

# Federated Hermes California Municipal Cash Trust

## Service Shares

Nasdaq symbol: CACXX | Cusip number: 60934N351 | Newspaper listing: CalMuCs

6/30/23

### 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

\$836.9 million

### Credit/obligor exposure

Mizuho Bank Ltd.  
Barclays Bank plc  
Federal Home Loan Mortgage Corp.  
Bank of America N.A.  
Kaiser Permanente  
Build America Mutual Assurance  
University of California (The Regents of)  
Pimco California Municipal Income Fund III  
Assured Guaranty Municipal Corp.  
Stanford University

Total % of Portfolio: 63.08%

### Share class statistics

#### Inception date

4/3/89

#### Federated Hermes fund number

80

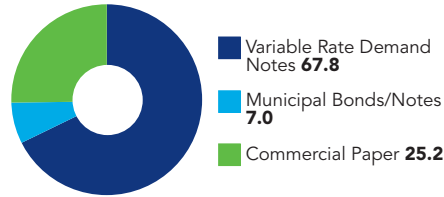
#### Cut-off times

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

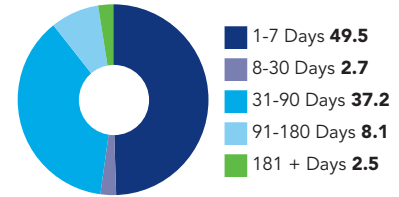
#### Dividends

Declared daily/paid monthly

### Portfolio composition (%)



### Effective maturity schedule (%)



### Weighted average maturity

41 Days

### Weighted average life

41 Days

### Fund performance

Net yield (%)		Total return (%)											
7-day	3.43	1-year 2.02											
Annualized yields (%)													June
7-day	0.60	1.13	1.52	1.71	1.59	2.82	1.59	2.74	3.35	2.82	2.88	3.43	3.43

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](http://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 3.27% 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

In January, U.S. Treasury Secretary Janet Yellen announced that the federal government's statutory debt limit had been reached and that the Treasury Department was forced to implement "extraordinary measures" to meet its obligations. Yellen warned that the "X date"—the day it exhausts its cash balance held at the Federal Reserve—could come in June. As in past cases, lawmakers pushed the negotiations to the brink before finally voting to suspend the limit until January 2025. The immediate result was that the Treasury embarked on plans to issue a massive amount of securities to replenish its coffers. Some estimates put that amount as high as \$1 trillion, based on the need to make whole the federal accounts in which it redeemed or suspended investments, service the national debt and fund government spending. The preponderance of the issuance will come in bills, a process that started as the second quarter drew to a close.

In the first of two Federal Open Market Committee (FOMC) meetings during the quarter, policymakers disregarded the debt ceiling debate and raised the fed funds target range by 25 basis points. That lifted it to a 16-year high of 5-5.25%. The rationale was that restricting the economy to fight inflation was critical despite the uncertainty. Most measures of inflation continued to decrease, but remained stubbornly above the Fed's 2% target, and the labor market and consumer spending remained strong.

Intriguingly, at its June FOMC meeting the Fed made a different decision after the resolution of the debt limit debate, declining to change the policy range after 10 straight hikes. This announcement was paired with policymaker projections that rates likely will continue to rise.

In an environment of steady, but rate-sensitive, demand and light supply, the short-term municipal market experienced continued interest-rate volatility during the second quarter of 2023, though less so than in the previous quarter. The SIFMA Municipal Swap Index traded in a wide range, with a low of 2.17% in mid-April and a high of 4.18% toward the end of June. On average, tax-sensitive investors continued to benefit from patience with the sector. State and local government credit quality remains well positioned for any potential economic slowdown.

At the end of the month, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 5.14%, 5.32%, 5.45% and 5.42%, respectively; the 1-, 3-, 6- and 12-month Bloomberg Short-Term Bank Yield Index rates (BSBY) were 5.21%, 5.47%, 5.67% and 5.93%, respectively; the 1-, 3-, 6- and 12-month London interbank offered rates were 5.26%, 5.53%, 5.81% and 6.04%, respectively. Since US\$ LIBOR rates are no longer being reported, this is the last time they will appear on this update.

*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 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

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 6/30/23 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.