

Federated Hermes Municipal High Yield Advantage Fund

Nasdaq symbol — IS: FMYIX | A: FMOAX | C: FMNCX | F: FHTFX

3/31/24

Product highlights

- Pursues a high level of income exempt from federal regular income tax.
- Invests at least a majority of its assets in a portfolio of: (1) long-term, tax-exempt securities; and (2) medium-quality or non-investment-grade, tax exempt securities.
- Offers the opportunity for higher yields than are generally available from high-quality municipal bonds.

Morningstar category

High Yield Muni

Benchmark

S&P Municipal Bond Index

Key investment team

Lee Cunningham II
R.J. Gallo, CFA

Fund statistics

Portfolio assets	\$485.7 m
Number of securities	367
Dividends	Paid monthly
Weighted average effective maturity	13.3 years
Weighted average stated maturity	21.4 years
Weighted average effective duration	8.5 years
Weighted average modified duration	8.2 years
Weighted average bond price	\$92.90
AMT	15.6%

Top holdings (%)

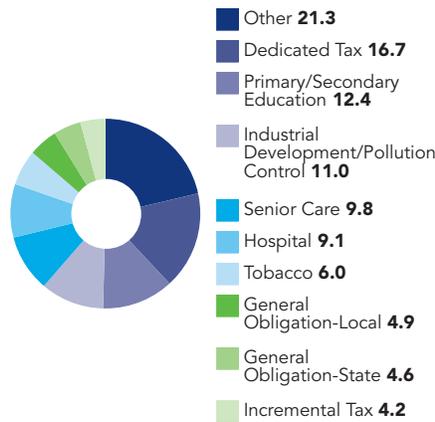
Puerto Rico Sales Tax Financing Corp., Restructured Sales Tax Bonds (Series 2019A), 5.000%, 7/1/2058	3.2
Buckeye Tobacco Settlement Financing Authority, OH, Tobacco Settlement Asset-Backed Refunding Bonds (Series 2020B-2 Class 2), 5.000%, 6/1/2055	2.1
Seattle, WA, (Seattle, WA Municipal Light & Power), Improvement and Refunding Revenue Bonds (Series 2018A), 4.000%, 1/1/2047	2.0
Illinois State, UT GO Bonds (Series 2017D), 5.000%, 11/1/2028	1.8
Puerto Rico Sales Tax Financing Corp., Restructured Sales Tax Bonds (Series 2019A-2), 4.784%, 7/1/2058	1.2

Overall Morningstar Rating™

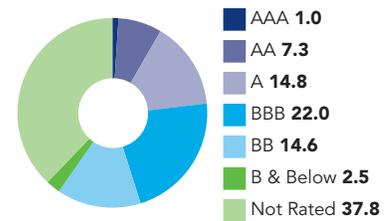


Rating is based on risk adjusted total return for F Shares, A Shares, and Institutional Shares out of 185 Funds in High Yield Muni Category as of 3/31/24. The overall rating is derived from a weighted average of the fund's three-, five-, and ten-year average annual returns, as applicable.

Sector weightings (%)



Quality breakdown (%) **



Average annual total returns (%)

NAV	Performance inception	Cumulative 3-month	Performance				Expense ratio*		
			1-year	3-year	5-year	10-year	Since inception	Before waivers	After waivers
IS	4/10/87	1.56	5.99	-0.35	1.81	3.59	4.87	0.82	0.64
A	8/5/96	1.48	5.69	-0.60	1.57	3.33	4.03	1.07	0.89
C	8/5/96	1.42	4.93	-1.33	0.80	2.72	3.80	1.82	1.64
F	4/10/87	1.49	5.71	-0.63	1.55	3.33	4.84	1.07	0.89
Benchmark		-0.09	3.34	-0.20	1.66	2.69	-	-	-
Maximum offering price									
A	8/5/96	-3.10	0.87	-2.11	0.64	2.86	3.85	1.07	0.89
C	8/5/96	0.42	3.93	-1.33	0.80	2.72	3.80	1.82	1.64
F	4/10/87	-0.50	3.67	-1.25	1.35	3.22	4.81	1.07	0.89

