

Annual Shareholder Report

May 31, 2023



Share Class | Ticker **A** | FGUAAX **Institutional** | FGUSX **Service** | FEUSX **R6** | FGULX

Federated Hermes Government Ultrashort Fund

Fund Established 1997

A Portfolio of Federated Hermes Institutional Trust

Dear Valued Shareholder,

We are pleased to present the Annual Shareholder Report for your fund covering the period from June 1, 2022 through May 31, 2023. This report includes Management's Discussion of Fund Performance, a complete listing of your fund's holdings, performance information and financial statements along with other important fund information.

As a global leader in active, responsible investment management, Federated Hermes is guided by our conviction that responsible investing is the best way to create wealth over the long term. The company provides capabilities across a wide range of asset classes to investors around the world.

In addition, FederatedHermes.com/us offers quick and easy access to valuable resources that include timely fund updates, economic and market insights from our investment strategists and financial planning tools. You can also access many of those insights by following us on Twitter (@FederatedHermes) and LinkedIn.

Thank you for investing with us. We hope you find this information useful and look forward to keeping you informed.

Sincerely,

A handwritten signature in cursive script, reading "J. Christopher Donahue".

J. Christopher Donahue, President

Not FDIC Insured • May Lose Value • No Bank Guarantee

CONTENTS

Management's Discussion of Fund Performance	1
Portfolio of Investments Summary Table	5
Portfolio of Investments	6
Financial Highlights.....	15
Statement of Assets and Liabilities.....	19
Statement of Operations.....	20
Statement of Changes in Net Assets	21
Notes to Financial Statements	22
Report of Independent Registered Public Accounting Firm	32
Shareholder Expense Example	34
Board of Trustees and Trust Officers	36
Evaluation and Approval of Advisory Contract	43
Liquidity Risk Management Program – Annual Evaluation of Adequacy and Effectiveness.....	53
Voting Proxies on Fund Portfolio Securities	55
Quarterly Portfolio Schedule	55

Management's Discussion of Fund Performance (unaudited)

The total return of Federated Hermes Government Ultrashort Fund (the "Fund"),¹ based on net asset value for the 12-month reporting period ended May 31, 2023, was 2.77% for Class A Shares, 2.82% for Institutional Shares, 2.72% for Service Shares and 2.94% for Class R6 Shares. The 2.94% total return for Class R6 Shares for the reporting period consisted of 3.44% in dividends and a -0.50% impact from a decrease in the net asset value of the shares. The total return of the ICE BofA US 6-Month Treasury Bill Index (IBA6MT),² the Fund's broad-based securities market index, was 3.06% for the same period. The Fund's total return for the most recently completed fiscal period reflected actual cash flows, transaction costs and expenses which were not reflected in the total return of the IBA6MT.

The Fund's investment strategy focused on the allocation of the portfolio among securities of similar types of issuers (referred to as "sectors") and the selection of individual securities within each sector (referred to as "security selection"). These were the most significant factors affecting the Fund's performance relative to the IBA6MT.

The following discussion will focus on the performance of the Fund's Class R6 Shares relative to the IBA6MT.

MARKET OVERVIEW

The Federal Reserve (the "Fed") raised interest rates³ and continued to tighten monetary policy aggressively over the reporting period, raising the federal funds target range by a cumulative 4.25% over eight separate actions. Early in the period, the Fed tightened in 0.75% increments for four consecutive Federal Open Market Committee (FOMC) meetings attempting to gain traction in the fight against inflation. In December, the Fed stepped down to a smaller 0.50% hike, followed by further moderation to 0.25% rate hikes at the following three policy meetings. In March 2023, the quick failure of certain banks sparked concern that the Fed may have taken the policy too far. The market repriced quickly to a lower terminal rate for the federal funds target range than previously thought and reflected the potential that the Fed might need to retrace some of its policy actions later in 2023. The cumulative policy actions, the lagged nature of monetary policy effects, and signs of cooling in inflationary pressures played a role in the market repricing as well. By the end of the reporting period, expectations that the Fed might pause in its cycle of rate hikes as early as the June FOMC meeting had grown.

Against this backdrop, the yield on the 2-year Treasury security reflected the aggressive tightening path taken by the Fed for much of the reporting period, with the yield rising from 2.50% at the start of the period to peak at 5.08% in early March 2023. As the banking turmoil surfaced, however, the yield on this

security dropped precipitously to around 4% over the course of a few trading sessions. As stability returned to the banking sector and as inflation remained somewhat above desired levels, the yield on the 2-year Treasury retraced some of the drop, climbing to 4.41% by the end of the reporting period.

SECTOR ALLOCATION

As of the end of the reporting period, approximately 66% of the portfolio holdings were in agency mortgage-backed securities (MBS)⁴, up from approximately 44% at the end of May 2022. Although spreads on agency MBS were volatile over the period, particularly during the most aggressive period of policy action, this sector offered additional yield relative to traditional money market securities. In expectation of a stabilization in interest rates as the Fed slowed its pace of tightening, the Fund added significantly to its allocation of agency MBS in the second half of the fiscal year, and the incremental income generated by these holdings contributed to Fund performance. The net asset value of the Fund declined from \$9.89 at the beginning of the reporting period to \$9.82 in early November, before rebounding to \$9.84 by the end of the period.

SECURITY SELECTION

The Fund invests primarily in floating-rate collateralized mortgage obligations (CMOs), in addition to hybrid-ARM (adjustable rate mortgage) passthroughs and fixed-rate MBS. Floating rate CMOs typically have less spread and price volatility relative to other types of MBS due to their shorter reset frequencies. As of the end of the reporting period, the majority of the Fund's MBS exposure, or 49% of the Fund's assets, were allocated to this security type. These holdings reset off of 1-month LIBOR or the Secured Overnight Financing Rate (SOFR). The LIBOR-based holdings anticipated the rate increases by the Fed and offered attractive income relative to short-term government money market alternatives. In addition, the Fund added positions of fixed-rate MBS as the Fed approached the end of the tightening cycle.

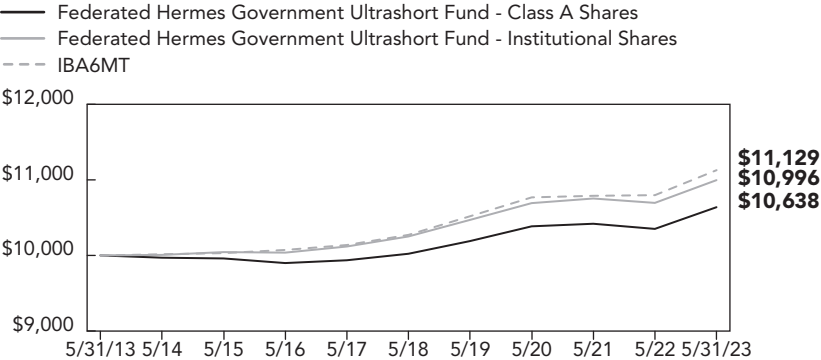
- 1 *The Fund is not a "money market" fund. Some money market mutual funds attempt to maintain a stable net asset value through compliance with relevant Securities and Exchange Commission rules. The Fund is not governed by those rules, and its shares will fluctuate in value.*
- 2 *Please see the footnotes to the line graph under "Fund Performance and Growth of a \$10,000 Investment" below for the definition of, and further information about, the IBA6MT.*
- 3 *Bond prices are sensitive to changes in interest rates, and a rise in interest rates can cause a decline in their prices.*
- 4 *The value of some mortgage-backed securities may be particularly sensitive to changes in prevailing interest rates, and although the securities are generally supported by some form of government or private insurance, there is no assurance that private guarantors or insurers will meet their obligations.*

FUND PERFORMANCE AND GROWTH OF A \$10,000 INVESTMENT

The graph below illustrates the hypothetical investment of \$10,000¹ in the Federated Hermes Government Ultrashort Fund (the “Fund”) from May 31, 2013 to May 31, 2023, compared to the ICE BofA US 6-Month Treasury Bill Index (IBA6MT).² The Average Annual Total Return table below shows returns for each class averaged over the stated periods.

GROWTH OF A \$10,000 INVESTMENT

Growth of \$10,000 as of May 31, 2023



The Fund offers multiple share classes whose performance may be greater than or less than its other share class(es) due to differences in sales charges and expenses. See the Average Annual Total Return table below for the returns of additional classes not shown in the line graph above.

Average Annual Total Returns for the Period Ended 5/31/2023

	1 Year	5 Years	10 Years
Class A Shares	2.77%	1.20%	0.62%
Institutional Shares	2.82%	1.41%	0.95%
Service Shares	2.72%	1.34%	0.86%
Class R6 Shares ³	2.94%	1.47%	0.90%
IBA6MT	3.06%	1.61%	1.08%

Performance data quoted represents past performance which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Mutual fund performance changes over time and current performance may be lower or higher than what is stated. For current to the most recent month-end performance and after-tax returns, visit FederatedInvestors.com/us or call 1-800-341-7400. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Mutual funds are not obligations of or guaranteed by any bank and are not federally insured.

- 1 *Effective December 1, 2019, the maximum 2.00% sales charge (load) imposed on Class A Shares purchases (as a percentage of offering price) has been eliminated. The performance of the A class has been adjusted to reflect the elimination of the sales charge. The Fund's performance assumes the reinvestment of all dividends and distributions. The IBA6MT has been adjusted to reflect reinvestment of dividends on securities in the index.*
- 2 *The IBA6MT is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month, that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, six months from the rebalancing date. To qualify for selection, an issue must have settled on or before the month-end rebalancing date. The IBA6MT is not adjusted to reflect sales charges, expenses or other fees that the Securities and Exchange Commission requires to be reflected in the Fund's performance. The index is unmanaged and, unlike the Fund, is not affected by cash flows. It is not possible to invest directly in an index.*
- 3 *The Fund's Class R6 Shares commenced operations on March 29, 2016. For the periods prior to the commencement of operations of Class R6 Shares, the performance information shown is for the Fund's Institutional Shares. The performance of the Institutional Shares has not been adjusted to reflect the expenses of the Class R6 Shares since the Class R6 Shares have a lower expense ratio than the expense ratio of the Institutional Shares.*

Portfolio of Investments Summary Table (unaudited)

At May 31, 2023, the Fund’s portfolio composition¹ was as follows:

Investment Type	Percentage of Total Net Assets
U.S. Government Agency Mortgage-Backed Securities	55.7%
U.S. Government Agency Securities	2.1%
U.S. Treasury Securities	0.8%
Repurchase Agreements	45.5%
Other Assets and Liabilities—Net ²	(4.1)%
TOTAL	100%

- 1 See the Fund's Prospectus and Statement of Additional Information for a description of the principal types of securities in which the Fund invests.
- 2 Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.

Portfolio of Investments

May 31, 2023

Principal Amount		Value
	¹ COLLATERALIZED MORTGAGE OBLIGATIONS—51.3%	
	Federal Home Loan Mortgage Corporation REMIC—28.5%	
\$ 83,042	Series 242, Class F29, 5.357% (1-month USLIBOR +0.250%), 11/15/2036	\$ 81,511
62,641	Series 244, Class F22, 5.457% (1-month USLIBOR +0.350%), 12/15/2036	61,611
147,588	Series 244, Class F30, 5.407% (1-month USLIBOR +0.300%), 12/15/2036	145,184
679	Series 1534, Class J, 6.007% (1-month USLIBOR +0.900%), 6/15/2023	679
10,027	Series 1632, Class FB, 6.307% (1-month USLIBOR +1.200%), 11/15/2023	10,030
47,369	Series 2111, Class MA, 5.607% (1-month USLIBOR +0.500%), 1/15/2029	47,294
48,398	Series 2111, Class MB, 5.607% (1-month USLIBOR +0.500%), 1/15/2029	48,322
49,428	Series 2111, Class MC, 5.607% (1-month USLIBOR +0.500%), 1/15/2029	49,350
38,638	Series 2286, Class FA, 5.507% (1-month USLIBOR +0.400%), 2/15/2031	38,483
89,408	Series 2296, Class FC, 5.607% (1-month USLIBOR +0.500%), 6/15/2029	89,167
152,342	Series 2326, Class FJ, 6.057% (1-month USLIBOR +0.950%), 6/15/2031	152,835
234,810	Series 2344, Class FP, 6.057% (1-month USLIBOR +0.950%), 8/15/2031	235,594
103,424	Series 2367, Class FG, 5.727% (1-month USLIBOR +0.620%), 6/15/2031	103,201
41,569	Series 2380, Class FI, 5.707% (1-month USLIBOR +0.600%), 6/15/2031	41,458
231,718	Series 2380, Class FL, 5.707% (1-month USLIBOR +0.600%), 11/15/2031	231,506
430,913	Series 2386, Class FE, 5.507% (1-month USLIBOR +0.400%), 7/15/2036	424,247
135,019	Series 2386, Class FE, 5.807% (1-month USLIBOR +0.700%), 6/15/2031	134,979
54,891	Series 2389, Class FI, 5.857% (1-month USLIBOR +0.750%), 6/15/2031	54,946
13,849	Series 2395, Class FT, 5.557% (1-month USLIBOR +0.450%), 12/15/2031	13,776
16,258	Series 2396, Class FL, 5.707% (1-month USLIBOR +0.600%), 12/15/2031	16,243
162,837	Series 2412, Class OF, 6.057% (1-month USLIBOR +0.950%), 12/15/2031	163,388
78,047	Series 2418, Class FO, 6.007% (1-month USLIBOR +0.900%), 2/15/2032	78,100
47,953	Series 2451, Class FC, 6.107% (1-month USLIBOR +1.000%), 5/15/2031	48,168
5,089	Series 2452, Class FG, 5.657% (1-month USLIBOR +0.550%), 3/15/2032	5,074
75,162	Series 2460, Class FE, 6.107% (1-month USLIBOR +1.000%), 6/15/2032	75,541
25,416	Series 2470, Class FI, 5.507% (1-month USLIBOR +0.400%), 10/15/2026	25,350
48,615	Series 2470, Class FW, 6.107% (1-month USLIBOR +1.000%), 5/15/2031	48,833
46,547	Series 2470, Class FX, 6.107% (1-month USLIBOR +1.000%), 5/15/2031	46,756
75,499	Series 2470, Class GF, 6.107% (1-month USLIBOR +1.000%), 6/15/2032	75,880
42,996	Series 2471, Class FS, 5.607% (1-month USLIBOR +0.500%), 2/15/2032	42,760
200,220	Series 2475, Class FL, 6.107% (1-month USLIBOR +1.000%), 2/15/2032	201,190
133,479	Series 2476, Class FC, 6.107% (1-month USLIBOR +1.000%), 2/15/2032	134,126
74,844	Series 2477, Class FD, 5.507% (1-month USLIBOR +0.400%), 7/15/2032	74,352
70,582	Series 2479, Class FA, 5.507% (1-month USLIBOR +0.400%), 8/15/2032	70,372
35,709	Series 2481, Class FC, 6.107% (1-month USLIBOR +1.000%), 5/15/2031	35,869
85,473	Series 2493, Class F, 5.507% (1-month USLIBOR +0.400%), 9/15/2029	85,133
74,047	Series 2495, Class F, 5.507% (1-month USLIBOR +0.400%), 9/15/2032	73,844

