

Federated Hermes California Municipal Cash Trust

Cash II Shares

Nasdaq symbol: CALXX | Cusip number: 60934N179 | Newspaper listing: CAMuniCII

9/30/23

Product highlights

- Pursues current income exempt from federal regular income tax and California state income tax, consistent with stability of principal.
- Invests in short-term, high-quality, California tax-exempt securities.
- Offers California residents the potential for attractive taxable-equivalent yields compared to taxable money market funds and direct securities.
- Income may be subject to the federal alternative minimum tax (AMT) for individuals. However, the fund will normally invest its assets so that distributions are exempt from AMT.

Key investment team

Michael Sirianni Jr.
Kyle Stewart, CFA

Portfolio assets

\$1.0 billion

Credit/obligor exposure

Mizuho Bank Ltd.
Kaiser Permanente
Barclays Bank plc
Federal Home Loan Mortgage Corp.
Bank of America N.A.
University of California (The Regents of)
Landesbank Hessen-Thuringen
Build America Mutual Assurance
Pimco California Municipal Income Fund III
UBS AG

Total % of Portfolio: 67.38%

Share class statistics

Inception date

12/15/00

Federated Hermes fund number

280

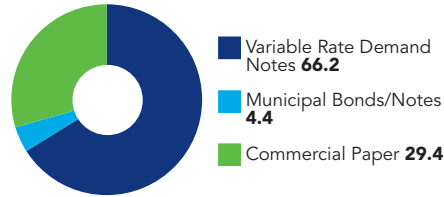
Cut-off times

1:00 p.m. ET — purchases
12:00 p.m. ET — redemptions

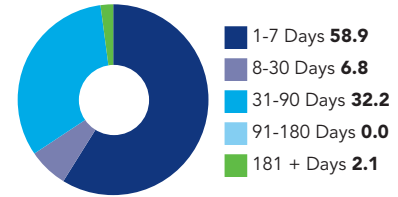
Dividends

Declared daily/paid monthly

Portfolio composition (%)



Effective maturity schedule (%)



Weighted average maturity

25 Days

Weighted average life

25 Days

Fund performance

Net yield (%)		Total return (%)	
7-day	3.27	1-year	2.39

Annualized yields (%)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
7-day	1.56	1.44	2.67	1.44	2.58	3.19	2.67	2.73	3.28	2.95	3.39	3.27

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 FederatedHermes.com/us.

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 3.06% 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.

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Portfolio manager commentary

The Federal Reserve pumped the brakes in the third quarter, but indicated it will continue to chase inflation.

In July, the Treasury Dept. continued to issue an immense amount of securities to replenish its coffers following the suspension of the federal debt limit in June. Having met its financial obligations through “extraordinary measures,” it had to raise cash quickly to make whole any accounts in which it had redeemed or suspended investments, and to fund government spending. A sizable portion of the issuance has come in the form of Treasury bills, which have exceeded \$1 trillion. This supply helped to normalize the front end of the Treasury yield curve, which had also experienced dislocations due to mistaken market expectations that the Fed might not only end the tightening campaign but cut rates in 2023.

If the 25 basis-point hike at the July Federal Open Market Committee meeting didn't put this speculation to rest, the markets got further clarity from Fed Chair Jerome Powell's speech at the central bank symposium in Jackson Hole, Wyo. He doubled down on the FOMC's commitment to achieving price stability and inflation at 2% in the long run, pushing back on speculation the Fed might accept a higher target because of various structural shifts in the global economy. While policymakers have consistently indicated they would risk impairing the U.S. economy and its labor market, Powell maintained this might not be necessary. In the September policy-setting meeting the Fed

once again held rates steady in the 5.25-5.50% range. Powell took the occasion to once more tout the plausibility of a soft landing—in which inflation would inch downward without tanking the economy.

Unfortunately, several headwinds emerged as the reporting period closed, including a potential government shutdown, the United Auto Workers strike and rising energy costs that could upset the delicate balance needed to avert a recession.

The short-term municipal market continued to experience interest-rate volatility during the third quarter of 2023 given high market rates, light tax-free supply and ratio-sensitive demand. Still, on average, investors sensitive to taxes were rewarded with a commitment to the sector. The SIFMA Municipal Swap Index traded in a wide range, with a low of 2.20% in mid-July and a high of 4.47% toward the end of August. State and local government credit quality generally continues to benefit from historically large financial reserves and strong management.

At the end of the quarter, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 5.37%, 5.46%, 5.55% and 5.47%, respectively; the 1-, 3-, 6- and 12-month Bloomberg Short-Term Bank Yield Index rates (BSBY) were 5.39%, 5.56%, 5.75% and 5.94%, respectively.

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. An investment in the Fund is not a bank account and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor is not required to reimburse the Fund for losses, and you should not expect that the sponsor will provide financial support to the Fund at any time, including during periods of market stress.

Performance shown is for Cash II 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

Income may be subject to the federal alternative minimum tax (AMT) for individuals. Although the fund will normally invest its assets so that distributions of annual interest income are exempt from federal regular income tax and AMT, the Fund may invest its assets in securities the interest from which may be subject to AMT, state and/or federal income tax. Consult your tax professional for more information.

Current and future portfolio holdings are subject to risk.

Definitions

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 9/30/23 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.