

Federated Hermes Municipal Ultrashort Fund

Nasdaq symbol — R6: FMULX | IS: FMUSX | A: FMUUX

9/30/20

Product highlights

- Pursues current income exempt from federal regular income tax.
- Maintains a portfolio dollar-weighted average effective duration of one year or less.
- Allocates portfolio to the sectors that may offer the best risk/return balance.

Morningstar category

Municipal National Short

Benchmark

50% Bloomberg Barclays 1-Year U.S. Municipal Bond Index/50% iMoneyNet Tax-Free National Retail Index

Key investment team

Jeff Kozemchak, CFA®
Mary Jo Ochson, CFA®

Yields

30-day yield - R6	0.45%
30-day yield - IS	0.43%
30-day yield - A	0.29%

Fund statistics

Portfolio assets	\$2.8 b
Number of securities	378
Dividends	Paid monthly
Weighted average effective maturity	1.3 years
Weighted average effective duration	0.87 years
Weighted average bond price	\$101.64
AMT	19.4%

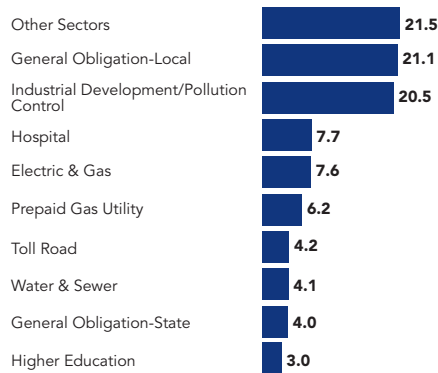
Interest rate basis (%)

Fixed rate	54.9
Floating rate	45.1

Top holdings (%)

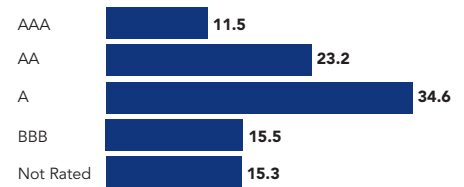
Port of Port Arthur Navigation District of Jefferson County, TX, (Motiva Enterprises LLC), (Series 2010A), Due 10/1/20	2.3
Port of Port Arthur Navigation District of Jefferson County, TX, (Motiva Enterprises LLC), (Series 2010B), Due 10/1/20	2.1
California Infrastructure & Economic Development Bank, (Los Angeles County Museum of Art), Revenue Refunding Bonds (Series 2017B), Due 2/1/21	1.8
Nuveen AMT-Free Municipal Credit Income Fund, Series B, Due 10/7/20	1.8
Pennsylvania Economic Development Financing Authority, (Republic Services, Inc.), (Series 2014), Due 1/4/21	1.8
Port of Port Arthur Navigation District of Jefferson County, TX, (Motiva Enterprises LLC), (Series 2010D), Due 10/7/20	1.8

Sector weightings (%)



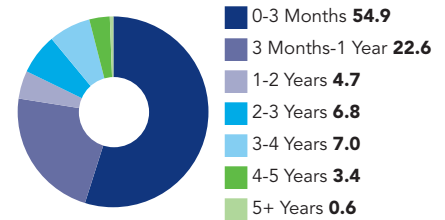
Totals may not add up to 100% due to rounding.

Quality breakdown (%) **



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Duration (%)



Average annual total returns (%)

NAV	Performance inception	Cumulative 3-month	1-year	3-year	5-year	10-year	Since inception	Expense ratio*	
								Before waivers	After waivers
R6	10/24/00	0.58	1.37	1.51	1.27	1.05	1.91	0.41	0.34
IS	10/24/00	0.57	1.35	1.50	1.27	1.05	1.91	0.44	0.36
A	10/24/00	0.53	1.14	1.12	0.86	0.62	1.47	0.59	0.51
Benchmark		0.21	1.58	1.55	1.19	0.87	-	-	-

Calendar year total returns (%)

NAV	YTD	A Shares/NAV									
		2019	2018	2017	2016	2015	2014	2013	2012	2011	
NAV	0.77	1.62	1.01	0.71	0.28	-0.35	0.33	0.09	0.59	1.24	
Benchmark	1.11	1.99	1.60	0.90	0.36	0.36	0.35	0.48	0.54	0.93	

Performance 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. Current performance may be lower or higher than what is stated. To view performance current to the most recent month-end, and for after-tax returns, contact us or visit FederatedInvestors.com.

* The fund's expense ratio is from the most recent prospectus. The expense ratio may reflect voluntary fee waivers and/or expense reimbursements determined by the fund's Advisor and its affiliates. The voluntary waivers and/or reimbursements, if applicable, are in effect up to but not including the later of 12/1/20 or the date of the fund's next effective prospectus.