Principal Amount		Value
¹ COLLATERALIZED MORTGAGE OBLIGATIONS—continued		
Federal Home Loan Mortgage Corporation REMIC—continued		
\$ 78,130	Series 2498, Class HF, 6.107% (1-month USLIBOR +1.000%), 6/15/2032	\$ 78,524
48,713	Series 2504, Class FP, 5.607% (1-month USLIBOR +0.500%), 3/15/2032	48,441
132,743	Series 2526, Class FC, 5.507% (1-month USLIBOR +0.400%), 11/15/2032	131,876
126,727	Series 2530, Class FK, 5.507% (1-month USLIBOR +0.400%), 6/15/2029	126,112
227,890	Series 2551, Class FD, 5.507% (1-month USLIBOR +0.400%), 1/15/2033	225,963
4,678	Series 2571, Class FK, 5.607% (1-month USLIBOR +0.500%), 9/15/2023	4,678
39,681	Series 2610, Class FD, 5.607% (1-month USLIBOR +0.500%), 12/15/2032	39,426
705,383	Series 2631, Class FC, 5.507% (1-month USLIBOR +0.400%), 6/15/2033	699,165
157,784	Series 2671, Class F, 5.557% (1-month USLIBOR +0.450%), 9/15/2033	156,542
208,757	Series 2684, Class FV, 6.007% (1-month USLIBOR +0.900%), 10/15/2033	209,257
926,742	Series 2750, Class FG, 5.347% (1-month USLIBOR +0.400%), 2/15/2034	917,459
2,336,796	Series 2750, Class FH, 5.447% (1-month USLIBOR +0.500%), 2/15/2034	2,324,623
90,441	Series 2796, Class FD, 5.457% (1-month USLIBOR +0.350%), 7/15/2026	90,178
328,938	Series 2812, Class LF, 5.507% (1-month USLIBOR +0.400%), 6/15/2034	327,371
271,021	Series 3036, Class NF, 5.407% (1-month USLIBOR +0.300%), 8/15/2035	266,432
55,865	Series 3085, Class FW, 5.807% (1-month USLIBOR +0.700%), 8/15/2035	55,798
393,686	Series 3085, Class VF, 5.427% (1-month USLIBOR +0.320%), 12/15/2035	387,836
433,967	Series 3184, Class JF, 5.507% (1-month USLIBOR +0.400%), 7/15/2036	428,412
33,255	Series 3300, Class FA, 5.407% (1-month USLIBOR +0.300%), 8/15/2035	32,685
33,373	Series 3325, Class NF, 5.407% (1-month USLIBOR +0.300%), 8/15/2035	32,801
440,712	Series 3380, Class FP, 5.457% (1-month USLIBOR +0.350%), 11/15/2036	433,291
333,834	Series 3542, Class NF, 5.857% (1-month USLIBOR +0.750%), 7/15/2036	333,191
17,476,527	Series 4915, Class FD, 5.588% (1-month USLIBOR +0.450%), 9/25/2049	17,147,561
3,441,051	Series 4925, Class FH, 5.538% (1-month USLIBOR +0.400%), 10/25/2049	3,372,772
2,743,868	Series 4936, Class PF, 5.638% (1-month USLIBOR +0.500%), 12/25/2049	2,679,878
7,476,946	Series 4965, Class KF, 5.788% (1-month USLIBOR +0.650%), 4/25/2050	7,308,025
2,413,466	Series KF85, Class AL, 5.362% (1-month USLIBOR +0.300%), 8/25/2030	2,400,851
7,653,571	Series KF87, Class AL, 5.412% (1-month USLIBOR +0.350%), 8/25/2030	7,617,953
6,190,436	Series KF88, Class AL, 5.392% (1-month USLIBOR +0.330%), 9/25/2030	6,157,179
30,000,000	Series KF146, Class AS, 5.702% (30-DAY AVERAGE SOFR +0.880%), 10/25/2032	30,118,839
26,000,000	Series KF147, Class AS, 5.702% (30-DAY AVERAGE SOFR +0.880%), 11/25/2032	26,106,579
23,425,000	Series KF148, Class AS, 5.662% (30-DAY AVERAGE SOFR +0.840%), 11/25/2032	23,856,603
22,997,644	Series KF149, Class AS, 5.462% (30-DAY AVERAGE SOFR +0.640%), 12/25/2032	22,990,278
40,000,000	Series KF150, Class AS, 5.382% (30-DAY AVERAGE SOFR +0.560%), 12/25/2032	39,927,644

Principal Amount		Value
	¹ COLLATERALIZED MORTGAGE OBLIGATIONS—continued	
	Federal Home Loan Mortgage Corporation REMIC—continued	
\$ 43,300,000	Series KF151, Class AS, 5.332% (30-DAY AVERAGE SOFR +0.510%), 12/25/2032	\$ 43,150,875
	TOTAL	243,450,250
	Federal National Mortgage Association—8.1%	
3,087	Series 1993-165, Class FE, 6.288% (1-month USLIBOR +1.150%), 9/25/2023	3,088
27,479	Series 1998-22, Class FA, 5.511% (1-month USLIBOR +0.400%), 4/18/2028	27,380
16,085	Series 2000-34, Class F, 5.588% (1-month USLIBOR +0.450%), 10/25/2030	15,962
7,697	Series 2000-37, Class FA, 5.638% (1-month USLIBOR +0.500%), 11/25/2030	7,650
805	Series 2001-34, Class FB, 5.411% (1-month USLIBOR +0.300%), 12/18/2028	804
16,863	Series 2001-34, Class FL, 5.638% (1-month USLIBOR +0.500%), 8/25/2031	16,843
94,521	Series 2001-46, Class F, 5.511% (1-month USLIBOR +0.400%), 9/18/2031	94,299
103,700	Series 2001-53, Class FX, 5.488% (1-month USLIBOR +0.350%), 10/25/2031	102,689
202,178	Series 2001-56, Class FG, 5.638% (1-month USLIBOR +0.500%), 10/25/2031	201,922
68,066	Series 2001-68, Class FD, 5.638% (1-month USLIBOR +0.500%), 12/25/2031	67,915
72,941	Series 2002-4, Class FJ, 5.588% (1-month USLIBOR +0.450%), 2/25/2032	72,582
111,787	Series 2002-8, Class FA, 5.861% (1-month USLIBOR +0.750%), 3/18/2032	111,895
122,028	Series 2002-9, Class FH, 5.638% (1-month USLIBOR +0.500%), 3/25/2032	121,586
142,734	Series 2002-17, Class JF, 6.138% (1-month USLIBOR +1.000%), 4/25/2032	143,497
141,530	Series 2002-34, Class FC, 6.111% (1-month USLIBOR +1.000%), 12/18/2031	142,200
86,877	Series 2002-37, Class F, 5.938% (1-month USLIBOR +0.800%), 11/25/2031	86,843
92,808	Series 2002-39, Class FB, 5.638% (1-month USLIBOR +0.500%), 8/25/2039	92,295
5,032	Series 2002-39, Class FB, 5.661% (1-month USLIBOR +0.550%), 3/18/2032	5,012
36,529	Series 2002-41, Class F, 5.688% (1-month USLIBOR +0.550%), 7/25/2032	36,478
397,238	Series 2002-47, Class NF, 6.138% (1-month USLIBOR +1.000%), 4/25/2032	399,430
67,200	Series 2002-52, Class FD, 5.638% (1-month USLIBOR +0.500%), 9/25/2032	66,954
82,894	Series 2002-53, Class FG, 6.238% (1-month USLIBOR +1.100%), 7/25/2032	83,590

Principal Amount		Value
¹ COLLATERALIZED MORTGAGE OBLIGATIONS—continued		
Federal National Mortgage Association—continued		
\$ 308,356	Series 2002-58, Class FD, 5.738% (1-month USLIBOR +0.600%), 8/25/2032	\$ 307,585
102,480	Series 2002-64, Class FJ, 6.138% (1-month USLIBOR +1.000%), 4/25/2032	103,028
37,435	Series 2002-74, Class FV, 5.588% (1-month USLIBOR +0.450%), 11/25/2032	37,377
57,592	Series 2002-75, Class FD, 6.111% (1-month USLIBOR +1.000%), 11/18/2032	57,887
172,944	Series 2002-77, Class FH, 5.511% (1-month USLIBOR +0.400%), 12/18/2032	172,156
35,745	Series 2002-82, Class FB, 5.638% (1-month USLIBOR +0.500%), 12/25/2032	35,559
147,051	Series 2002-82, Class FC, 6.138% (1-month USLIBOR +1.000%), 9/25/2032	147,861
17,394	Series 2002-82, Class FG, 5.588% (1-month USLIBOR +0.450%), 12/25/2032	17,356
305,878	Series 2002-89, Class F, 5.438% (1-month USLIBOR +0.300%), 1/25/2033	302,855
58,819	Series 2002-90, Class FH, 5.638% (1-month USLIBOR +0.500%), 9/25/2032	58,515
549,606	Series 2002-93, Class FJ, 5.688% (1-month USLIBOR +0.550%), 1/25/2033	547,334
61,279	Series 2003-2, Class FA, 5.638% (1-month USLIBOR +0.500%), 2/25/2033	60,959
52,527	Series 2003-14, Class FT, 5.638% (1-month USLIBOR +0.500%), 3/25/2033	52,242
114,869	Series 2003-19, Class FY, 5.538% (1-month USLIBOR +0.400%), 3/25/2033	113,939
104,385	Series 2003-21, Class TF, 5.588% (1-month USLIBOR +0.450%), 3/25/2033	103,633
206,682	Series 2003-66, Class FA, 5.488% (1-month USLIBOR +0.350%), 7/25/2033	204,138
233,819	Series 2003-79, Class FC, 5.588% (1-month USLIBOR +0.450%), 8/25/2033	231,624
122,661	Series 2003-102, Class FT, 5.538% (1-month USLIBOR +0.400%), 10/25/2033	121,844
301,014	Series 2003-107, Class FD, 5.638% (1-month USLIBOR +0.500%), 11/25/2033	299,114
727,558	Series 2003-116, Class HF, 5.688% (1-month USLIBOR +0.550%), 11/25/2033	723,917
230,320	Series 2003-121, Class FD, 5.538% (1-month USLIBOR +0.400%), 12/25/2033	228,374
298,977	Series 2004-2, Class FW, 5.538% (1-month USLIBOR +0.400%), 2/25/2034	297,712
489,721	Series 2004-17, Class FT, 5.538% (1-month USLIBOR +0.400%), 4/25/2034	480,264

Principal Amount		Value
¹ COLLATERALIZED MORTGAGE OBLIGATIONS—continued		
Federal National Mortgage Association—continued		
\$ 280,465	Series 2004-49, Class FN, 5.538% (1-month USLIBOR +0.400%), 7/25/2034	\$ 278,982
765,064	Series 2004-49, Class FQ, 5.588% (1-month USLIBOR +0.450%), 7/25/2034	762,459
698,846	Series 2004-51, Class FY, 5.518% (1-month USLIBOR +0.380%), 7/25/2034	691,355
345,750	Series 2004-53, Class FC, 5.588% (1-month USLIBOR +0.450%), 7/25/2034	342,904
204,678	Series 2004-64, Class FW, 5.588% (1-month USLIBOR +0.450%), 8/25/2034	203,570
337,450	Series 2005-104, Class FA, 5.538% (1-month USLIBOR +0.400%), 12/25/2035	333,317
1,227,415	Series 2006-75, Class FP, 5.438% (1-month USLIBOR +0.300%), 8/25/2036	1,206,360
283,224	Series 2006-79, Class DF, 5.488% (1-month USLIBOR +0.350%), 8/25/2036	279,593
390,115	Series 2006-81, Class FA, 5.488% (1-month USLIBOR +0.350%), 9/25/2036	384,249
903,050	Series 2006-90, Class FE, 5.588% (1-month USLIBOR +0.450%), 9/25/2036	896,972
450,494	Series 2006-98, Class FB, 5.448% (1-month USLIBOR +0.310%), 10/25/2036	443,378
1,573,659	Series 2006-W1, Class 2AF1, 5.358% (1-month USLIBOR +0.220%), 2/25/2046	1,545,766
459,020	Series 2008-52, Class FD, 5.488% (1-month USLIBOR +0.350%), 6/25/2036	452,427
574,826	Series 2009-57, Class NF, 5.738% (1-month USLIBOR +0.600%), 2/25/2037	574,484
5,509,355	Series 2012-116, Class FA, 5.438% (1-month USLIBOR +0.300%), 10/25/2042	5,383,081
3,823,374	Series 2018-31, Class FD, 5.438% (1-month USLIBOR +0.300%), 5/25/2048	3,690,013
11,171,194	Series 2018-70, Class HF, 5.488% (1-month USLIBOR +0.350%), 10/25/2058	11,005,399
5,543,668	Series 2018-95, Class FB, 5.538% (1-month USLIBOR +0.400%), 1/25/2049	5,415,800
20,958,753	Series 2019-41, Class FD, 5.638% (1-month USLIBOR +0.500%), 8/25/2059	20,823,839
7,742,787	Series 2019-81, Class FJ, 5.638% (1-month USLIBOR +0.500%), 1/25/2050	7,588,824
	TOTAL	68,908,959
Government National Mortgage Association—14.7%		
130,519	Series 2004-59, Class FV, 5.398% (1-month USLIBOR +0.250%), 10/20/2033	129,006

