exceed 3 months without the prior consent of the Depositary. The Depositary's consent may be given only on conditions which appear appropriate to the Depositary to ensure that the borrowing remains on a temporary basis.

The ACD must ensure that borrowing does not exceed 10% of the value of the property of the relevant Fund on any Business Day.

These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes, i.e. borrowing permitted to reduce or eliminate risk arising by reason of fluctuations in exchange rates.

Restrictions on Lending [*MMF*[‡‡‡‡]]

None of the money in the scheme property of a Fund may be lent and, for the purposes of this prohibition, money is lent by a Fund if it is paid to a person (the payee) on the basis that it should be repaid whether or not by the payee. (This restriction does not prevent the acquiring of a debenture, nor the placing of money on deposit or in a current account. Nor does it prevent the Scheme from providing an officer of the Scheme with funds to meet expenditure to be incurred by him for the purpose of the Scheme (or for the purposes of enabling him properly to perform his duties as an officer of the Scheme) or from doing anything to enable an officer to avoid incurring such expenditure.

***** For Funds that are UK MMFs, underwriting and accepting placings is not permitted - see Appendix 2 ("Prohibited Activities for MMFs" on page 75).*

†††† For Funds that are UK MMFs, borrowing is not permitted - see Appendix 2 ("Prohibited Activities for MMFs" on page 75).

‡‡‡‡ For Funds that are UK MMFs, lending is not permitted - see Appendix 2 ("Prohibited Activities for MMFs" on page 75).

The scheme property of the Scheme other than money must not be lent by way of deposit or otherwise, although stock lending transactions are not regarded as lending for this purpose. The scheme property must not be mortgaged. This rule does not however prevent the Scheme or the Depositary at the request of the Scheme from lending, depositing, pledging or charging the scheme property for margin requirements where transactions in derivatives or forward transactions are used for the account of the Scheme in accordance with the FCA Rules.

Cash and Near Cash

At times it is appropriate for a Fund not to be fully invested. A Fund may hold cash or near cash where this may reasonably be regarded as necessary in order to enable:

- the pursuit of the Fund's investment objectives;
- redemption of Shares;
- efficient management of the Fund in accordance with its investment objectives; or
- other purposes which may reasonably be regarded as ancillary to the investment objectives of the Fund.

During a Fund's initial offer of Shares, the Fund may consist of cash and near cash without limitation.

Immovable Property

The Funds shall not invest in immovable property.

RISK MANAGEMENT

The ACD must use a risk management process enabling it to monitor and measure at any time the risk of a Fund's positions and their contribution to the overall risk profile of the Fund.

This process must take into account the investment objectives and policy of the Fund. The ACD has taken reasonable care to establish and maintain systems and controls which are appropriate to its business in this connection. The risk management process enables the analysis required to be undertaken at least daily or at each Valuation Point (whichever is the more frequent). The Depositary is obliged to take reasonable care to review the appropriateness of the risk management process in line with its duties.

BREACHES OF THE INVESTMENT AND BORROWING POWERS AND LIMITS [MMF§§§§]

Generally the ACD must, at its own expense, take action to rectify a breach of the investment and borrowing powers and limits as soon as it becomes aware of it. However,

- if the reason for the breach is beyond the control of the ACD and the Depositary, the ACD must take the steps necessary to rectify a breach as soon as it is reasonably practicable having regard to the interests of Shareholders, and, in any event, within six months or, if it is a transaction in derivatives or a forward transaction, five Business Days; and
- if the exercise of rights conferred by an investment held by a Fund would involve a breach, the Scheme may still exercise those rights if:
  - the prior written consent of the Depositary is obtained; and
  - the ACD then takes the steps necessary to rectify the breach as soon as is reasonably practicable having regard to the interests of Shareholders and, in any event, within six months or, if it is a transaction in derivatives or a forward transaction, five Business Days.

Immediately upon the Depositary becoming aware of any breach of any of the investment and borrowing powers and limits, it must ensure that the ACD takes such appropriate action.

