

Federated Hermes Government Obligations Tax-Managed Fund

Service Shares

Nasdaq symbol: GTSXX | Cusip number: 60934N849 | Newspaper listing: GovTxMgSS

6/30/22

Product highlights

- Complies with Rule 2a-7 definition of a government money market fund.
- Not subject to liquidity fees or redemption gates.
- Pursues current income consistent with stability of principal and liquidity.
- Invests primarily in short-term U.S. Treasury and government agency securities that pay interest exempt from state personal income tax.
- Does not invest in repurchase agreements.
- Holds AAAM and Aaa-mf ratings from Standard & Poor's and Moody's, respectively.
- Seeks to place purchase orders with women-, minority-, and veteran-owned broker-dealers, subject to seeking best execution.
- Intensive credit review integrating ESG factors in a non-exclusionary way.
- Income may be exempt from state income taxes, depending on individual state tax laws.

Key investment team

Susan Hill, CFA
John Wyda, CFA

Credit ratings

AAAM Standard & Poor's

Aaa-mf Moody's

Portfolio assets

\$6.7 billion

Share class statistics

Inception date

5/30/95

Federated Hermes fund number

637

Cut-off times

2:00 p.m. ET — purchases

2:00 p.m. ET — redemptions

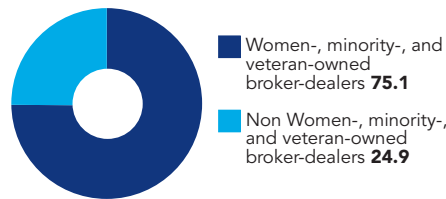
Dividends

Declared daily/paid monthly

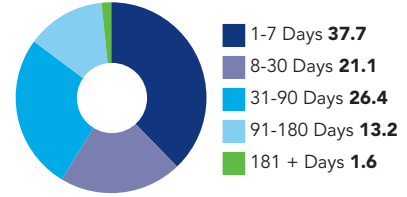
Portfolio composition (%)



Purchase transactions by volume YTD (%)



Effective maturity schedule (%)



2a-7 liquidity

Daily 48.72%

Weekly 70.72%

Weighted average maturity

40 Days

Weighted average life

91 Days

Fund performance

| Net yield (%) | | Total return (%) | | | | | | | | | | | |
|-----------------------|------|------------------|------|------|------|------|------|------|------|------|------|------|------|
| 7-day | 0.76 | 1-year | 0.07 | | | | | | | | | | |
| Annualized yields (%) | | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June |
| 7-day | | 0.01 | 0.02 | 0.02 | 0.02 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.31 | 0.76 |

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 0.67% 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.

Rule 2a-7 requires that money market funds maintain at least 10% daily liquidity assets and at least 30% weekly liquidity assets. Both requirements are 'point of purchase' requirements. Thus, it is possible that money market funds may, at any given time, have liquidity percentages reflecting less than the 10% and 30% thresholds. In such circumstances, the portfolio manager will be required to purchase securities to meet the requisite liquidity thresholds prior to purchasing longer-dated securities. Additionally, the SEC requirements for what may be defined as 'daily' and 'weekly' differs from the standard maturities used in calculating the 'Effective Maturity Schedule.' Therefore, the percentages in the 2a-7 Liquidity table will generally not equal the amounts shown in the 'Effective Maturity Schedule.'

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Portfolio manager commentary

The second quarter of 2022 confirmed that the U.S. Federal Reserve has made reducing inflation its top priority. After a modest 25 basis-point liftoff of the fed funds target range from the zero bound to 0.25-0.50% in March, the Federal Open Market Committee raised rates by 50 basis points in May and 75 basis points in June. These moves took the target range to 1.5-1.75%. The Treasury yield curve rose, but its front end remained depressed due to high demand partly stemming from a flight-to-quality instigated by the Russian invasion of Ukraine, which worsened during the quarter. The Fed also began to allow a set amount of U.S. Treasuries and mortgage-backed securities to roll off its balance sheet rather than reinvest the proceeds.

Despite the Fed's aggressive tightening, inflation continued to rise over the reporting period. Inflation expectations continued to grow, as well, adding urgency to the Fed's approach, though exogenous issues such as soaring energy prices, stubborn supply-chain snarls and China's Covid-related lockdown hindered its plans. The quarter ended with the risk of a recession growing as a result of the Fed's campaign against inflation and nascent signs of economic slowdown.

At the end of the quarter, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 1.03%, 1.67%, 2.49% and 2.80%, respectively; the 1-, 3-, 6- and 12-month Bloomberg Short-Term Bank Yield Index rates (BSBY) were 1.62%, 2.24%, 2.87% and 3.54%, respectively; and the 1-, 3-, 6- and 12-month London interbank offered rates were 1.80%, 2.29%, 2.90% and 3.56%, respectively.

The Fund will generally seek to place purchase orders for portfolio transactions with women-, minority-, and veteran-owned broker-dealers, subject to seeking best execution. This initiative went into effect on October 1, 2020. Increasing use of Diversity & Inclusion (D&I) dealers to purchase securities will help expand and improve opportunities for risk mitigation and ESG progress.

Because the Fund invests only in securities issued by the Treasury and certain U.S. Government Sponsored Enterprises (GSEs), the authorized dealers for the agency securities within the portfolio are those who are part of the selling groups for the Federal Home Loan Bank System and the Federal Farm Credit System debt issuance. Both of these GSEs identify a subset of their respective approved selling group dealers who meet one of the diversity requirements for inclusion. We will seek to expand trading activity with these D&I dealers, subject to best execution.

Seeking to do more volume with these firms may create tangible and intangible benefits for them, to include increased revenue as well as enhanced market visibility. Federated Hermes in turn values the chance to develop meaningful trading partnerships with firms who in many cases bring a different perspective to the short-term markets.

This D&I focus, as well as our engagement with and ESG coverage of GSEs, makes this Fund an attractive option for investors looking to make an impact.

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. 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.

The fund has not elected to be subject to the liquidity fees and gates requirement at this time.

Performance shown is for Service 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.

Income is subject to federal income tax.

Consult your tax advisor regarding the status of your account under state and local tax laws.

Fund shares are not guaranteed by the U.S. government.

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 6/30/22 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.

Repurchase agreements consist of a financial institution selling securities to a fund and agreeing to repurchase them at a mutually agreed upon price and time.

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. A money market fund rated AAAM by Standard & Poor's is granted after evaluating a number of factors, including credit quality, market price, exposure and management. 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 standardandpoors.com and moody.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.