Principal Amount		Value
	¹ COLLATERALIZED MORTGAGE OBLIGATIONS—continued	
	Government National Mortgage Association—continued	
\$ 4,488,137	Series 2010-62, Class PF, 5.648% (1-month USLIBOR +0.500%), 5/20/2040	\$ 4,418,824
3,109,529	Series 2011-23, Class KF, 5.505% (1-month USLIBOR +0.400%), 2/16/2041	3,048,592
1,920,602	Series 2011-51, Class FA, 5.548% (1-month USLIBOR +0.400%), 4/20/2041	1,880,929
3,525,795	Series 2012-H15, Class FB, 5.348% (1-month USLIBOR +0.500%), 6/20/2062	3,503,029
835,500	Series 2012-H18, Class FA, 5.407% (1-month USLIBOR +0.550%), 8/20/2062	829,038
1,583,738	Series 2012-H18, Class SA, 5.437% (1-month USLIBOR +0.580%), 8/20/2062	1,571,810
5,016,478	Series 2012-H24, Class FC, 5.257% (1-month USLIBOR +0.400%), 10/20/2062	4,970,277
4,466,062	Series 2012-H25, Class BF, 5.237% (1-month USLIBOR +0.380%), 9/20/2062	4,429,186
3,665,969	Series 2012-H29, Class BF, 5.197% (1-month USLIBOR +0.340%), 11/20/2062	3,635,968
4,432,666	Series 2012-H29, Class CF, 5.197% (1-month USLIBOR +0.340%), 2/20/2062	4,392,620
1,421,764	Series 2012-H30, Class SA, 5.227% (1-month USLIBOR +0.370%), 12/20/2062	1,406,576
3,358,998	Series 2012-H31, Class FA, 5.207% (1-month USLIBOR +0.350%), 11/20/2062	3,331,579
7,477,196	Series 2016-147, Class AF, 5.548% (1-month USLIBOR +0.400%), 10/20/2046	7,266,582
13,469,936	Series 2017-H08, Class FC, 5.457% (1-month USLIBOR +0.600%), 3/20/2067	13,387,162
7,344,350	Series 2019-10, Class FC, 5.598% (1-month USLIBOR +0.450%), 1/20/2049	7,190,505
24,996,943	Series 2023-13, Class JF, 5.581% (30-DAY AVERAGE SOFR +0.650%), 1/20/2053	25,056,628
35,401,889	Series 2023-H01, Class FB, 5.781% (30-DAY AVERAGE SOFR +0.850%), 1/20/2073	35,364,950
	TOTAL	125,813,261
	TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS (IDENTIFIED COST \$439,554,658)	438,172,470
	MORTGAGE-BACKED SECURITIES—4.3%	
	Federal National Mortgage Association—4.3%	
1,444,620	3.500%, 9/1/2049	1,352,951
12,903,567	5.500%, 2/1/2038	13,002,980
21,991,884	5.500%, 4/1/2038	22,168,189
33,375	7.500%, 1/1/2032	35,135

Principal Amount		Value
	MORTGAGE-BACKED SECURITIES—continued	
	Federal National Mortgage Association—continued	
\$ 76,278	7.500%, 8/1/2032	\$ 80,584
	TOTAL MORTGAGE-BACKED SECURITIES (IDENTIFIED COST \$36,725,142)	36,639,839
	GOVERNMENT AGENCIES—2.1%	
	¹Federal Farm Credit Bank System Floating Rate Notes—0.7%	
1,000,000	5.150% (SOFR +0.090%), 9/8/2023	1,000,014
5,000,000	5.150% (SOFR +0.090%), 9/16/2024	4,994,809
	TOTAL	5,994,823
	Federal Home Loan Bank System—0.5%	
3,000,000	3.200%, 8/10/2023	2,987,323
1,000,000	4.125%, 9/19/2023	995,986
	TOTAL	3,983,309
	¹Federal Home Loan Bank System Floating Rate Notes—0.9%	
5,000,000	5.130% (SOFR +0.070%), 6/1/2023	5,000,990
1,000,000	5.145% (SOFR +0.085%), 6/1/2023	999,992
2,000,000	5.160% (SOFR +0.100%), 6/1/2023	2,000,946
	TOTAL	8,001,928
	TOTAL GOVERNMENT AGENCIES (IDENTIFIED COST \$17,999,872)	17,980,060
	U.S. TREASURIES—0.8%	
	U.S. Treasury Notes—0.8%	
5,000,000	United States Treasury Floating Rate Notes, 5.271% (91-day T-Bill +0.140%), 5/2/2023	5,003,368
2,000,000	United States Treasury Floating Rate Notes, 5.331% (91-day T-Bill +0.200%), 5/2/2023	2,003,699
	TOTAL U.S. TREASURIES (IDENTIFIED COST \$6,994,645)	7,007,067
	¹ADJUSTABLE RATE MORTGAGES—0.1%	
	Federal National Mortgage Association ARM—0.1%	
290,252	3.934%, 4/1/2033	287,024
88,873	3.959%, 9/1/2035	90,783
6,218	4.031%, 4/1/2024	6,172
312,640	4.184%, 8/1/2034	317,413
7,743	4.190%, 8/1/2032	7,884
9,735	4.340%, 2/1/2033	9,828
6,015	4.415%, 12/1/2032	6,084
64,074	4.866%, 5/1/2040	63,749
73,067	4.866%, 8/1/2040	72,717
	TOTAL ADJUSTABLE RATE MORTGAGES (IDENTIFIED COST \$874,742)	861,654

Principal Amount		Value
	REPURCHASE AGREEMENTS—45.5%	
\$ 88,678,000	Interest in \$2,227,000,000 joint repurchase agreement 5.05%, dated 5/31/2023 under which Bank of America, N.A. will repurchase securities provided as collateral for \$2,227,312,399 on 6/1/2023. The securities provided as collateral at the end of the period held with BNY Mellon as tri-party agent, were U.S. Government Agency securities with various maturities to 5/20/2052 and the market value of those underlying securities was \$2,271,858,647.	\$ 88,678,000
150,000,000	Interest in \$1,750,000,000 joint repurchase agreement 5.06%, dated 5/31/2023 under which Bank of Montreal will repurchase securities provided as collateral for \$1,750,245,972 on 6/1/2023. The securities provided as collateral at the end of the period held with BNY Mellon as tri-party agent, were U.S. Government Agency securities and a U.S. Treasury security with various maturities to 2/20/2071 and the market value of those underlying securities was \$1,796,881,616.	150,000,000
150,000,000	Interest in \$500,000,000 joint repurchase agreement 5.06%, dated 5/31/2023 under which HSBC Securities (USA), Inc. will repurchase securities provided as collateral for \$500,070,278 on 6/1/2023. The securities provided as collateral at the end of the period held with BNY Mellon as tri-party agent, were U.S. Government Agency securities with various maturities to 5/1/2053 and the market value of those underlying securities was \$510,000,000.	150,000,000
	TOTAL REPURCHASE AGREEMENTS (IDENTIFIED COST \$388,678,000)	388,678,000
	TOTAL INVESTMENT IN SECURITIES—104.1% (IDENTIFIED COST \$890,827,059) ²	889,339,090
	OTHER ASSETS AND LIABILITIES - NET—(4.1)% ³	(35,394,330)
	TOTAL NET ASSETS—100%	\$853,944,760

- Floating/adjustable note with current rate and current maturity or next reset date shown. Adjustable rate mortgage security coupons are based on the weighted average note rates of the underlying mortgages less the guarantee and servicing fees. These securities do not indicate an index and spread in their description above.*
- Also represents cost of investments for federal tax purposes.*
- Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.*

Note: The categories of investments are shown as a percentage of total net assets at May 31, 2023.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below:

Level 1—quoted prices in active markets for identical securities.

Level 2—other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.). Also includes securities valued at amortized cost.

Level 3—significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

As of May 31, 2023, all investments of the Fund utilized Level 2 inputs in valuing the Fund's assets carried at fair value.

The following acronym(s) are used throughout this portfolio:

ARM —Adjustable Rate Mortgage

LIBOR —London Interbank Offered Rate

REMIC—Real Estate Mortgage Investment Conduit

SOFR —Secured Overnight Financing Rate

See Notes which are an integral part of the Financial Statements

Financial Highlights – Class A Shares

(For a Share Outstanding Throughout Each Period)

	Year Ended May 31,				Period Ended	Year Ended
	2023	2022	2021	2020	5/31/2019 ¹	7/31/2018
Net Asset Value, Beginning of Period	\$9.83	\$9.90	\$9.88	\$9.83	\$9.83	\$9.83
Income From Investment Operations:						
Net investment income (loss) ²	0.34	0.00 ³	0.00 ³	0.11	0.15	0.09
Net realized and unrealized gain (loss)	(0.07)	(0.07)	0.03	0.08	(0.00) ³	0.00 ³
TOTAL FROM INVESTMENT OPERATIONS	0.27	(0.07)	0.03	0.19	0.15	0.09
Less Distributions:						
Distributions from net investment income	(0.32)	(0.00) ³	(0.01)	(0.14)	(0.15)	(0.09)
Distributions from net realized gain	—	(0.00) ³	(0.00) ³	—	—	(0.00) ³
TOTAL DISTRIBUTIONS	(0.32)	(0.00)³	(0.01)	(0.14)	(0.15)	(0.09)
Net Asset Value, End of Period	\$9.78	\$9.83	\$9.90	\$9.88	\$9.83	\$9.83
Total Return⁴	2.77%	(0.65)%	0.32%	1.92%	1.49%	0.95%

Ratios to Average Net Assets:

Net expenses ⁵	0.41%	0.41%	0.41%	0.50%	0.71% ⁶	0.71%
Net investment income	3.52%	0.01%	0.09%	1.12%	1.78% ⁶	0.91%
Expense waiver/reimbursement ⁷	0.16%	0.17%	0.20%	0.28%	0.27% ⁶	0.33%

Supplemental Data:

Net assets, end of period (000 omitted)	\$43,347	\$20,566	\$34,072	\$39,260	\$7,551	\$7,283
Portfolio turnover ⁸	76%	34%	30%	26%	31%	18%

- The Fund has changed its fiscal year end from July 31 to May 31. This period represents the ten-month period from August 1, 2018 to May 31, 2019.*
- Per share numbers have been calculated using the average shares method.*
- Represents less than \$0.01.*
- Based on net asset value, which does not reflect the sales charge, redemption fee or contingent deferred sales charge, if applicable. Total returns for periods of less than one year are not annualized.*
- Amount does not reflect net expenses incurred by investment companies in which the Fund may invest.*
- Computed on an annualized basis.*
- This expense decrease is reflected in both the net expense and the net investment income ratios shown above. Amount does not reflect expense waiver/reimbursement recorded by investment companies in which the Fund may invest.*
- Securities that mature are considered sales for purposes of this calculation.*

See Notes which are an integral part of the Financial Statements

Financial Highlights – Institutional Shares

(For a Share Outstanding Throughout Each Period)

	Year Ended May 31,				Period Ended	Year Ended
	2023	2022	2021	2020	5/31/2019 ¹	7/31/2018
Net Asset Value, Beginning of Period	\$9.89	\$9.96	\$9.93	\$9.89	\$9.89	\$9.89
Income From Investment Operations:						
Net investment income (loss) ²	0.30	0.02	0.02	0.16	0.18	0.14
Net realized and unrealized gain (loss)	(0.03)	(0.07)	0.04	0.05	(0.00) ³	0.00 ³
TOTAL FROM INVESTMENT OPERATIONS	0.27	(0.05)	0.06	0.21	0.18	0.14
Less Distributions:						
Distributions from net investment income	(0.33)	(0.02)	(0.03)	(0.17)	(0.18)	(0.14)
Distributions from net realized gain	—	(0.00) ³	(0.00) ³	—	—	(0.00) ³
TOTAL DISTRIBUTIONS	(0.33)	(0.02)	(0.03)	(0.17)	(0.18)	(0.14)
Net Asset Value, End of Period	\$9.83	\$9.89	\$9.96	\$9.93	\$9.89	\$9.89
Total Return⁴	2.82%	(0.54)%	0.57%	2.12%	1.87%	1.40%
Ratios to Average Net Assets:						
Net expenses ⁵	0.26%	0.26%	0.26%	0.26%	0.26% ⁶	0.26%
Net investment income	3.09%	0.17%	0.24%	1.66%	2.24% ⁶	1.37%
Expense waiver/reimbursement ⁷	0.17%	0.17%	0.22%	0.24%	0.22% ⁶	0.27%
Supplemental Data:						
Net assets, end of period (000 omitted)	\$511,563	\$786,207	\$798,369	\$806,378	\$548,896	\$455,799
Portfolio turnover ⁸	76%	34%	30%	26%	31%	18%

- The Fund has changed its fiscal year end from July 31 to May 31. This period represents the ten-month period from August 1, 2018 to May 31, 2019.*
- Per share numbers have been calculated using the average shares method.*
- Represents less than \$0.01.*
- Based on net asset value. Total returns for periods of less than one year are not annualized.*
- Amount does not reflect net expenses incurred by investment companies in which the Fund may invest.*
- Computed on an annualized basis.*
- This expense decrease is reflected in both the net expense and the net investment income ratios shown above. Amount does not reflect expense waiver/reimbursement recorded by investment companies in which the Fund may invest.*
- Securities that mature are considered sales for purposes of this calculation.*

See Notes which are an integral part of the Financial Statements

Financial Highlights – Service Shares

(For a Share Outstanding Throughout Each Period)

	Year Ended May 31,				Period Ended	Year Ended
	2023	2022	2021	2020	5/31/2019 ¹	7/31/2018
Net Asset Value, Beginning of Period	\$9.89	\$9.95	\$9.93	\$9.88	\$9.89	\$9.88
Income From Investment Operations:						
Net investment income (loss) ²	0.32	0.01	0.02	0.16	0.18	0.13
Net realized and unrealized gain (loss)	(0.06)	(0.06)	0.02	0.05	(0.01)	0.01
TOTAL FROM INVESTMENT OPERATIONS	0.26	(0.05)	0.04	0.21	0.17	0.14
Less Distributions:						
Distributions from net investment income	(0.32)	(0.01)	(0.02)	(0.16)	(0.18)	(0.13)
Distributions from net realized gain	—	(0.00) ³	(0.00) ³	—	—	(0.00) ³
TOTAL DISTRIBUTIONS	(0.32)	(0.01)	(0.02)	(0.16)	(0.18)	(0.13)
Net Asset Value, End of Period	\$9.83	\$9.89	\$9.95	\$9.93	\$9.88	\$9.89
Total Return⁴	2.72%	(0.53)%	0.37%	2.12%	1.69%	1.40%
Ratios to Average Net Assets:						
Net expenses ⁵	0.36%	0.36%	0.36%	0.36%	0.36% ⁶	0.36%
Net investment income	3.20%	0.07%	0.14%	1.60%	2.13% ⁶	1.27%
Expense waiver/reimbursement ⁷	0.18%	0.17%	0.22%	0.24%	0.22% ⁶	0.27%
Supplemental Data:						
Net assets, end of period (000 omitted)	\$151,233	\$175,146	\$187,175	\$228,306	\$211,677	\$222,133
Portfolio turnover ⁸	76%	34%	30%	26%	31%	18%

- The Fund has changed its fiscal year end from July 31 to May 31. This period represents the ten-month period from August 1, 2018 to May 31, 2019.*
- Per share numbers have been calculated using the average shares method.*
- Represents less than \$0.01.*
- Based on net asset value. Total returns for periods of less than one year are not annualized.*
- Amount does not reflect net expenses incurred by investment companies in which the Fund may invest.*
- Computed on an annualized basis.*
- This expense decrease is reflected in both the net expense and the net investment income ratios shown above. Amount does not reflect expense waiver/reimbursement recorded by investment companies in which the Fund may invest.*
- Securities that mature are considered sales for purposes of this calculation.*

