

Statement of Additional Information



February 28, 2025

Share Class | Ticker

Wealth | NISXX

Service | FNTXX

Cash II | NYCXX

Cash Series | FNCXX

Federated Hermes New York Municipal Cash Trust

A Portfolio of Federated Hermes Money Market Obligations Trust

This Statement of Additional Information (SAI) is not a Prospectus. Read this SAI in conjunction with the Prospectus for Federated Hermes New York Municipal Cash Trust (the “Fund”), dated February 28, 2025.

This SAI incorporates by reference the Fund’s annual financial statements filed on Form N-CSR. Obtain the Fund’s Prospectus, SAI, Annual Report, Semi-Annual Report and other information, such as financial statements, without charge by calling 1-800-341-7400. You may also access the Fund’s Prospectus, SAI, Annual Report, Semi-Annual Report, financial statements and other information on the Fund’s website at FederatedHermes.com/us/FundInformation.

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Federated Securities Corp., Distributor

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How is the Fund Organized?

The Fund is a diversified portfolio of Federated Hermes Money Market Obligations Trust (the “Trust”). The Trust is an open-end, management investment company that was established under the laws of the Commonwealth of Massachusetts on October 3, 1988. The Trust may offer separate series of shares representing interests in separate portfolios of securities. The Fund, which was established on March 17, 1982, was reorganized as a portfolio of Federated Municipal Trust on May 30, 1994, and then was reorganized as a portfolio of the Trust on February 1, 2000.

The Board of Trustees (the “Board”) has established four classes of shares of the Fund, known as Wealth Shares, Service Shares, Cash II Shares and Cash Series Shares (“Shares”). This SAI relates to all classes of Shares. The Fund’s investment adviser is Federated Investment Management Company (the “Adviser”).

Effective June 26, 2020, the Trust changed its name from Money Market Obligations Trust to Federated Hermes Money Market Obligations Trust and the Fund changed its name from Federated New York Municipal Cash Trust to Federated Hermes New York Municipal Cash Trust.

Securities in Which the Fund Invests

The principal securities or other investments in which the Fund invests are described in the Fund’s Prospectus. The Fund also may invest in securities or other investments as non-principal investments for any purpose that is consistent with its investment objective. The following information is either additional information in respect of a principal security or other investment referenced in the Prospectus or information in respect of a non-principal security or other investment (in which case there is no related disclosure in the Prospectus).

SECURITIES DESCRIPTIONS AND TECHNIQUES

FIXED-INCOME SECURITIES

Fixed-income securities pay interest, dividends or distributions at a specified rate. The rate may be a fixed percentage of the principal or may be adjusted periodically. In addition, the issuer of a fixed-income security must repay the principal amount of the security, normally within a specified time. Fixed-income securities provide more regular income than equity securities. However, the returns on fixed-income securities are limited and normally do not increase with the issuer’s earnings. This limits the potential appreciation of fixed-income securities as compared to equity securities.

A security’s yield measures the annual income earned on a security as a percentage of its price. A security’s yield will increase or decrease depending upon whether it costs less (a “discount”) or more (a “premium”) than the principal amount. If the issuer may redeem the security before its scheduled maturity, the price and yield on a discount or premium security may change based upon the probability of an early redemption. Securities with higher risks generally have higher yields.

The following further describes the types of fixed-income securities in which the Fund may invest.

Municipal Leases (A Type of Tax-Exempt, Fixed-Income Security)

Municipalities may enter into leases for equipment or facilities. In order to comply with state public financing laws, these leases are typically subject to annual appropriation. In other words, a municipality may end a lease, without penalty, by not providing for the lease payments in its annual budget. After the lease ends, the lessor can resell the equipment or facility but may lose money on the sale. The Fund may invest in securities supported by pools of municipal leases. The most common type of lease-backed securities is certificates of participation (COPs). However, the Fund may also invest directly in individual leases.

Callable Securities (A Type of Tax-Exempt, Fixed-Income Security)

Certain fixed-income securities in which the Fund invests are callable at the option of the issuer. Certain callable securities invested in by the Fund also may be callable by parties other than the issuer. Callable securities are subject to call risk.

Zero-Coupon Securities (A Type of Tax-Exempt, Fixed-Income Security)

Zero-coupon securities do not pay interest or principal until final maturity unlike debt securities that provide periodic payments of interest (referred to as a “coupon payment”). Investors buy zero-coupon securities at a price below the amount payable at maturity. The difference between the purchase price and the amount paid at maturity represents interest on the zero-coupon security. Investors must wait until maturity to receive interest and principal, which increases the interest rate risks and credit risks of a zero-coupon security.

There are many forms of zero-coupon securities. Some are issued at a discount and are referred to as zero-coupon or capital appreciation bonds. In addition, some securities give the issuer the option to deliver additional securities in place of cash interest payments, thereby increasing the amount payable at maturity. These are referred to as pay-in-kind, PIK securities or toggle securities.

Tax Increment Financing Bonds (A Type of Tax-Exempt, Fixed-Income Security)

Tax increment financing (TIF) bonds are payable from increases in taxes or other revenues attributable to projects within the TIF district. For example, a municipality may issue TIF bonds to redevelop a commercial area. The TIF bonds would be payable solely from any increase in sales taxes collected from merchants in the area. The bonds could fail to pay principal or interest if merchants' sales, and related tax collections, failed to increase as anticipated.

Municipal Mortgage-Backed Securities (A Type of Tax-Exempt, Fixed-Income Security)

Municipal mortgage-backed securities are special revenue bonds, the proceeds of which may be used to provide mortgage loans for single family homes or to finance multifamily housing. Municipal mortgage-backed securities represent interests in pools of mortgages. The mortgages that comprise a pool normally have similar interest rates, maturities and other terms. Mortgages may have fixed or adjustable rates. Municipal mortgage-backed securities generally have fixed interest rates.

Municipal mortgage-backed securities come in a variety of forms. The simplest forms of municipal mortgage-backed securities are unstructured bonds backed by the net interest and principal payments and prepayments from the underlying mortgages. As a result, the holders assume all interest rate and prepayment risks of the underlying mortgages. Other municipal mortgage-backed securities may have more complicated financial structures.

OTHER INVESTMENTS, TRANSACTIONS, TECHNIQUES**Inter-Fund Borrowing and Lending Arrangements**

The Securities and Exchange Commission (SEC) has granted an exemption that permits the Fund and all other funds ("Federated Hermes funds") advised by subsidiaries of Federated Hermes, Inc. ("Federated Hermes," formerly, Federated Investors, Inc.) to lend and borrow money for certain temporary purposes directly to and from other Federated Hermes funds. Participation in this inter-fund lending program is voluntary for both borrowing and lending Federated Hermes funds, and an inter-fund loan is only made if it benefits each participating Federated Hermes fund. Federated Hermes administers the program according to procedures approved by the Fund's Board, and the Board monitors the operation of the program. Any inter-fund loan must comply with certain conditions set out in the exemption, which are designed to assure fairness and protect all participating Federated Hermes funds.

For example, inter-fund lending is permitted only: (a) to meet shareholder redemption requests; (b) to meet commitments arising from "failed" trades; and (c) for other temporary purposes. All inter-fund loans must be repaid in seven days or less. The Fund's participation in this program must be consistent with its investment policies and limitations, and must meet certain percentage tests. Inter-fund loans may be made only when the rate of interest to be charged is more attractive to the lending Federated Hermes fund than market-competitive rates on overnight repurchase agreements ("Repo Rate") and more attractive to the borrowing Federated Hermes fund than the rate of interest that would be charged by an unaffiliated bank for short-term borrowings ("Bank Loan Rate"), as determined by the Board. The interest rate imposed on inter-fund loans is the average of the Repo Rate and the Bank Loan Rate.

Delayed Delivery Transactions

Delayed delivery transactions, including when-issued transactions, are arrangements in which the Fund buys securities for a set price, with payment and delivery of the securities scheduled for a future time. During the period between purchase and settlement, no payment is made by the Fund to the issuer and no interest accrues to the Fund. The Fund records the transaction when it agrees to buy the securities and reflects their value in determining the price of its Shares. Settlement dates may be a month or more after entering into these transactions so that the market values of the securities bought may vary from the purchase prices. Therefore, delayed delivery transactions create interest rate risks for the Fund. Delayed delivery transactions also involve credit risks in the event of a counterparty default.

Asset Coverage

In accordance with the requirements of Section 18 of the Investment Company Act of 1940, as amended (the "1940 Act"), any borrowings by the Fund, including reverse repurchase agreements, will be made only to the extent the value of its assets, less its liabilities other than borrowings, is equal to at least 300% of all of its borrowings.

TEMPORARY INVESTMENTS

The Fund may make temporary investments in taxable, fixed-income securities and the following other taxable securities:

Treasury Securities (A Type of Fixed-Income Security)

Treasury securities are direct obligations of the federal government of the United States.

Government Securities (A Type of Fixed-Income Security)

Government securities are issued or guaranteed by a federal agency or instrumentality acting under federal authority. Some government securities, including those issued by Government National Mortgage Association (“Ginnie Mae”), are supported by the full faith and credit of the United States and are guaranteed only as to the timely payment of interest and principal.

Other government securities receive support through federal subsidies, loans or other benefits, but are not backed by the full faith and credit of the United States. For example, the U.S. Treasury is authorized to purchase specified amounts of securities issued by (or otherwise make funds available to) the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (“Freddie Mac”) and Federal National Mortgage Association (“Fannie Mae”) in support of such obligations.

Some government agency securities have no explicit financial support and are supported only by the credit of the applicable agency, instrumentality or corporation. The U.S. government has provided financial support to Freddie Mac and Fannie Mae, but there is no assurance that it will support these or other agencies in the future.

The Fund treats mortgage-backed securities guaranteed by a federal agency or instrumentality as government securities. Although such a guarantee helps protect against credit risk, it does not eliminate it entirely or reduce other risks.

Additional Information Related to Freddie Mac and Fannie Mae. The extreme and unprecedented volatility and disruption that impacted the capital and credit markets beginning in 2008 led to market concerns regarding the ability of Freddie Mac and Fannie Mae to withstand future credit losses associated with securities held in their investment portfolios, and on which they provide guarantees, without the direct support of the federal government. On September 7, 2008, Freddie Mac and Fannie Mae were placed under the conservatorship of the Federal Housing Finance Agency (FHFA). Under the plan of conservatorship, the FHFA assumed control of, and generally has the power to direct, the operations of Freddie Mac and Fannie Mae, and is empowered to exercise all powers collectively held by their respective shareholders, directors and officers, including the power to: (1) take over the assets of and operate Freddie Mac and Fannie Mae with all the powers of the shareholders, the directors and the officers of Freddie Mac and Fannie Mae and conduct all business of Freddie Mac and Fannie Mae; (2) collect all obligations and money due to Freddie Mac and Fannie Mae; (3) perform all functions of Freddie Mac and Fannie Mae which are consistent with the conservator’s appointment; (4) preserve and conserve the assets and property of Freddie Mac and Fannie Mae; and (5) contract for assistance in fulfilling any function, activity, action or duty of the conservator.

In connection with the actions taken by the FHFA, the Treasury has entered into certain preferred stock purchase agreements (SPAs) with each of Freddie Mac and Fannie Mae which establish the Treasury as the holder of a new class of senior preferred stock in each of Freddie Mac and Fannie Mae. The senior preferred stock was issued in connection with financial contributions from the Treasury to Freddie Mac and Fannie Mae. Although the SPAs are subject to amendment from time to time, currently the Treasury is obligated to provide such financial contributions up to an aggregate maximum amount determined by a formula set forth in the SPAs, and until such aggregate maximum amount is reached, there is not a specific end date to the Treasury’s obligations.

The future status and role of Freddie Mac and Fannie Mae could be impacted by (among other things) the actions taken and restrictions placed on Freddie Mac and Fannie Mae by the FHFA in its role as conservator, the restrictions placed on Freddie Mac’s and Fannie Mae’s operations and activities under the SPAs, market responses to developments at Freddie Mac and Fannie Mae, downgrades or upgrades in the credit ratings assigned to Freddie Mac and Fannie Mae by nationally recognized statistical rating organizations (NRSROs) or ratings services, and future legislative and regulatory action that alters the operations, ownership, structure and/or mission of these institutions, each of which may, in turn, impact the value of, and cash flows on, any securities guaranteed by Freddie Mac and Fannie Mae.

In addition, the future of Freddie Mac and Fannie Mae, and other U.S. government-sponsored enterprises that are not backed by the full faith and credit of the U.S. government (GSEs), remains in question as the U.S. government continues to consider options ranging from structural reform, nationalization, privatization or consolidation, to outright elimination. The issues that have led to significant U.S. government support for Freddie Mac and Fannie Mae have sparked serious debate regarding the continued role of the U.S. government in providing mortgage loan liquidity.

Bank Instruments (A Type of Fixed-Income Security)

Bank instruments are unsecured, interest-bearing deposits with banks. Bank instruments include, but are not limited to, bank accounts, time deposits, certificates of deposit and banker’s acceptances. Yankee instruments are denominated in U.S. dollars and issued by U.S. branches of foreign banks. Euro-dollar instruments are denominated in U.S. dollars and issued by non-U.S. branches of U.S. or foreign banks.

Corporate Debt Securities (A Type of Fixed-Income Security)

Corporate debt securities are fixed-income securities issued by businesses. Notes, bonds, debentures and commercial paper are the most prevalent types of corporate debt securities.

Commercial Paper (A Type of Corporate Debt Security)

Commercial paper is an issuer's obligation with a maturity of less than nine months. Companies typically issue commercial paper to pay for current expenditures. Most issuers constantly reissue their commercial paper and use the proceeds (or bank loans) to repay maturing paper. If the issuer cannot continue to obtain liquidity in this fashion, its commercial paper may default.

Repurchase Agreements

Repurchase agreements are transactions in which the Fund buys a security from a dealer or bank and agrees to sell the security back at a mutually agreed-upon time and price. The repurchase price exceeds the sale price, reflecting the Fund's return on the transaction. This return is unrelated to the interest rate on the underlying security. The Fund will enter into repurchase agreements only with banks and other recognized financial institutions, such as securities dealers, deemed creditworthy by the Adviser.

The Fund's custodian or subcustodian will take possession of the securities subject to repurchase agreements. The Adviser or subcustodian will monitor the value of the underlying security each day to ensure that the value of the security always equals or exceeds the repurchase price.

Repurchase agreements are subject to credit risks. In addition to taxable repurchase agreements, the Fund also may invest in municipal repurchase agreements as a non-principal investment.

Reverse Repurchase Agreements

Reverse repurchase agreements (which are considered a type of special transaction for asset coverage purposes) are repurchase agreements in which the Fund is the seller (rather than the buyer) of the securities, and agrees to repurchase them at an agreed-upon time and price. A reverse repurchase agreement may be viewed as a type of borrowing by the Fund. Reverse repurchase agreements are subject to credit risks. In addition, reverse repurchase agreements create leverage risks because the Fund must repurchase the underlying security at a higher price, regardless of the market value of the security at the time of repurchase. In addition to taxable reverse repurchase agreements, the Fund also may invest in municipal reverse repurchase agreements as a non-principal investment.

MINIMAL CREDIT RISK

Under Rule 2a-7 under the 1940 Act ("Rule 2a-7"), money market funds, such as the Fund, may generally invest in "Eligible Securities" which include securities issued by another money market fund, government securities or securities that have a remaining maturity of no more than 397 calendar days and are determined by the fund's board or its delegate to present minimal credit risk based on an assessment of the issuer's credit quality, including the capacity of the issuer or guarantor to meet its financial obligations. The Fund's Board has adopted procedures by which the Adviser will conduct this initial and ongoing assessment, as required. Such analysis of whether a security presents minimal credit risk will include, to the extent appropriate: consideration of the security's issuer or guarantor's financial condition, sources of liquidity, ability to react to future market-wide and issuer or guarantor-specific events, including the ability to repay debt in a highly adverse situation; and strength of the issuer or guarantor's industry within the economy and relative to economic trends, as well as the issuer or guarantor's competitive position within its industry. In addition, a minimal credit risk evaluation may also include consideration of whether the price and/or yield of the security itself is similar to that of other securities in the Fund's portfolio. The Adviser will perform an ongoing review of whether each security (other than a government security) continues to present minimal credit risks.