Federated Hermes Municipal Ultrashort Fund

Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. To obtain a summary prospectus or prospectus containing this and other information, contact us or visit FederatedInvestors.com. Please carefully read the summary prospectus or the prospectus before investing.

Past performance is no guarantee of future results.

For information on taxable equivalent yields, visit FederatedInvestors.com, "Products" section.

The fund's R6 Shares commenced operations on May 29, 2019. For the periods prior to the commencement of operations of the 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 applicable to the R6 Shares since the R6 Shares have a lower expense ratio than the expense ratio of the Institutional Shares.

As of June 29, 2020, the fund was renamed Federated Hermes Municipal Ultrashort Fund.

A word about risk

Mutual funds are subject to risks and fluctuate in value.

Bond prices are sensitive to changes in interest rates, and a rise in interest rates can cause a decline in their prices.

The fund is not a "money market" mutual fund. Some money market mutual funds attempt to maintain a stable net asset value through compliance with relevant Securities and Exchange Commission (SEC) rules. The fund is not governed by those rules, and its shares will fluctuate in value.

Interest income from the fund's investments may be subject to the federal alternative minimum tax (AMT) for individuals, and state and local taxes.

Definitions

The holdings percentages are based on net assets at the close of business on 9/30/20 and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes. Because this is a managed portfolio, the investment mix will change.

Total return represents the change in value of an investment after reinvesting all income and capital gains. Total return would have been lower in the absence of temporary expense waivers or reimbursements.

30-day yield (also known as "SEC yield") is a compounded and annualized figure calculated according to a formula set by the SEC. The formula requires use of a specific methodology for calculating dividends and interest earned, and expenses accrued, during the period, and reflects the maximum offering price per fund share. The standardized computation is designed to facilitate yield comparisons among different funds. For an indefinite period of time, the investment advisor is waiving all or part of its fee and, in addition, may reimburse the fund for some of its expenses. Otherwise, the yield would have been 0.39% for R6 Shares, 0.37% for Institutional Shares, and 0.23% for A Shares.

Weighted average effective maturity is the average time to maturity of debt securities held in the fund.

Weighted average effective duration (sometimes called "Option-Adjusted Duration") is a measure of a security's price sensitivity to changes in interest rates calculated using a model that recognizes that the probability of a bond being called or remaining outstanding until maturity may vary if market interest rates change, and that makes adjustments based on a bond's embedded options (e.g., call rights, or in the case of a mortgage-backed security, the probability that homeowners will prepay their mortgages), if any, based on the probability that the options will be exercised. A fund's weighted average effective duration will equal the market value weighted average of each bond's effective duration in the fund's portfolio. As with any model, several assumptions are made so the weighted average effective duration of a fund in the Federated Hermes family of funds may not be comparable to other funds outside of the Federated Hermes family of funds. Securities with longer durations are more sensitive to changes in interest rates than securities of shorter durations.

Weighted average bond price - Morningstar generates this figure from the portfolio by weighting the price of each bond by its relative size in the portfolio. This number reveals if the manager favors bonds selling at prices above or below face value (discount or premium securities, respectively). A higher number indicates a bias toward premiums. This statistic is expressed as a percentage of par (face) value.

Alternative Minimum Tax is a special income tax for high net worth individuals with tax-exempt investments.

Bloomberg Barclays 1-Year U.S. Municipal Bond Index is the one-year (1-2) component of the Bloomberg Barclays U.S. Municipal Bond Index. The Bloomberg Barclays U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

iMoneyNet Tax-Free National Retail Index which is included in the iMoneyNet Tax-Free State-Specific Category includes all retail and institutional State-Specific money funds. Portfolio Holdings of tax-free funds include Rated and Unrated Demand Notes, Rated and Unrated General Market Notes, Commercial Paper, Put Bonds – 6 months & less, Put Bonds – over 6 months, AMT Paper, and Other Tax-Free holdings.

Indexes are unmanaged and cannot be invested in directly.

Ratings and rating agencies

Morningstar Category identifies funds based on their actual investment styles as measured by their underlying portfolio holdings over the past three years. If the fund is less than three years old, the category is based on the life of the fund. ©2020 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

** The ratings agencies that provided the ratings are Standard and Poor's, Moody's and Fitch. When ratings vary, the highest rating is used. Credit ratings of A or better are considered to be high credit quality; credit ratings of BBB are good credit quality and the lowest category of investment grade; credit ratings BB and below are lower-rated securities ("junk bonds"); and credit ratings of CCC or below have high default risk. Short-term debt obligations with ratings of A-1, P-1 or F-1 are considered to have the strongest repayment ability, those rated A-2, P-2 or F-2 have a satisfactory repayment ability, and those rated A-3, P-3 or F-3 have an adequate repayment ability. The credit quality breakdown does not give effect to the impact of any credit derivative investments made by the fund.