See Notes which are an integral part of the Financial Statements

Financial Highlights – Class R6 Shares

(For a Share Outstanding Throughout Each Period)

	Year Ended May 31,				Period Ended	Year Ended
	2023	2022	2021	2020	5/31/2019 ¹	7/31/2018
Net Asset Value, Beginning of Period	\$9.89	\$9.95	\$9.93	\$9.89	\$9.89	\$9.89
Income From Investment Operations:						
Net investment income (loss) ²	0.34	0.02	0.03	0.15	0.18	0.15
Net realized and unrealized gain (loss)	(0.05)	(0.06)	0.02	0.06	(0.00) ³	(0.01)
TOTAL FROM INVESTMENT OPERATIONS	0.29	(0.04)	0.05	0.21	0.18	0.14
Less Distributions:						
Distributions from net investment income	(0.34)	(0.02)	(0.03)	(0.17)	(0.18)	(0.14)
Distributions from net realized gain	—	(0.00) ³	(0.00) ³	—	—	(0.00) ³
TOTAL DISTRIBUTIONS	(0.34)	(0.02)	(0.03)	(0.17)	(0.18)	(0.14)
Net Asset Value, End of Period	\$9.84	\$9.89	\$9.95	\$9.93	\$9.89	\$9.89
Total Return⁴	2.94%	(0.42)%	0.49%	2.14%	1.89%	1.42%
Ratios to Average Net Assets:						
Net expenses ⁵	0.24%	0.24%	0.24%	0.24%	0.24% ⁶	0.24%
Net investment income	3.41%	0.20%	0.26%	1.55%	2.27% ⁶	1.49%
Expense waiver/reimbursement ⁷	0.15%	0.14%	0.19%	0.22%	0.19% ⁶	0.24%
Supplemental Data:						
Net assets, end of period (000 omitted)	\$147,802	\$125,883	\$72,998	\$54,636	\$35,355	\$18,767
Portfolio turnover ⁸	76%	34%	30%	26%	31%	18%

- The Fund has changed its fiscal year end from July 31 to May 31. This period represents the ten-month period from August 1, 2018 to May 31, 2019.*
- Per share numbers have been calculated using the average shares method.*
- Represents less than \$0.01.*
- Based on net asset value. Total returns for periods of less than one year are not annualized.*
- Amount does not reflect net expenses incurred by investment companies in which the Fund may invest.*
- Computed on an annualized basis.*
- This expense decrease is reflected in both the net expense and the net investment income ratios shown above. Amount does not reflect expense waiver/reimbursement recorded by investment companies in which the Fund may invest.*
- Securities that mature are considered sales for purposes of this calculation.*

See Notes which are an integral part of the Financial Statements

Statement of Assets and Liabilities

May 31, 2023

Assets:

Investment in repurchase agreements	\$388,678,000
Investment in securities	500,661,090
Investment in securities, at value (identified cost \$890,827,059)	889,339,090
Income receivable	674,722
Receivable for shares sold	951,408
TOTAL ASSETS	890,965,220

Liabilities:

Payable for investments purchased	35,111,852
Payable for shares redeemed	1,133,977
Payable to bank	21,398
Income distribution payable	582,833
Payable for investment adviser fee (Note 5)	2,247
Payable for administrative fee (Note 5)	1,817
Payable for other service fees (Notes 2 and 5)	17,949
Accrued expenses (Note 5)	148,387
TOTAL LIABILITIES	37,020,460

Net assets for 86,856,796 shares outstanding	\$853,944,760
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Net Assets Consist of:

Paid-in capital	\$861,040,471
Total distributable earnings (loss)	(7,095,711)
TOTAL NET ASSETS	\$853,944,760

Net Asset Value, Offering Price and Redemption Proceeds Per Share:

Class A Shares:

Net asset value per share (\$43,347,237 ÷ 4,432,303 shares outstanding), no par value, unlimited shares authorized	\$9.78
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Institutional Shares:

Net asset value per share (\$511,562,898 ÷ 52,018,952 shares outstanding), no par value, unlimited shares authorized	\$9.83
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Service Shares:

Net asset value per share (\$151,232,576 ÷ 15,379,153 shares outstanding), no par value, unlimited shares authorized	\$9.83
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Class R6 Shares:

Net asset value per share (\$147,802,049 ÷ 15,026,388 shares outstanding), no par value, unlimited shares authorized	\$9.84
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See Notes which are an integral part of the Financial Statements

Statement of Operations

Year Ended May 31, 2023

Investment Income:

Interest	\$32,750,697
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Expenses:

Investment adviser fee (Note 5)	2,369,255
Administrative fee (Note 5)	745,073
Custodian fees	43,608
Transfer agent fees (Note 2)	459,810
Directors'/Trustees' fees (Note 5)	8,296
Auditing fees	30,000
Legal fees	10,270
Portfolio accounting fees	173,058
Other service fees (Notes 2 and 5)	202,553
Share registration costs	122,023
Printing and postage	23,274
Miscellaneous (Note 5)	63,072
TOTAL EXPENSES	4,250,292

Waiver and Reimbursement:

Waiver of investment adviser fee (Note 5)	(1,356,014)
Reimbursement of other operating expenses (Notes 2 and 5)	(210,814)
TOTAL WAIVER AND REIMBURSEMENT	(1,566,828)

Net expenses	2,683,464
Net investment income	30,067,233

Realized and Unrealized Gain (Loss) on Investments:

Net realized loss on investments	(2,989,168)
Net change in unrealized appreciation of investments	(2,589,180)
Net realized and unrealized gain (loss) on investments	(5,578,348)
Change in net assets resulting from operations	\$24,488,885

See Notes which are an integral part of the Financial Statements

Statement of Changes in Net Assets

Year Ended May 31	2023	2022
Increase (Decrease) in Net Assets		
Operations:		
Net investment income	\$ 30,067,233	\$ 1,674,002
Net realized gain (loss)	(2,989,168)	(2,622,200)
Net change in unrealized appreciation/depreciation	(2,589,180)	(4,612,867)
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	24,488,885	(5,561,065)
Distributions to Shareholders:		
Class A Shares	(904,683)	(12,244)
Institutional Shares	(19,011,983)	(1,314,454)
Service Shares	(5,312,839)	(133,815)
Class R6 Shares	(4,991,392)	(199,451)
CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS	(30,220,897)	(1,659,964)
Share Transactions:		
Proceeds from sale of shares	644,979,468	701,105,232
Net asset value of shares issued to shareholders in payment of distributions declared	25,848,242	1,335,341
Cost of shares redeemed	(918,953,170)	(680,032,014)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	(248,125,460)	22,408,559
Change in net assets	(253,857,472)	15,187,530
Net Assets:		
Beginning of period	1,107,802,232	1,092,614,702
End of period	\$ 853,944,760	\$1,107,802,232

See Notes which are an integral part of the Financial Statements

Notes to Financial Statements

May 31, 2023

1. ORGANIZATION

Federated Hermes Institutional Trust (the “Trust”) is registered under the Investment Company Act of 1940, as amended (the “Act”), as an open-end management investment company. The Trust consists of three portfolios. The financial statements included herein are only those of Federated Hermes Government Ultrashort Fund (the “Fund”), a diversified portfolio. The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder’s interest is limited to the portfolio in which shares are held. Each portfolio pays its own expenses. The Fund offers four classes of shares: Class A Shares, Institutional Shares, Service Shares and Class R6 Shares. All shares of the Fund have equal rights with respect to voting, except on class-specific matters. The investment objective of the Fund is current income.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. These policies are in conformity with U.S. generally accepted accounting principles (GAAP).

Investment Valuation

In calculating its net asset value (NAV), the Fund generally values investments as follows:

- Fixed-income securities are fair valued using price evaluations provided by a pricing service approved by Federated Investment Management Company (the “Adviser”).
- Shares of other mutual funds or non-exchange traded investment companies are valued based upon their reported NAVs, or NAV per share practical expedient, as applicable.
- Derivative contracts listed on exchanges are valued at their reported settlement or closing price, except that options are valued at the mean of closing bid and ask quotations.
- Over-the-counter (OTC) derivative contracts are fair valued using price evaluations provided by a pricing service approved by the Adviser.
- For securities that are fair valued in accordance with procedures established by and under the general supervision of the Adviser, certain factors may be considered, such as: the last traded or purchase price of the security, information obtained by contacting the issuer or dealers, analysis of the issuer’s financial statements or other available documents, fundamental analytical data, the nature and duration of restrictions on disposition, the movement of the market in which the security is normally traded, public trading in similar securities or derivative contracts of the issuer or comparable issuers, movement of a relevant index, or other factors including but not limited to industry changes and relevant government actions.

If any price, quotation, price evaluation or other pricing source is not readily available when the NAV is calculated, if the Fund cannot obtain price evaluations from a pricing service or from more than one dealer for an investment within a reasonable period of time as set forth in the Adviser’s valuation policies and procedures for the Fund, or if information furnished by a pricing service, in the opinion of the Adviser’s valuation committee (“Valuation Committee”), is deemed not representative of the fair value of

such security, the Fund uses the fair value of the investment determined in accordance with the procedures described below. There can be no assurance that the Fund could obtain the fair value assigned to an investment if it sold the investment at approximately the time at which the Fund determines its NAV per share, and the actual value obtained could be materially different.

Fair Valuation Procedures

Pursuant to Rule 2a-5 under the Act, the Fund's Board of Trustees (the "Trustees") has designated the Adviser as the Fund's valuation designee to perform any fair value determinations for securities and other assets held by the Fund. The Adviser is subject to the Trustees' oversight and certain reporting and other requirements intended to provide the Trustees the information needed to oversee the Adviser's fair value determinations.

The Adviser, acting through its Valuation Committee, is responsible for determining the fair value of investments for which market quotations are not readily available. The Valuation Committee is comprised of officers of the Adviser and certain of the Adviser's affiliated companies and determines fair value and oversees the calculation of the NAV. The Valuation Committee is also authorized to use pricing services to provide fair value evaluations of the current value of certain investments for purposes of calculating the NAV. The Valuation Committee employs various methods for reviewing third-party pricing-service evaluations including periodic reviews of third-party pricing services' policies, procedures and valuation methods (including key inputs, methods, models and assumptions), transactional back-testing, comparisons of evaluations of different pricing services, and review of price challenges by the Adviser based on recent market activity. In the event that market quotations and price evaluations are not available for an investment, the Valuation Committee determines the fair value of the investment in accordance with procedures adopted by the Adviser. The Trustees periodically review the fair valuations made by the Valuation Committee. The Trustees have also approved the Adviser's fair valuation and significant events procedures as part of the Fund's compliance program and will review any changes made to the procedures.

Factors considered by pricing services in evaluating an investment include the yields or prices of investments of comparable quality, coupon, maturity, call rights and other potential prepayments, terms and type, reported transactions, indications as to values from dealers and general market conditions. Some pricing services provide a single price evaluation reflecting the bid-side of the market for an investment (a "bid" evaluation). Other pricing services offer both bid evaluations and price evaluations indicative of a price between the prices bid and ask for the investment (a "mid" evaluation). The Fund normally uses bid evaluations for any U.S. Treasury and Agency securities, mortgage-backed securities and municipal securities. The Fund normally uses mid evaluations for any other types of fixed-income securities and any OTC derivative contracts. In the event that market quotations and price evaluations are not available for an investment, the fair value of the investment is determined in accordance with procedures adopted by the Adviser.

Repurchase Agreements

The Fund may invest in repurchase agreements for short-term liquidity purposes. It is the policy of the Fund to require the other party to a repurchase agreement to transfer to the Fund's custodian or sub-custodian eligible securities or cash with a market value (after transaction costs) at least equal to the repurchase price to be paid under the

repurchase agreement. The eligible securities are transferred to accounts with the custodian or sub-custodian in which the Fund holds a "securities entitlement" and exercises "control" as those terms are defined in the Uniform Commercial Code. The Fund has established procedures for monitoring the market value of the transferred securities and requiring the transfer of additional eligible securities if necessary to equal at least the repurchase price. These procedures also allow the other party to require securities to be transferred from the account to the extent that their market value exceeds the repurchase price or in exchange for other eligible securities of equivalent market value.

The insolvency of the other party or other failure to repurchase the securities may delay the disposition of the underlying securities or cause the Fund to receive less than the full repurchase price. Under the terms of the repurchase agreement, any amounts received by the Fund in excess of the repurchase price and related transaction costs must be remitted to the other party.

The Fund may enter into repurchase agreements in which eligible securities are transferred into joint trading accounts maintained by the custodian or sub-custodian for investment companies and other clients advised by the Fund's Adviser and its affiliates. The Fund will participate on a pro rata basis with the other investment companies and clients in its share of the securities transferred under such repurchase agreements and in its share of proceeds from any repurchase or other disposition of such securities.

Repurchase agreements are subject to Master Netting Agreements which are agreements between the Fund and its counterparties that provide for the net settlement of all transactions and collateral with the Fund, through a single payment, in the event of default or termination. Amounts presented on the Portfolio of Investments and Statement of Assets and Liabilities are not net settlement amounts but gross. As indicated above, the cash or securities to be repurchased, as shown on the Portfolio of Investments, exceeds the repurchase price to be paid under the agreement reducing the net settlement amount to zero.

Investment Income, Gains and Losses, Expenses and Distributions

Investment transactions are accounted for on a trade-date basis. Realized gains and losses from investment transactions are recorded on an identified-cost basis. Interest income and expenses are accrued daily. Distributions to shareholders are recorded on the ex-dividend date. Distributions of net investment income, if any, are declared daily and paid monthly. Non-cash dividends included in dividend income, if any, are recorded at fair value. Investment income, realized and unrealized gains and losses, and certain fund-level expenses are allocated to each class based on relative average daily net assets, except that select classes will bear certain expenses unique to those classes. Amortization/accretion of premium and discount is included in investment income. Gains and losses realized on principal payment of mortgage-backed securities (paydown gains and losses) are classified as part of investment income. Dividends are declared separately for each class. No class has preferential dividend rights; differences in per share dividend rates are generally due to differences in separate class expenses. The detail of the total fund expense waiver and reimbursement of \$1,566,828 is disclosed in various locations in this Note 2 and Note 5.

Transfer Agent Fees

For the year ended May 31, 2023, transfer agent fees for the Fund were as follows:

	Transfer Agent Fees Incurred	Transfer Agent Fees Reimbursed
Class A Shares	\$ 9,918	\$ (2,199)
Institutional Shares	335,343	(157,040)
Service Shares	100,553	(51,575)
Class R6 Shares	13,996	—
TOTAL	\$459,810	\$(210,814)

Other Service Fees

The Fund may pay other service fees up to 0.25% of the average daily net assets of the Fund's Class A Shares and Service Shares to financial intermediaries or to Federated Shareholder Services Company (FSSC) for providing services to shareholders and maintaining shareholder accounts. Subject to the terms described in the Expense Limitation note, FSSC may voluntarily reimburse the Fund for other service fees.