Investment Risks

There are many risk factors which may affect an investment in the Fund. The Fund's principal risks are described in its Prospectus. The following information is either additional information in respect of a principal risk factor referenced in the Prospectus or information in respect of a non-principal risk factor applicable to the Fund (in which case there is no related disclosure in the Prospectus).

LEVERAGE RISK

Leverage risk is created when an investment exposes the Fund to a level of risk that exceeds the amount invested. Changes in the value of such an investment magnify the Fund's risk of loss and potential for gain.

RISK ASSOCIATED WITH THE INVESTMENT ACTIVITIES OF OTHER ACCOUNTS

Investment decisions for the Fund are made independently from those of other accounts managed by the Adviser and accounts managed by affiliates of the Adviser. Therefore, it is possible that investment-related actions taken by such other accounts could adversely impact the Fund with respect to, for example, the value of Fund portfolio holdings, and/or prices paid to or received by the Fund on its portfolio transactions and/or the Fund's ability to obtain or dispose of portfolio securities. Related considerations are discussed elsewhere in this SAI under "Brokerage Transactions and Investment Allocation."

LARGE SHAREHOLDER RISK

A significant percentage of the Fund's shares may be owned or controlled by a large shareholder. Accordingly, the Fund can be subject to the potential for large scale inflows and outflows as a result of purchases and redemptions made by significant shareholders. These inflows and outflows could be significant and, if frequently occurring, could negatively affect the Fund's net asset value and performance and could cause the Fund to buy or sell securities at inopportune times in order to meet purchase or redemption requests.

CYBERSECURITY AND OPERATIONAL RISK

Like other funds and business enterprises, Federated Hermes' business relies on the security and reliability of information and communications technology, systems and networks. Federated Hermes uses digital technology, including, for example, networked systems, email and the Internet, as well as mobile devices and "cloud"-based service offerings, to conduct business operations and engage clients, customers, employees, products, accounts, shareholders and relevant service providers, among others. Federated Hermes, as well as its funds and certain service providers, also generate, compile and process information for purposes of preparing and making filings or reports to governmental agencies, or providing reports or statements to customers, and a cybersecurity attack or incident that impacts that information, or the generation and filing processes, can prevent required regulatory filings and reports from being made, or reports or statements from being delivered, or cause the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). The use of the Internet and other electronic media and technology exposes the Fund, the Fund's shareholders, and the Fund's service providers, and their respective operations, to potential risks from cybersecurity attacks or incidents (collectively, "cyber-events"). The work-from-home environment necessitated by the novel coronavirus ("COVID-19") pandemic has increased the risk of cyber incidents given the increase in cyber attack surface stemming from the use of personal devices and non-office or personal technology.

Cyber-events can result from intentional (or deliberate) attacks or unintentional events by insiders (e.g., employees) or third parties, including cybercriminals, competitors, nation-states and "hacktivists," among others. Cyber-events can include, for example, phishing, credential harvesting or use of stolen access credentials, unauthorized access to systems, networks or devices (such as, for example, through "hacking" activity), structured query language attacks, infection from or spread of malware, ransomware, computer viruses or other malicious software code, corruption of data, exfiltration of data to malicious sites, the dark web or other locations or threat actors, and attacks (including, but not limited to, denial of service attacks on websites) which shut down, disable, slow, impair or otherwise disrupt operations, business processes, technology, connectivity or website or Internet access, functionality or performance. Like other funds and business enterprises, the Fund and its service providers have experienced, and will continue to experience, cyber-events on a daily basis. In addition to intentional cyber-events, unintentional cyber-events can occur, such as, for example, the inadvertent release of confidential information. Cyber-events can also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on the service providers' systems or websites rendering them unavailable to intended users or via "ransomware" that renders the systems inoperable until appropriate actions are taken. To date, cyber-events have not had a material adverse effect on the Fund's business operations or performance.

Cyber-events can affect, potentially in a material way, Federated Hermes' relationships with its customers, employees, products, accounts, shareholders and relevant service providers. Any cyber-event could adversely impact the Fund and its shareholders and cause the Fund to incur financial loss and expense, as well as face exposure to regulatory penalties, reputational damage, damage to employee perceptions of the company, and additional compliance costs associated with corrective measures and credit monitoring for impacted individuals. A cyber-event can cause the Fund, or its service providers, to lose proprietary information, suffer data corruption, lose operational capacity (such as, for example, the loss of the ability to process transactions, generate or make filings or deliver reports or statements, calculate the Fund's NAV, or allow shareholders to transact business or other disruptions to operations), and/or fail to comply with applicable privacy and other laws. Among other potentially harmful effects, cyber-events also can result in theft, unauthorized monitoring and failures in the physical infrastructure or operating systems that support the Fund and its service providers. In addition, cyber-events affecting issuers in which the Fund invests could cause the Fund's investments to lose value.

The Fund's Adviser and its relevant affiliates have established risk management systems reasonably designed to seek to reduce the risks associated with cyber-events. The Fund's Adviser employs various measures aimed at mitigating cybersecurity risk, including, among others, use of firewalls, system segmentation, system monitoring, virus scanning, periodic penetration testing, employee phishing training and an employee cybersecurity awareness campaign. Among other service provider management efforts, Federated Hermes also conducts due diligence on key service providers relating to cybersecurity. Federated Hermes has established a committee to oversee Federated Hermes' information security and data governance efforts, and updates on cyber-events and risks are reviewed with relevant committees, as well as Federated Hermes' and the Fund's Boards of Directors or Trustees (or a committee thereof), on a periodic (generally quarterly) basis (and more frequently when circumstances warrant) as part of risk management oversight responsibilities. However, there is no guarantee that the efforts of Federated Hermes, the Fund's Adviser or its affiliates, or other service providers, will succeed, either entirely or partially as there are limits on Federated Hermes' and the Fund's ability to prevent, detect or mitigate cyber-events. Among other reasons, the cybersecurity landscape is constantly evolving, the nature of malicious cyber-events is becoming increasingly sophisticated and the Fund's Adviser, and its relevant affiliates, cannot control the cyber systems and cybersecurity systems of issuers or third-party service providers.

The Fund can be exposed to operational risk arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of the Fund's service providers, counterparties, or other third parties, failed or inadequate processes and technology or system failures. In addition, other disruptive events, including, but not limited to, natural disasters and public health crises (such as the COVID-19 pandemic), can adversely affect the Fund's ability to conduct business, in particular if the Fund's employees or the employees of its service providers are unable or unwilling to perform their responsibilities as a result of any such event. Even if the Fund's employees and the employees of its service providers are able to work remotely, those remote work arrangements could result in the Fund's business operations being less efficient than under normal circumstances, could lead to delays in its processing of transactions, and could increase the risk of cyber-events.

Investment Objective (and Policies) and Investment Limitations

The fundamental investment objective of the Fund is to provide current income exempt from federal regular income tax and the personal income taxes imposed by New York State and New York municipalities consistent with stability of principal.

Under normal circumstances, the Fund will invest its assets so that at least 80% of its annual interest income will be exempt from federal regular income tax and the personal income taxes imposed by New York State and New York municipalities or so that at least 80% of its net assets is invested in obligations, the interest income from which is exempt from federal regular income tax and the personal income taxes imposed by New York State and New York municipalities.

Only for purposes of compliance with Rule 35d-1, the Fund will invest its assets so that at least 80% of the income that it distributes will be exempt from federal regular income tax and the personal income taxes imposed by the State of New York and New York municipalities.

The fundamental investment objective and policies described above may not be changed by the Fund's Board without shareholder approval.

INVESTMENT LIMITATIONS

Diversification

With respect to securities comprising 75% of the value of its total assets, the Fund will not purchase securities of any one issuer (other than cash; cash items; securities issued or guaranteed by the government of the United States or its agencies or instrumentalities and repurchase agreements collateralized by such U.S. government securities; and securities of other investment companies) if, as a result, more than 5% of the value of its total assets would be invested in the securities of that issuer, or the Fund would own more than 10% of the outstanding voting securities of that issuer.

Investing in Real Estate

The Fund may not purchase or sell real estate, provided that this restriction does not prevent the Fund from investing in issuers which invest, deal or otherwise engage in transactions in real estate or interests therein, or investing in securities that are secured by real estate or interests therein. The Fund may exercise its rights under agreements relating to such securities, including the right to enforce security interests and to hold real estate acquired by reason of such enforcement until that real estate can be liquidated in an orderly manner.

Underwriting

The Fund may not underwrite the securities of other issuers, except that the Fund may engage in transactions involving the acquisition, disposition or resale of its portfolio securities, under circumstances where it may be considered to be an underwriter under the Securities Act of 1933 (“1933 Act”).

Investing in Commodities

The Fund may not purchase or sell physical commodities, provided that the Fund may purchase securities of companies that deal in commodities.

Issuing Senior Securities and Borrowing Money

The Fund may borrow money, directly or indirectly, and issue senior securities to the maximum extent permitted under the Investment Company Act of 1940, as amended (“1940 Act”).

Lending Cash or Securities

The Fund may not make loans, provided that this restriction does not prevent the Fund from purchasing debt obligations, entering into repurchase agreements, lending its assets to broker/dealers or institutional investors and investing in loans, including assignments and participation interests.

Concentration

The Fund will not make investments that will result in the concentration of its investments in the securities of issuers primarily engaged in the same industry. Government securities, municipal securities and bank instruments will not be deemed to constitute an industry.

The above limitations are fundamental and cannot be changed unless authorized by the Board and by the “vote of a majority of the Fund’s outstanding voting securities,” as defined by the 1940 Act, which means the lesser of (a) 67% of the shares of the Fund present or represented by proxy at a meeting if the holders of more than 50% of the outstanding shares are present or represented at the meeting or (b) more than 50% of outstanding shares of the Fund. The following limitations, however, may be changed by the Board without shareholder approval. Shareholders will be notified before any material change in these limitations becomes effective.

Pledging Assets

The Fund will not mortgage, pledge or hypothecate any of its assets, provided that this shall not apply to the transfer of securities in connection with any permissible borrowing or to collateral arrangements in connection with permissible activities.

Buying on Margin

The Fund will not purchase securities on margin, provided that the Fund may obtain short-term credits necessary for the clearance of purchases and sales of securities.

Investing in Illiquid Securities

The Fund will not acquire securities that cannot be sold or disposed of in the ordinary course of business within seven days at approximately the value ascribed to them by the Fund if, immediately after the acquisition, the Fund would have invested more than 5% of its total assets in such securities.

Investing in Restricted Securities

The Fund may invest in securities subject to restrictions on resale under the 1933 Act.

Additional Information

For purposes of the diversification limitation, the Fund considers certificates of deposit and demand and time deposits issued by a U.S. branch of a domestic bank or savings association having capital, surplus and undivided profits in excess of \$100,000,000 at the time of investment to be “cash items.”

Except with respect to borrowing money, if a percentage limitation is adhered to at the time of investment, a later increase or decrease in percentage resulting from any change in value or net assets will not result in a violation of such limitation.

As a non-fundamental operating policy, the investment of more than 25% of the value of the Fund’s total assets in any one industry will constitute “concentration.” For purposes of the concentration limitation: (a) utility companies will be divided according to their services, for example, gas, gas transmission, electric and telephone will each be considered a separate industry; (b) financial service companies will be classified according to the end users of their services, for example, automobile finance, bank finance and diversified finance will each be considered a separate industry; and (c) asset-backed securities will be classified according to the underlying assets securing such securities. For purposes of the above limitations, municipal securities are those securities issued by governments or political subdivisions of governments.

To conform to the current view of the SEC staff that only domestic bank deposit instruments may be excluded from industry concentration limitations, the Fund will not exclude foreign bank instruments from industry concentration limitation tests so long as the policy of the SEC remains in effect. Investments in private activity bonds will be classified according to the non-governmental entity from which the bond's principal and interest payments are principally derived. In addition, investments in certain industrial development bonds funded by activities in a single industry will be deemed to constitute investment in an industry, except when held for temporary defensive purposes.

REGULATORY COMPLIANCE

The Fund may follow non-fundamental operational policies that are more restrictive than its fundamental investment limitations, as set forth in the Prospectus and this SAI, in order to comply with applicable laws and regulations, including the provisions of and regulations under the 1940 Act. In particular, the Fund will comply with the various requirements of Rule 2a-7, which regulates money market mutual funds. The Fund may change these operational policies to reflect changes in the laws and regulations without the approval of its shareholders.

Pursuant to Rule 2a-7, the Fund may impose discretionary liquidity fees on redemptions, subject to a determination by the Fund's Board, or its delegate, that such a liquidity fee is in the Fund's best interests.

Such determination, including the timing of the application of the liquidity fee, will be based on current market conditions and the Fund's particular circumstances, and it is expected that such fee would be imposed, if at all, during periods of extraordinary market stress. If the Board, including a majority of the Independent Trustees, or its delegate, determines that imposing a liquidity fee is in the Fund's best interests, the Fund will impose a discretionary liquidity fee not to exceed 2% of the value of the shares redeemed. The discretionary liquidity fee would be applied to all redemptions and would remain in effect until the Fund's Board, or its delegate, determines that the fee is no longer in the Fund's best interests. In the event that a liquidity fee is imposed, the Board, or its delegate, may take certain other actions based on the particular facts and circumstances, including, but not limited to, modifying the timing and frequency of the Fund's NAV determinations.

If liquidity fees are imposed, the Fund will notify shareholders on the Fund's website. In addition to identifying the Fund, such notifications will include the date of the liquidity fee and details regarding the amount of the liquidity fee. If the Board, including a majority of the Independent Trustees, or its delegate, changes or removes a liquidity fee, the Fund will notify shareholders in the same manner as described above. The imposition of a liquidity fee will also be reported by the Fund to the SEC on Form N-MFP.

All liquidity fees payable by shareholders of the Fund would be payable to the Fund and can be used to offset any losses realized by the Fund when seeking to honor redemption requests during times of market stress. The Fund expects to treat such liquidity fees as not constituting income to the Fund. Under certain circumstances, the Fund may honor redemption or exchange orders (or pay redemptions without adding a discretionary liquidity fee to the redemption amount) if the Fund can verify that the redemption or exchange order was received in good order by the Fund or the Fund's agent prior to the effective time of the discretionary liquidity fee.

A liquidity fee imposed by the Fund may reduce the amount you will receive upon the redemption of your shares and may decrease the amount of any capital gain or increase the amount of any capital loss you will recognize from such redemption. Although there is some degree of uncertainty with respect to the tax treatment of liquidity fees received by money market funds, it is anticipated at this time that a liquidity fee will have no tax effect on the Fund. As the tax treatment will likely be the subject of future guidance issued by the Internal Revenue Service, the Fund will re-visit the applicable treatment of liquidity fees when they are received.

Pursuant to rules under Section 22(e) of the 1940 Act, if the Fund's weekly liquid assets fall below 10% and the Board determines that it would not be in the best interests of the Fund to continue operating, the Board may suspend redemptions in the Fund and may approve the liquidation of the Fund. The Board may also suspend redemptions and liquidate the Fund if the Board determines that the deviation between its amortized cost price per share and its market-based NAV may result in material dilution or other unfair results to investors or existing shareholders. Prior to suspending redemptions, the Fund would be required to notify the SEC of its decision to liquidate and suspend redemptions. If the Fund ceases honoring redemptions and determines to liquidate, the Fund expects that it would notify shareholders on the Fund's website or by press release. Distributions to shareholders of liquidation proceeds may occur in one or more disbursements.

