Complement your cash

Could your money do more for you?

When you're comfortable, why reallocate?

It makes sense for investors to keep their ***Liquid*** allocation, money used for daily and weekly operational needs, invested in money market portfolios. While not insured or guaranteed like certain bank products and direct securities (such as Certificates of Deposits (CDs) and government bonds), money market portfolios can offer potential yield advantages, along with relative safety, liquidity, and daily active management from investment professionals.

Cash is a valuable portion of an overall investment strategy and was very attractive for the latter half of 2023 and most of 2024 with assets steadily flowing into money market portfolios. 2025 presents a different rate environment where we expect rates to decline across the short end at varying speeds depending on maturities/durations. For investors able to tolerate fluctuations in the value of their investments, this can present attractive opportunities to benefit from fixed income investments as complements to cash allocations.

If your cash allocation includes excess assets that you don't plan to use for several months or years, it may be time to reconsider your overall asset allocation strategy.

Put your money to work by classifying your needs

Diversifying your portfolio allocation to include some fixed income could help your investments do more for you. Think about any money you are keeping at a bank that is uninsured or in a non-interest-bearing account, or a CD you may own that is maturing soon – is there a way that money could be doing more for you? Think about your withdrawal needs. Do you have a specific ***Reserve*** allocation marked for predictable and recurring quarterly needs? What about a ***Strategic*** allocation for annual expenses and projects or even an ***Opportunistic*** allocation for longer term goals? If your ***Liquid*** allocation has been higher than usual due to the recent attractiveness of cash vehicles, take a step back and consider the opportunity of investing in longer term fixed income portfolios. Investors should consider the additional risks when making changes like these and some investors may find that cash vehicles are most appropriate given their investment needs. We are here to help guide you.

What is an appropriate investment horizon?

Liquid allocation	Reserve allocation	Strategic allocation	Opportunistic allocation
money used for daily and weekly operational needs	for predictable and recurring quarterly needs	for annual expenses and projects	for longer term goals or to target growth opportunities
Daily to 3-month investment horizon	3 to 6-month investment horizon	6-month to 1-year investment horizon	1-year and beyond investment horizon

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Federated Hermes

Investment vehicles for each bucket

	Liquid	Reserve	Strategic	Opportunistic
Time Frame	Daily to 3 months	3 to 6 months	6 months to 1 year	1 year and beyond
Types				
Government money market portfolios	✓			
Municipal money market portfolios	✓			
Prime money market portfolios	✓	✓		
Cash separately managed accounts (SMAs)	✓	✓	✓	
Microshort portfolios		✓	✓	
Ultrashort portfolios		✓	✓	✓
Short duration portfolios				✓
Short intermediate bond portfolios				✓
Intermediate bond portfolios				✓
Checking accounts	✓			
Money market deposit accounts (MMDAs)	✓			
Earnings credit rates	✓			
Deposit aggregators	✓	✓		
Savings accounts	✓	✓	✓	
Certificates of deposit (CDs)	✓	✓	✓	✓

■ Federated Hermes offering ■ Bank product

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Contact your Financial Advisor or a Federated Hermes representative as you consider your cash and fixed income allocation to discuss how we could help your money do more for you.

Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. To obtain a summary prospectus or prospectus containing this and other information, contact us or view the prospectus provided on FederatedHermes.com/us. Please carefully read the summary prospectus or prospectus before investing.

CDs and other bank products are FDIC insured and may offer fixed rates of return.

Diversification does not assure a profit nor protect against loss.

Income from municipal funds may be subject to the federal alternative minimum tax and state and local taxes.

Bond prices are sensitive to changes in interest rates and a rise in interest rates can cause a decline in their prices.

Duration is a measure of a security's price sensitivity to changes in interest rates. Securities with longer durations are more sensitive to changes in interest rates than securities of shorter durations.

You could lose money by investing in a money market fund. Although some money market funds seek to preserve the value of your investment at $1.00 per share, they cannot guarantee they will do so. An investment in money market funds is not a bank account and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Ultra-short and microshort bond funds are not "money market" mutual funds. Some money market mutual funds attempt to maintain a stable net asset value through compliance with relevant Securities and Exchange Commission (SEC) rules. Ultra-short and microshort funds are not governed by those rules, and their shares will fluctuate in value.

A Certificate of Deposit (CD) is a savings certificate entitling the bearer to receive interest. A CD bears a maturity date, a specified fixed interest rate and can be issued in any denomination. The term of a CD generally ranges from one month to five years. Certificates of Deposit, unlike many other investments, are FDIC insured and may offer fixed rates of return. Moreover, CDs are subject to their own unique investment objectives, costs and expenses, liquidity standards, and tax features.

Investment products are not bank deposits or obligations of any bank, are not guaranteed by any bank, and are not insured or guaranteed by the US government, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other government agency. Investing in such products involves investment risk, including possible loss of principal.

Separately managed accounts are available through Federated Investment Counseling.

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