For the year ended May 31, 2023, other service fees for the Fund were as follows:

	Other Service Fees Incurred
Class A Shares	\$ 38,190
Service Shares	164,363
TOTAL	\$202,553

Federal Taxes

It is the Fund's policy to comply with the Subchapter M provision of the Internal Revenue Code of 1986 (the "Code") and to distribute to shareholders each year substantially all of its income. Accordingly, no provision for federal income tax is necessary. As of and during the year ended May 31, 2023, the Fund did not have a liability for any uncertain tax positions. The Fund recognizes interest and penalties, if any, related to tax liabilities as income tax expense in the Statement of Operations. As of May 31, 2023, tax years 2020 through 2023 remain subject to examination by the Fund's major tax jurisdictions, which include the United States of America and the Commonwealth of Massachusetts.

When-Issued and Delayed-Delivery Transactions

The Fund may engage in when-issued or delayed-delivery transactions. The Fund records when-issued securities on the trade date and maintains security positions such that sufficient liquid assets will be available to make payment for the securities purchased. Securities purchased on a when-issued or delayed-delivery basis are marked to market daily and begin earning interest on the settlement date. Losses may occur on these transactions due to changes in market conditions or the failure of counterparties to perform under the contract.

Other

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets, liabilities, expenses and revenues reported in the financial statements. Actual results could differ materially from those estimated. The Fund applies investment company accounting and reporting guidance.

3. SHARES OF BENEFICIAL INTEREST

The following tables summarize share activity:

	Year Ended 5/31/2023		Year Ended 5/31/2022	
Class A Shares:	Shares	Amount	Shares	Amount
Shares sold	3,680,190	\$ 36,022,933	372,271	\$ 3,674,582
Shares issued to shareholders in payment of distributions declared	91,591	896,442	1,191	11,717
Shares redeemed	(1,430,783)	(14,010,001)	(1,724,318)	(17,045,500)
NET CHANGE RESULTING FROM CLASS A SHARE TRANSACTIONS	2,340,998	\$ 22,909,374	(1,350,856)	\$ (13,359,201)

	Year Ended 5/31/2023		Year Ended 5/31/2022	
Institutional Shares:	Shares	Amount	Shares	Amount
Shares sold	48,797,070	\$ 480,435,186	52,242,693	\$ 518,776,741
Shares issued to shareholders in payment of distributions declared	1,616,321	15,909,679	108,904	1,079,988
Shares redeemed	(77,885,885)	(767,120,639)	(53,056,638)	(526,792,643)
NET CHANGE RESULTING FROM INSTITUTIONAL SHARE TRANSACTIONS	(27,472,494)	\$(270,775,774)	(705,041)	\$ (6,935,914)

	Year Ended 5/31/2023		Year Ended 5/31/2022	
Service Shares:	Shares	Amount	Shares	Amount
Shares sold	2,506,783	\$ 24,684,722	3,785,159	\$ 37,541,145
Shares issued to shareholders in payment of distributions declared	532,732	5,242,376	13,166	130,392
Shares redeemed	(5,372,877)	(52,910,660)	(4,891,606)	(48,577,274)
NET CHANGE RESULTING FROM SERVICE SHARE TRANSACTIONS	(2,333,362)	\$ (22,983,562)	(1,093,281)	\$ (10,905,737)

Class R6 Shares:	Year Ended 5/31/2023		Year Ended 5/31/2022	
	Shares	Amount	Shares	Amount
Shares sold	10,533,550	\$ 103,836,627	14,210,191	\$ 141,112,764
Shares issued to shareholders in payment of distributions declared	385,994	3,799,745	11,423	113,244
Shares redeemed	(8,621,160)	(84,911,870)	(8,827,874)	(87,616,597)
NET CHANGE RESULTING FROM CLASS R6 SHARE TRANSACTIONS	2,298,384	\$ 22,724,502	5,393,740	\$ 53,609,411
NET CHANGE RESULTING FROM TOTAL FUND SHARE TRANSACTIONS	(25,166,474)	\$(248,125,460)	2,244,562	\$ 22,408,559

4. FEDERAL TAX INFORMATION

The tax character of distributions as reported on the Statement of Changes in Net Assets for the years ended May 31, 2023 and 2022, was as follows:

	2023	2022
Ordinary income	\$30,220,897	\$1,659,964

As of May 31, 2023, the components of distributable earnings on a tax-basis were as follows:

Undistributed ordinary income	\$ 3,626
Net unrealized depreciation	\$(1,487,969)
Capital loss carryforwards	\$(5,611,368)
TOTAL	\$(7,095,711)

At May 31, 2023, the cost of investments for federal tax purposes was \$890,827,059. The net unrealized depreciation of investments for federal tax purposes was \$1,487,969. This consists of unrealized appreciation from investments for those securities having an excess of value over cost of \$1,148,101 and unrealized depreciation from investments for those securities having an excess of cost over value of \$2,636,070.

As of May 31, 2023, the Fund had a capital loss carryforward of \$5,611,368 which will reduce the Fund's taxable income arising from future net realized gains on investments, if any, to the extent permitted by the Code, thereby reducing the amount of distributions to shareholders which would otherwise be necessary to relieve the Fund of any liability for federal income tax. Pursuant to the Code, these net capital losses retain their character as either short-term or long-term and do not expire.

The following schedule summarizes the Fund's capital loss carryforwards:

Short-Term	Long-Term	Total
\$3,519,825	\$2,091,543	\$5,611,368

5. INVESTMENT ADVISER FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Investment Adviser Fee

The advisory agreement between the Fund and the Adviser provides for an annual fee equal to 0.25% of the Fund's average daily net assets. Subject to the terms described in the Expense Limitation note, the Adviser may voluntarily choose to waive any portion of its fee and/or reimburse certain operating expenses of the Fund for competitive reasons such as to maintain the Fund's expense ratio, or as and when appropriate, to maintain positive or zero net yields. For the year ended May 31, 2023, the Adviser voluntarily waived \$1,356,014 of its fee and voluntarily reimbursed \$210,814 of transfer agent fees.

Administrative Fee

Federated Administrative Services (FAS), under the Administrative Services Agreement, provides the Fund with administrative personnel and services. For purposes of determining the appropriate rate breakpoint, "Investment Complex" is defined as all of the Federated Hermes Funds subject to a fee under the Administrative Services Agreement. The fee paid to FAS is based on the average daily net assets of the Investment Complex as specified below:

Administrative Fee	Average Daily Net Assets of the Investment Complex
0.100%	on assets up to \$50 billion
0.075%	on assets over \$50 billion

Subject to the terms described in the Expense Limitation note, FAS may voluntarily choose to waive any portion of its fee. For the year ended May 31, 2023, the annualized fee paid to FAS was 0.079% of average daily net assets of the Fund.

In addition, FAS may charge certain out-of-pocket expenses to the Fund.

Distribution Services Fee

The Fund has adopted a Distribution Plan (the "Plan") pursuant to Rule 12b-1 under the Act. Under the terms of the Plan, the Fund will compensate Federated Securities Corp. (FSC), the principal distributor, from the daily net assets of the Fund's Service Shares to finance activities intended to result in the sale of these shares. The Plan provides that the Fund may incur distribution expenses at the following percentages of average daily net assets annually, to compensate FSC:

	Percentage of Average Daily Net Assets of Class
Service Shares	0.05%

When FSC receives fees, it may pay some or all of them to financial intermediaries whose customers purchase shares.

The Fund's Service Shares did not incur a distribution services fee; however, it may begin to incur this fee upon approval of the Trustees.

Other Service Fees

For the year ended May 31, 2023, FSCC received \$831 of the other service fees disclosed in Note 2.

Expense Limitation

The Adviser and certain of its affiliates (which may include FSC, FAS and FSSC) on their own initiative have agreed to waive certain amounts of their respective fees and/or reimburse expenses. Total annual fund operating expenses (as shown in the financial highlights, excluding interest expense, extraordinary expenses and proxy-related expenses paid by the Fund, if any) paid by the Fund's Class A Shares, Institutional Shares, Service Shares and Class R6 Shares (after the voluntary waivers and/or reimbursements) will not exceed 0.41%, 0.26%, 0.36% and 0.24% (the "Fee Limit"), respectively, up to but not including the later of (the "Termination Date"):

(a) August 1, 2024; or (b) the date of the Fund's next effective Prospectus. While the Adviser and its applicable affiliates currently do not anticipate terminating or increasing these arrangements prior to the Termination Date, these arrangements may only be terminated or the Fee Limit increased prior to the Termination Date with the agreement of the Trustees.

Directors'/Trustees' and Miscellaneous Fees

Certain Officers and Trustees of the Fund are Officers and Directors or Trustees of certain of the above companies. To efficiently facilitate payment, Independent Directors'/Trustees' fees and certain expenses related to conducting meetings of the Directors/Trustees and other miscellaneous expenses are paid by an affiliate of the Adviser which in due course are reimbursed by the Fund. These expenses related to conducting meetings of the Directors/Trustees and other miscellaneous expenses may be included in Accrued and Miscellaneous Expenses on the Statement of Assets and Liabilities and Statement of Operations, respectively.

6. LINE OF CREDIT

The Fund participates with certain other Federated Hermes Funds, on a several basis, in an up to \$500,000,000 unsecured, 364-day, committed, revolving line of credit (LOC) agreement dated June 22, 2022, which was renewed on June 21, 2023. The LOC was made available to temporarily finance the repurchase or redemption of shares of the Fund, failed trades, payment of dividends, settlement of trades and for other short-term, temporary or emergency general business purposes. The Fund cannot borrow under the LOC if an inter-fund loan is outstanding. The Fund's ability to borrow under the LOC also is subject to the limitations of the Act and various conditions precedent that must be satisfied before the Fund can borrow. Loans under the LOC are charged interest at a fluctuating rate per annum equal to (a) the highest, on any day, of (i) the federal funds effective rate, (ii) the published secured overnight financing rate plus an assigned percentage, and (iii) 0.0%, plus (b) a margin. Any fund eligible to borrow under the LOC pays its pro rata share of a commitment fee based on the amount of the lenders' commitment that has not been utilized, quarterly in arrears and at maturity. As of May 31, 2023, the Fund had no outstanding loans. During the year ended May 31, 2023, the Fund did not utilize the LOC.

7. INTERFUND LENDING

Pursuant to an Exemptive Order issued by the Securities and Exchange Commission, the Fund, along with other funds advised by subsidiaries of Federated Hermes, Inc., may participate in an interfund lending program. This program provides an alternative credit facility allowing the Fund to borrow from other participating affiliated funds. As of May 31, 2023, there were no outstanding loans. During the year ended May 31, 2023, the program was not utilized.

8. INDEMNIFICATIONS

Under the Fund's organizational documents, its Officers and Directors/Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Fund (other than liabilities arising out of their willful misfeasance, bad faith, gross negligence or reckless disregard of their duties to the Fund). In addition, in the normal course of business, the Fund provides certain indemnifications under arrangements with third parties. Typically, obligations to indemnify a third party arise in the context of an arrangement entered into by the Fund under which the Fund agrees to indemnify such third party for certain liabilities arising out of actions taken pursuant to the arrangement, provided the third party's actions are not deemed to have breached an agreed-upon standard of care (such as willful misfeasance, bad faith, gross negligence or reckless disregard of their duties under the contract). The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet arisen. The Fund does not anticipate any material claims or losses pursuant to these arrangements at this time, and accordingly expects the risk of loss to be remote.

9. OTHER MATTERS

An outbreak of respiratory disease caused by a novel coronavirus was first detected in China in late 2019 and subsequently spread globally. As of the date of the issuance of these financial statements, this coronavirus has resulted in, and may continue to result in, closed borders, enhanced health screenings, disruptions to healthcare service preparation and delivery, quarantines, cancellations, and disruptions to supply chains, workflow operations and consumer activity, as well as general concern and uncertainty. The impact of this coronavirus has resulted in substantial economic volatility. 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 continue to negatively affect the worldwide economy, as well as the economies of individual countries, individual companies (including certain Fund service providers and issuers of the Fund's investments) and the markets in general in significant and unforeseen ways. In addition, governments, their regulatory agencies, or self-regulatory organizations may take actions in response to the pandemic, including significant fiscal and monetary policy changes, that may affect the instruments in which the Fund invests or the issuers of such investments. Any such impact could adversely affect the Fund's performance.

10. RECENT ACCOUNTING PRONOUNCEMENTS

In December 2022, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2022-06 "Reference Rate Reform (Topic 848)". ASU No. 2022-06 updates and clarifies ASU No. 2020-04, which provides optional, temporary relief with respect to the financial reporting of contracts subject to certain types of

modifications due to the planned discontinuation of LIBOR and other interbank-offered reference rates. The temporary relief provided by ASU No. 2022-06 is effective immediately for certain reference rate-related contract modifications that occur through December 31, 2024. Management does not expect ASU No. 2022-06 to have a material impact on the financial statements.

Report of Independent Registered Public Accounting Firm

TO THE SHAREHOLDERS AND THE BOARD OF TRUSTEES OF FEDERATED HERMES GOVERNMENT ULTRASHORT FUND:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Federated Hermes Government Ultrashort Fund (the “Fund”) (one of the portfolios constituting Federated Hermes Institutional Trust (the “Trust”)), including the portfolio of investments, as of May 31, 2023, and the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the four years in the period then ended, the period from August 1, 2018 to May 31, 2019 and for the year ended July 31, 2018 and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the portfolios constituting Federated Hermes Institutional Trust) at May 31, 2023, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the four years in the period then ended, the period from August 1, 2018 to May 31, 2019 and for the year ended July 31, 2018, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Trust’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust's internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of May 31, 2023, by correspondence with the custodian, brokers, and others; when replies were not received from brokers or others, we performed other auditing procedures. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Ernst & Young LLP

We have served as the auditor of one or more Federated Hermes investment companies since 1979.

Boston, Massachusetts
July 21, 2023

Shareholder Expense Example (unaudited)

As a shareholder of the Fund, you incur ongoing costs, including management fees and to the extent applicable, distribution (12b-1) fees and/or other service fees and other Fund expenses. This Example is intended to help you to understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. It is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from December 1, 2022 to May 31, 2023.

ACTUAL EXPENSES

The first section of the table below provides information about actual account values and actual expenses. You may use the information in this section, together with the amount you invested, to *estimate* the expenses that you incurred over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first section under the heading entitled “Expenses Paid During Period” to estimate the expenses attributable to your investment during this period.

