

Federated Hermes Government Obligations Fund

SDG Shares

Nasdaq symbol: GPHXX | Cusip number: 31423R104 | Newspaper listing: GovObSDG

12/31/24

Product highlights

- Complies with Rule 2a-7 definition of a government money market fund.
- Not subject to liquidity fees.
- Pursues current income consistent with stability of principal and liquidity.
- Invests primarily in short-term US Treasury and government securities, and repurchase agreements collateralized by US Treasury and government agency securities for a higher yield potential than a Treasury-exclusive portfolio.
- Holds AAAm, Aaa-mf and AAAMmf ratings from S&P Global Ratings, Moody's and Fitch, respectively.
- Gives investors more time to complete daily cash processing and initiate late-day deposit transactions through 5pm ET cut-off time for purchases and redemptions.

Key share class features

- Federated Hermes expects to make charitable donations of 5% of the net quarterly management fee and administrative fee revenue attributable to the SDG share class, net of any waivers.
- The donation will go to one or more designated organizations whose mission we believe aligns with the United Nations Sustainable Development Goals (UN SDGs)¹.
- The 17 UN SDGs seek to advance a shared vision and to accelerate responses to global challenges in order to build more equal, inclusive, and sustainable economies and societies.

Key investment team

Susan Hill, CFA
Deborah A. Cunningham, CFA

Credit ratings

AAAm S&P Global Ratings

Aaa-mf Moody's

AAAMmf Fitch

Portfolio assets

\$177.6 billion

Share class statistics

Inception date

3/30/22

Federated Hermes fund number

707

Cut-off times

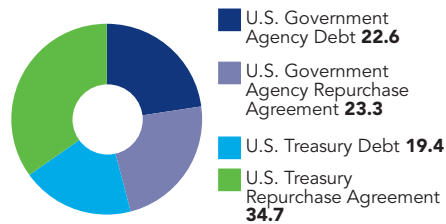
5:00 pm ET — purchases
5:00 pm ET — redemptions

Dividends

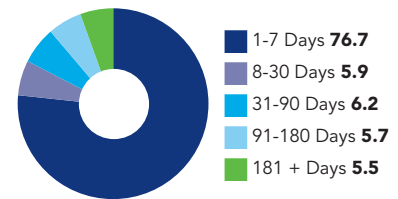
Declared daily/paid monthly

Not FDIC Insured • May Lose Value • No Bank Guarantee

Portfolio composition (%)



Effective maturity schedule (%)



2a-7 liquidity

Daily 66.13%

Weekly 78.31%

Weighted average maturity

31 Days

Weighted average life

88 Days

Fund performance

Net yield (%)		Total return (%)										
7-day	4.40	1-year	5.19									
Annualized yields (%)												
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
7-day	5.26	5.23	5.24	5.22	5.23	5.23	5.24	5.21	4.84	4.77	4.55	4.40

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 4.32% 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.

Prior to April 2, 2024, Rule 2a-7 required that money market funds maintain at least 10% daily liquidity assets and at least 30% weekly liquidity assets. Effective April 2, 2024, the daily and weekly liquid assets thresholds increased to 25% and 50%, respectively. 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 daily and weekly liquidity asset 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."

¹ Federated Hermes expects to make the contribution at least quarterly and will retain the right to designate the charitable organization or organizations and the sole discretion to increase, decrease or terminate the contribution at any time. These donations may result in a tax benefit for Federated Hermes and/or its affiliates.

Federated Hermes Government Obligations Fund

SDG Shares

Portfolio manager commentary

The fourth quarter opened in the wake of the Federal Reserve easing rates for the first time in its current cycle that began with aggressive hikes in 2022. That cut, at its September Federal Open Market Committee (FOMC) meeting, was also aggressive, reducing the target fed funds range by 50 basis points to 4.75-5%. But policymakers paired that with a decrease in their forecast for the level of rates in 2024, with the Summary of Economic Projections (SEP) calling for only a quarter-point cut in each of the last two FOMC meetings. In October, their conviction appeared to fade further in the face of a persistently strong economy that might require tighter policy for a longer period than previously anticipated.

Key to the hawkish shift was concern about the ramifications of some of the plans President-elect Donald Trump promised to enact. The thinking is that the potential combination of increased federal tax cuts, expanded government expenditures, new tariffs and significant deportations could increase price and cost pressures. While the quarter-percentage-point cut in the FOMC meeting ending November 7 was likely predetermined—

rather than a response to Trump's win—the similar-sized reduction at the December meeting was yet again paired with expectations for fewer future rate cuts than once assumed.

The updated SEP was a considerable downshift from September's forecast of a full point of easing in 2025 to just a half point reduction of the target range that now stood at 4.25-4.5%. Even Chair Jerome Powell muted his enthusiasm that inflation had been beaten, and one FOMC member voted in favor of no cut—the second dissent in three meetings. The shallower downward rate path might mean Fed officials now envision a higher fed funds terminal rate—the longer-run level at which monetary policy is neither accommodative nor restrictive, though its goal for inflation remains 2%. But when it reaches that level is more uncertain than ever. So is the likelihood that Powell can guide the economy to a soft landing.

At the end of the quarter, yields on 1-, 3-, 6- and 12-month US Treasuries were 4.28%, 4.32%, 4.28% and 4.15%, 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. 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.

Government money market funds are not required to adopt a liquidity fee framework.

Performance shown is for SDG 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 and share class are not sponsored, endorsed, sold or promoted by the UN. For further information on the UN Sustainable Development Goals, refer to: <https://sustainabledevelopment.un.org/?menu=1300>.

Fund shares are not guaranteed by the US government.

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.

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.

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 S&P Global Ratings is granted after evaluating a number of factors, including credit quality, market price, exposure and management. 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. 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 spglobal.com, moody.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.