§§§§ For Funds that are UK MMFs, there may be different procedures in place to achieve compliance with applicable portfolio rules - see Appendix 2.

Appendix 4

SUB-DELEGATES APPOINTED BY THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED

Country / Market	Sub-Custodian	Location
Argentina	Citibank N.A., Argentina	Buenos Aires
Australia	The Hongkong and Shanghai Banking Corporation Limited	Parramatta, NSW
Austria	UniCredit Bank Austria AG	Vienna
Bahrain	HSBC Bank Middle East Limited	Bahrain
Bangladesh	The Hongkong and Shanghai Banking Corporation Limited	Dhaka
Belgium	The Bank of New York Mellon SA/NV	Brussels
Belgium	Citibank Europe Plc, UK branch	London
Bermuda	HSBC Bank Bermuda Limited	Hamilton
Botswana	Stanbic Bank Botswana Limited	Gaborone
Brazil	Citibank N.A., Brazil	Sao Paulo
Brazil	Itau Unibanco S.A.	Sao Paulo
Bulgaria	Citibank Europe plc, Bulgaria Branch	Sofia
Canada	CIBC Mellon Trust Company (CIBC Mellon)	Toronto
Cayman Islands	The Bank of New York Mellon	New York
Channel Islands	The Bank of New York Mellon	New York
Chile	Banco de Chile	Santiago
Chile	Itau Corpbanca S.A.	Santiago
China	HSBC Bank (China) Company Limited	Shanghai
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria	Bogota
Costa Rica	Banco Nacional de Costa Rica	San José
Croatia	Privredna banka Zagreb d.d.	Zagreb
Cyprus	BNP Paribas Securities Services	Athens
Czech Republic	Citibank Europe plc, organizacni slozka	Prague
Denmark	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
Egypt	HSBC Bank Egypt S.A.E.	Cairo
Estonia	SEB Pank AS	Tallinn
Eswatini	Standard Bank Eswatini Limited	Mbabane
Euromarket	Clearstream Banking S.A	Luxembourg
Euromarket	Euroclear Bank	Brussels
Finland	Skandinaviska Enskilda Banken AB (Publ)	Stockholm, Sweden
France	The Bank of New York Mellon SA/NV	Brussels
Germany	The Bank of New York Mellon SA/NV	Frankfurt am Main
Ghana	Stanbic Bank Ghana Limited	Accra
Greece	BNP Paribas Securities Services	Athens
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited	Kowloon, Hong Kong
Hungary	Citibank Europe plc. Hungarian Branch Office	Budapest
Iceland	Landsbankinn hf.	Reykjavik
India	Deutsche Bank AG	Mumbai
India	The Hongkong and Shanghai Banking Corporation Limited	Mumbai
Indonesia	Deutsche Bank AG	Jakarta

