

Federated Hermes Conservative Municipal Microshort Fund

Nasdaq symbol — IS: FHMIX

3/31/24

Product highlights

- Seeks to provide current income consistent with capital preservation with an emphasis on maintaining liquidity on a tax-exempt basis.
- Seeks to provide a tax-exempt income advantage over municipal money market portfolios while simultaneously seeking to maintain low net asset value (NAV) volatility.***
- Invests primarily in short-term, high-quality, tax-exempt securities.
- Generally maintains a portfolio dollar-weighted average effective maturity (WAM) of 180 days or less.
- Integrates environmental, social and governance (ESG) considerations in a non-exclusionary way through engagement and proprietary analysis.

Morningstar category

Municipal National Short

Benchmark

Bloomberg BVAL Municipal Yield Curve (Callable) 3-Month Index

Key investment team

Mary Jo Ochson, CFA
Kyle Stewart, CFA

Fund statistics

Portfolio assets	\$223.8 m
Number of securities	97
Dividends	Paid monthly
Weighted average effective maturity	46 days
Weighted average effective duration	0.1 years
Weighted average life	48 days
AMT	37.6%

Interest rate basis (%)

Fixed rate	29.8
Floating rate	70.2

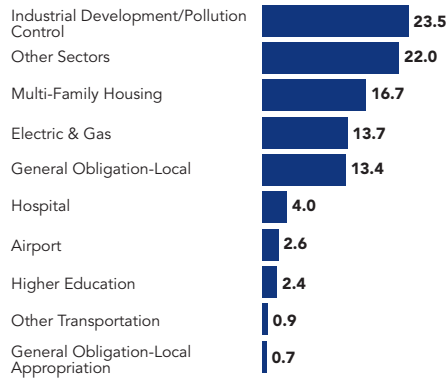
Top holdings (%)

Port of Port Arthur Navigation District of Jefferson County, TX, (Motiva Enterprises LLC), (Series 2010D), Due 4/4/24	4.5
San Francisco, CA City and County, (1500 Mission Urban Housing LP), Mizuho 3A-7 (Series 2022-MIZ9115), Due 5/2/24, Mizuho Bank Ltd. Guaranteed, Mizuho Bank Ltd. Liquidity	4.0
Invesco Value Municipal Income Trust, PUTTERS 3a-7 (VMTP 5027), Due 3/29/24, JPMorgan Chase Bank, N.A. Liquidity	3.8
Muskogee, OK Industrial Trust, (Oklahoma Gas and Electric Co.), (1995 Series A), Due 4/3/24	3.6
Nuveen California AMT-Free Quality Municipal Income Fund, (Series A) MuniFund Preferred Shares, Due 4/4/24	3.1

Overall Morningstar Rating™

Institutional Shares
★★★★★

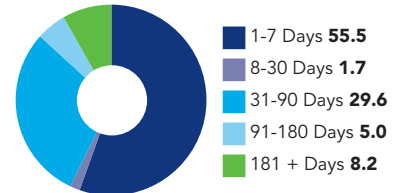
Sector weightings (%)



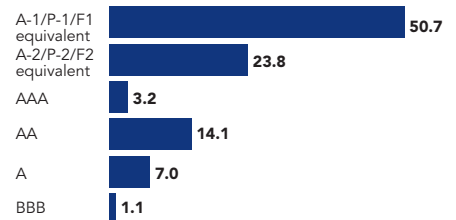
Totals may not add up to 100% due to rounding.

Rating is based on risk adjusted total return for Institutional Shares out of 209 Funds in Municipal National Short Category as of 3/31/24. The overall rating is derived from a weighted average of the fund's three-, five-, and ten-year average annual returns, as applicable.

Effective maturity schedule (%)



Quality breakdown (%) **



Totals may not add up to 100% due to rounding. Credit quality is based on the fund's prospectus guidelines.

Average annual total returns (%)

NAV	Performance inception	Cumulative 3-month	1-year	3-year	Since inception	Expense ratio*	
						Before waivers	After waivers
IS	2/3/21	0.90	3.77	2.04	1.95	0.45	0.25
Benchmark		0.76	3.29	1.86	-	-	-

Calendar year total returns (%)

NAV	YTD	2023	2022	2021	2020	2019	2018	2017	2016	2015	Institutional Shares/NAV	
											2017	2016
NAV	0.90	3.65	1.38	-	-	-	-	-	-	-	-	-
Benchmark	0.76	3.21	1.55	-	-	-	-	-	-	-	-	-

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 FederatedHermes.com/us.

* 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 12/1/24 or the date of the fund's next effective prospectus.

Federated Hermes Conservative Municipal Microshort 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 FederatedHermes.com/us. Please carefully read the summary prospectus or the prospectus before investing.

Past performance is no guarantee of future results.

*** The fund is not subject to the special regulatory requirements (including maturity, liquidity and credit quality constraints) designed to enable money market funds to maintain a stable share price.

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.

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.

Definitions

The holdings percentages are based on net assets at the close of business on 3/31/24 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.

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 life (WAL), as it applies to fluctuating funds, is defined as the average time a dollar of principal is outstanding at an assumed prepayment rate.

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

Bloomberg BVAL Municipal Yield Curve (Callable) 3-Month Index is a municipal "AAA" 5% coupon benchmark yield curve that is the baseline curve for BVAL tax-exempt municipals. It is populated with high quality US municipal bonds with an average rating of "AAA" from Moody's and S&P. The yield curve is built using non-parametric fit of market data obtained from the Municipal Securities Rulemaking Board, new issues calendars, and other proprietary contributed prices. The benchmark is updated hourly and utilizes eligible "AAA" traded observations throughout the day and accessible on through Bloomberg services. The 3-Month curve is one data point of the overall BVAL Municipal AAA Benchmark Curve.

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. ©2024 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.

Morningstar Ratings™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take sales charges into account. Federated Hermes Conservative Municipal Microshort Fund was rated against the following numbers of U.S.-domiciled Municipal National Short funds over the following time periods. Ratings are for Institutional Shares; other classes may have different performance characteristics. For the 3-year period ended 3/31/24, the fund's Institutional Shares received 5 stars, and was rated among 209 funds, respectively. Past performance is no guarantee of future results.

** The ratings agencies that provided the ratings are S&P Global Ratings, 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.