What Do Shares Cost?

DETERMINING MARKET VALUE OF SECURITIES

The Board has decided that the best method for determining the value of portfolio instruments is amortized cost. The amortized cost method of valuation generally prescribes that an investment is valued at its acquisition cost as adjusted daily for amortization of premium or accretion of discount to the specified redemption value on the nearest call, demand or maturity date, as appropriate. The Fund uses this adjusted cost to value the investment.

Accordingly, neither the amount of daily income nor the net asset value (NAV) is affected by any unrealized appreciation or depreciation of the portfolio. In periods of declining interest rates, the indicated daily yield on Shares of the Fund, computed by dividing the annualized daily income on the Fund's portfolio by the NAV, computed as above, may tend to be higher than a similar computation made by using a method of valuation based upon market prices and estimates. In periods of rising interest rates, the opposite may be true. A low or negative interest rate environment impacts, in a negative way, the Fund's ability to provide a positive return, or yield, to its shareholders, pay expenses out of current income, and/or achieve its investment objective, including maintaining a stable NAV of \$1.00 per share.

The Fund's use of the amortized cost method of valuing portfolio instruments depends on its compliance with certain conditions in the Rule. Under the Rule, the Board must establish procedures reasonably designed to stabilize the NAV per Share, as computed for purposes of distribution and redemption, at \$1.00 per Share, taking into account current market conditions and the Fund's investment objective. The procedures include monitoring the relationship between the amortized cost value per Share and the NAV per Share based upon available indications of market value. The Board will decide what, if any, steps should be taken if there is a difference of more than 0.5 of 1% between the two values. The Board will take any steps it considers appropriate (such as redemption in-kind or shortening the average portfolio maturity) to minimize any material dilution or other unfair results arising from differences between the two methods of determining NAV.

How is the Fund Sold?

Under the Distributor's Contract with the Fund, the Distributor ("Federated Securities Corp.") offers Shares on a continuous, best-efforts basis.

RULE 12b-1 PLAN (SERVICE SHARES, CASH II SHARES AND CASH SERIES SHARES)

As a compensation-type plan, the Rule 12b-1 Plan is designed to pay the Distributor for activities principally intended to result in the sale of Shares such as advertising and marketing of Shares (including printing and distributing prospectuses and sales literature to prospective shareholders and financial intermediaries) and providing incentives to financial intermediaries to sell Shares. The Plan is also designed to cover the cost of administrative services performed in conjunction with the sale of Shares, including, but not limited to, shareholder services, recordkeeping services and educational services, as well as the costs of implementing and operating the Plan. The Rule 12b-1 Plan allows the Distributor to contract with financial intermediaries to perform activities covered by the Plan. The Rule 12b-1 Plan is expected to benefit the Fund in a number of ways. For example, it is anticipated that the Plan will help the Fund attract and retain assets, thus providing cash for orderly portfolio management and Share redemptions and possibly helping to stabilize or reduce other operating expenses.

In addition, the Plan is integral to the multiple class structure of the Fund, which promotes the sale of Shares by providing a range of options to investors. The Fund's service providers that receive asset-based fees also benefit from stable or increasing Fund assets.

The Fund may compensate the Distributor more or less than its actual marketing expenses. In no event will the Fund pay for any expenses of the Distributor that exceed the maximum Rule 12b-1 Plan fee.

For some classes of Shares, the maximum Rule 12b-1 Plan fee that can be paid in any one year may not be sufficient to cover the marketing-related expenses the Distributor has incurred. Therefore, it may take the Distributor a number of years to recoup these expenses.

ADDITIONAL PAYMENTS TO OTHERS (INCLUDING FINANCIAL INTERMEDIARIES)

The Distributor may pay out of its own resources amounts to certain financial intermediaries, including broker-dealers, banks, registered investment advisers, independent financial planners and retirement plan administrators, and other persons. In some cases, such payments may be made by, or funded from the resources of, companies affiliated with the Distributor (including the Adviser). While Financial Industry Regulatory Authority, Inc. (FINRA) regulations limit the sales charges that you may bear, there are no limits with regard to the amounts that the Distributor may pay out of its own resources. In addition to the payments which are generally described herein and in the Prospectus, the financial intermediary also may receive payments under, if

applicable, a Rule 12b-1 Plan and/or Service Fees. In connection with these payments, the financial intermediary may elevate the prominence or profile of the Fund and/or other Federated Hermes funds within the financial intermediary's organization by, for example, placement on a list of preferred or recommended funds and/or granting the Distributor preferential or enhanced opportunities to promote the funds in various ways within the financial intermediary's organization.

Financial intermediaries and other persons may receive payments under some or all categories described below. These payments assist in the Distributor's efforts to support the sale of Shares and compensate financial intermediaries and other persons for performing ancillary services in connection with effecting sales of the funds. These payments are negotiated and may be based on such factors as: the number or value of Shares that the financial intermediary or other person sells, may sell or arrange for the sale of Shares; the value of client assets invested; the level and types of services or support furnished by the financial intermediary; or the Fund's and/or other Federated Hermes funds' relationship with the financial intermediary.

Not all financial intermediaries and other persons receive such payments and the amount of compensation may vary. You should ask your financial intermediary, or any other person that provides services to you, for information about any payments it receives from the Distributor or the Federated Hermes funds and any services it provides, as well as the fees and/or commissions it charges.

Regarding the Fund's Wealth Share Class, the Wealth Share Class of the Fund currently does not accrue, pay or incur any shareholder services/account administration fees, although the Board of Trustees has approved the Wealth Share Class of the Fund to accrue, pay and incur such fees in amounts up to a maximum amount of 0.25%, or some lesser amount as the Board of Trustees shall approve from time to time. The Wealth Share Class of the Fund will not accrue, pay or incur such fees until such time as approved by the Fund's Board of Trustees.

The categories of additional payments are described below.

Supplemental Payments

The Distributor may make supplemental payments to certain financial intermediaries that are holders or dealers of record for accounts in one or more of the Federated Hermes funds. These payments may be based on such factors as: the number or value of Shares the financial intermediary sells or may sell; the value of client assets invested; or the type and nature of services or support furnished by the financial intermediary.

Processing Support Payments

The Distributor may make payments to certain financial intermediaries that offer Federated Hermes investment companies to help offset their costs associated with client accounts in the fund. The types of payments that the Distributor may make under this category include, but are not limited to: payment for administrative services, like account maintenance support and statement processing; payment for costs associated with transacting in the funds, like payment of ticket charges on a per-transaction basis; payment of networking fees; and payment for ancillary services related to setting up funds on the financial intermediary's mutual fund trading system, including technology and programming set-up, platform development and maintenance or similar services.

Retirement Plan Program Servicing Payments

The Distributor may make payments to certain financial intermediaries who sell Federated Hermes fund shares through retirement plan programs. A financial intermediary may perform retirement plan program services itself or may arrange with a third party to perform retirement plan program services. In addition to participant recordkeeping, reporting or transaction processing, retirement plan program services may include: services rendered to a plan in connection with fund/investment selection and monitoring; employee enrollment and education; plan balance rollover or separation; or other similar services.

Marketing Support Payments

From time to time, the Distributor, at its expense, may provide additional compensation to financial intermediaries, or other persons, that sell or arrange for the sale of Shares. Such compensation, provided by the Distributor, may include "finders" or "referral fees" or directing investors to a fund, financial assistance to financial intermediaries that enable the Distributor to participate in or present at meetings, conferences or seminars, sales or education and training programs for invited registered representatives and other employees, client entertainment, client and investor events and other financial intermediary-sponsored events. The Distributor may also provide additional compensation for the provision of sales or intermediary related data and analytics to the Adviser and/or its affiliates.

The Distributor also may hold or sponsor, at its expense, sales events, conferences and programs for employees or associated persons of financial intermediaries and may pay the travel and lodging expenses of attendees. The Distributor also may provide, at its expense, meals and entertainment in conjunction with meetings with financial intermediaries. Other compensation may be offered to the extent not prohibited by applicable federal or state law or regulations, or the rules of any self-regulatory agency, such as FINRA. These payments may vary depending on the nature of the event or the relationship.

For the year ended December 31, 2024, the following is a list of FINRA member firms that received additional payments from the Distributor or an affiliate. Additional payments may also be made to certain other financial intermediaries or other persons that are not FINRA member firms that sell Federated Hermes fund shares or provide services to the Federated Hermes funds and shareholders. These firms are not included in this list. Any additions, modifications or deletions to the member firms identified in this list that have occurred since December 31, 2024, are not reflected. You should ask your financial intermediary or any other person that provides services to you for information about any additional payments it receives from the Distributor.

ADP Broker-Dealer, Inc.	Jefferies LLC
AE Wealth Management, LLC	John Hancock Mutual Life Insurance Co
Alera Investment Advisors, LLC	Kestra Investment Services LLC
American Enterprise Investment Services Inc.	Key Investment Services LLC
BBVA Securities Inc.	KeyBanc Capital Markets Inc.
BofA Securities, Inc.	Klingman and Associates, LLC
BMO Harris Financial Advisors, Inc.	Kowal Investment Group, LLC
Bolton Global Capital, Inc.	Keystone Financial Planning, Inc
Boyd Capital Management	Leafhouse Financial Advisors, LLC
Broadridge Business Process Outsourcing, LLC	Lincoln Financial Advisors Corporation
Callan	Lincoln Financial Distributors, Inc.
Cambridge Investment Research, Inc.	Lincoln Investment Planning, LLC
Cetera Advisor Networks LLC	Lyrical Partners, L.P.
Cetera Advisors LLC	LPL Financial LLC
Cetera Investment Services LLC	Mainstreet Advisors
Charles Schwab & Company, Inc.	Marquette Associates, Inc
CIBC World Markets Corp.	Merrill Lynch, Pierce, Fenner and Smith Incorporated
Citigroup Global Markets Inc.	MML Investors Inc
Citizens Securities, Inc.	Monarch Wealth Strategies
Comerica Securities, Inc.	Morgan Stanley Smith Barney LLC
Commonwealth Financial Network	National Financial Services LLC
D A Davidson & Co.	Nationwide Investment Services Corporation
Davenport & Company LLC	NewEdge Securities, Inc.
Deutsche Bank Securities Inc.	Northwestern Mutual Investment Services, LLC
Edward D. Jones & Co., LP	OneDigital Investment Advisors
Ellsworth Advisors, LLC	OneSeven
Emerald Advisors, LLC	Oppenheimer & Company, Inc.
Empower Financial Services, Inc.	Orion Portfolio Solutions LLC
Envestnet PMC	Osaic FS, Inc.
Equitable Advisors, LLC	Osaic Wealth, Inc
FBL Marketing Services, LLC	Parks Capital
Fidelity Investments Institutional Operations Company, Inc. (FIIOC)	Paychex Securities Corp.
Fidelity Brokerage Services LLC	Pershing LLC
Fifth Third Securities, Inc.	PNC Capital Markets, LLC
FIS Brokerage & Securities Services LLC	PNC Investments LLC
Focused Alpha, LLC	Principal Securities, Inc.
Global Retirement Partners LLC	Purshe Kaplan Sterling Investments
Goldman Sachs & Co. LLC	Rademacher Financial, Inc.
Guardian Financial	Raleigh Capital Management Inc.
HighTower Securities, LLC	Raymond James & Associates, Inc.
Hilltop Securities, Inc.	Raymond James Financial Services, Inc
HUB International Investment Services Inc.	RBC Capital Markets, LLC
Huntington Securities, Inc.	RMR Wealth Builders, Inc.
Insigneo Securities, LLC	Robert W Baird & Co. Incorporated
Institutional Cash Distributors, LLC	Rockefeller Capital Management
J.P. Morgan Securities LLC	Royal Alliance Associates, Inc.
Janney Montgomery Scott LLC	Sanctuary Securities, Inc.
	Sanford C. Bernstein & Company, LLC

SBC Wealth Management
Security Distributors, LLC
Sentry Advisors, LLC
State Street Global Markets, LLC
Steward Partners Investment Advisory, LLC
Stifel, Nicolaus & Company, Incorporated
Strategic Financial Concepts, LLC
Strategic Financial Partners, Ltd.
TD Ameritrade, Inc.
Teachers Insurance and Annuity Association of America
The London Company of Virginia LLC
The Patriot Financial Group, LLC
The Huntington Investment Company
Three Bell Capital LLC
Towerpoint Wealth, LLC
Transamerica Financial Advisors, Inc
Treasury Brokerage
Truist Investment Services, Inc.

Truist Securities, Inc.
U.S. Bancorp Investments, Inc.
UBS Financial Services Inc
UBS Securities LLC
UMB Financial Services, Inc.
United Planners Financial Services of America, L.P.
Validus Capital LLC
Vanguard Marketing Corporation
Veridian Capital Partners
Vision Financial Markets, LLC
Voya Financial Advisors, Inc.
Voya Retirement Advisors, LLC
Webb Financial Group, LLC
Wells Fargo Clearing Services LLC
Wells Fargo Securities, LLC
Wintrust Investments LLC
World Investment Advisors, LLC

Purchases In-Kind

You may contact the Distributor to request a purchase of Shares using securities you own. The Fund reserves the right to determine whether to accept your securities and the minimum market value to accept. The Fund will value your securities in the same manner as it values its assets in determining the market value of the portfolio. An in-kind purchase may be treated as a sale of your securities for federal tax purposes; please consult your tax adviser regarding potential tax liability.

Redemption In-Kind

Although the Fund generally intends to pay Share redemptions in cash, it reserves the right, on its own initiative or in response to a shareholder request, to pay the redemption price in whole or in part by a distribution of the Fund's portfolio securities.

Because the Fund has elected to be governed by Rule 18f-1 under the 1940 Act, the Fund is obligated to pay Share redemptions to any one shareholder in cash only up to the lesser of \$250,000 or 1% of the net assets represented by such Share class during any 90-day period.

Any Share redemption payment greater than this amount will also be in cash unless the Fund elects to pay all or a portion of the remainder of the redemption in portfolio securities, valued in the same way as the Fund determines its NAV.

Redemption in-kind is not as liquid as a cash redemption. Shareholders receiving the portfolio securities could have difficulty selling them, may incur related transaction costs and would be subject to risks of fluctuations in the securities' values prior to sale.

Massachusetts Partnership Law

Under Massachusetts law, shareholders could, under certain circumstances, be held personally liable for the obligations of the Trust. The Declaration of Trust provides that no shareholder or former shareholder, merely by reason of his or her being or having been a shareholder, will be subject to any personal liability in connection with Trust property or the affairs of the Trust.

In the unlikely event a shareholder or former shareholder is held personally liable for the Trust's obligations, such shareholder will be entitled, out of the assets belonging to the applicable series, to be indemnified against all claims and reimbursed for all reasonably incurred expenses in connection with such claims. On request, the Trust will defend any claim made and pay any judgment against a shareholder from the assets belonging to the relevant series.

Share Information

ORGANIZATION, CAPITALIZATION, VOTING RIGHTS AND OTHER MATTERS

The Trust is a Massachusetts business trust established under a Declaration of Trust dated October 3, 1988, as amended and restated November 11, 2015. The Trust's Declaration of Trust may be amended at any time by a majority of the Trustees. Under the Declaration of Trust, the Trustees have the authority to create and classify shares of beneficial interest in separate series and classes without further action by shareholders. Each series and class thereof may issue an unlimited number of shares of beneficial interest, with no par value. Shares of each series represent equal proportionate interests in the assets of that series only and have identical voting, dividend, redemption, liquidation and other rights of shares in the same series except that expenses allocated to a class may be borne solely by such class as determined by the Trustees and a class may have exclusive voting rights with respect to matters affecting only that class. Shares entitle their holders to one vote per share (and fractional votes for fractional shares), are freely transferable and, except as specifically provided by the Trustees, have no preference, preemptive, appraisal, exchange, subscription or conversion rights. All shares issued are fully paid and non-assessable. In the event of a liquidation or termination of a series, each shareholder is entitled to receive his pro rata share of the net assets of that series.