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

The second section of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an *assumed* rate of return of 5% per year before expenses, which is not the Fund’s actual return. Thus, you should *not* use the hypothetical account values and expenses to estimate the actual ending account balance or your expenses for the period. Rather, these figures are required to be provided to enable you to compare the ongoing costs of investing in the Fund with other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only. Therefore, the second section of the table is useful in comparing ongoing costs only, and will not help you determine the relative *total* costs of owning different funds.

	Beginning Account Value 12/1/2022	Ending Account Value 5/31/2023	Expenses Paid During Period
Actual:			
Class A Shares	\$1,000	\$1,022.20	\$2.07
Institutional Shares	\$1,000	\$1,023.00	\$1.31
Service Shares	\$1,000	\$1,022.50	\$1.82
Class R6 Shares	\$1,000	\$1,024.10	\$1.21
Hypothetical (assuming a 5% return before expenses):			
Class A Shares	\$1,000	\$1,022.89	\$2.07
Institutional Shares	\$1,000	\$1,023.64	\$1.31
Service Shares	\$1,000	\$1,023.14	\$1.82
Class R6 Shares	\$1,000	\$1,023.73	\$1.21

1 Expenses are equal to the Fund's annualized net expense ratios, multiplied by the average account value over the period, multiplied by 182/365 (to reflect the one-half-year period). The annualized net expense ratios are as follows:

Class A Shares	0.41%
Institutional Shares	0.26%
Service Shares	0.36%
Class R6 Shares	0.24%

Board of Trustees and Trust Officers

The Board of Trustees is responsible for managing the Trust’s business affairs and for exercising all the Trust’s powers except those reserved for the shareholders. The following tables give information about each Trustee and the senior officers of the Fund. Where required, the tables separately list Trustees who are “interested persons” of the Fund (i.e., “Interested” Trustees) and those who are not (i.e., “Independent” Trustees). Unless otherwise noted, the address of each person listed is 1001 Liberty Avenue, Pittsburgh, PA 15222-3779. The address of all Independent Trustees listed is 4000 Ericsson Drive, Warrendale, PA 15086-7561; Attention: Mutual Fund Board. As of December 31, 2022, the Trust comprised three portfolio(s), and the Federated Hermes Fund Family consisted of 33 investment companies (comprising 102 portfolios). Unless otherwise noted, each Officer is elected annually. Unless otherwise noted, each Trustee oversees all portfolios in the Federated Hermes Fund Family and serves for an indefinite term. The Fund’s Statement of Additional Information includes additional information about Trust Trustees and is available, without charge and upon request, by calling 1-800-341-7400, Option #4.

INTERESTED TRUSTEES BACKGROUND

Name	
Birth Date	
Positions Held with Trust	Principal Occupation(s) for Past Five Years, Other Directorships Held and Previous Position(s)
Date Service Began	
J. Christopher Donahue*	Principal Occupations: Principal Executive Officer and President of certain of the Funds in the Federated Hermes Fund Family; Director or Trustee of the Funds in the Federated Hermes Fund Family; President, Chief Executive Officer and Director, Federated Hermes, Inc.; Chairman and Trustee, Federated Investment Management Company; Trustee, Federated Investment Counseling; Chairman and Director, Federated Global Investment Management Corp.; Chairman and Trustee, Federated Equity Management Company of Pennsylvania; Trustee, Federated Shareholder Services Company; Director, Federated Services Company.
Birth Date: April 11, 1949	
PRESIDENT AND TRUSTEE	
Indefinite Term	
Began serving: April 1999	Previous Positions: President, Federated Investment Counseling; President and Chief Executive Officer, Federated Investment Management Company, Federated Global Investment Management Corp. and Passport Research, Ltd; Chairman, Passport Research, Ltd.

Name	
Birth Date	
Positions Held with Trust	Principal Occupation(s) for Past Five Years, Other Directorships Held and Previous Position(s)
Date Service Began	
John B. Fisher*	
Birth Date: May 16, 1956	Principal Occupations: Principal Executive Officer and President of certain of the Funds in the Federated Hermes Fund Family; Director or Trustee of certain of the Funds in the Federated Hermes Fund Family; Director and Vice President, Federated Hermes, Inc.; President, Director/Trustee and CEO, Federated Advisory Services Company, Federated Equity Management Company of Pennsylvania, Federated Global Investment Management Corp., Federated Investment Counseling, Federated Investment Management Company, and Federated MDTA LLC; Director, Federated Investors Trust Company.
TRUSTEE	
Indefinite Term	
Began serving: May 2016	Previous Positions: President and Director of the Institutional Sales Division of Federated Securities Corp.; President and CEO of Passport Research, Ltd.; Director and President, Technology, Federated Services Company.

* Reasons for "interested" status: J. Christopher Donahue and John B. Fisher are interested due to their beneficial ownership of shares of Federated Hermes, Inc. and due to positions they hold with Federated Hermes, Inc. and its subsidiaries.

INDEPENDENT TRUSTEES BACKGROUND

Name	
Birth Date	
Positions Held with Trust	Principal Occupation(s) for Past Five Years, Other Directorships Held, Previous Position(s) and Qualifications
Date Service Began	
John T. Collins	
Birth Date: January 24, 1947	Principal Occupations: Director or Trustee, and Chair of the Board of Directors or Trustees, of the Federated Hermes Fund Family; formerly, Chairman and CEO, The Collins Group, Inc. (a private equity firm) (Retired).
TRUSTEE	
Indefinite Term	Other Directorships Held: Director, KLX Energy Services Holdings, Inc. (oilfield services); former Director of KLX Corp. (aerospace).
Began serving: October 2013	Qualifications: Mr. Collins has served in several business and financial management roles and directorship positions throughout his career. Mr. Collins previously served as Chairman and CEO of The Collins Group, Inc. (a private equity firm) and as a Director of KLX Corp. Mr. Collins serves as Chairman Emeriti, Bentley University. Mr. Collins previously served as Director and Audit Committee Member, Bank of America Corp.; Director, FleetBoston Financial Corp.; and Director, Beth Israel Deaconess Medical Center (Harvard University Affiliate Hospital).

Name	
Birth Date	
Positions Held with Trust Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held, Previous Position(s) and Qualifications
G. Thomas Hough Birth Date: February 28, 1955 TRUSTEE Indefinite Term Began serving: August 2015	<p>Principal Occupations: Director or Trustee, Chair of the Audit Committee of the Federated Hermes Fund Family; formerly, Vice Chair, Ernst & Young LLP (public accounting firm) (Retired).</p> <p>Other Directorships Held: Director, Chair of the Audit Committee, Equifax, Inc.; Lead Director, Member of the Audit and Nominating and Corporate Governance Committees, Haverty Furniture Companies, Inc.; formerly, Director, Member of Governance and Compensation Committees, Publix Super Markets, Inc.</p> <p>Qualifications: Mr. Hough has served in accounting, business management and directorship positions throughout his career. Mr. Hough most recently held the position of Americas Vice Chair of Assurance with Ernst & Young LLP (public accounting firm). Mr. Hough serves on the President's Cabinet and Business School Board of Visitors for the University of Alabama. Mr. Hough previously served on the Business School Board of Visitors for Wake Forest University, and he previously served as an Executive Committee member of the United States Golf Association.</p>
Maureen Lally-Green Birth Date: July 5, 1949 TRUSTEE Indefinite Term Began serving: August 2009	<p>Principal Occupations: Director or Trustee of the Federated Hermes Fund Family; Adjunct Professor Emerita of Law, Duquesne University School of Law; formerly, Dean of the Duquesne University School of Law and Professor of Law and Interim Dean of the Duquesne University School of Law; formerly, Associate General Secretary and Director, Office of Church Relations, Diocese of Pittsburgh.</p> <p>Other Directorships Held: Director, CNX Resources Corporation (natural gas).</p> <p>Qualifications: Judge Lally-Green has served in various legal and business roles and directorship positions throughout her career. Judge Lally-Green previously held the position of Dean of the School of Law of Duquesne University (as well as Interim Dean). Judge Lally-Green previously served as Associate General Secretary of the Diocese of Pittsburgh, a member of the Superior Court of Pennsylvania and as a Professor of Law, Duquesne University School of Law. Judge Lally-Green was appointed by the Supreme Court of Pennsylvania to serve on the Supreme Court's Board of Continuing Judicial Education and the Supreme Court's Appellate Court Procedural Rules Committee. Judge Lally-Green also currently holds the positions on not for profit or for profit boards of directors as follows: Director and Chair, UPMC Mercy Hospital; Regent, Saint Vincent Seminary; Member, Pennsylvania State Board of Education (public); Director, Catholic Charities, Pittsburgh; and Director CNX Resources Corporation (natural gas). Judge Lally-Green has held the positions of: Director, Auberle; Director, Epilepsy Foundation of Western and Central Pennsylvania; Director, Ireland Institute of Pittsburgh; Director, Saint Thomas More Society; Director and Chair, Catholic High Schools of the Diocese of Pittsburgh, Inc.; Director, Pennsylvania Bar Institute; Director, St. Vincent College; Director and Chair, North Catholic High School, Inc.; Director and Vice Chair, Our Campaign for the Church Alive!, Inc.; and Director and Vice Chair, Saint Francis University.</p>

Name	
Birth Date	
Positions Held with Trust Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held, Previous Position(s) and Qualifications
Thomas M. O'Neill Birth Date: June 14, 1951 TRUSTEE Indefinite Term Began serving: August 2006	<p>Principal Occupations: Director or Trustee of the Federated Hermes Fund Family; Sole Proprietor, Navigator Management Company (investment and strategic consulting).</p> <p>Other Directorships Held: None.</p> <p>Qualifications: Mr. O'Neill has served in several business, mutual fund and financial management roles and directorship positions throughout his career. Mr. O'Neill serves as Director, Medicines for Humanity. Mr. O'Neill previously served as Chief Executive Officer and President, Managing Director and Chief Investment Officer, Fleet Investment Advisors; President and Chief Executive Officer, Aeltus Investment Management, Inc.; General Partner, Hellman, Jordan Management Co., Boston, MA; Chief Investment Officer, The Putnam Companies, Boston, MA; Credit Analyst and Lending Officer, Fleet Bank; Director and Consultant, EZE Castle Software (investment order management software); Director, Midway Pacific (lumber); and Director, The Golisano Children's Museum of Naples, Florida.</p>
Madelyn A. Reilly Birth Date: February 2, 1956 TRUSTEE Indefinite Term Began serving: November 2020	<p>Principal Occupations: Director or Trustee of the Federated Hermes Fund Family; formerly, Senior Vice President for Legal Affairs, General Counsel and Secretary of Board of Directors, Duquesne University (Retired).</p> <p>Other Directorships Held: None.</p> <p>Qualifications: Ms. Reilly has served in various business and legal management roles throughout her career. Ms. Reilly previously served as Senior Vice President for Legal Affairs, General Counsel and Secretary of Board of Directors and Director of Risk Management and Associate General Counsel, Duquesne University. Prior to her work at Duquesne University, Ms. Reilly served as Assistant General Counsel of Compliance and Enterprise Risk as well as Senior Counsel of Environment, Health and Safety, PPG Industries. Ms. Reilly currently serves as a member of the Board of Directors of UPMC Mercy Hospital.</p>

Name	
Birth Date	
Positions Held with Trust Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held, Previous Position(s) and Qualifications
P. Jerome Richey Birth Date: February 23, 1949 TRUSTEE Indefinite Term Began serving: October 2013	<p>Principal Occupations: Director or Trustee of the Federated Hermes Fund Family; Retired; formerly, Senior Vice Chancellor and Chief Legal Officer, University of Pittsburgh and Executive Vice President and Chief Legal Officer, CONSOL Energy Inc. (now split into two separate publicly traded companies known as CONSOL Energy Inc. and CNX Resources Corp.).</p> <p>Other Directorships Held: None.</p> <p>Qualifications: Mr. Richey has served in several business and legal management roles and directorship positions throughout his career. Mr. Richey most recently held the positions of Senior Vice Chancellor and Chief Legal Officer, University of Pittsburgh. Mr. Richey previously served as Chairman of the Board, Epilepsy Foundation of Western Pennsylvania and Chairman of the Board, World Affairs Council of Pittsburgh. Mr. Richey previously served as Chief Legal Officer and Executive Vice President, CONSOL Energy Inc. and CNX Gas Company; and Board Member, Ethics Counsel and Shareholder, Buchanan Ingersoll & Rooney PC (a law firm).</p>
John S. Walsh Birth Date: November 28, 1957 TRUSTEE Indefinite Term Began serving: April 1999	<p>Principal Occupations: Director or Trustee of the Federated Hermes Fund Family; President and Director, Heat Wagon, Inc. (manufacturer of construction temporary heaters); President and Director, Manufacturers Products, Inc. (distributor of portable construction heaters); President, Portable Heater Parts, a division of Manufacturers Products, Inc.</p> <p>Other Directorships Held: None.</p> <p>Qualifications: Mr. Walsh has served in several business management roles and directorship positions throughout his career. Mr. Walsh previously served as Vice President, Walsh & Kelly, Inc. (paving contractors).</p>

OFFICERS

Name Birth Date Positions Held with Trust Date Service Began	Principal Occupation(s) for Past Five Years and Previous Position(s)
Lori A. Hensler Birth Date: January 6, 1967 TREASURER Officer since: April 2013	Principal Occupations: Principal Financial Officer and Treasurer of the Federated Hermes Fund Family; Senior Vice President, Federated Administrative Services; Financial and Operations Principal for Federated Securities Corp.; and Assistant Treasurer, Federated Investors Trust Company. Ms. Hensler has received the Certified Public Accountant designation. Previous Positions: Controller of Federated Hermes, Inc.; Senior Vice President and Assistant Treasurer, Federated Investors Management Company; Treasurer, Federated Investors Trust Company; Assistant Treasurer, Federated Administrative Services, Federated Administrative Services, Inc., Federated Securities Corp., Edgewood Services, Inc., Federated Advisory Services Company, Federated Equity Management Company of Pennsylvania, Federated Global Investment Management Corp., Federated Investment Counseling, Federated Investment Management Company, Passport Research, Ltd., and Federated MDTA, LLC; Financial and Operations Principal for Federated Securities Corp., Edgewood Services, Inc. and Southpointe Distribution Services, Inc.
Peter J. Germain Birth Date: September 3, 1959 CHIEF LEGAL OFFICER, SECRETARY AND EXECUTIVE VICE PRESIDENT Officer since: January 2005	Principal Occupations: Mr. Germain is Chief Legal Officer, Secretary and Executive Vice President of the Federated Hermes Fund Family. He is General Counsel, Chief Legal Officer, Secretary and Executive Vice President, Federated Hermes, Inc.; Trustee and Senior Vice President, Federated Investors Management Company; Trustee and President, Federated Administrative Services; Director and President, Federated Administrative Services, Inc.; Director and Vice President, Federated Securities Corp.; Director and Secretary, Federated Private Asset Management, Inc.; Secretary, Federated Shareholder Services Company; and Secretary, Retirement Plan Service Company of America. Mr. Germain joined Federated Hermes, Inc. in 1984 and is a member of the Pennsylvania Bar Association. Previous Positions: Deputy General Counsel, Special Counsel, Managing Director of Mutual Fund Services, Federated Hermes, Inc.; Senior Vice President, Federated Services Company; and Senior Corporate Counsel, Federated Hermes, Inc.
Stephen Van Meter Birth Date: June 5, 1975 CHIEF COMPLIANCE OFFICER AND SENIOR VICE PRESIDENT Officer since: July 2015	Principal Occupations: Senior Vice President and Chief Compliance Officer of the Federated Hermes Fund Family; Vice President and Chief Compliance Officer of Federated Hermes, Inc. and Chief Compliance Officer of certain of its subsidiaries. Mr. Van Meter joined Federated Hermes, Inc. in October 2011. He holds FINRA licenses under Series 3, 7, 24 and 66. Previous Positions: Mr. Van Meter previously held the position of Compliance Operating Officer, Federated Hermes, Inc. Prior to joining Federated Hermes, Inc., Mr. Van Meter served at the United States Securities and Exchange Commission in the positions of Senior Counsel, Office of Chief Counsel, Division of Investment Management and Senior Counsel, Division of Enforcement.

