

Federated Hermes Tax-Free Obligations Fund

Wealth Shares

Nasdaq symbol: TBIXX | Cusip number: 60934N401 | Newspaper listing: FedTaxFrObl WS

Federated
Hermes

3/31/25

Product highlights

- Pursues dividend income ex e mpt from federal regular income tax, consistent with stability of principal.
- Invests in short-term, high-quality, tax-exempt securities.
- Holds Aaa-mf and AAAMmf ratings from Moody's and Fitch, respectively.
- Fund income is exempt from federal alternative minimum tax (AMT).
- Offers tax-sensitive investors the potential for attractive taxable-equivalent yields compared to taxable money market funds.

Key investment team

Mary Jo Ochson, CFA
Kyle Stewart, CFA

Credit ratings

AAAMmf Fitch

Aaa-mf Moody's

Portfolio assets

\$5.5 billion

Credit obligor exposure

Mizuho Bank Ltd.

Bank of America N.A.

Barclays Bank plc

TD Bank, N.A.

Nuveen AMT-Free Municipal Credit Income Fund

University of Texas System (The Board of Regents of)

Assured Guaranty, Inc.

Truist Bank

Nucor Corp.

University of Texas System (The Board of Regents of) - Permanent University Fund

Total % of Portfolio: 51.8%

Share class statistics

Inception date

12/12/89

Federated Hermes fund number

15

Cut-off times

3:00 pm ET — purchases (T+0)

12:00 pm ET — redemptions (T+0)

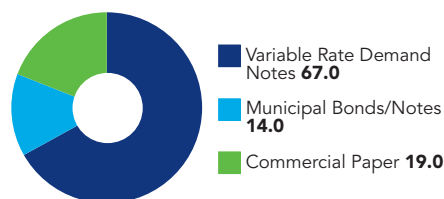
4:00 pm ET — purchases (T+1)

4:00 pm ET — redemptions (T+1)

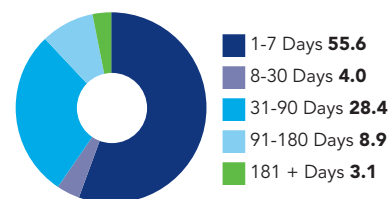
Dividends

Declared daily/paid monthly

Portfolio composition (%)



Effective maturity schedule (%)



Weighted average maturity

43 Days

Weighted average life

43 Days

Fund performance

Net yield (%)					Total return (%)								
7-day					1-year								
2.94					3.17								
Annualized yields (%)													
	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
7-day	3.61	3.42	3.87	3.58	3.17	3.24	3.38	2.97	3.53	2.50	2.43	2.94	

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 2.86% 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.

In response to unusual circumstances, such as adverse market, economic or other conditions (for example, to help avoid potential losses or during periods when there is a shortage of appropriate tax-exempt securities), the fund may temporarily depart from its principal investment strategies by holding cash or investing its assets in taxable securities (including, for example, securities subject to the AMT) which may cause the Fund to distribute taxable income to investors.

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Portfolio manager commentary

The growth of liquidity products since the Federal Reserve first hiked rates in 2022 has been something to behold, and that trend continued in the first quarter. Total US money market assets under management (AUM) topped \$7 trillion for the first time in March and those of global money funds have also reached record highs, according to the Investment Company Institute. One popular reason for the increase is investors are placing cash in liquidity products to weather the storm in the equity market and the uncertainty created by the Trump administration. But that theory is belied by the nature of the inflows, which we see as growing at a rate consistent with the migration to money funds seen over the last several quarters. We can't pinpoint from where those assets came. But the steady nature of the inflows supports the hypothesis that people are fed up with low interest rates of other products rather than hiding from the market correction.

Fed Chair Powell resurrected the term "transitory" at the March policy-setting meeting. We thought that radioactive word was buried after he

repeatedly used it to describe pandemic-related inflation in 2021. He feels the potential impacts of Trump's whipsaw approach to tariffs might be inflationary in the short term but not in the long term, if they increase productivity. We and some of his colleagues are not so sure. During the quarter, the Fed kept rates in a target range of 4.25-4.5% but projected that easing won't return until the second half of this year. It reduced the monthly pace of quantitative easing from \$25 billion to \$5 billion, while keeping the number of mortgage-backed securities rolling off the balance sheet at \$35 billion.

The SIFMA Municipal Swap Index ranged from a low of 1.83% on January 8 to a high of 3.62% on March 12 and averaged 2.66%. Many investors sensitive to taxes continue to be rewarded with a commitment to the sector. Generally, state and local government credit quality continues to benefit from strong management and ample financial reserves. At month-end, yields on 1-, 3-, 6- and 12-month US Treasuries were 4.30%, 4.30%, 4.23% and 4.03%, 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 Wealth 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

The fund's investment advisor (the "Advisor") will invest the Fund's assets entirely in securities whose interest is not subject to (or not a specific preference item for purposes of) the federal alternative minimum tax for individuals (AMT), such that, distributions of annual interest income also are exempt from the AMT.

Income may be subject to state and local taxes.

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. Holdings percentages are based on net assets at the close of business on the date above, 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. For government variable rate securities, if the interest rate is readjusted no less frequently than every 397 calendar days, the security shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate. For non-government variable rate securities, if the security has a scheduled maturity of 397 days or less the security is treated as maturing on the earlier of the date the security is scheduled to be repaid through demand or the period remaining until the next readjustment of the interest rate. If the variable rate security has a scheduled maturity that is more than 397 days it is the later of those two dates. The mean is weighted based on the percentage of the market value 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. 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. Money market funds rated Aaa-mf by Moody's are judged to be of an investment quality similar to Aaa-rated fixed income obligations, that is, they are judged to be of the best quality. For more information on credit ratings, visit moody's.com and 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.