It is not anticipated that the Trust will hold shareholders' meetings unless required by law or the Declaration of Trust. The Board will call special meetings of shareholders of the Trust, a series or class thereof only if required under the 1940 Act, in their discretion, or upon the written request of holders of 10% or more of the outstanding shares of the Trust or of the relevant series or class, entitled to vote at such meeting.

The Declaration of Trust provides that the Trustees may redeem shares in certain circumstances, such as when a shareholder does not meet the qualifications for ownership of a particular series or class, or when such redemptions are required to comply with applicable laws and regulations. The Declaration of Trust also provides that the Board may, without shareholder approval unless required by the 1940 Act, cause the Trust or any series or class to dissolve, convert, merge, consolidate, reorganize, sell all or any part of its assets, provided that the surviving or resulting entity is an open-end management investment company under the 1940 Act, or a series thereof. The Trust or any series or class may be terminated at any time by the Trustees by written notice to the shareholders.

SHAREHOLDERS OF THE FUND

As of February 10, 2025, the following shareholders owned of record, beneficially or both, 5% or more of outstanding Wealth Shares: Morgan Stanley Smith Barney, Jersey City, NJ, owned approximately 141,965,868 Shares (37.12%); Pershing LLC, Jersey City, NJ, owned approximately 74,927,539 Shares (19.59%); and Charles Schwab & Co., Inc., San Francisco, CA, owned approximately 20,842,397 Shares (5.45%).

As of February 10, 2025, the following shareholders owned of record, beneficially or both, 5% or more of outstanding Service Shares: American Enterprise Investment Services, Minneapolis, MN, owned approximately 30,705,065 Shares (53.01%); Pershing LLC, Jersey City, NJ, owned approximately 18,764,674 Shares (32.39%); and Charles Schwab & Co., Inc., San Francisco, CA, owned approximately 3,801,894 Shares (6.56%).

As of February 10, 2025, the following shareholder owned of record, beneficially or both, 5% or more of outstanding Cash II Shares: Pershing LLC, Jersey City, NJ, owned approximately 2,896,197 Shares (98.99%).

As of February 10, 2025, the following shareholder owned of record, beneficially or both, 5% or more of outstanding Cash Series Shares: Pershing LLC, Jersey City, NJ, owned approximately 26,433,555 Shares (97.15%).

Shareholders owning 25% or more of outstanding Shares may be in control and be able to affect the outcome of certain matters presented for a vote of shareholders.

Morgan Stanley Smith Barney LLC is organized in the State of Delaware.

Pershing LLC is organized in the State of Delaware and is a wholly owned subsidiary of The Bank of New York Mellon Corporation which is organized in the State of Delaware.

American Enterprise Investment Services Inc. is organized in the State of Minnesota.

Tax Information

FEDERAL INCOME TAX

The Fund intends to meet requirements of Subchapter M of the Internal Revenue Code (the "Code") applicable to regulated investment companies. If these requirements are not met, it will not receive special tax treatment and will be subject to federal corporate income tax.

The Fund will be treated as a single, separate entity for federal income tax purposes so that income earned and capital gains and losses realized by the Trust's other portfolios will be separate from those realized by the Fund.

State Taxes

Under existing New York laws, distributions made by the Fund will not be subject to New York State or New York City personal income taxes to the extent that such distributions qualify as exempt-interest dividends under the Code, and represent interest income attributable to obligations issued by the State of New York and its political subdivisions as well as certain other obligations, the interest on which is exempt from New York State and New York City personal income taxes, such as, for example, certain obligations of the Commonwealth of Puerto Rico. Conversely, to the extent that distributions made by the Fund are derived from other types of obligations, such distributions will be subject to New York State and New York City personal income taxes.

The Fund cannot predict in advance the exact portion of its dividends that will be exempt from New York State and New York City personal income taxes. However, the Fund will report to shareholders at least annually what percentage of the dividends it actually paid is exempt from such taxes.

Dividends paid by the Fund are exempt from the New York City unincorporated business taxes to the same extent that they are exempt from the New York City personal income taxes.

Dividends paid by the Fund are not excluded from net income in determining New York State or New York City franchise taxes on corporations or financial institutions.

Who Manages and Provides Services to the Fund?

BOARD OF TRUSTEES

The Board of Trustees is responsible for managing the Trust's business affairs and for exercising all the Trust's powers except those reserved for the shareholders. The following tables give information about each Trustee and the senior officers of the Fund. Where required, the tables separately list Trustees who are "interested persons" of the Fund (i.e., "Interested" Trustees) and those who are not (i.e., "Independent" Trustees). Unless otherwise noted, the address of each person listed is 1001 Liberty Avenue, Pittsburgh, PA 15222-3779. The address of all Independent Trustees listed is 4000 Ericsson Drive, Warrendale, PA 15086-7561; Attention: Mutual Fund Board. As of December 31, 2024, the Trust comprised 16 portfolios, and the Federated Hermes Complex consisted of 32 investment companies (comprising 100 portfolios). Unless otherwise noted, each Officer is elected annually. Unless otherwise noted, each Trustee oversees all portfolios in the Federated Hermes Complex and serves for an indefinite term.

As of February 10, 2025, the Fund's Board and Officers as a group owned less than 1% of each class of the Fund's outstanding Shares.

QUALIFICATIONS OF INDEPENDENT TRUSTEES

Individual Trustee qualifications are noted in the "Independent Trustees Background and Compensation" chart. In addition, the following characteristics are among those that were considered for each existing Trustee and will be considered for any Nominee Trustee.

- Outstanding skills in disciplines deemed by the Independent Trustees to be particularly relevant to the role of Independent Trustee and to the Federated Hermes funds, including legal, accounting, business management, the financial industry generally and the investment industry particularly.
- Desire and availability to serve for a substantial period of time, taking into account the Board's current mandatory retirement age of 75 years.
- No conflicts which would interfere with qualifying as independent.
- Appropriate interpersonal skills to work effectively with other Independent Trustees.
- Understanding and appreciation of the important role occupied by Independent Trustees in the regulatory structure governing regulated investment companies.
- Diversity of background.

INTERESTED TRUSTEES BACKGROUND AND COMPENSATION

Name Birth Date Positions Held with Trust Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held and Previous Position(s)	Aggregate Compensation From Fund (past fiscal year)	Total Compensation From Fund and Federated Hermes Complex (past calendar year)
J. Christopher Donahue* Birth Date: April 11, 1949 PRESIDENT AND TRUSTEE Indefinite Term Began serving: April 1989	<p>Principal Occupations: Principal Executive Officer and President of certain of the Funds in the Federated Hermes Complex; Director or Trustee of the Funds in the Federated Hermes Complex; Chairman, President, Chief Executive Officer and Director, Federated Hermes, Inc.; Trustee, Federated Administrative Services and Director, Federated Administrative Services, Inc.; Trustee and Chairman, Federated Advisory Services Company; Director or Trustee and Chairman, Federated Investment Management Company, Federated Global Investment Management Corp., Federated Equity Management Company of Pennsylvania, and Federated MDTA LLC; Trustee, Federated Investment Counseling; Trustee, Federated Shareholder Services Company; Director, Federated Services Company.</p> <p>Previous Positions: President, Federated Investment Counseling; President and Chief Executive Officer, Federated Investment Management Company, Federated Global Investment Management Corp. and Passport Research, Ltd.; Chairman, Passport Research, Ltd.</p>	\$0	\$0
Thomas R. Donahue* Birth Date: October 20, 1958 TRUSTEE Indefinite Term Began serving: May 2016	<p>Principal Occupations: Director or Trustee of certain of the Funds in the Federated Hermes Complex; Director, Chief Financial Officer, Treasurer, Vice President and Assistant Secretary, Federated Hermes, Inc.; Chairman and Trustee, Federated Administrative Services; Chairman and Director, Federated Administrative Services, Inc.; Director or Trustee and Treasurer, Advisory Services Company, Federated Equity Management Company of Pennsylvania, Federated Global Investment Management Corp., Federated Investment Counseling, and Federated Investment Management Company; Director, MDTA LLC; Director, Executive Vice President and Assistant Secretary, Federated Securities Corp.; Director or Trustee and Chairman, Federated Services Company and Federated Shareholder Services Company; and Director and President, FII Holdings, Inc.</p> <p>Previous Positions: Assistant Secretary, Federated Investment Management Company, Federated Global Investment Management Company and Passport Research, Ltd.; Treasurer, Passport Research, Ltd.; and Treasurer, FII Holdings, Inc.</p>	\$0	\$0

* Family relationships and reasons for "interested" status: J. Christopher Donahue and Thomas R. Donahue are brothers. Both are "interested" due to their beneficial ownership of shares of Federated Hermes, Inc. and the positions they hold with Federated Hermes, Inc. and its subsidiaries.

INDEPENDENT TRUSTEES BACKGROUND, QUALIFICATIONS AND COMPENSATION

Name Birth Date Positions Held with Trust Date Service Began	Principal Occupation(s) and Other Directorships Held for Past Five Years, Previous Position(s) and Qualifications	Aggregate Compensation From Fund (past fiscal year)	Total Compensation From Fund and Federated Hermes Complex (past calendar year)
John G. Carson Birth Date: May 15, 1965 TRUSTEE Indefinite Term Began serving: January 2024	<p>Principal Occupations: Director or Trustee of the Federated Hermes Complex; Chief Executive Officer, Chief Investment Officer, Northstar Asset Management (Financial Services); formerly, Chief Compliance Officer, Northstar Asset Management.</p> <p>Other Directorships Held: None.</p> <p>Qualifications: Mr. Carson has served in various business management roles throughout his career. Mr. Carson was a Vice President at the Glenmede Trust Company and a Managing Director at Oppenheimer & Company. Prior to that he spent more than a decade with the Bank of America/Merrill Lynch as a Director of Institutional Sales. Earlier on, Mr. Carson held similar positions for Wertheim Schroder/Schroders PLC and Drexel Burnham Lambert.</p>	\$178.24	\$242,570.94

Name Birth Date Positions Held with Trust Date Service Began	Principal Occupation(s) and Other Directorships Held for Past Five Years, Previous Position(s) and Qualifications	Aggregate Compensation From Fund (past fiscal year)	Total Compensation From Fund and Federated Hermes Complex (past calendar year)
G. Thomas Hough Birth Date: February 28, 1955 TRUSTEE Indefinite Term Began serving: August 2015	<p>Principal Occupations: Director or Trustee and Chair of the Board of Directors or Trustees of the Federated Hermes Complex; formerly, Vice Chair, Ernst & Young LLP (public accounting firm) (Retired).</p> <p>Other Directorships Held: Director, Chair of the Audit Committee, Member of the Compensation Committee, Equifax, Inc.; Lead Director, Member of the Audit and Nominating and Corporate Governance Committees, Haverty Furniture Companies, Inc.</p> <p>Qualifications: Mr. Hough has served in accounting, business management and directorship positions throughout his career. Mr. Hough most recently held the position of Americas Vice Chair of Assurance with Ernst & Young LLP (public accounting firm). Mr. Hough serves on the President's Cabinet and Business School Board of Visitors for the University of Alabama. Mr. Hough previously served as a Director and Member of the Audit, Governance, and Compensation Committees at Publix Super Markets, Inc., as well as on the Business School Board of Visitors for Wake Forest University. In addition, he previously served as an Executive Committee member of the United States Golf Association.</p>	\$282.22	\$395,000
Karen L. Larrimer Birth Date: December 10, 1962 TRUSTEE Indefinite Term Began serving: January 2025	<p>Principal Occupations: Director or Trustee of the Federated Hermes Complex; formerly, Executive Vice President and Head of Retail Banking and Chief Customer Officer, The PNC Financial Services Group, Inc. (Retired).</p> <p>Other Directorships Held: None.</p> <p>Qualifications: Ms. Larrimer has served in several business and financial management roles and directorship positions throughout her career. She previously held the position of Executive Vice President and Head of Retail Banking and Chief Customer Officer, The PNC Financial Services Group, Inc. Prior to those roles, Ms. Larrimer held several executive positions at PNC, including Chief Marketing Officer and Executive Vice President for Business Banking. In addition to her various roles at PNC, Ms. Larrimer previously was an assistant director at Ernst & Young LLP and served in several leadership roles at Mellon Bank. Ms. Larrimer also currently holds the positions on not for profit or for profit boards of directors as follows: Director, Highmark Inc. (health insurance organization); Director, Modern Executive Solutions (executive search and advisory solutions firm); Director and former Chair, Children's Museum of Pittsburgh; Director and former Chair, United Way of Southwestern Pennsylvania; and Emeritus Director, Goodwill Industries Pittsburgh. Ms. Larrimer has held the positions of: President, Duquesne Club of Pittsburgh; Trustee, Robert Morris University; Director, PNC Foundation; and Director, numo (fintech incubator).</p>	\$0	\$0
Max F. Miller Birth Date: December 6, 1968 TRUSTEE Indefinite Term Began serving: January 2025	<p>Principal Occupations: Director or Trustee of the Federated Hermes Complex; Associate Professor, Director of Entrepreneurial Studies, Director – Ignite Business Incubator, Washington & Jefferson College.</p> <p>Other Directorships Held: None.</p> <p>Qualifications: Mr. Miller has served in several legal, business, and academic roles and directorship positions throughout his career. Mr. Miller serves as Associate Professor of Business & Entrepreneurship, Director of Entrepreneurial Studies, and Director of Ignite Business Incubator at Washington & Jefferson College. He also serves as President and Chief Tasting Officer of Raise Your Spirits, an experiential engagement firm. Mr. Miller previously served as Executive Vice President & Chief Operating Officer of Urban Innovation 21, an economic development focused public-private partnership; Director of VIP Experiences of MetroMe, a mobile app providing concierge services; Chief Administrative Officer and General Counsel of Big Brothers Big Sisters of America; and Director of the University of Pittsburgh School of Law's Innovation Practice Institute. Prior to those roles, Mr. Miller held various operations, marketing and legal leadership roles at H.J. Heinz Company and was an attorney for Federated Investors, Inc. (now Federated Hermes, Inc.) from May 3, 1994, to November 11, 1997.</p>	\$0	\$0

