

# Federated Hermes Institutional Money Market Management

## Service Shares

Nasdaq symbol: MMSXX | Cusip number: 608919742 | Newspaper listing: MonMMgtSS

12/31/22

### Product highlights

- Pursues current income consistent with stability of principal.
- Invests primarily in high-quality securities, issued by banks, corporations and the U.S. government.
- Holds AAAm and AAmmf ratings from Standard & Poor's and Fitch, respectively.
- Intensive credit review integrating ESG factors in a non-exclusionary way.
- Offers the potential for higher yield than a money market fund portfolio limited to Treasury or government fixed-income securities.
- Established in 1973, it is one of the oldest money market funds in the industry.

### Key investment team

Mark Weiss, CFA  
Paige Wilhelm

### Credit ratings

**AAAm** Standard & Poor's

**AAmmf** Fitch

### Portfolio assets

\$1.1 billion

### Top ten holdings

Bank of Nova Scotia  
Mizuho Financial Group, Inc.  
Credit Agricole Group  
JPMorgan Chase & Co.  
Citigroup, Inc.  
Bank of America Corp.  
Royal Bank of Canada  
Bank of Montreal  
Federal Home Loan Bank System  
Toronto Dominion Bank

Total % of Portfolio: 37.9%

### Share class statistics

#### Inception date

1/18/05

#### Federated Hermes fund number

219

#### Cut-off times

3:00 p.m. ET — purchases

3:00 p.m. ET — redemptions

#### Strike times

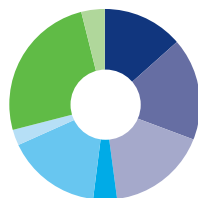
3:00 p.m. ET

#### Dividends

Declared daily/paid monthly

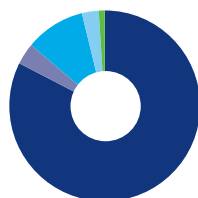
Not FDIC Insured • May Lose Value • No Bank Guarantee

## Portfolio composition (%)



Asset Backed Commercial Paper	13.4	Other Repurchase Agreement	16.3
Certificate of Deposit	17.3	Tender Option Bond	2.7
Financial Company Commercial Paper	17.2	U.S. Government Agency Repurchase Agreement	25.1
Non-Financial Company Commercial Paper	4.1	Variable Rate Demand Note	3.9

## Effective maturity schedule (%)



1-7 Days	82.6
8-30 Days	3.6
31-90 Days	10.0
91-180 Days	2.8
181 + Days	1.0

## 2a-7 liquidity

Daily	29.97%
Weekly	44.75%

## Weighted average maturity

14 Days

## Weighted average life

55 Days

## Fund performance

Net yield (%)													Total return (%)
7-day													4.16
1-year													1.48
Annualized yields (%)	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
7-day	0.01	0.01	0.11	0.11	0.64	1.25	1.61	2.06	2.77	2.86	3.65	4.16	

**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](http://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 3.99% 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.'

Effective July 18, 2014, Federated Prime Management Obligations Fund was reorganized into the fund. As a result of the reorganization, Federated Prime Management Obligations Fund became the accounting survivor, and Money Market Management became the legal entity survivor. Accordingly, the performance information prior to July 18, 2014, is historical information of Federated Prime Management Obligations Fund.

Federated Money Market Management Fund was established in 1974. It is one of the oldest money market funds in the investment industry and remains one of the longest continuously operated money market funds.

# Federated Hermes Institutional Money Market Management

## Service Shares

### Portfolio manager commentary

In the fourth quarter, the Federal Reserve loosened the reins of its galloping monetary policy but did not signal an imminent return trip. Based on still-accelerating inflation in September and October, the Federal Open Market Committee (FOMC) pressed forward with its fourth 75 basis-point hike of the fed funds range at its November meeting. But when prominent measures of inflation softened in November, the FOMC opted to raise the range by 50 basis points to 4.25-4.50% at its mid-December meeting. The markets had responded enthusiastically to the easing of price pressures, predicting the Fed's aggressive campaign was drawing to an end. Chair Jerome Powell pushed back at this notion in his post-meeting press conference, reiterating that the central bank is determined not just to restore price stability but also prevent a rebound similar to what happened in the 1970s, when many economists now think monetary policymakers stopped their anti-inflation campaign too soon.

The Summary of Economic Projections (SEP) released in December indicated that Fed officials agreed that tightening policy was still needed, despite the

smaller magnitude of the hike. No less than 17 of 19 FOMC participants expected the target rate to be in a range of at least 5-5.25% at the end of 2023. Most thought a sharp economic slowdown—if not an outright recession—will be needed to pull inflation down to their preferred 2% level. They predicted that the robust labor market will finally deteriorate in 2023, with the unemployment rate reaching 4.6%. As 2022 came to an end, information about the economy was mixed. Jobless claims edged higher, the housing market remained in a slump and durable goods orders fell. But consumer confidence and retail sales did not roll over. In general, and industry-wide, yields of liquidity products continued to rise with the Fed hikes over the quarter.

At the end of the fourth quarter, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 4%, 4.42%, 4.70% and 4.70%, respectively; the 1-, 3-, 6- and 12-month Bloomberg Short-Term Bank Yield Index rates (BSBY) were 4.36%, 4.62%, 5.01% and 5.43%, respectively; the 1-, 3-, 6- and 12-month London interbank offered rates were 4.39%, 4.77%, 5.14% and 5.48%, respectively.

*You could lose money by investing in this fund. Because the share price of this fund will fluctuate, when you sell your shares, they may be worth more or less than what you originally paid for them. 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 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.

The value of some asset-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 guarantee and/or insurance, there is no assurance that private guarantors or insurers will meet their obligations.

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 12/31/22 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.

**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.

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. 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. 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. For more information on credit ratings, visit [standardandpoors.com](http://standardandpoors.com) and [fitchratings.com](http://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.