Name	
Birth Date	
Positions Held with Trust	Principal Occupation(s) for Past Five Years and Previous Position(s)
Date Service Began	
Robert J. Ostrowski Birth Date: April 26, 1963 CHIEF INVESTMENT OFFICER Officer since: May 2004	Principal Occupations: Robert J. Ostrowski joined Federated Hermes, Inc. in 1987 as an Investment Analyst and became a Portfolio Manager in 1990. He was named Chief Investment Officer of Federated Hermes' taxable fixed-income products in 2004 and also serves as a Senior Portfolio Manager. Mr. Ostrowski became an Executive Vice President of the Fund's Adviser in 2009 and served as a Senior Vice President of the Fund's Adviser from 1997 to 2009. Mr. Ostrowski has received the Chartered Financial Analyst designation. He received his M.S. in Industrial Administration from Carnegie Mellon University.

Evaluation and Approval of Advisory Contract – May 2023

FEDERATED HERMES GOVERNMENT ULTRASHORT FUND (THE “FUND”)

At its meetings in May 2023 (the “May Meetings”), the Fund’s Board of Trustees (the “Board”), including those Trustees who are not “interested persons” of the Fund, as defined in the Investment Company Act of 1940 (the “Independent Trustees”), reviewed and unanimously approved the continuation of the investment advisory contract between the Fund and Federated Investment Management Company (the “Adviser”) (the “Contract”) for an additional one-year term. The Board’s determination to approve the continuation of the Contract reflects the exercise of its business judgment after considering all of the information and factors believed to be relevant and appropriate on whether to approve the continuation of the existing arrangement. The information, factors and conclusions that formed the basis for the Board’s approval are summarized below.

Information Received and Review Process

At the request of the Independent Trustees, the Fund’s Chief Compliance Officer (the “CCO”) furnished to the Board in advance of its May Meetings an independent written evaluation of the Fund’s management fee (the “CCO Fee Evaluation Report”). The Board considered the CCO Fee Evaluation Report, along with other information, in evaluating the reasonableness of the Fund’s management fee and in determining to approve the continuation of the Contract. The CCO, in preparing the CCO Fee Evaluation Report, has the authority to retain consultants, experts or staff as reasonably necessary to assist in the performance of his duties, reports directly to the Board, and can be terminated only with the approval of a majority of the Independent Trustees. At the request of the Independent Trustees, the CCO Fee Evaluation Report followed the same general approach and covered the same topics as that of the report that had previously been delivered by the CCO in his capacity as “Senior Officer” prior to the elimination of the Senior Officer position in December 2017.

In addition to the extensive materials that comprise and accompany the CCO Fee Evaluation Report, the Board considered information specifically prepared in connection with the approval of the continuation of the Contract that was presented at the May Meetings. In this regard, in the months preceding the May Meetings, the Board requested and reviewed written responses and supporting materials prepared by the Adviser and its affiliates (collectively, “Federated Hermes”) in response to requests posed to Federated Hermes by independent legal counsel on behalf of the Independent Trustees encompassing a wide variety of topics, including those summarized below. The Board also considered such additional matters as the Independent Trustees deemed

reasonably necessary to evaluate the Contract, which included detailed information about the Fund and Federated Hermes furnished to the Board at its meetings throughout the year and in between regularly scheduled meetings on particular matters as the need arose.

The Board's consideration of the Contract included review of materials and information covering the following matters, among others: the nature, quality and extent of the advisory and other services provided to the Fund by Federated Hermes; Federated Hermes' business and operations; the Adviser's investment philosophy, personnel and processes; the Fund's investment objectives and strategies; the Fund's short-term and long-term performance (in absolute terms, both on a gross basis and net of expenses, and relative to the Fund's particular investment program and a group of its peer funds and/or its benchmark, as appropriate); the Fund's fees and expenses, including the advisory fee and the overall expense structure of the Fund (both in absolute terms and relative to a group of its peer funds), with due regard for contractual or voluntary expense limitations (if any); the financial condition of Federated Hermes; the Adviser's profitability with respect to managing the Fund; distribution and sales activity for the Fund; and the use and allocation of brokerage commissions derived from trading the Fund's portfolio securities (if any).

The Board also considered judicial decisions concerning allegedly excessive investment advisory fees charged to other registered funds in evaluating the Contract. Using these judicial decisions as a guide, the Board observed that the following factors may be relevant to an adviser's fiduciary duty with respect to its receipt of compensation from a fund: (1) the nature and quality of the services provided by the adviser to the fund and its shareholders, including the performance of the fund, its benchmark and comparable funds; (2) the adviser's cost of providing the services and the profitability to the adviser of providing advisory services to the fund; (3) the extent to which the adviser may realize "economies of scale" as the fund grows larger and, if such economies of scale exist, whether they have been appropriately shared with the fund and its shareholders or the family of funds; (4) any "fall-out" benefits that accrue to the adviser because of its relationship with the fund, including research services received from brokers that execute fund trades and any fees paid to affiliates of the adviser for services rendered to the fund; (5) comparative fee and expense structures, including a comparison of management fees paid to the adviser with those paid by similar funds managed by the same adviser or other advisers as well as management fees charged to institutional and other advisory clients of the same adviser for what might be viewed as like services; and (6) the extent of care, conscientiousness and independence with which the fund's board members perform their duties and their expertise, including whether they are fully informed about all facts the board deems relevant to its consideration of the adviser's services and fees. The Board noted that the Securities and Exchange Commission ("SEC") disclosure requirements

regarding the basis for a fund board's approval of the fund's investment advisory contract generally align with the factors listed above. The Board was guided by these factors in its evaluation of the Contract to the extent it considered them to be appropriate and relevant, as discussed further below. The Board considered and weighed these factors in light of its substantial accumulated experience in governing the Fund and working with Federated Hermes on matters relating to the oversight of the other funds advised by Federated Hermes (each, a "Federated Hermes Fund" and, collectively, the "Federated Hermes Funds").

In addition, the Board considered the preferences and expectations of Fund shareholders and the potential disruptions of the Fund's operations and various risks, uncertainties and other effects that could occur as a result of a decision to terminate or not renew the Contract. In particular, the Board recognized that many shareholders likely have invested in the Fund based on the strength of Federated Hermes' industry standing and reputation and with the expectation that Federated Hermes will have a continuing role in providing advisory services to the Fund. Thus, the Board observed that there are a range of investment options available to the Fund's shareholders and such shareholders in the marketplace, having had the opportunity to consider other investment options, have effectively selected Federated Hermes by virtue of investing in the Fund.

In determining to approve the continuation of the Contract, the members of the Board reviewed and evaluated information and factors they believed to be relevant and appropriate through the exercise of their reasonable business judgment. While individual members of the Board may have weighed certain factors differently, the Board's determination to approve the continuation of the Contract was based on a comprehensive consideration of all information provided to the Board throughout the year and specifically with respect to the continuation of the Contract. The Board recognized that its evaluation process is evolutionary and that the factors considered and emphasis placed on relevant factors may change in recognition of changing circumstances in the registered fund marketplace. The Independent Trustees were assisted throughout the evaluation process by independent legal counsel. In connection with their deliberations at the May Meetings, the Independent Trustees met separately in executive session with their independent legal counsel and without management present to review the relevant materials and consider their responsibilities under applicable laws. In addition, senior management representatives of Federated Hermes also met with the Independent Trustees and their independent legal counsel to discuss the materials and presentations furnished to the Board at the May Meetings. The Board considered the approval of the Contract for the Fund as part of its consideration of agreements for funds across the family of Federated Hermes Funds, but its approvals were made on a fund-by-fund basis.

Nature, Extent and Quality of Services

The Board considered the nature, extent and quality of the services provided to the Fund by the Adviser and the resources of Federated Hermes dedicated to the Fund. In this regard, the Board evaluated, among other things, the terms of the Contract and the range of services provided to the Fund by Federated Hermes. The Board considered the Adviser's personnel, investment philosophy and process, investment research capabilities and resources, trade operations capabilities, experience and performance track record. The Board reviewed the qualifications, backgrounds and responsibilities of the portfolio management team primarily responsible for the day-to-day management of the Fund and Federated Hermes' ability and experience in attracting and retaining qualified personnel to service the Fund. The Board considered the trading operations by the Advisers, including the execution of portfolio transactions and the selection of brokers for those transactions. The Board also considered the Adviser's ability to deliver competitive investment performance for the Fund when compared to the Fund's Performance Peer Group (as defined below), which was deemed by the Board to be a useful indicator of how the Adviser is executing the Fund's investment program.

In addition, the Board considered the financial resources and overall reputation of Federated Hermes and its willingness to consider and make investments in personnel, infrastructure, technology, cybersecurity, business continuity planning and operational enhancements that are designed to benefit the Federated Hermes Funds. The Board noted that the significant acquisition of Hermes Fund Managers Limited by Federated Hermes has deepened Federated Hermes' investment management expertise and capabilities and its access to analytical resources related to environmental, social and governance ("ESG") factors and issuer engagement on ESG matters. The Board considered Federated Hermes' oversight of the securities lending program for the Federated Hermes Funds that engage in securities lending and noted the income earned by the Federated Hermes Funds that participate in such program. In addition, the Board considered the quality of Federated Hermes' communications with the Board and responsiveness to Board inquiries and requests made from time to time with respect to the Federated Hermes Funds. The Board also considered that Federated Hermes is responsible for providing the Federated Hermes Funds' officers.

The Board received and evaluated information regarding Federated Hermes' regulatory and compliance environment. The Board considered Federated Hermes' compliance program and compliance history and reports from the CCO about Federated Hermes' compliance with applicable laws and regulations, including responses to regulatory developments and any compliance or other issues raised by regulatory agencies. The Board also noted Federated Hermes' support of the Federated Hermes Funds' compliance control structure and the compliance-related resources devoted by Federated Hermes in support of the Fund's obligations pursuant to Rule 38a-1 under the

Investment Company Act of 1940, including Federated Hermes' commitment to respond to rulemaking and other regulatory initiatives of the SEC. The Board considered Federated Hermes' approach to internal audits and risk management with respect to the Federated Hermes Funds and its day-to-day oversight of the Federated Hermes Funds' compliance with their investment objectives and policies as well as with applicable laws and regulations, noting that regulatory and other developments had over time led, and continue to lead, to an increase in the scope of Federated Hermes' oversight in this regard, including in connection with the implementation of new rules on derivatives risk management and fair valuation.

The Board also considered the implementation of Federated Hermes' business continuity plans. In addition, the Board noted Federated Hermes' commitment to maintaining high quality systems and expending substantial resources to prepare for and respond to ongoing changes due to the market, regulatory and control environments in which the Fund and its service providers operate.

The Board considered Federated Hermes' efforts to provide shareholders in the Federated Hermes Funds with a comprehensive array of funds with different investment objectives, policies and strategies. The Board considered the expenses that Federated Hermes had incurred, as well as the entrepreneurial and other risks assumed by Federated Hermes, in sponsoring and providing ongoing services to new funds to expand these opportunities for shareholders. The Board noted the benefits to shareholders of being part of the family of Federated Hermes Funds, which include the general right to exchange investments between the same class of shares without the incurrence of additional sales charges.

Based on these considerations, the Board concluded that it was satisfied with the nature, extent and quality of the services provided by the Adviser to the Fund.

Fund Investment Performance

The Board considered the investment performance of the Fund. In evaluating the Fund's investment performance, the Board considered performance results in light of the Fund's investment objective, strategies and risks. The Board considered detailed investment reports on, and the Adviser's analysis of, the Fund's performance over different time periods that were provided to the Board throughout the year and in connection with the May Meetings. These reports included, among other items, information on the Fund's gross and net returns, the Fund's investment performance compared to one or more relevant categories or groups of peer funds and the Fund's benchmark index, performance attribution information and commentary on the effect of market conditions. The Board considered that, in its evaluation of investment performance at meetings throughout the year, it focused particular attention on information indicating less favorable performance of certain

Federated Hermes Funds for specific time periods and discussed with Federated Hermes the reasons for such performance as well as any specific actions Federated Hermes had taken, or had agreed to take, to seek to enhance Fund investment performance and the results of those actions.

The Board also reviewed comparative information regarding the performance of other registered funds in the category of peer funds selected by Morningstar, Inc. (the “Morningstar”), an independent fund ranking organization (the “Performance Peer Group”). The Board noted the CCO’s view that comparisons to fund peer groups may be helpful, though not conclusive, in evaluating the performance of the Adviser in managing the Fund. The Board considered in the CCO’s view that, in evaluating such comparisons, in some cases there may be differences in the funds’ objectives or investment management techniques, or the costs to implement the funds, even within the same Performance Peer Group.

For the periods ended December 31, 2022, the Fund’s performance fell below the Performance Peer Group median for the five-year period, and was above the Performance Peer Group median for the one-year and three-year periods. The Board discussed the Fund’s performance with the Adviser and recognized the efforts being taken by the Adviser in the context of other factors considered relevant by the Board.

Based on these considerations, the Board concluded that it had continued confidence in the Adviser’s overall capabilities to manage the Fund.