Name Birth Date Positions Held with Trust Date Service Began	Principal Occupation(s) and Other Directorships Held for Past Five Years, Previous Position(s) and Qualifications	Aggregate Compensation From Fund (past fiscal year)	Total Compensation From Fund and Federated Hermes Complex (past calendar year)
Frank J. Nasta Birth Date: October 11, 1964 TRUSTEE Indefinite Term Began serving: January 2025	<p>Principal Occupations: Director or Trustee of the Federated Hermes Complex; Chair of the Mutual Fund Advisory Committee and the European Fund Advisory Committee (industry forums sponsored by Broadridge Financial Solutions, Inc.)¹ (Retired).</p> <p>Other Directorships Held: None.</p> <p>Qualifications: Mr. Nasta has served in various legal, compliance, and business roles in the investment management industry throughout his career. He previously was a Managing Director of JPMorgan Chase & Co. and Head of Legal for the JPMorgan U.S. Mutual Funds business. Prior to joining J.P. Morgan, Mr. Nasta was a Partner, General Counsel, Corporate Secretary and Member of the Board of Directors of J. & W. Seligman, an investment management firm. Mr. Nasta previously served as the chair of the Investment Company Institute's (the "ICI") SEC Rules Committee, the ICI's Mutual Funds Conference Advisory Committee, and the Investment Management Regulation Committee of the New York City Bar Association. He also previously served as a Director of The International Preschools in New York City.</p> <p><i>1 Mr. Nasta served as Chair of these committees in the capacity of a non-employee consultant, has never been an employee of Broadridge Financial Solutions, Inc., and has resigned from these positions, effective December 31, 2024, in connection with his election to the Board.</i></p>	\$0	\$0
Thomas M. O'Neill Birth Date: June 14, 1951 TRUSTEE Indefinite Term Began serving: August 2006	<p>Principal Occupations: Director or Trustee and Chair of the Audit Committee of the Federated Hermes Complex; Sole Proprietor, Navigator Management Company (investment and strategic consulting).</p> <p>Other Directorships Held: None.</p> <p>Qualifications: Mr. O'Neill has served in several business, mutual fund and financial management roles and directorship positions throughout his career. Mr. O'Neill serves as Director, Medicines for Humanity. Mr. O'Neill previously served as Chief Executive Officer and President, Managing Director and Chief Investment Officer, Fleet Investment Advisors; President and Chief Executive Officer, Aeltus Investment Management, Inc.; General Partner, Hellman, Jordan Management Co., Boston, MA; Chief Investment Officer, The Putnam Companies, Boston, MA; and Credit Analyst and Lending Officer, Fleet Bank.</p>	\$266.02	\$376,000
Madelyn A. Reilly Birth Date: February 2, 1956 TRUSTEE Indefinite Term Began serving: November 2020	<p>Principal Occupations: Director or Trustee of the Federated Hermes Complex; formerly, Senior Vice President for Legal Affairs, General Counsel and Secretary of Board of Directors, Duquesne University (Retired).</p> <p>Other Directorships Held: None.</p> <p>Qualifications: Ms. Reilly has served in various business and legal management roles throughout her career. Ms. Reilly previously served as Senior Vice President for Legal Affairs, General Counsel and Secretary of Board of Directors and Director of Risk Management and Associate General Counsel, Duquesne University. Prior to her work at Duquesne University, Ms. Reilly served as Assistant General Counsel of Compliance and Enterprise Risk as well as Senior Counsel of Environment, Health and Safety, PPG Industries. Ms. Reilly currently serves as a member of the Board of Directors of UPMC Mercy Hospital, and as a member of the Board of Directors of Catholic Charities, Pittsburgh, and as a member of the Duquesne Kline Law School Advisory Board.</p>	\$223.54	\$310,000

Name Birth Date Positions Held with Trust Date Service Began	Principal Occupation(s) and Other Directorships Held for Past Five Years, Previous Position(s) and Qualifications	Aggregate Compensation From Fund (past fiscal year)	Total Compensation From Fund and Federated Hermes Complex (past calendar year)
John S. Walsh Birth Date: November 28, 1957 TRUSTEE Indefinite Term Began serving: January 1999	Principal Occupations: Director or Trustee of the Federated Hermes Complex; Chairman and Director, Heat Wagon, Inc. (manufacturer of construction temporary heaters); Chairman and Director, Manufacturers Products, Inc. (distributor of portable construction heaters); Chairman, Portable Heater Parts, a division of Manufacturers Products, Inc.; formerly, President, Heat Wagon, Inc. and Manufacturers Products, Inc. Other Directorships Held: None. Qualifications: Mr. Walsh has served in several business management roles and directorship positions throughout his career. Mr. Walsh previously served as President at Heat Wagon, Inc. (manufacturer of construction temporary heaters), Manufacturers Products, Inc. (distributor of portable construction heaters), and Portable Heater Parts, a division of Manufacturers Products, Inc. Mr. Walsh previously served as Vice President, Walsh & Kelly, Inc. (paving contractors).	\$241.36	\$341,000

OFFICERS*

Name Birth Date Positions Held with Trust Date Service Began	Principal Occupation(s) and Previous Position(s)
Jeremy D. Boughton Birth Date: September 29, 1976 TREASURER Officer since: March 2024	Principal Occupations: Principal Financial Officer and Treasurer of the Federated Hermes Complex; Senior Vice President, Federated Administrative Services, Federated Administrative Services, Inc., Federated Advisory Services Company, Federated Equity Management Company of Pennsylvania, Federated Global Investment Management Corp., Federated Investment Counseling, Federated Investment Management Company and Federated MDTA, LLC. Formerly, Controller, Federated Hermes, Inc. and Financial and Operations Principal for Federated Securities Corp. Mr. Boughton has received the Certified Public Accountant designation. Previous Positions: Senior Vice President and Assistant Treasurer, Federated Investors Management Company; Treasurer, Federated Investors Trust Company; Assistant Treasurer, Federated Administrative Services, Federated Administrative Services, Inc., Federated Securities Corp., Federated Advisory Services Company, Federated Equity Management Company of Pennsylvania, Federated Global Investment Management Corp., Federated Investment Counseling, Federated Investment Management Company, Federated MDTA, LLC and Federated Hermes (UK) LLP, as well as other subsidiaries of Federated Hermes, Inc.
Peter J. Germain Birth Date: September 3, 1959 CHIEF LEGAL OFFICER, SECRETARY AND EXECUTIVE VICE PRESIDENT Officer since: January 2005	Principal Occupations: Mr. Germain is Chief Legal Officer, Secretary and Executive Vice President of the Federated Hermes Complex. He is Chief Legal Officer, Secretary and Executive Vice President, Federated Hermes, Inc.; Trustee and Senior Vice President, Federated Investors Management Company; Trustee and President, Federated Administrative Services; Director and President, Federated Administrative Services, Inc.; Director and Vice President, Federated Securities Corp.; Director and Secretary, Federated Private Asset Management, Inc.; and Secretary, Federated Shareholder Services Company. Mr. Germain joined Federated Hermes, Inc. in 1984 and is a member of the Pennsylvania Bar Association. Previous Positions: Deputy General Counsel, Special Counsel, Managing Director of Mutual Fund Services, Federated Hermes, Inc.; Senior Vice President, Federated Services Company; and Senior Corporate Counsel, Federated Hermes, Inc.
Stephen Van Meter Birth Date: June 5, 1975 CHIEF COMPLIANCE OFFICER AND SENIOR VICE PRESIDENT Officer since: July 2015	Principal Occupations: Senior Vice President and Chief Compliance Officer of the Federated Hermes Complex; Vice President and Chief Compliance Officer of Federated Hermes, Inc. and Chief Compliance Officer of certain of its subsidiaries. Mr. Van Meter joined Federated Hermes, Inc. in October 2011. He holds FINRA licenses under Series 3, 7, 24 and 66. Previous Positions: Mr. Van Meter previously held the position of Compliance Operating Officer, Federated Hermes, Inc. Prior to joining Federated Hermes, Inc., Mr. Van Meter served at the United States Securities and Exchange Commission in the positions of Senior Counsel, Office of Chief Counsel, Division of Investment Management and Senior Counsel, Division of Enforcement.
Deborah A. Cunningham Birth Date: September 15, 1959 CHIEF INVESTMENT OFFICER Officer since: May 2004	Principal Occupations: Deborah A. Cunningham was named Chief Investment Officer of Federated Hermes' money market products in 2004. She joined Federated Hermes in 1981 and has been a Senior Portfolio Manager since 1997 and an Executive Vice President of the Fund's Adviser since 2009. Ms. Cunningham has received the Chartered Financial Analyst designation and holds an M.S.B.A. in Finance from Robert Morris College.
Mary Jo Ochson Birth Date: September 12, 1953 CHIEF INVESTMENT OFFICER Officer since: May 2004	Principal Occupations: Mary Jo Ochson was named Chief Investment Officer of Federated Hermes' tax-exempt, fixed-income products in 2004 and Chief Investment Officer of Federated Hermes' Tax-Free Money Markets in 2010. She joined Federated Hermes in 1982 and has been a Senior Portfolio Manager and a Senior Vice President of the Fund's Adviser since 1996. Ms. Ochson has received the Chartered Financial Analyst designation and holds an M.B.A. in Finance from the University of Pittsburgh.

* Officers do not receive any compensation from the Fund.
 In addition, the Fund has appointed an Anti-Money Laundering Compliance Officer.

DIRECTOR/TRUSTEE EMERITUS PROGRAM

The Board has created a position of Director/Trustee Emeritus, whereby an incumbent Director/Trustee who has attained the age of 75 and completed a minimum of five years of service as a director/trustee, may, in the sole discretion of the Committee of Independent Directors/Trustees (“Committee”), be recommended to the full Board of Directors/Trustees of the Fund to serve as Director/Trustee Emeritus.

A Director/Trustee Emeritus that has been approved as such receives an annual fee in an amount equal to a percent of the annual base compensation paid to a Director/Trustee. In the case of a Director/Trustee Emeritus who had previously served at least five years but less than 10 years as a Director/Trustee, the percent will be 10%. In the case of a Director/Trustee Emeritus who had previously served at least 10 years as a Director/Trustee, the percent will be 20%. The Director/Trustee Emeritus will be reimbursed for any expenses incurred in connection with their service, including expenses of travel and lodging incurred in attendance at Board meetings. Director/Trustee Emeritus will continue to receive relevant materials concerning the Funds, will be expected to attend at least one regularly scheduled quarterly meeting of the Board of Directors/Trustees each year and will be available to consult with the Committees or its representatives at reasonable times as requested by the Chairman; however, a Director/Trustee Emeritus does not have any voting rights at Board meetings and is not subject to election by shareholders of the Funds.

The Director/Trustee Emeritus will be permitted to serve in such capacity at the pleasure of the Committee, but the annual fee will cease to be paid at the end of the calendar year during which he or she has attained the age of 80 years, thereafter the position will be honorary.

The following table shows the fees paid to each Director/Trustee Emeritus for the Fund’s most recently ended fiscal year and the portion of that fee paid by the Fund or Corporation/Trust.¹

EMERITUS TRUSTEES AND COMPENSATION

Director/Trustee Emeritus	Compensation From the Fund (past fiscal year)	Total Compensation Paid to Director/Trustee Emeritus ¹ (past calendar year)
John T. Collins	\$ 30.06	\$62,000.00
Maureen Lally-Green ²	\$245.89	\$ 0.00
P. Jerome Richey ²	\$245.89	\$ 0.00
Charles F. Mansfield, Jr.	\$ 37.00	\$62,000.00

1 The fees paid to a Director/Trustee are allocated among the funds that were in existence at the time the Director/Trustee elected Emeritus status, based on each fund’s net assets at that time.

2 Judge Maureen Lally-Green and Mr. P. Jerome Richey retired from the Federated Hermes Funds Board of Directors/Trustees at the close of business on December 31, 2024. Judge Lally-Green and Mr. Richey were each appointed as Emeritus Director/Trustee on February 13, 2025, to become retroactively effective as of January 1, 2025. The Fund compensation in the table above reflects compensation that Judge Lally-Green and Mr. Richey each received from the Fund as a Director/Trustee for the Fund’s last fiscal year. For the calendar year ended December 31, 2024, Judge Lally-Green and Mr. Richey each received total compensation as a Director/Trustee of the Federated Hermes Funds Board of \$341,000 and \$341,000, respectively.

BOARD LEADERSHIP STRUCTURE

As required under the terms of certain regulatory settlements, the Chairman of the Board is not an interested person of the Fund and neither the Chairman, nor any firm with which the Chairman is affiliated, has a prior relationship with Federated Hermes or its affiliates or (other than his position as a Trustee) with the Fund.

COMMITTEES OF THE BOARD

Board Committee	Committee Members	Committee Functions	Meetings Held During Last Fiscal Year
Executive	J. Christopher Donahue G. Thomas Hough Madelyn A. Reilly John S. Walsh	In between meetings of the full Board, the Executive Committee generally may exercise all the powers of the full Board in the management and direction of the business and conduct of the affairs of the Trust in such manner as the Executive Committee shall deem to be in the best interests of the Trust. However, the Executive Committee cannot elect or remove Board members, increase or decrease the number of Trustees, elect or remove any Officer, declare dividends, issue shares or recommend to shareholders any action requiring shareholder approval.	One

Board Committee	Committee Members	Committee Functions	Meetings Held During Last Fiscal Year
Audit	John G. Carson Thomas M. O'Neill Madelyn A. Reilly John S. Walsh	The purposes of the Audit Committee are to oversee the accounting and financial reporting process of the Fund, the Fund's internal control over financial reporting and the quality, integrity and independent audit of the Fund's financial statements. The Committee also oversees or assists the Board with the oversight of compliance with legal requirements relating to those matters, approves the engagement and reviews the qualifications, independence and performance of the Fund's independent registered public accounting firm, acts as a liaison between the independent registered public accounting firm and the Board and reviews the Fund's internal audit function.	Seven
Nominating	John G. Carson G. Thomas Hough Karen L. Larrimer Max F. Miller Frank J. Nasta Thomas M. O'Neill Madelyn A. Reilly John S. Walsh	The Nominating Committee, whose members consist of all Independent Trustees, selects and nominates persons for election to the Fund's Board when vacancies occur. The Committee will consider candidates recommended by shareholders, Independent Trustees, officers or employees of any of the Fund's agents or service providers and counsel to the Fund. Any shareholder who desires to have an individual considered for nomination by the Committee must submit a recommendation in writing to the Secretary of the Fund, at the Fund's address appearing on the back cover of this SAI. The recommendation should include the name and address of both the shareholder and the candidate and detailed information concerning the candidate's qualifications and experience. In identifying and evaluating candidates for consideration, the Committee shall consider such factors as it deems appropriate. Those factors will ordinarily include: integrity, intelligence, collegiality, judgment, diversity, skill, business and other experience, qualification as an "Independent Trustee," the existence of material relationships which may create the appearance of a lack of independence, financial or accounting knowledge and experience and dedication and willingness to devote the time and attention necessary to fulfill Board responsibilities.	Three

BOARD'S ROLE IN RISK OVERSIGHT

The Board's role in overseeing the Fund's general risks includes receiving performance reports for the Fund and risk management reports from Federated Hermes' Chief Risk Officer at each regular Board meeting. The Chief Risk Officer is responsible for enterprise risk management at Federated Hermes, which includes risk management committees for investment management and for investor services. The Board also receives regular reports from the Fund's Chief Compliance Officer regarding significant compliance risks.

On behalf of the Board, the Audit Committee plays a key role overseeing the Fund's financial reporting and valuation risks. The Audit Committee meets regularly with the Fund's Principal Financial Officer and outside auditors, as well as with Federated Hermes' Chief Audit Executive to discuss financial reporting and audit issues, including risks relating to financial controls.

BOARD OWNERSHIP OF SHARES IN THE FUND AND IN THE FEDERATED HERMES FAMILY OF INVESTMENT COMPANIES AS OF DECEMBER 31, 2024

Interested Board Member Name	Dollar Range of Shares Owned in Federated Hermes New York Municipal Cash Trust	Aggregate Dollar Range of Shares Owned in Federated Hermes Family of Investment Companies
J. Christopher Donahue	None	Over \$100,000
Thomas R. Donahue	None	Over \$100,000
Independent Board Member Name		
John G. Carson	None	None
G. Thomas Hough	None	Over \$100,000
Karen L. Larrimer	None	Over \$100,000
Max F. Miller	None	None
Frank J. Nasta	None	None
Thomas M. O'Neill	None	Over \$100,000
Madelyn A. Reilly	None	Over \$100,000
John S. Walsh	None	Over \$100,000

INVESTMENT ADVISER

The Adviser conducts investment research and makes investment decisions for the Fund.

The Adviser is a wholly owned subsidiary of Federated Hermes.

The Adviser shall not be liable to the Trust or any Fund shareholder for any losses that may be sustained in the purchase, holding or sale of any security or for anything done or omitted by it, except acts or omissions involving willful misfeasance, bad faith, gross negligence or reckless disregard of the duties imposed upon it by its contract with the Trust.

In December 2017, Federated Investors, Inc., now Federated Hermes, became a signatory to the Principles for Responsible Investment (PRI). The PRI is an investor initiative in partnership with the United Nations Environment Programme Finance Initiative and the United Nations Global Compact. Commitments made as a signatory to the PRI are not legally binding, but are voluntary and aspirational. They include efforts, where consistent with our fiduciary responsibilities, to incorporate environmental, social and corporate governance (ESG) issues into investment analysis and investment decision making, to be active owners and incorporate ESG issues into our ownership policies and practices, to seek appropriate disclosure on ESG issues by the entities in which we invest, to promote acceptance and implementation of the PRI within the investment industry, to enhance our effectiveness in implementing the PRI, and to report on our activities and progress towards implementing the PRI. Being a signatory to the PRI does not obligate Federated Hermes to take, or not take, any particular action as it relates to investment decisions or other activities.

