

Federated Hermes Tax-Free Obligations Fund

Wealth Shares

Nasdaq symbol: TBIXX | Cusip number: 60934N401 | Newspaper listing: FedTaxFrObl WS

3/31/22

Product highlights

- Pursues current income exempt from federal regular income tax, consistent with stability of principal.
- Invests in short-term, high-quality, tax-exempt securities.
- Holds Aaa-mf and AAAmmf ratings from Moody's and Fitch, respectively.
- Intensive credit review integrating ESG factors in a non-exclusionary way.
- Fund income is exempt from federal alternative minimum tax (AMT).
- Offers tax-sensitive investors the potential for attractive taxable-equivalent yields compared to taxable money market funds.

Key investment team

Mary Jo Ochson, CFA
Kyle Stewart, CFA

Credit ratings

AAAmmf Fitch

Aaa-mf Moody's

Portfolio assets

\$2.4 billion

Credit/obligor exposure

Mizuho Bank Ltd.

Assured Guaranty Municipal Corp.

Alabama Power Co.

Nuveen AMT-Free Municipal Credit Income Fund

Barclays Bank plc

Royal Bank of Canada

Nuveen Enhanced AMT-Free Quality Municipal Income Fund

JPMorgan Chase Bank, N.A.

Nuveen Enhanced AMT-Free Municipal Credit Opportunities Fund

TotalEnergies SE

Total % of Portfolio: 48.72%

Share class statistics

Inception date

12/12/89

Federated Hermes fund number

15

Cut-off times

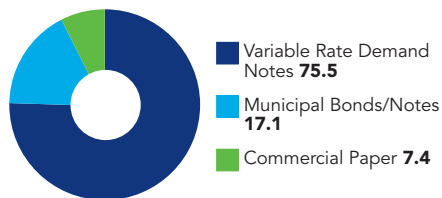
3:00 p.m. ET — purchases

12:00 p.m. ET — redemptions

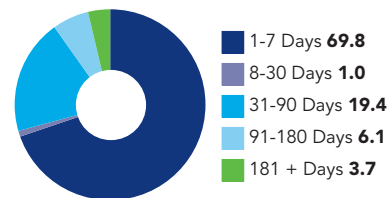
Dividends

Declared daily/paid monthly

Portfolio composition (%)



Effective maturity schedule (%)



Weighted average maturity

30 Days

Weighted average life

30 Days

Fund performance

Net yield (%)		Total return (%)												
7-day	0.29	1-year												
Annualized yields (%)		Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
7-day		0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.04	0.29	

Performance quoted represents past performance, which is no guarantee of future results. Investment return will vary. An investor's shares, when redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than what is stated. To view performance current to the most recent month-end, contact us or visit FederatedInvestors.com.

Although not contractually obligated to do so, the advisor and/or certain fund service providers waived all or a portion of their fees or reimbursed the fund for certain operating expenses. These voluntary waivers and reimbursements may be modified or terminated at any time; accordingly, the fund's expenses may vary (i.e., increase or decrease) during the fund's fiscal year. These waivers increase income to the fund and result in a higher return to investors.

Otherwise, the 7-day yield would have been 0.21% and total return would have been lower.

Total return represents the change in value of an investment after reinvesting all income and capital gains. Yield quotations more closely reflect the current earnings of the fund than the total return quotation.

In response to unusual circumstances, such as adverse market, economic or other conditions (for example, to help avoid potential losses or during periods when there is a shortage of appropriate tax-exempt securities), the fund may temporarily depart from its principal investment strategies by holding cash or investing its assets in taxable securities (including, for example, securities subject to the AMT) which may cause the Fund to distribute taxable income to investors.

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Portfolio manager commentary

The U.S. Federal Reserve signaled a future path of more aggressive policy to rein in inflation in a quarter marked by resurgent Covid-19 cases and marred by Russia's destructive invasion of Ukraine.

The highly contagious omicron variant of Covid-19 swept across the U.S. in January and February before receding in March. The wave weighed on already stressed supply chains, driving annualized inflation to multi-decade highs. The Consumer Price Index reached 7.5% in January and 7.9% in February, and the Personal Consumption Expenditures Index rose 6% in January and 6.4% in Feb. Stoked by a hot labor market, rising wages also contributed to the inflationary environment. The Russian invasion exacerbated the situation, as the price of crude oil and other commodities surged. Retail sales were robust in January, but consumer activity in general slowed as inflation grew.