Fund Expenses

The Board considered the advisory fee and overall expense structure of the Fund and the comparative fee and expense information that had been provided in connection with the May Meetings. In this regard, the Board was presented with, and considered, information regarding the contractual advisory fee rates, net advisory fee rates, total expense ratios and each element of the Fund’s total expense ratio (i.e., gross and net advisory fees, administrative fees, custody fees, portfolio accounting fees and transfer agency fees) relative to an appropriate group of peer funds compiled by Federated Hermes from the category of peer funds selected by Morningstar (the “Expense Peer Group”). The Board received a description of the methodology used to select the Expense Peer Group from the overall Morningstar category. The Board also reviewed comparative information regarding the fees and expenses of the broader group of funds in the overall Morningstar category.

While mindful that courts have cautioned against giving too much weight to comparative information concerning fees charged to funds by other advisers, the use of comparisons between the Fund and its Expense Peer Group assisted the Board in its evaluation of the Fund’s fees and expenses. The Board focused on comparisons with other registered funds with comparable investment programs more heavily than non-registered fund products or services because such comparisons are believed to be more relevant. The Board considered that

other registered funds are the products most like the Fund, in that they are readily available to Fund shareholders as alternative investment vehicles, and they are the type of investment vehicle, in fact, chosen and maintained by the Fund's shareholders. The Board noted that the range of such other registered funds' fees and expenses, therefore, appears to be a relevant indicator of what investors have found to be reasonable in the marketplace in which the Fund competes.

The Board reviewed the contractual advisory fee rate, net advisory fee rate and other expenses of the Fund and noted the position of the Fund's fee rates relative to its Expense Peer Group. In this regard, the Board noted that the contractual advisory fee rate was above the median of the Expense Peer Group, but the Board noted the applicable waivers and reimbursements, and that the overall expense structure of the Fund remained competitive in the context of other factors considered by the Board. In 2022, the Board approved a reduction of 5 basis points in the contractual advisory fee.

The Board also received and considered information about the nature and extent of services offered and fees charged by Federated Hermes to other types of clients with investment strategies similar to those of the Federated Hermes Funds, including non-registered fund clients (such as institutional separate accounts) and third-party unaffiliated registered funds for which the Adviser or its affiliates serve as sub-adviser. The Board noted the CCO's conclusion that non-registered fund clients are inherently different products due to the following differences, among others: (i) different types of targeted investors; (ii) different applicable laws and regulations; (iii) different legal structures; (iv) different average account sizes and portfolio management techniques made necessary by different cash flows and different associated costs; (v) the time spent by portfolio managers and their teams (among other personnel across various departments, including legal, compliance and risk management) in reviewing securities pricing and fund liquidity; (vi) different administrative responsibilities; (vii) different degrees of risk associated with management; and (viii) a variety of different costs. The Board also considered information regarding the differences in the nature of the services required for Federated Hermes to manage its proprietary registered fund business versus managing a discrete pool of assets as a sub-adviser to another institution's registered fund, noting the CCO's view that Federated Hermes generally performs significant additional services and assumes substantially greater risks in managing the Fund and other Federated Hermes Funds than in its role as sub-adviser to an unaffiliated third-party registered fund. The Board noted that the CCO did not consider the fees for providing advisory services to other types of clients to be determinative in judging the appropriateness of the Federated Hermes Funds' advisory fees.

Based on these considerations, the Board concluded that the fees and total operating expenses of the Fund, in conjunction with other matters considered, are reasonable in light of the services provided.

Profitability

The Board received and considered profitability information furnished by Federated Hermes, as requested by the CCO. Such profitability information included revenues reported on a fund-by-fund basis and estimates of the allocation of expenses made on a fund-by-fund basis, using allocation methodologies specified by the CCO and described to the Board. The Board considered the CCO's view that, while these cost allocation reports apply consistent allocation processes, the inherent difficulties in allocating costs on a fund-by-fund basis continues to cause the CCO to question the precision of the process and to conclude that such reports may be unreliable because a single change in an allocation estimate may dramatically alter the resulting estimate of cost and/or profitability of a Federated Hermes Fund and may produce unintended consequences. In addition, the Board considered the CCO's view that the allocation methodologies used by Federated Hermes in estimating profitability for purposes of reporting to the Board in connection with the continuation of the Contract are consistent with the methodologies previously reviewed by an independent consultant. The Board noted that the independent consultant had previously conducted a review of the allocation methodologies and reported to the Board that, although there is no single best method to allocate expenses, the methodologies used by Federated Hermes are reasonable. The Board considered the CCO's view that the estimated profitability to the Adviser from its relationship with the Fund was not unreasonable in relation to the services provided.

The Board also reviewed information compiled by Federated Hermes comparing its profitability information to other publicly held fund management companies, including information regarding profitability trends over time. The Board recognized that profitability comparisons among fund management companies are difficult because of the variation in the type of comparative information that is publicly available, and the profitability of any fund management company is affected by numerous factors. The Board considered the CCO's conclusion that, based on such profitability information, Federated Hermes' profit margins did not appear to be excessive. The Board also considered the CCO's view that Federated Hermes appeared financially sound, with the resources necessary to fulfill its obligations under its contracts with the Federated Hermes Funds.

Economies of Scale

The Board received and considered information about the notion of possible realization of "economies of scale" as a fund grows larger, the difficulties of determining economies of scale at an individual fund level, and the extent to which potential scale benefits are shared with shareholders. In this regard, the Board considered that Federated Hermes has made significant and long-term investments in areas that support all of the Federated Hermes Funds, such as: portfolio management, investment research and trading operations; shareholder services; compliance; business continuity, cybersecurity and information

security programs; internal audit and risk management functions; and technology and use of data. The Board noted that Federated Hermes' investments in these areas are extensive and are designed to provide enhanced services to the Federated Hermes Funds and their shareholders. The Board considered that the benefits of these investments are likely to be shared with the family of Federated Hermes Funds as a whole. In addition, the Board considered that fee waivers and expense reimbursements are another means for potential economies of scale to be shared with shareholders and can provide protection from an increase in expenses if a Federated Hermes Fund's assets decline. The Board considered that, in order for the Federated Hermes Funds to remain competitive in the marketplace, Federated Hermes has frequently waived fees and/or reimbursed expenses for the Federated Hermes Funds and has disclosed to shareholders and/or reported to the Board its intention to do so (or continue to do so) in the future. The Board also considered that Federated Hermes has been active in managing expenses of the Federated Hermes Funds in recent years, which has resulted in benefits being realized by shareholders.

The Board also received and considered information on adviser-paid fees (commonly referred to as "revenue sharing" payments) that was provided to the Board throughout the year and in connection with the May Meetings. The Board considered that Federated Hermes and the CCO believe that this information is relevant to considering whether Federated Hermes had an incentive to either not apply breakpoints, or to apply breakpoints at higher levels, but should not be considered when evaluating the reasonableness of advisory fees. The Board also noted the absence of any applicable regulatory or industry guidelines economies of scale, which is compounded by the lack of any uniform methodology or pattern with respect to structuring fund advisory fees with breakpoints that serve to reduce the fees as a fund attains a certain size.

Other Benefits

The Board considered information regarding the compensation and other ancillary (or "fall-out") benefits that Federated Hermes derived from its relationships with the Federated Hermes Funds. The Board noted that, in addition to receiving advisory fees under the Federated Hermes Funds' investment advisory contracts, Federated Hermes' affiliates also receive fees for providing other services to the Federated Hermes Funds under separate service contracts including for serving as the Federated Hermes Funds' administrator and distributor. In this regard, the Board considered that certain of Federated Hermes' affiliates provide distribution and shareholder services to the Federated Hermes Funds, for which they may be compensated through distribution and servicing fees paid pursuant to Rule 12b-1 plans or otherwise. The Board also received and considered information detailing the benefits, if any, that Federated Hermes may derive from its receipt of research services from brokers who execute portfolio trades for the Federated Hermes Funds.

Conclusions

The Board considered: (i) the CCO's conclusion that his observations and the information accompanying the CCO Fee Evaluation Report show that the management fee for the Fund is reasonable; and (ii) the CCO's recommendation that the Board approve the management fee. The Board noted that, under these circumstances, no changes were recommended to, and no objection was raised to the continuation of, the Contract by the CCO. The CCO also recognized that the Board's evaluation of the Federated Hermes Funds' advisory and sub-advisory arrangements is a continuing and ongoing process that is informed by the information that the Board requests and receives from management throughout the course of the year and, in this regard, the CCO noted certain items for future reporting to the Board or further consideration by management as the Board continues its ongoing oversight of the Federated Hermes Funds.

On the basis of the information and factors summarized above, among other information and factors deemed relevant by the Board, and the evaluation thereof, the Board, including the Independent Trustees, unanimously voted to approve the continuation of the Contract. The Board based its determination to approve the Contract on the totality of the circumstances and relevant factors and with a view of past and future long-term considerations. Not all of the factors and considerations identified above were necessarily deemed to be relevant to the Fund, nor did the Board consider any one of them to be determinative.

Liquidity Risk Management Program – Annual Evaluation of Adequacy and Effectiveness

In accordance with Rule 22e-4 under the Investment Company Act of 1940, as amended (the “Liquidity Rule”), Federated Hermes Institutional Trust (the “Trust”) has adopted and implemented a liquidity risk management program (the “Program”) for Federated Hermes Government Ultrashort Fund (the “Fund” and, collectively with the other non-money market open-end funds advised by Federated Hermes, the “Federated Hermes Funds”). The Program seeks to assess and manage the Fund’s liquidity risk. “Liquidity risk” is defined under the Liquidity Rule as the risk that the Fund is unable to meet redemption requests without significantly diluting remaining investors’ interests in the Fund. The Board of Trustees of the “Trust” (the “Board”) has approved the designation of each Federated Hermes Fund’s investment adviser as the administrator for the Program (the “Administrator”) with respect to that Fund. The Administrator, in turn, has delegated day-to-day responsibility for the administration of the Program to multiple Liquidity Risk Management Committees, which are comprised of representatives from certain divisions within Federated Hermes.

The Program is comprised of various components designed to support the assessment and/or management of liquidity risk, including: (1) the periodic assessment (no less frequently than annually) of certain factors that influence the Fund’s liquidity risk; (2) the periodic classification (no less frequently than monthly) of the Fund’s investments into one of four liquidity categories that reflect an estimate of their liquidity under current market conditions; (3) a 15% limit on the acquisition of “illiquid investments” (as defined under the Liquidity Rule); (4) to the extent a Fund does not invest primarily in “highly liquid investments” (as defined under the Liquidity Rule), the determination of a minimum percentage of the Fund’s assets that generally will be invested in highly liquid investments (an “HLIM”); (5) if a Fund has established an HLIM, the periodic review (no less frequently than annually) of the HLIM and the adoption of policies and procedures for responding to a shortfall of the Fund’s highly liquid investments below its HLIM; and (6) periodic reporting to the Board.

At its meetings in May 2023, the Board received and reviewed a written report (the “Report”) from the Federated Hermes Funds’ Chief Compliance Officer and Chief Risk Officer, on behalf of the Administrator, concerning the operation of the Program for the period from April 1, 2022 through March 31, 2023 (the “Period”). The Report addressed the operation of the Program and assessed the adequacy and effectiveness of its implementation, including, where applicable, the operation of any HLIM established for a Federated Hermes Fund. There were no material changes to the Program during the Period. The Report summarized the operation of the Program and

the information and factors considered by the Administrator in assessing whether the Program has been adequately and effectively implemented with respect to the Federated Hermes Funds. Such information and factors included, among other things:

- confirmation that it was not necessary for the Fund to utilize, and the Fund did not utilize, any alternative funding sources that were available to the Federated Hermes Funds during the Period, such as the Federated Hermes Funds' interfund lending facility, redemptions in-kind, reverse repurchase agreement transactions, redemptions delayed beyond the normal T+1 settlement but within seven days of the redemption request, and committed lines of credit;
- the periodic classifications of the Fund's investments into one of four liquidity categories and the methodologies and inputs used to classify the investments, including the Fund's reasonably anticipated trade size;
- the analysis received from a third-party liquidity assessment vendor that is taken into account in the process of determining the liquidity classifications of the Fund's investments, and the results of the Administrator's evaluation of the services performed by the vendor in support of this process, including the Administrator's view that the methodologies utilized by the vendor continue to be appropriate;
- the fact that the Fund invested primarily in highly liquid investments during the Period and, therefore, was not required to establish, and has not established, an HLIM and the operation of the procedures for monitoring the status of the Fund as investing primarily in highly liquid investments;
- the fact that the Fund invested no more than 15% of its assets in illiquid investments during the Period, and the operation of the procedures for monitoring this limit;
- the fact that there were no liquidity events during the Period that materially affected the Fund's liquidity risk;
- the impact on liquidity and management of liquidity risk, if any, caused by extended non-U.S. market closures and confirmation that there were no issues for any of the affected Federated Hermes Funds in meeting shareholder redemptions at any time during these temporary non-U.S. market closures.

Based on this review, the Administrator concluded that the Program is operating effectively to assess and manage the Fund's liquidity risk, and that the Program has been and continues to be adequately and effectively implemented to monitor and, as applicable, respond to the Fund's liquidity developments.

Voting Proxies on Fund Portfolio Securities

A description of the policies and procedures that the Fund uses to determine how to vote proxies, if any, relating to securities held in the Fund's portfolio is available, without charge and upon request, by calling 1-800-341-7400, Option #4. A report on "Form N-PX" of how the Fund voted any such proxies during the most recent 12-month period ended June 30 is available via the Proxy Voting Record (Form N-PX) link associated with the Fund and share class name at FederatedHermes.com/us/FundInformation. Form N-PX filings are also available at the SEC's website at sec.gov.

Quarterly Portfolio Schedule

Each fiscal quarter, the Fund will file with the SEC a complete schedule of its monthly portfolio holdings on "Form N-PORT." The Fund's holdings as of the end of the third month of every fiscal quarter, as reported on Form N-PORT, will be publicly available on the SEC's website at sec.gov within 60 days of the end of the fiscal quarter upon filing. You may also access this information via the link to the Fund and share class name at FederatedHermes.com/us.

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Mutual funds are not bank deposits or obligations, are not guaranteed by any bank and are not insured or guaranteed by the U.S. government, the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency. Investment in mutual funds involves investment risk, including the possible loss of principal.

This Report is authorized for distribution to prospective investors only when preceded or accompanied by the Fund's Prospectus, which contains facts concerning its objective and policies, management fees, expenses and other information.

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A faster way to receive documents.

If you purchased shares through a financial intermediary (bank or broker-dealer), please contact your representative to set up e-delivery. Otherwise, contact the Fund at 1-800-341-7400, Option #4.



Federated Hermes Government Ultrashort Fund
Federated Hermes Funds
4000 Ericsson Drive
Warrendale, PA 15086-7561

Contact us at [FederatedHermes.com/us](https://www.federatedhermes.com/us)
or call 1-800-341-7400.

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CUSIP 31420B706
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