In July 2018, Federated Investors, Inc., now Federated Hermes, acquired a majority interest in Federated Hermes Limited (FHL) (formerly, Hermes Fund Managers Limited), a pioneer of integrated ESG investing. Federated Hermes now owns 100% of FHL. FHL's experience with ESG issues contributes to Federated Hermes' understanding of material risks and opportunities these issues may present.

EOS at Federated Hermes, which was established as Hermes Equity Ownership Services Limited (EOS) in 2004 as an affiliate of FHL and Hermes Investment Management Limited, is a 50+ member engagement and stewardship affiliate that conducts long-term, objectives-driven dialogue with board and senior executive level representatives of approximately 1,000 unique issuers annually. It seeks to address the most material ESG risks and opportunities through constructive and continuous discussions with the goal of improving long-term results for investors. Engagers' deep understanding across sectors, themes and regional markets, along with language and cultural expertise, allows EOS to provide insights to companies on the merits of addressing ESG risks and the positive benefits of capturing opportunities. Federated Hermes investment management teams have access to the insights gained from understanding a company's approach to these long-term strategic matters as an additional input to improve portfolio risk/return characteristics.

Services Agreement

Federated Advisory Services Company, an affiliate of the Adviser, provides certain support services to the Adviser. The fee for these services is paid by the Adviser and not by the Fund.

Other Related Services

Affiliates of the Adviser may, from time to time, provide certain electronic equipment and software to institutional customers in order to facilitate the purchase of Fund Shares offered by the Distributor.

CODE OF ETHICS RESTRICTIONS ON PERSONAL TRADING

As required by Rule 17j-1 of the Investment Company Act of 1940 and Rule 204A-1 under the Investment Advisers Act (as applicable), the Fund, its Adviser and its Distributor have adopted codes of ethics. These codes govern securities trading activities of investment personnel, Fund Trustees and certain other employees. Although they do permit these people to trade in securities, including those that the Fund could buy, as well as Shares of the Fund, they also contain significant safeguards designed to protect the Fund and its shareholders from abuses in this area, such as requirements to obtain prior approval for, and to report, particular transactions.

VOTING PROXIES ON FUND PORTFOLIO SECURITIES

The Board has delegated to the Adviser authority to vote proxies on the securities held in the Fund's portfolio. The Board has also approved the Adviser's policies and procedures for voting the proxies, which are described below.

Proxy Voting Policies

As an investment adviser with a fiduciary duty to the Fund and its shareholders, the Adviser's general policy is to cast proxy votes in favor of management proposals and shareholder proposals that the Adviser anticipates will enhance the long-term value of the securities being voted in a manner that is consistent with the investment objectives of the Fund. Generally, this will mean voting for proposals that the Adviser believes will improve the management of a company, increase the rights or preferences of the voted securities, or increase the chance that a premium offer would be made for the company or for the voted securities. This approach to voting proxy proposals will be referred to hereafter as the "General Policy."

The Adviser generally votes consistently on the same matter when securities of an issuer are held by multiple client portfolios. However, the Adviser may vote differently if a client's investment objectives differ from those of other clients or if a client explicitly instructs the Adviser to vote differently.

The following examples illustrate how the General Policy may apply to the most common management proposals and shareholder proposals. However, whether the Adviser supports or opposes a proposal will always depend on a thorough understanding of the Fund's investment objectives and the specific circumstances described in the proxy statement and other available information.

Corporate Governance

On matters related to the board of directors, generally, the Adviser will vote to elect nominees to the board in uncontested elections except in certain circumstances, such as where the director: (1) had not attended at least 75% of the board meetings during the previous year; (2) serves as the company's chief financial officer, unless the company is headquartered in the UK where this is market practice; (3) has become overboarded (more than five boards for retired executives and more than two boards for CEOs); (4) is a non-independent, non-executive director on the board of a U.S. domestic issuer where less than two-thirds of the directors are independent; (5) is a non-independent, non-executive director on the board of a foreign issuer where less than half of the directors are independent; (6) is a non-independent member of the audit committee; (7) is the chair of the nominating or governance committee when the roles of chairman of the board and CEO are combined and there is no lead independent director; (8) served on the compensation committee during a period in which compensation appears excessive relative to performance and peers; or (9) served on a board that did not implement a shareholder proposal that the Adviser supported and received more than 50% shareholder support the previous year.

In addition, the Adviser will generally vote in favor of: (10) a full slate of directors, where the directors are elected as a group and not individually, unless more than half of the nominees are not independent; (11) shareholder proposals to declassify the board of directors; (12) shareholder proposals to require a majority voting standard in the election of directors; (13) shareholder proposals to separate the roles of chairman of the board and CEO; (14) a proposal to require a company's audit committee to be comprised entirely of independent directors; and (15) shareholder proposals to eliminate supermajority voting requirements in company bylaws.

On other matters of corporate governance, generally, the Adviser will vote: (1) in favor of proposals to grant shareholders the right to call a special meeting if owners of at least 10% of the outstanding stock agree; (2) on a case-by-case basis for shareholder proposals to grant shareholders the right to act by written consent when the company does not already grant shareholders the right to call a special meeting; (3) on a case-by-case basis for proposals to adopt or amend shareholder rights plans (also known as "poison pills"); and (4) in favor of shareholder proposals calling for "Proxy Access," that is, a bylaw change allowing shareholders owning at least 3% of the outstanding common stock for at least three years to nominate candidates for election to the board of directors.

Generally, the Adviser will vote every shareholder proposal of an environmental or social nature on a case-by-case basis. The quality of these shareholder proposals varies widely across markets. Similarly, company disclosures of their business practices related to environmental and social risks are not always adequate for investors to make risk assessments. Thus, the Adviser places great importance on company-specific analyses to determine how to vote. Above all, the Adviser will vote in a manner that would enhance the long-term value of the investment within the framework of the client's investment objectives.

Shareholder Proposals on Environmental and Social Issues

The Adviser's general approach to analyzing these proposals calls for considering the language of the written proposal, the financial materiality of the proposal's objective and the practices followed by industry peers. This analysis utilizes research reports from the Adviser's proxy advisors, company filings, as well as reports published by the company and other outside organizations.

With respect to specific categories of proposals:

Environmental

The Adviser will generally support proposals calling for enhanced reporting on the company's business practices, including policies, strategic initiatives and oversight mechanisms, related to environmental risks. To reach a final voting decision, we will take into consideration:

- The company's current level of publicly available disclosure.
- Whether the company has formally committed to implementation of a reporting program based on frameworks such as the SASB materiality standards or the TCFD recommendations.
- Whether the company's current level of disclosure is comparable to that of industry peers; and
- Whether there are significant controversies or litigation associated with the company's environmental performance.

Social

The Adviser will generally support resolutions in the social category when they call for measures to enhance disclosure that would enable investors to make better risk assessments of the company's social issues, such as their human capital management practices. We will generally oppose proposals calling for a change in the company's product line or methods of distribution.

Political Activities

The Adviser will generally support enhanced disclosure of policies, practices and oversight of corporate political activity when the current level of disclosure falls short of disclosure provided by industry peers. We will oppose proposals prohibiting the company's participation in any part of the political process, such as making political contributions and joining trade associations.

Capital Structure

On matters of capital structure, generally, the Adviser will vote proxies for U.S. issuers on a case-by-case basis for proposals to authorize the issuance of new shares if not connected to an M&A transaction and the potential dilution is more than 10%, against proposals to create multiple-class voting structures where one class has superior voting rights to the other classes, in favor of proposals to authorize reverse stock splits unless the amount of authorized shares is not also reduced proportionately. Generally, the Adviser will vote proxies for non-U.S. issuers in favor of proposals to authorize issuance of shares with and without pre-emptive rights unless the size of the authorities would threaten to unreasonably dilute existing shareholders.

Executive Compensation

Votes on executive compensation come in many forms, including advisory votes on U.S. executive compensation plans ("Say On Pay"), advisory and binding votes on the design or implementation of non-U.S. executive remuneration plans and votes to approve new equity plans or amendments to existing plans. Generally, the Adviser will support compensation arrangements that are aligned with the client's long-term investment objectives.

With respect to specific categories of proposals:

Say on Pay

The Adviser will generally vote in favor of these proposals unless the plan has failed to align executive compensation with corporate performance, or the design of the plan is likely to lead to misalignment in the future. We support the principle of an annual shareholder vote on executive pay and will generally vote accordingly on proposals which set the frequency of the Say On Pay vote.

Remuneration Policy

In some markets, shareholders are provided a vote on the remuneration policy, which sets out the structural elements of a company's executive compensation plan on a forward-looking basis. The Adviser will generally support these proposals unless:

- The design of the remuneration policy fails to appropriately link executive compensation with corporate performance.
- Total compensation appears excessive relative to the company's industry peer group considering local market dynamics; or
- There is insufficient disclosure to enable an informed judgment, particularly as it relates to the disclosure of the maximum amounts of compensation that may be awarded.

Remuneration Report

Markets with remuneration policy proposals typically also have proposals asking shareholders to approve the annual remuneration report. The remuneration report provides shareholders with details concerning the implementation in the previous year of the remuneration policy. The Adviser will generally support these proposals unless the level of disclosure is not sufficient to permit an evaluation of the company's pay practices in the period covered by the report. A vote against the remuneration policy, which in most markets is not an annual voting item, would not necessarily result in votes against the remuneration report at subsequent shareholder meetings.

Equity Plans

The Adviser will generally vote in favor of equity plan proposals unless they:

- Result in unreasonable dilution to existing shareholders.
- Permit replacement of "underwater" options with new options on more favorable terms for the recipient; or
- Omit the criteria for determining the granting or vesting of awards.

M&A Activity

On matters relating to corporate transactions, the Adviser will generally vote in favor of mergers, acquisitions, and sales of assets if the Adviser's analysis of the proposed business strategy and the transaction price would have a positive impact on the total return for shareholders.

Contested Elections

If a shareholders meeting is contested—that is, shareholders are presented with a set of director candidates nominated by company management and a set of director candidates nominated by a dissident shareholder—the Adviser will study the proposed business strategies of both groups and vote in a way that maximizes expected total return for the Fund.

Cost/Benefit Analysis

In addition, the Adviser will not vote any proxy if it determines that the consequences or costs of voting outweigh the potential benefit of voting. For example, if a foreign market requires shareholders voting proxies to retain the voted shares until the meeting date (thereby rendering the shares "illiquid" for some period), the Adviser will not vote proxies for such shares. In addition, the Adviser is not obligated to incur any expense to send a representative to a shareholder meeting or to translate proxy materials into English.

Securities Lending Recall

To the extent that the Adviser is permitted to loan securities, the Adviser does not have the right to vote on securities while they are on loan. However, the Adviser will take all reasonable steps to recall shares prior to the record date when the meeting raises issues that the Adviser believes materially affect shareholder value, provided that the Adviser considers that the benefits of voting on the securities are greater than the associated costs, including the opportunity cost of the lost revenue that would otherwise be generated by the loan. However, there can be no assurance that the Adviser will have sufficient notice of such matters to be able to terminate the loan in time to vote thereon.

Issuer Feedback

The Adviser will consider feedback from issuers on the voting recommendations of the Adviser's proxy advisory firm if the feedback is provided at least five days before the voting cut-off date. In certain circumstances, primarily those where the Adviser's voting policy is absolute and without exception, issuer feedback will not be part of the voting decision. For example, it is the Adviser's policy to always support a shareholder proposal to separate the roles of chairman of the board and CEO. Thus, any comments from the issuer opposing this proposal would not be considered.

Best Efforts

If proxies are not delivered in a timely or otherwise appropriate basis, the Adviser may not be able to vote a particular proxy.

For an Adviser that employs a quantitative investment strategy for certain funds or accounts that does not make use of qualitative research ("Non-Qualitative Accounts"), the Adviser may not have the kind of research to make decisions about how to vote proxies for them. Therefore, the Adviser will vote the proxies of these Non-Qualitative Accounts as follows: (a) in accordance with the Standard Voting Instructions (defined below); (b) if the Adviser is casting votes for the same proxy on behalf of a regular qualitative account and a Non-Qualitative Account, the Non-Qualitative Account would vote in the same manner as the regular qualitative account; (c) if neither of the first two conditions apply, as the proxy advisory firm is recommending; and (d) if none of the previous conditions apply, as recommended by the Proxy Voting Committee.

Proxy Voting Procedures

The Adviser has established a Proxy Voting Committee (“Proxy Committee”), to exercise all voting discretion granted to the Adviser by the Board in accordance with the proxy voting policies. To assist it in carrying out the day-to-day operations related to proxy voting, the Proxy Committee has created the Proxy Voting Management Group (PVMG). The day-to-day operations related to proxy voting are carried out by the Proxy Voting Operations Team (PVOT) and overseen by the PVMG. Besides voting the proxies, this work includes engaging with investee companies on corporate governance matters, managing the proxy advisory firm, soliciting voting recommendations from the Adviser’s investment professionals, bringing voting recommendations to the Proxy Committee for approval, filing with regulatory agencies any required proxy voting reports, providing proxy voting reports to clients and investment companies as they are requested from time to time and keeping the Proxy Committee informed of any issues related to corporate governance and proxy voting.

The Adviser has compiled a list of specific voting instructions based on the General Policy (the “Standard Voting Instructions”). The Standard Voting Instructions and any modifications to them are approved by the Proxy Committee. The Standard Voting Instructions sometimes call for an investment professional to review the ballot question and provide a voting recommendation to the Proxy Committee (a “case-by-case vote”). The foregoing notwithstanding, the Proxy Committee always has the authority to determine a final voting decision.

The Adviser has hired a proxy advisory firm to perform various proxy voting related administrative services such as ballot reconciliation, vote processing and recordkeeping functions. The Proxy Committee has supplied the proxy advisory firm with the Standard Voting Instructions. The Proxy Committee retains the right to modify the Standard Voting Instructions at any time or to vote contrary to them at any time to cast proxy votes in a manner that the Proxy Committee believes is in accordance with the General Policy. The proxy advisory firm may vote any proxy as directed in the Standard Voting Instructions without further direction from the Proxy Committee. However, if the Standard Voting Instructions require case-by-case handling for a proposal, the PVOT will work with the investment professionals and the proxy advisory firm to develop a voting recommendation for the Proxy Committee and to communicate the Proxy Committee’s final voting decision to the proxy advisory firm. Further, if the Standard Voting Instructions require the PVOT to analyze a ballot question and make the final voting decision, the PVOT will report such votes to the Proxy Committee on a quarterly basis for review.

Conflicts of Interest

The Adviser has adopted procedures to address situations where a matter on which a proxy is sought may present a potential conflict between the interests of the Fund (and its shareholders) and those of the Adviser or Distributor. This may occur where a significant business relationship exists between the Adviser (or its affiliates) and a company involved with a proxy vote.

A company that is a proponent, opponent, or the subject of a proxy vote, and which to the knowledge of the Proxy Committee has this type of significant business relationship, is referred to below as an “Interested Company.”

