

# Federated Hermes Fund for U.S. Government Securities II

## Investment Strategy from investment's prospectus

The investment seeks to provide current income. The fund normally invests primarily in a diversified portfolio of U.S. government securities, including mortgage-backed securities (MBS) of investment-grade quality and seeks to provide returns consistent with investments in the market for U.S. home mortgages. It will invest in MBS that are issued or guaranteed by U.S. government agencies or U.S. government-sponsored enterprises (GSEs). The fund may invest in non-agency MBS, which are those not issued or guaranteed by GSEs. It also may invest in asset-backed securities, other U.S. government securities and certain derivative instruments.

Past name: Federated Fund for US Govt Sec II.

## Category Description: Intermediate Government

Intermediate-government funds concentrate on bonds backed by the U.S. government or by government-linked agencies. This backing minimizes the credit risk of these funds, as the U.S. government is unlikely to default on its debt. These funds have durations typically between 3.5 and six years. Consequently, the group's performance--and its level of volatility--tends to fall between that of the short government and long government bond categories.

## Operations

Fund Inception Date	03-28-94
Initial Share Class Inception Date	03-28-94
Advisor	Federated Investment Management Company
Subadvisor	—

## Fees and Expenses as of 04-30-21

Gross Prospectus Expense Ratio	0.86%
Net Prospectus Expense Ratio	0.78%

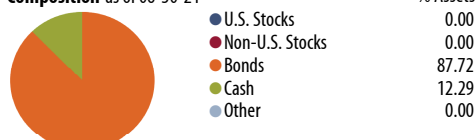
Waiver Data	Type	Exp.Date	%
Expense Ratio	—	05-01-22	0.08

## Portfolio Manager(s)

Todd A. Abraham, CFA. M.B.A., Loyola College. B.S., Indiana University of Pennsylvania. Since 1994.  
Liam C. O'Connell, CFA. M.S., Johns Hopkins University. B.S., Webb Institute of Naval Architecture. Since 2017.

## Portfolio Analysis as of 06-30-21

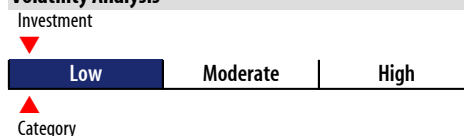
### Composition as of 06-30-21



### Top 20 Holdings as of 06-30-21

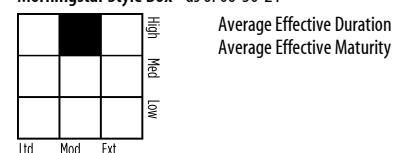
Security	% Assets
Government National Mortgage Association 2.5% 07-21-51	8.63
United States Treasury Notes 2.38% 01-31-23	2.35
United States Treasury Notes 2.5% 01-15-22	2.30
Federal Home Loan Mortgage Corporation 3.5% 01-25-26	2.02
Tennessee Valley Authority 4.65% 06-15-35	1.99
United States Treasury Notes 2.75% 07-31-23	1.99
Federal National Mortgage Association 1.78% 05-25-30	1.92
Discover Card Execution Note Trust 0.43% 04-15-25	1.91
Government National Mortgage Association 3.5% 01-20-48	1.59
United States Treasury Notes 2% 02-15-23	1.56
Federal National Mortgage Association 3.5% 09-01-42	1.52
United States Treasury Notes 2.5% 03-31-23	1.42
Tennessee Valley Authority 2.88% 02-01-27	1.41
Tennessee Valley Authority 0.75% 05-15-25	1.33
Federal Home Loan Banks 0.5% 04-14-25	1.24
Federal National Mortgage Association 2% 06-01-50	1.24
Federal Home Loan Banks 2.38% 03-13-26	1.21
United States Treasury Notes 1.75% 05-15-22	1.15
Federal Farm Credit Banks 0.38% 04-08-22	1.14
United States Treasury Notes 0.12% 12-15-23	1.13
Total Number of Stock Holdings	—
Total Number of Bond Holdings	205
Annual Turnover Ratio %	139.00
Total Fund Assets (\$mil)	116.89

## Volatility Analysis



In the past, this investment has shown a relatively small range of fluctuations relative to other investments. Based on this measure, currently more than two thirds of all investments have shown higher levels of risk. Consequently, this investment may appeal to investors looking for a conservative investment strategy.

## Morningstar Style Box™ as of 06-30-21



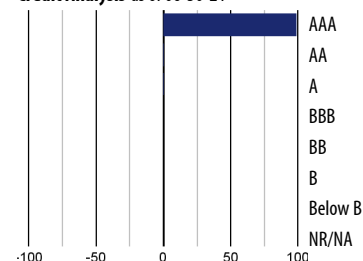
## Risk Measures as of 09-30-21

Metric	Port Avg	BC Aggr
3 Yr Std Dev	2.58	3.54
3 Yr Sharpe Ratio	1.12	1.23
3 Yr Alpha	0.06	—
3 Yr Beta	0.64	—
3 Yr R-squared	79.97	—

## Morningstar Sectors as of 06-30-21

Sector	%Fund
Government	34.38
Corporate	0.00
Securitized	53.33
Municipal	0.00
Cash and Equivalents	12.29
Other	0.00

## Credit Analysis as of 06-30-21



## Notes

This material is authorized for client use only when preceded by and accompanied by a Disclosure Statement, a product prospectus, prospectus and/or informational brochure containing more complete information. These can be obtained from your investment professional and should be read carefully before investing or sending money.

NOT A DEPOSIT — NOT FDIC INSURED — NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY — NOT GUARANTEED BY THE INSTITUTION — MAY GO DOWN IN VALUE