Calendar year total returns (%)

NAV	YTD	Institutional Shares/NAV								
		2023	2022	2021	2020	2019	2018	2017	2016	2015
NAV	1.56	7.19	-13.15	5.74	3.17	9.72	1.01	7.76	1.15	4.89
Benchmark	-0.09	6.03	-8.05	1.77	4.95	7.26	1.36	4.95	0.77	3.32

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. Maximum offering price figures reflect the maximum sales charges of 4.5% for A Shares and 1% for F Shares, and the maximum contingent deferred sales charges of 1% for C Shares and 1% for F Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund.

* 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 11/1/24 or the date of the fund's next effective prospectus.

Federated Hermes Municipal High Yield Advantage 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.

For information on taxable equivalent yields, visit FederatedHermes.com/us, "Products" section.

The fund's IS Shares commenced operations on June 11, 2013. For the period prior to the commencement of operations of the IS Shares, the IS Shares performance information shown is the F Shares performance adjusted to reflect the expenses of the fund's IS Shares for each year for which the expenses of the fund's IS Shares would have exceeded the actual expenses paid by the fund's F Shares. The performance information has also been adjusted to reflect any applicable differences in sales loads and charges imposed on the purchase and redemption of the fund's IS Shares.

A word about risk

Mutual funds are subject to risks and fluctuate in value.

High-yield, lower-rated securities generally entail greater market, credit/default and liquidity risks, and may be more volatile than investment-grade securities.

Bond prices are sensitive to changes in interest rates, and a rise in interest rates can cause a decline in their prices.

Interest income from the fund's investments may be subject to the federal alternative minimum tax (AMT) for individuals, and state and local taxes.

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 stated maturity is the stated term or maturity of each portfolio security, multiplied by each such security's market value, divided by the total market value of the fund. The stated term or maturity of a portfolio security is the period remaining until such security's stated maturity date, determined without taking into account the ability of a security to be called at the option of the issuer and by taking into account the ability to put the security at the option of the holder.

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 modified duration (sometimes called "Weighted Average Duration" or "Duration to Worst") is a measure of a security's price sensitivity to changes in interest rates calculated by assuming that a callable bond will be redeemed on the appropriate call date if the bond is priced to a call date or at maturity if priced to maturity. A fund's weighted average duration will equal the market value weighted average of each bond's weighted average duration in the fund's portfolio. Securities with longer durations are more sensitive to changes in interest rates than securities of shorter durations.

For securities that are unrated, the fund relies on its investment advisor to assess the credit quality of the security.

Weighted average bond price - calculated by weighting the price of each bond by its relative size in the portfolio. This number reveals if the manager favors bonds selling at prices above or below face value (discount or premium securities, respectively). A higher number indicates a bias toward premiums. This statistic is expressed as a percentage of par (face) value.

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

S&P Municipal Bond Index is a broad, comprehensive, market value-weighted index that are exempt from U.S. federal income taxes or subject to the alternative minimum tax (AMT). Eligibility criteria for inclusion include, but are not limited to: the bond issuer must be a state or local government or a state or local government entity where interest on the bond is exempt from U.S. federal income taxes or subject to the AMT; the bond must be held by a mutual fund for which Standard & Poor's Securities Evaluations, Inc. provides prices; it must be denominated in U.S. dollars and have a minimum par amount of \$2 million; and the bond must have a minimum term to maturity and/or call date greater than or equal to one calendar month. It is rebalanced monthly.

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.

The Morningstar Rating™ 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 Municipal High Yield Advantage Fund was rated against the following numbers of U.S.-domiciled High Yield Muni funds over the following time periods. Ratings are for A, F and Institutional Shares; other classes may have different performance characteristics. For the 3-, 5- and 10-year periods ended 3/31/24, the fund's A Shares received 3, 3 and 3 stars, the fund's F Shares received 3, 3 and 3 stars and the fund's Institutional Shares received 4, 4 and 4 stars, and was rated among 185, 176 and 118 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. The credit quality breakdown does not give effect to the impact of any credit derivative investments made by the fund.