The Adviser has implemented the following procedures to avoid concerns that the conflicting interests of the Adviser or its affiliates have influenced proxy votes. Any employee of the Adviser or its affiliates who is contacted by an Interested Company regarding proxies to be voted by the Adviser must refer the Interested Company to a member of the Proxy Committee and must inform the Interested Company that the Proxy Committee has exclusive authority to determine how the proxy will be voted. Any Proxy Committee member contacted by an Interested Company must report it to the full Proxy Committee and provide a written summary of the communication. This requirement includes engagement meetings with investee companies and does not include communications with proxy solicitation firms. Under no circumstances will the Proxy Committee or any member of the Proxy Committee make a commitment to an Interested Company regarding the voting of proxies or disclose to an Interested Company how the Proxy Committee has directed such proxies to be voted. If the Standard Voting Instructions already provide specific direction on the proposal in question, the Proxy Committee shall not alter or amend such directions. If the Standard Voting Instructions require the Proxy Committee to provide further direction, the Proxy Committee shall do so in accordance with the proxy voting policies, without regard for the interests of the Adviser with respect to the Interested Company. If the Proxy Committee provides any direction as to the voting of proxies relating to a proposal affecting an Interested Company, it must disclose annually to the Fund’s Board information regarding: the significant business relationship; any material communication with the Interested Company; the matter(s) voted on; and how, and why, the Adviser voted as it did. In certain circumstances it may be appropriate for the Adviser to vote in the same proportion as all other shareholders, to not affect the outcome beyond helping to establish a quorum at the shareholders’ meeting. This is referred to as “proportional voting.” If the Fund owns shares of another Federated Hermes mutual fund, generally the Adviser will proportionally vote the client’s proxies for that fund or seek direction from the Board or the client on how the proposal should be voted. If the Fund owns shares of an unaffiliated mutual fund, the Adviser may proportionally vote the Fund’s proxies for that fund depending on the size of the position. If the Fund owns shares of an unaffiliated exchange-traded fund, the Adviser will proportionally vote the Fund’s proxies for that fund.

Downstream Affiliates

If the Proxy Committee gives further direction, or seeks to vote contrary to the Standard Voting Instructions, for a proxy relating to a portfolio company in which the Fund owns more than 10% of the portfolio company's outstanding voting securities at the time of the vote ("Downstream Affiliate"), the Proxy Committee must first receive guidance from counsel to the Proxy Committee as to whether any relationship between the Adviser and the portfolio company, other than such ownership of the portfolio company's securities, gives rise to an actual conflict of interest. If counsel determines that an actual conflict exists, the Proxy Committee must address any such conflict with the executive committee of the board of directors or trustees of any investment company client prior to taking any action on the proxy at issue.

Proxy Advisers' Conflicts of Interest

Proxy advisory firms may have significant business relationships with the subjects of their research and voting recommendations. For example, a significant vendor for a proxy advisory firm may be a public company with an upcoming shareholders' meeting and the proxy advisory firm has published a research report with voting recommendations. In another example, a proxy advisory firm consulting client may be a public company for which the proxy advisory firm will write a research report. These and similar situations give rise to an actual or apparent conflict of interest.

To avoid concerns that the conflicting interests of proxy advisory firms have influenced their proxy voting recommendations, the Adviser will take the following steps:

- A due diligence team made up of employees of the Adviser and/or its affiliates will meet with its primary proxy advisor on an annual basis and determine through a review of their policies and procedures and through inquiry that they have established a system of internal controls that provide reasonable assurance that their voting recommendations are not influenced by their various conflicts of interest.
- On an annual basis the Director of Proxy Voting will examine a sample of a proxy advisory firm's research reports for that firm's institutional consulting clients and determine if evidence of bias in recommendations exists. If such evidence is found, the results of the examination will be presented to the Proxy Management Group and a decision would be made as to the further use of that advisory firm's research reports.
- Whenever the standard voting guidelines call for voting a proposal in accordance with a proxy advisory firm's recommendation and the proxy advisory firm has disclosed that they have a conflict of interest with respect to that issuer, the PVOT will take the following steps: (a) the PVOT will obtain a copy of the research report published by a proxy advisory firm for that issuer; (b) the Director of Proxy Voting, or their designee, will review proxy advisory firm reports and determine what vote will be cast. The PVOT will report all proxies voted in this manner to the Proxy Committee on a quarterly basis. Alternatively, the PVOT may seek direction from the Committee on how the proposal shall be voted.

Proxy Voting Report

A report on "Form N-PX" of how the Fund voted any proxies during the most recent 12-month period ended June 30 is available via the Proxy Voting Record (Form N-PX) link associated with the Fund and share class name at FederatedHermes.com/us/FundInformation. Form N-PX filings are also available (i) without charge, upon request, by calling the Fund at 1-800-341-7400, Option #4; and (ii) on the SEC's website at sec.gov.

PORTFOLIO HOLDINGS INFORMATION

Information concerning the Fund's portfolio holdings is available via the link to the Fund and share class name at FederatedHermes.com/us/FundInformation. Such information is posted on the website five business days after both mid-month and month-end then remains posted on the website for six months thereafter. Summary portfolio composition information as of the close of each month is posted on the website 15 days (or the next business day) after month-end and remains until replaced by the information for the succeeding month. The summary portfolio composition information may include identification of the Fund's top 10 credit/obligor exposures, weighted average maturity, weighted average life and percentage breakdowns of the portfolio by effective maturity range and type of security. The Fund's WAM and WAL, Shadow NAV (market-based value of the Fund's portfolio), Weekly Liquid Assets and Daily Flows are posted every business day and remain posted on the website for six months thereafter.

You may also access portfolio information via the link to the Fund and share class name at FederatedHermes.com/us. The Fund's Form N-CSR contains complete listings of the Fund's portfolio holdings as of the end of the Fund's second and fourth fiscal quarters. These reports are also available on the SEC's website at sec.gov.

The Fund files with the SEC a complete schedule of its portfolio holdings as of the close of each month on "Form N-MFP." Form N-MFP is available on the SEC's website at sec.gov. You may access Form N-MFP via the link to the Fund and share class name at FederatedHermes.com/us.

The disclosure policy of the Fund and the Adviser prohibits the disclosure of portfolio holdings information to any investor or intermediary before the same information is made available to other investors. Employees of the Adviser or its affiliates who have access to nonpublic information concerning the Fund's portfolio holdings are prohibited from trading securities on the basis of this information. Such persons must report all personal securities trades and obtain pre-clearance for all personal securities trades other than mutual fund shares.

Firms that provide administrative, custody, financial, accounting, legal or other services to the Fund may receive nonpublic information about Fund portfolio holdings for purposes relating to their services. The Fund may also provide portfolio holdings information to publications that rate, rank or otherwise categorize investment companies. Traders or portfolio managers may provide "interest" lists to facilitate portfolio trading if the list reflects only that subset of the portfolio for which the trader or portfolio manager is seeking market interest. A list of service providers, publications and other third parties who may receive nonpublic portfolio holdings information appears in the Appendix to this SAI.

The furnishing of nonpublic portfolio holdings information to any third party (other than authorized governmental or regulatory personnel) requires the prior approval of the President of the Adviser and of the Chief Compliance Officer of the Fund. The President of the Adviser and the Chief Compliance Officer will approve the furnishing of nonpublic portfolio holdings information to a third party only if they consider the furnishing of such information to be in the best interests of the Fund and its shareholders. In that regard, and to address possible conflicts between the interests of Fund shareholders and those of the Adviser and its affiliates, the following procedures apply. No consideration may be received by the Fund, the Adviser, any affiliate of the Adviser or any of their employees in connection with the disclosure of portfolio holdings information. Before information is furnished, the third party must sign a written agreement that it will safeguard the confidentiality of the information, will use it only for the purposes for which it is furnished and will not use it in connection with the trading of any security. Persons approved to receive nonpublic portfolio holdings information will receive it as often as necessary for the purpose for which it is provided. Such information may be furnished as frequently as daily and often with no time lag between the date of the information and the date it is furnished. The Board receives and reviews annually a list of the persons who receive nonpublic portfolio holdings information and the purposes for which it is furnished.

BROKERAGE TRANSACTIONS AND INVESTMENT ALLOCATION

When selecting brokers and dealers to handle the purchase and sale of portfolio instruments, the Adviser looks for prompt execution of the order at a favorable price. Fixed-income securities are generally traded in an over-the-counter market on a net basis (i.e., without commission) through dealers acting as principal or in transactions directly with the issuer. Dealers derive an undisclosed amount of compensation by offering securities at a higher price than they bid for them. Some fixed-income securities may have only one primary market maker. The Adviser seeks to use dealers it believes to be actively and effectively trading the security being purchased or sold, but may not always obtain the lowest purchase price or highest sale price with respect to a security. The Adviser makes decisions on portfolio transactions and selects brokers and dealers subject to review by the Fund's Board.

Investment decisions for the Fund are made independently from those of other accounts managed by the Adviser and accounts managed by affiliates of the Adviser. When the Fund and one or more of those accounts invests in, or disposes of, the same security, available investments or opportunities for sales will be allocated among the Fund and the account(s) in a manner believed by the Adviser to be equitable. While the coordination and ability to participate in volume transactions may benefit the Fund, it is possible that this procedure could adversely impact the price paid or received and/or the position obtained or disposed of by the Fund. Investment decisions, and trading, for certain separately managed or wrap-fee accounts, and other accounts, of the Adviser and/or certain investment adviser affiliates of the Adviser are generally made, and conducted, independently from the Fund. It is possible that such independent trading activity could adversely impact the prices paid or received and/or positions obtained or disposed of by the Fund.

ADMINISTRATOR

Federated Administrative Services (FAS), a subsidiary of Federated Hermes, provides administrative personnel and services, including certain legal, compliance and financial administrative services ("Administrative Services"), necessary for the operation of the Fund. FAS provides Administrative Services for a fee based upon the rates set forth below paid on the average daily net assets of the Fund. For purposes of determining the appropriate rate breakpoint, "Investment Complex" is defined as all of the Federated Hermes funds subject to a fee under the Administrative Services Agreement with FAS. FAS is also entitled to reimbursement for certain out-of-pocket expenses incurred in providing Administrative Services to the Fund.

Administrative Services Fee Rate	Average Daily Net Assets of the Investment Complex
0.100%	on assets up to \$50 billion
0.075%	on assets over \$50 billion

CUSTODIAN

State Street Bank and Trust Company, Boston, Massachusetts, is custodian for the securities and cash of the Fund.

TRANSFER AGENT AND DIVIDEND DISBURSING AGENT

SS&C GIDS, Inc., the Fund's registered transfer agent, maintains all necessary shareholder records.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The independent registered public accounting firm for the Fund, Ernst & Young LLP, conducts its audits in accordance with the standards of the Public Company Accounting Oversight Board (United States), which require it to plan and perform its audits to provide reasonable assurance about whether the Fund's financial statements and financial highlights are free of material misstatement.

FEES PAID BY THE FUND FOR SERVICES

For the Year Ended October 31	2024	2023	2022
Advisory Fee Earned	\$1,081,475	\$611,671	\$818,481
Advisory Fee Waived	\$ 596,136	\$528,633	\$606,919
Net Administrative Fee	\$ 281,342	\$159,686	\$214,429
Net 12b-1 Fee:			
Service Shares	\$ 14,594	\$ 10,155	\$ 23,185
Cash II Shares	\$ 5,811	\$ 12,947	\$ 7,671
Cash Series Shares	\$ 128,188	\$108,555	\$ 65,952
Net Shareholder Services Fee:			
Service Shares	\$ 65,669	\$ 45,697	\$ 94,481
Cash II Shares	\$ 7,264	\$ 16,183	\$ 7,604
Cash Series Shares	\$ 71,215	\$ 58,891	\$ 19,732

Fees are allocated among classes based on their pro rata share of Fund assets, except for marketing (Rule 12b-1) fees and shareholder services fees, which are borne only by the applicable class of Shares.

SECURITIES LENDING ACTIVITIES

The Fund does not participate in a securities lending program and did not engage in any securities lending activities during the Fund's most recent fiscal year.

Financial Information

The Financial Statements for the Fund for the fiscal year ended October 31, 2024, are incorporated herein by reference to the annual financial statements filed on Form N-CSR of Federated Hermes New York Municipal Cash Trust dated October 31, 2024.

Investment Ratings

S&P GLOBAL RATINGS (S&P)

S&P MUNICIPAL SHORT-TERM NOTE RATINGS

An S&P note rating reflects the liquidity factors and market access risks unique to notes.

SP-1—Strong capacity to pay principal and interest. An issue determined to possess a very strong capacity to pay debt service is given a plus (+) designation.

SP-2—Satisfactory capacity to pay principal and interest, with some vulnerability to adverse financial and economic changes over the term of the notes.

SP-3—Speculative capacity to pay principal and interest.

S&P DUAL RATINGS

S&P may assign dual ratings to debt issues that have a put option or demand feature. The first component of the rating addresses the likelihood of repayment of principal and interest as due, and the second component of the rating addresses only the demand feature. The first component of the rating can relate to either a short-term or long-term transaction and accordingly use either short-term or long-term rating symbols. The second component of the rating relates to the put option and is assigned a short-term rating symbol (for example, 'AAA/A-1+' or 'A-1+/A-1'). With U.S. municipal short-term demand debt, the U.S. municipal short-term note rating symbols are used for the first component of the rating (for example, 'SP-1+/A-1+'). The definitions for the long-term and the short-term ratings are provided below.

S&P SHORT-TERM ISSUE CREDIT RATINGS

A-1—A short-term obligation rated "A-1" is rated the highest category by S&P. The obligor's capacity to meet its financial commitments on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitments on these obligations is extremely strong.

A-2—A short-term obligation rated "A-2" is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitments on the obligation is satisfactory.

A-3—A short-term obligation rated "A-3" exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely weaken an obligor's capacity to meet its financial commitments on the obligation.

S&P LONG-TERM ISSUE CREDIT RATINGS*

*** RATINGS FROM 'AA' TO 'A' MAY BE MODIFIED BY THE ADDITION OF A PLUS (+) OR MINUS (-) SIGN TO SHOW RELATIVE STANDING WITHIN THE RATING CATEGORIES.**

AAA—An obligation rated "AAA" has the highest rating assigned by S&P. The obligor's capacity to meet its financial commitments on the obligation is extremely strong.

AA—An obligation rated "AA" differs from the highest rated obligations only to a small degree. The obligor's capacity to meet its financial commitments on the obligation is very strong.

A—An obligation rated "A" is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories. However, the obligor's capacity to meet its financial commitments on the obligation is still strong.

BBB—An obligation rated "BBB" exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation.

MOODY'S INVESTORS SERVICE, INC. (MOODY'S) RATINGS

MOODY'S SHORT-TERM MUNICIPAL OBLIGATION RATINGS

Moody's short-term ratings are designated Moody's Investment Grade (MIG or VMIG). (See below.) The purpose of the MIG or VMIG ratings is to provide investors with a simple system by which the relative investment qualities of short-term obligations may be evaluated.

The Municipal Investment Grade (MIG) scale is used to rate US municipal bond anticipation notes of up to five years maturity. Municipal notes rated on the MIG scale may be secured by either pledged revenues or proceeds of a take-out financing received prior to note maturity. MIG ratings expire at the maturity of the obligation, and the issuer's long-term rating is only one consideration in assigning the MIG rating.

MIG 1—This designation denotes superior credit quality. Excellent protection is afforded by established cash flows, highly reliable liquidity support or demonstrated broad based access to the market for refinancing.

MIG 2—This designation denotes strong credit quality. Margins of protection are ample although not as large as in the preceding group.

MIG 3—This designation denotes acceptable credit quality. Liquidity and cash-flow protection may be narrow, and market access for refinancing is likely to be less well-established.

MOODY'S VARIABLE RATE DEMAND NOTES (VRDNS) AND TENDER OPTION BONDS (TOBS) RATINGS

Short-term ratings on issues with demand features are differentiated by the use of the VMIG symbol to reflect such characteristics as payment upon periodic demand rather than fixed maturity dates and payment relying on external liquidity. In this case, two ratings are usually assigned, (for example, Aaa/VMIG-1); the first representing an evaluation of risk associated with scheduled principal and interest payments, and the second representing an evaluation of risk associated with the ability to receive purchase price upon demand ("demand feature"). The VMIG rating can be assigned a 1 or 2 designation using the same definitions described above for the MIG rating.