After initially targeting inflation by ending its asset purchase program, the Fed began to normalize rates. In the March Federal Open Market Committee meeting, policymakers announced a 25 basis-point hike of the fed funds target range, shifting it from 0.0-0.25% to 0.25-0.50%, with a concomitant lifting of the Reverse Repo (RRP) level

to 0.30%. Their projections for the path of rate action jumped from earlier predictions to indicate that 2022 might see as many as six more quarter-percentage-point hikes, though the futures market anticipated larger increases. This combination and a flight-to-quality due to the Ukrainian war caused the front end of the U.S. Treasury yield curve to sharply steepen. Fed Chair Jerome Powell expressed confidence that labor market conditions could withstand the reduction in policy accommodation and that progress had been made on the discussion of reducing the balance sheet. The SIFMA Municipal Swap Index yield rose ahead of, with and after the Fed's hike in March, ending at 0.51% for an increase of 41 basis points over the quarter.

At the end of the quarter, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 0.12%, 0.51%, 1% and 1.57%, respectively; the 1-, 3-, 6- and 12-month Bloomberg Short-Term Bank Yield Index rates (BSBY) were 0.39%, 0.89%, 1.37% and 1.97%, respectively; the 1-, 3-, 6- and 12-month London interbank offered rates were 0.44%, 0.96%, 1.49% and 2.17%, respectively; and the SIFMA Municipal Swap Index yield was 0.51%.

You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

Performance shown is for Wealth Shares. The fund offers additional share classes whose performance will vary due to differences in charges and expenses. Please consult your financial institution regarding your eligibility to purchase these classes.

A word about risk

ESG factors may be considered in the investment analysis process in a manner that is complementary to and enhances the fundamental research and analysis process. Certain ESG factors may help identify business and operational risks or opportunities and add a contextual dimension to the overall evaluation of a security. Like any aspect of investment analysis, there is no guarantee that an investment strategy that considers ESG factors will result in performance better than or equal to products that do not consider such factors.

The fund's investment advisor (the "Advisor") normally will invest assets entirely in securities whose interest is not subject to (or not a specific preference item for purposes of) the federal alternative minimum tax for individuals (AMT), such that, normally, distributions of annual interest income also are exempt from the AMT. However, in certain circumstances to pursue the fund's investment objective, the Advisor may invest the fund's assets in securities that may be subject to AMT. In such circumstances, interest from the fund's investments may be subject to the AMT.

Income may be subject to state and local taxes.

Current and future portfolio holdings are subject to risk.

Definitions

At Federated Hermes, integrating ESG factors means including relevant and financially material environmental, social and governance information in the analysis of a security/issuer. ESG factors are used as qualitative insights with the goal of improving portfolio risk/reward characteristics and prospects for long-term outperformance. ESG investing does not automatically exclude issuers or sectors, but rather attempts to mitigate risks by identifying companies exhibiting positive (or negative) ESG policies and behaviors.

Net yields are based on the average daily income dividend and average net asset value for the 7 days ended on the date of calculation. The 7-day net annualized yield is based on the average net income per share for the 7 days ended on the date of calculation and the offering price on that date.

The fund is a managed portfolio and its holdings are subject to change.

The holdings percentages are based on net assets at the close of business on 3/31/22 and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes.

Weighted average maturity is the mean average of the periods of time remaining until the securities held in the fund's portfolio (a) are scheduled to be repaid, (b) would be repaid upon a demand by the fund or (c) are scheduled to have their interest rate readjusted to reflect current market rates. Securities with adjustable rates payable upon demand are treated as maturing on the earlier of the two dates if their scheduled maturity is 397 days or less, and the later of the two dates if their scheduled maturity is more than 397 days. The mean is weighted based on the percentage of the amortized cost of the portfolio invested in each period.

Weighted average life is calculated in the same manner as the Weighted average maturity (WAM), but is based solely on the periods of time remaining until the securities held in the fund's portfolio (a) are scheduled to be repaid or (b) would be repaid upon a demand by the fund without reference to when interest rates of securities within the fund are scheduled to be readjusted.

Variable rate demand notes are tax-exempt securities that require the issuer or a third party, such as a dealer or bank, to repurchase the security for its face value upon demand. The securities also pay interest at a variable rate intended to cause the securities to trade at their face value.

Ratings and rating agencies

Ratings are based on an evaluation of several factors, including credit quality, diversification and maturity of assets in the portfolio, as well as management strength and operational capabilities. Fitch's money market fund ratings are an assessment of a money market fund's capacity to preserve principal and provide liquidity through limiting credit, market and liquidity risk. Money market funds rated Aaa-mf by Moody's are judged to be of an investment quality similar to Aaa-rated fixed income obligations, that is, they are judged to be of the best quality. For more information on credit ratings, visit moody's.com and fitchratings.com.

Ratings are subject to change and do not remove market risk.

Credit ratings do not provide assurance against default or other loss of money and can change.