

# Federated Hermes Institutional Money Market Management

## Capital Shares

Nasdaq symbol: MMLXX | Cusip number: 608919759 | Newspaper listing: MonMMgtCAP

**Federated  
Hermes**

12/31/23

### Product highlights

- Pursues current income consistent with stability of principal.
- Invests primarily in high-quality securities, issued by banks, corporations and the U.S. government.
- Holds AAAm and AAmmf ratings from Standard & Poor's and Fitch, respectively.
- Offers the potential for higher yield than a money market fund portfolio limited to Treasury or government fixed-income securities.
- Established in 1973, it is one of the oldest money market funds in the industry.

### Key investment team

Mark Weiss, CFA  
Paige Wilhelm

### Credit ratings

**AAAm** Standard & Poor's

**AAmmf** Fitch

### Portfolio assets

\$1.1 billion

### Top ten holdings

Bank of America Corp.  
Mizuho Financial Group, Inc.  
Canadian Imperial Bank of Commerce  
Bank of Montreal  
Sumitomo Mitsui Trust Holdings, Inc.  
Credit Agricole Group  
Federal Home Loan Bank System  
Toronto Dominion Bank  
Wells Fargo & Co.  
JPMorgan Chase & Co.

Total % of Portfolio: 37.2%

### Share class statistics

#### Inception date

1/18/05

#### Federated Hermes fund number

136

#### Cut-off times

3:00 p.m. ET — purchases

3:00 p.m. ET — redemptions

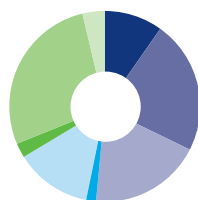
#### Strike times

3:00 p.m. ET

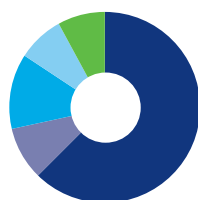
#### Dividends

Declared daily/paid monthly

## Portfolio composition (%)



## Effective maturity schedule (%)



## 2a-7 liquidity

Daily 32.06%

Weekly 45.84%

## Weighted average maturity

41 Days

## Weighted average life

63 Days

## Fund performance

Net yield (%)					Total return (%)									
7-day					5.38					1-year			5.21	
Annualized yields (%)														
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec		
7-day	4.32	4.56	4.77	4.79	5.08	5.12	5.24	5.35	5.35	5.37	5.37	5.38		

**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](https://www.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 5.26% 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.

Rule 2a-7 requires that money market funds maintain at least 10% daily liquidity assets and at least 30% weekly liquidity assets. Both requirements are 'point of purchase' requirements. Thus, it is possible that money market funds may, at any given time, have liquidity percentages reflecting less than the 10% and 30% thresholds. In such circumstances, the portfolio manager will be required to purchase securities to meet the requisite liquidity thresholds prior to purchasing longer-dated securities. Additionally, the SEC requirements for what may be defined as 'daily' and 'weekly' differs from the standard maturities used in calculating the 'Effective Maturity Schedule.' Therefore, the percentages in the 2a-7 Liquidity table will generally not equal the amounts shown in the 'Effective Maturity Schedule.'

Effective July 18, 2014, Federated Prime Management Obligations Fund was reorganized into the fund. As a result of the reorganization, Federated Prime Management Obligations Fund became the accounting survivor, and Money Market Management became the legal entity survivor. Accordingly, the performance information prior to July 18, 2014, is historical information of Federated Prime Management Obligations Fund.

Federated Money Market Management Fund was established in 1974. It is one of the oldest money market funds in the investment industry and remains one of the longest continuously operated money market funds.

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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.

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 Capital 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 value of some asset-backed securities may be particularly sensitive to changes in prevailing interest rates, and although the securities are generally supported by some form of government or private guarantee and/or insurance, there is no assurance that private guarantors or insurers will meet their obligations.

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.

**Repurchase agreements** consist of a financial institution selling securities to a fund and agreeing to repurchase them at a mutually agreed upon price and time.

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](http://standardandpoors.com) and [fitchratings.com](http://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.