

Federated Hermes Institutional Tax-Free Cash Trust

Premier Shares

Nasdaq symbol: FTFXX | Cusip number: 60934N666 | Newspaper listing: FedTxFc

Federated
Hermes

12/31/23

Product highlights

- Invests in high quality, tax-exempt securities maturing in 5 business days or less (i.e. weekly liquid assets). By investing in high quality securities with maturities of 5 business days or less, typically maintaining a weighted average portfolio maturity of approximately 5 business days or less and using amortized cost to value such securities when available, the Fund seeks to minimize the volatility of its NAV.
- Pursues dividend income exempt from federal regular income tax, consistent with stability of principal.
- Fund income is not normally subject to the federal alternative minimum tax (AMT) for individuals.
- Holds AAAm and AAAmmf ratings from Standard & Poor's and Fitch, respectively.
- Offers tax-sensitive investors the potential for attractive taxable-equivalent yields compared to taxable money market funds.
- Offers a single strike time with T+0 and T+1 settlement.

Key investment team

Michael Sirianni Jr.
Kyle Stewart, CFA

Credit ratings

AAA_m S&P

AAA_{mmf} Fitch

Portfolio assets

\$2.5 billion

Credit/obligor exposure

Assured Guaranty Municipal Corp.

TD Bank, N.A.

Truist Bank

Florida Power & Light Co.

New York City, NY Municipal Water Finance Authority

Texas State

Barclays Bank plc

Nucor Corp.

Exxon Mobil Corp.

Archer-Daniels-Midland Co.

Total % of Portfolio: 48.94%

Share class statistics

Inception date

3/12/79

Federated Hermes fund number

73

Cut-off times

1:00 p.m. ET — purchases

1:00 p.m. ET — redemptions

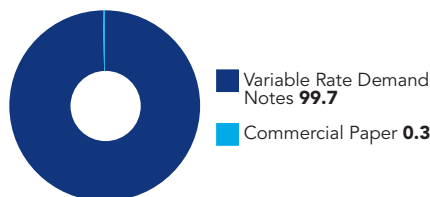
Strike times

1:00 p.m. ET

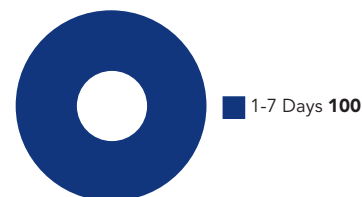
Dividends

Declared daily/paid monthly

Portfolio composition (%)



Effective maturity schedule (%)



Weighted average maturity

6 Days

Weighted average life

6 Days

Fund performance

Net yield (%)		Total return (%)											
7-day		1-year											
Annualized yields (%)	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
7-day	1.47	3.14	4.06	3.48	3.44	4.04	3.88	4.28	4.16	3.95	3.33	4.03	

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.

The investment advisor is waiving all or a portion of its management fee, or reimbursing certain operating expenses to the fund, pursuant to its investment advisory agreement with the fund. Shareholders must approve any change to this waiver. Although not contractually obligated to do so, the advisor and/or certain fund service providers waived all or a portion of their fees. 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 3.88% 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 fourth quarter was one for the ages for the liquidity market. On the back of the long Federal Reserve tightening campaign, total U.S. money market fund assets exceeded \$6.2 trillion for the first time, with other liquidity classes following suit. Although policymakers last raised the federal funds target range in July, their projection that another hike could come before the end of the year prompted a “higher-for-longer” environment that pushed yields to levels not seen in years and that were attractive compared to other cash options.

The U.S. Treasury Department helped, with heavy bill issuance pulling yields on government securities upward. The health of the broad money markets also was seen in the continued reduction in use of the Fed’s Reverse Repurchase Facility. Overnight levels, which had reached a record of around \$2.5 trillion in late 2022, fell below \$1 trillion in November. This was a sign that cash managers were finding traditional counterparties in need of funding—and willing to offer a better rate.

The financial arena did not have as harmonious of a relationship with the Fed. The markets continually disregarded the Fed’s rate projections and speeches, consistently expecting easing in 2024. The amount and timing

shifted, especially after the surge in bond yields in October, but traders never relinquished their forecast for cuts. For much of the quarter, Fed officials pushed back, citing high inflation, robust employment and a weakened, but not slumping economy. But in December, they seemed to capitulate, or at least acknowledged the market position, with a projection of 75 basis points worth of easing in 2024.

The short-term municipal market made reasonable progress against the interest-rate volatility of 2023 over much of the fourth quarter as supply and demand leveled off, following the annual pattern. The SIFMA Municipal Swap Index averaged 3.64% for the quarter and ended the year at 3.87%. On average, investors sensitive to taxes were rewarded with a commitment to the sector. Generally, state and local government credit quality 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 5.40%, 5.35%, 5.27% and 4.78%, respectively; the 1-, 3-, 6- and 12-month Bloomberg Short-Term Bank Yield Index rates (BSBY) were 5.47%, 5.45%, 5.36% and 5.17%, respectively.

You could lose money by investing in the Fund. Because the share price of the 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 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 Company 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 Premier Shares. The fund offers an additional share class whose performance will vary due to differences in charges and expenses. Please consult your financial institution regarding your eligibility to purchase this class.

A word about risk

The fund’s investment advisor normally will invest assets entirely in securities whose interest is not subject to (or not a specific preference item for purposes of) the AMT, such that, normally, distributions of annual interest income also are exempt from the AMT. However, in certain circumstances to pursue the fund’s investment objective, the Advisor may invest the fund’s assets in securities that may be subject to the AMT. In such circumstances, interest from the fund’s investments may be subject to the AMT. 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 12/31/23 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.

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](https://www.standardandpoors.com) and [fitchratings.com](https://www.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.