Country / Market	Sub-Custodian	Location
Ireland	The Bank of New York Mellon	New York
Israel	Bank Hapoalim B.M.	Tel Aviv
Italy	The Bank of New York Mellon SA/NV	Brussels
Japan	Mizuho Bank, Ltd.	Tokyo
Japan	MUFG Bank, Ltd.	Tokyo
Jordan	Standard Chartered Bank, Jordan Branch	Jordan
Kazakhstan	Citibank Kazakhstan Joint-Stock Company	Almaty
Kenya	Stanbic Bank Kenya Limited	Nairobi
Kuwait	HSBC Bank Middle East Limited, Kuwait	Safat
Latvia	AS SEB banka	Kekavas novads
Lithuania	AB SEB bankas	Vilnius
Luxembourg	Euroclear Bank	Brussels
Malawi	Standard Bank PLC	Lilongwe
Malaysia	Deutsche Bank (Malaysia) Berhad	Kuala Lumpur
Malta	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Frankfurt am Main, Germany
Mauritius	The Hongkong and Shanghai Banking Corporation Limited	Ebene
Mexico	Banco S3 CACEIS Mxico S.A Institucion de Banca Multiple	Ciudad de México
Mexico	Citibanamex	Colonia Santa Fe
Morocco	Citibank Maghreb S.A.	Casablanca
Namibia	Standard Bank Namibia Limited	Kleine Kuppe
Netherlands	The Bank of New York Mellon SA/NV	Brussels, Belgium
New Zealand	The Hongkong and Shanghai Banking Corporation Limited	Auckland
Nigeria	Stanic IBTC Bank Plc.	Lagos
Norway	Skandinaviska Enskilda Banken AB (Publ)	Stockholm, Sweden
Oman	HSBC Bank Oman S.A.O.G.	Sultanate of Oman
Pakistan	Deutsche Bank AG	Karachi
Peru	Citibank del Peru S.A.	Lima
Philippines	Deutsche Bank AG	Taguig City 1634
Poland	Bank Polska Kasa Opieki S.A.	Warszawa
Portugal	Citibank Europe Plc	Dublin
Qatar	HSBC Bank Middle East Limited, Doha	Doha
Romania	Citibank Europe plc Dublin, Romania Branch	Bucharest
Russia	PJSC ROSBANK	Moscow
Saudi Arabia	HSBC Saudi Arabia	Riyadh
Serbia	UniCredit Bank Serbia JSC	Belgrade
Singapore	DBS Bank Ltd	Singapore
Slovak Republic	Citibank Europe plc, pobocka zahranicnej banky	Bratislava
Slovenia	UniCredit Banka Slovenia d.d.	Ljubljana
South Africa	Standard Chartered Bank	Johannesburg
South Africa	The Standard Bank of South Africa Limited	Johannesburg
South Korea	The Hongkong and Shanghai Banking Corporation Limited	Seoul
South Korea	Deutsche Bank AG	Seoul

Country / Market	Sub-Custodian	Location
Spain	Banco Bilbao Vizcaya Argentaria, S.A.	Bilbao
Spain	Caceis Bank Spain, S.A.U.	Madrid
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited	Colombo
Sweden	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
Switzerland	Credit Suisse (Switzerland) Ltd	Zurich
Switzerland	UBS Switzerland AG	Zurich
Taiwan	HSBC Bank (Taiwan) Limited	Taipei City
Tanzania	Stanbic Bank Tanzania Limited	Dar es Salaam
Thailand	The Hongkong and Shanghai Banking Corporation Limited	Bangkok
Tunisia	Union Internationale de Banques	Tunis
Turkey	Deutsche Bank A.S.	Istanbul
U.A.E.	HSBC Bank Middle East Limited, Dubai	Dubai
U.K.	Depository and Clearing Centre (DCC) Deutsche Bank AG, London Branch	London
U.K.	The Bank of New York Mellon	New York
U.S.A.	The Bank of New York Mellon	New York
U.S.A. Precious Metals	HSBC Bank, USA, N.A	New York
Uganda	Stanbic Bank Uganda Limited	Kampala
Ukraine	JSC "Citibank"	Kiev
Uruguay	Banco Itaú Uruguay S.A.	Montevideo
Vietnam	HSBC Bank (Vietnam) Ltd	Ho Chi Minh City
WAEMU	Société Générale Côte d'Ivoire	Abidjan 01, Ivory Coast
Zambia	Stanbic Bank Zambia Limited	Lusaka
Zimbabwe	Stanbic Bank Zimbabwe Limited	Harare

Directory

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(Authorised and regulated by the Financial Conduct Authority)

MEMBERS OF THE AUTHORISED CORPORATE DIRECTOR

Federated Holdings (UK) Limited
Federated Global Holdings LLC

ADMINISTRATOR AND REGISTRAR

The Bank of New York Mellon (International) Limited

Head office and registered office
One Canada Square
London E14 5AL

(Authorised by the Prudential Regulation Authority and dual-regulated by the Financial Conduct Authority and the Prudential Regulation Authority)

DEPOSITARY OF THE SCHEME

The Bank of New York Mellon (International) Limited

Head office and registered office
One Canada Square
London, E14 5AL

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