VMIG 1—This designation denotes superior credit quality. Excellent protection is afforded by the superior short-term credit strength of the liquidity provider and structural and legal protections that ensure the timely payment of purchase price upon demand.

VMIG 2—This designation denotes strong credit quality. Good protection is afforded by the strong short-term credit strength of the liquidity provider and structural and legal protections that ensure the timely payment of purchase price upon demand.

VMIG 3—This designation denotes acceptable credit quality. Adequate protection is afforded by the satisfactory short-term credit strength of the liquidity provider and structural and legal protections that ensure the timely payment of purchase price upon demand.

MOODY'S COMMERCIAL PAPER (CP) RATINGS

P-1—Issuers (or supporting institutions) rated P-1 have a superior ability to repay short-term debt obligations.

P-2—Issuers (or supporting institutions) rated P-2 have a strong ability to repay short-term debt obligations.

P-3—Issuers (or supporting institutions) rated P-3 have an acceptable ability to repay short-term obligations.

MOODY'S LONG-TERM DEBT RATINGS

Aaa—Obligations rated "Aaa" are judged to be of the highest quality, subject to the lowest level of credit risk.

Aa—Obligations rated "Aa" are judged to be of high quality and are subject to very low credit risk.

A—Obligations rated "A" are judged to be upper-medium-grade and are subject to low credit risk.

Baa—Obligations rated "Baa" are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

FITCH RATINGS, INC. (FITCH)

FITCH SHORT-TERM DEBT RATINGS

F1—Indicates the strongest capacity for timely payment of financial commitments relative to other issuers or obligations in the same country. Under the agency's National Rating scale, this rating is assigned to the lowest default risk relative to others in the same country or monetary union. Where the liquidity profile is particularly strong, a "+" is added to the assigned rating.

F2—Indicates a good capacity for timely payment of financial commitments relative to other issuers or obligations in the same country or monetary union. However, the margin of safety is not as great as in the case of the higher ratings.

F3—Indicates an adequate capacity for timely payment of financial commitments relative to other issuers or obligations in the same country or monetary union.

FITCH LONG-TERM DEBT RATINGS

AAA—**Highest credit quality.** "AAA" ratings denote the lowest expectation of default risk. They are assigned only in case of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

AA—**Very high credit quality.** "AA" ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A—**High credit quality.** "A" ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

BBB—**Good credit quality.** "BBB" ratings indicate that expectations of a default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.

DBRS, INC. (DBRS®) RATINGS

DBRS SHORT-TERM DEBT AND COMMERCIAL PAPER RATINGS

The DBRS short-term debt rating scale provides an opinion on the risk that an issuer will not meet its short-term financial obligations in a timely manner.

R-1 (high)—Highest credit quality. The capacity for the payment of short-term financial obligations as they fall due is exceptionally high. Unlikely to be adversely affected by future events.

R-1 (middle)—Superior credit quality. The capacity for payments of short-term financial obligations as they fall due is very high. Differs from R-1 (high) by a relatively modest degree. Unlikely to be significantly vulnerable to future events.

R-1 (low)—Good credit quality. The capacity for the payment of short-term financial obligations as they fall due is substantial. Overall strength is not as favorable as higher rating categories. May be vulnerable to future events, but qualifying negative factors are considered manageable.

R-2 (high)—Upper end of adequate credit quality. The capacity for the payment of short-term financial obligations as they fall due is acceptable. May be vulnerable to future events.

R-2 (middle)—Adequate credit quality. The capacity for the payment of short-term financial obligations as they fall due is acceptable. May be vulnerable to future events or may be exposed to other factors that could reduce credit quality.

R-2 (low)—Lower end of adequate credit quality. The capacity for the payment of short-term financial obligations as they fall due is acceptable. May be vulnerable to future events. A number of challenges are present that could affect the issuer's ability to meet such obligations.

R-3—Lowest end of adequate credit quality. There is a capacity for the payment of short-term financial obligations as they fall due. May be vulnerable to future events and the certainty of meeting such obligations could be impacted by a variety of developments.

DBRS LONG-TERM DEBT RATINGS

The DBRS long-term rating scale provides an opinion on the risk of default. That is, the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligations has been issued.

AAA—Highest quality credit. The capacity for the payment of financial obligations is exceptionally high and unlikely to be adversely affected by future events.

AA—Superior credit quality. The capacity for the payment of financial obligations is considered high. Credit quality differs from AAA only to a small degree. Unlikely to be significantly vulnerable to future events.

A—Good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than AA. May be vulnerable to future events, but qualifying negative factors are considered manageable.

BBB—Adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. May be vulnerable to future events.

High or low grades are used to indicate the relative standing of a credit within a particular rating category. The absence of one of these designations indicates the rating is in the middle of the category. Note that “high” and “low” grades are not used for the AAA category.

NOT RATED

Certain nationally recognized statistical rating organizations (NRSROs) such as S&P and Moody's may designate certain issues as NR, meaning that the issue or obligation is not rated.

Addresses

FEDERATED HERMES NEW YORK MUNICIPAL CASH TRUST

WEALTH SHARES
SERVICE SHARES
CASH II SHARES
CASH SERIES SHARES

Federated Hermes Funds
4000 Ericsson Drive
Warrendale, PA 15086-7561

Distributor

Federated Securities Corp.
1001 Liberty Avenue
Pittsburgh, PA 15222-3779

Investment Adviser

Federated Investment Management Company
1001 Liberty Avenue
Pittsburgh, PA 15222-3779

Custodian

State Street Bank and Trust Company
1 Iron Street
Boston, MA 02110

Transfer Agent and Dividend Disbursing Agent

SS&C GIDS, Inc.
P.O. Box 219318
Kansas City, MO 64121-9318

Independent Registered Public Accounting Firm

Ernst & Young LLP
200 Clarendon Street
Boston, MA 02116-5072

Appendix A

The following is a list of persons, other than the Adviser and its affiliates, that have been approved to receive nonpublic portfolio holdings information concerning the Federated Hermes Complex; however, certain persons below might not receive such information concerning the Fund:

CUSTODIAN(S)

State Street Bank and Trust Company

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP

LEGAL COUNSEL

Kirkland & Ellis LLP

K&L Gates LLP

FINANCIAL PRINTERS

Broadridge Investor Communication Solutions, Inc.

Donnelley Financial Solutions

PROXY VOTING ADMINISTRATOR

Glass Lewis & Co., LLC

SECURITY PRICING SERVICES

Bloomberg L.P.

S&P Global Ratings

JPMorgan PricingDirect

London Stock Exchange Group PLC (LSEG)

RATINGS AGENCIES

Fitch Ratings, Inc.

Moody's Investors Service, Inc.

S&P Global Ratings

OTHER SERVICE PROVIDERS

Other types of service providers that have been approved to receive nonpublic portfolio holdings information include service providers offering, for example, trade order management systems, portfolio analytics, or performance and accounting systems, such as:

ACA Technology Surveillance, Inc.

Bank of America

Bank of New York Mellon Corporation

Bloomberg L.P.

Charles River Development

Citibank, N.A.

Eagle Investment Systems LLC

Electra Information Systems

FactSet Research Systems Inc.

FISGlobal

Institutional Shareholder Services

Investortools, Inc.

MSCI ESG Research LLC

PricewaterhouseCoopers

Star Compliance

Sustainalytics U.S. Inc.

Appendix B - New York State Risk

STATE SPECIFIC INFORMATION

Risks of Concentration. The following information as to certain state specific considerations is given to investors in view of the Fund’s policy of concentrating its investments in particular state issuers. Such information supplements the information in the prospectus. It is derived from sources that are generally available to investors and is believed to be accurate. Such information constitutes only a brief summary, does not purport to be a complete description and is based on information from official statements relating to securities offerings of issuers of each particular state. The Trust has not independently verified this information.

The following describes economic conditions which may not continue and could change materially. There can be no assurance that particular bond issues may not be adversely affected by changes in economic, political or other conditions.

NEW YORK

Information as of February 1, 2025

State Economy

The discussion that follows regarding the status of the U.S. and the State of New York (the “State” or “New York”) economies is primarily based on information published by the State Division of the Budget (“DOB”) no later than February 2025. All predictions and past performance information regarding the U.S. and State economies contained in this subsection were made on or before that date even though they may be stated in the present tense and may no longer be accurate. You are also encouraged to read, in conjunction with this description of the State economy, the “New York City Economy” subsection of this “State Specific Information – New York” section of this SAI, which presents some of the City of New York (hereinafter also referred to as “the City” or “New York City”) Office of Management and Budget (“OMB”) projections regarding the economy.

The State is the fourth most populous state in the nation and has a relatively high level of personal wealth. Between April 2020 and July 2023, the nation’s total population continued to increase by 1.0 percent, whereas the population of the State decreased by 3.1 percent. The State’s economy is diverse, with a comparatively large share of the nation’s financial activities, information, education, and health services employment, and a small share of the nation’s farming and mining activity. The State’s location, air transport facilities, and natural harbors have made it an important hub for international commerce. Travel and tourism constitute an important part of the economy. Like the rest of the nation, New York has a declining proportion of its workforce engaged in manufacturing, and an increasing proportion engaged in service industries. Construction accounts for a smaller share of employment for the State than for the nation, while the combined service industries account for a larger share. The share of total wages originating in the financial activities sector is particularly large for the State relative to the nation. Thus, the State is likely to be less affected than the nation during an economic recession concentrated in manufacturing and construction but likely to be more affected by any economic downturn concentrated in the services sector.

DOB’s outlook on the U.S. economy halfway through fiscal year, or FY, 2025 reflects the strength in incoming data but also accounts for near-term risks including temporary disruptions caused by hurricanes and labor disputes, geopolitical risks, and policy uncertainties. While upward data revisions to the Bureau of Economic Analysis’ (“BEA”) National Economic Accounts for the past five years put economic growth on a stronger trajectory, real U.S. Gross Domestic Product growth is projected to decelerate from 2.8 percent in 2024 to 2.3 percent in 2025 as labor markets, consumer spending, and business investment moderate. At the same time, the U.S. unemployment rate is projected to rise modestly to 4.5 percent in 2025 from 4.1 percent in 2024 as economic growth moderates and employment growth slows. This economic outlook is brighter than initially expected at the beginning of the fiscal year.

Consistent with a cooling national labor market, the State’s employment growth is expected to decelerate to a growth rate of 1.3 percent in 2024 after a solid growth of 2.2 percent in 2023. The State economy completed its post-pandemic employment recovery, but it faces lack of solid population growth and relatively weaker global and national economic conditions.

Despite slowing employment, State wages are projected to improve in FY 2025, driven by strong growth in finance and insurance sector bonuses, especially if the strong performance of the sector in the first half of calendar year 2024 continues through the end of FY 2025. Robust bank revenue-generating activities, driven by strong equity market gains and expected continuation of Federal Reserve rate cuts, are projected to boost bonuses to a growth of 11.3 percent in FY 2025—up from 4.1 percent in the previous fiscal year. State personal income is expected to grow by 4.7 percent in FY 2025, a slight slowdown from the 5.3 percent growth in FY 2024. This deceleration is mainly due to BEA’s benchmark revisions in non-wage personal income components, which resulted in higher values for the previous year.

DOB's baseline economic outlook reflects the strength in incoming data. Nonetheless, some risks and uncertainties could weigh on the resiliency of the U.S. economy including temporary distractions caused by natural disasters, ongoing labor disputes, geopolitical risks, and policy uncertainties.

While the State economy is faced with many of the same risks as the national economy, as home to the world's financial capital, New York has significantly greater exposure to monetary policy shifts and the volatility of financial markets. Some of these risks would create outsize negative impacts on the State's economy such as population decline, stock market volatility, a strong U.S. dollar, and weakness in the commercial real estate sector. There are also potential upside risks to this forecast that are unique to the State. Recent policy initiatives to boost housing supply and those focused on investments in next-generation semiconductor research and production as well as Artificial Intelligence research have the potential to create a lasting impact on the State's economy.

State Budget

Each year, the Governor is required to provide the State Legislature with a balanced executive budget which constitutes the proposed State financial plan for the ensuing fiscal year. The State's fiscal year for 2024 ended on March 31, 2024 (the "2024 fiscal year"). The State's fiscal year for 2025 runs from April 1, 2024 to March 31, 2025 (the "2025 fiscal year"). The Governor submitted the Governor's Executive Budget Financial Plan for the 2025 Fiscal Year, as amended (the "2025 Budget"), to the State's legislature in February 2024. The 2025 Budget was enacted on April 20, 2024. The State budget is required to be balanced on a cash basis, which is the DOB's primary focus in preparing and implementing the State financial plan. State finance law also requires the State financial plan be presented for informational purposes on a generally accepted accounting principles ("GAAP") basis. The GAAP-basis plans follow, to the extent practicable, the accounting principles applied by the Office of the State Comptroller ("OSC") in preparation of the annual financial statements. In practice, this means the GAAP-basis financial plans reflect the accrual methodology and fund classification rules used by OSC.

The DOB issued the 2025 Budget Financial Plan in May 2024, which sets forth the State's official financial projections for fiscal years 2025 through 2028. The DOB also issued the Annual Information Statement, dated May 24, 2024 (the "2025 AIS") and the Mid-Year Update to the Financial Plan for fiscal year 2025 in October 2024 (the "2025 AIS Update").

In the 2025 AIS Update, DOB expects the General Fund to end FY 2025 with a balance of \$49.5 billion. Nearly half of the balance is held in Principal Reserves to protect essential services in the event of a significant economic downturn. The remaining balance is comprised of other reserves that are pledged to reduce outyear gaps, manage risks, and support future costs that include tax refunds and liabilities, capital projects, and increased operational expenses. The increase is comprised of deposits to the Tax Stabilization Reserve Fund and the Rainy Day Reserve Fund, increased Pass-Through Entity Tax ("PTET") collections that will be refunded in subsequent years, and previously planned increases to the reserve for labor settlements/agency operations. These increases are partially offset by the scheduled use of debt management and extraordinary monetary settlement reserves to fund existing commitments and projects.

Fiscal Year 2025

In developing the 2025 Budget, DOB attempts to mitigate financial risks, with an emphasis on the General Fund. It does this by, among other things, exercising caution when calculating total General Fund disbursements and managing the accumulation of financial resources. Such resources include but are not limited to: fund balances that are not needed each year; reimbursement for capital advances; and prepayment of expenses, subject to available resources, to maintain budget flexibility. DOB routinely executes cash management actions to manage the State's large and complex budget. These actions are intended to improve the State's cash flow, manage resources within and across State fiscal years, adhere to spending targets, and better position the State to address unanticipated costs, including economic downturns, revenue deterioration, and unplanned expenses. There is no guarantee that such financial resources or cash management actions will be sufficient to address risks that may materialize in a given fiscal year.

In addition, there can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State may be required to take gap-closing actions to preserve General Fund balance. Such actions may include but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid; delays in or suspension of capital maintenance and construction; extraordinary financing of operating expenses; and use of non-recurring resources. In some cases, the ability of the State to implement such actions requires the approval of the Legislature and cannot be implemented solely by the Governor. See also the discussion below in the "Special Considerations" subsection of this "State Specific Information—New York" section of this SAI.

Special Considerations

The 2025 Budget projections and the assumptions they are based on are subject to a myriad of risks, including, but not limited to, economic, social, financial, political, public health, and environmental risks and uncertainties. The projections of receipts and disbursements in the 2025 Budget are based on reasonable assumptions at the time they were prepared. DOB is unable to provide any assurance that results will not differ materially and adversely from these projections.

Uncertainties and risks that may affect the economic and receipts forecasts include, but are not limited to: national and international events; inflation; consumer confidence; commodity prices; supply chain disruptions; major terrorist events; hostilities or war; climate change and extreme weather events; severe epidemic or pandemic events; cybersecurity events; Federal laws and regulations; financial sector compensation; capital gains; and monetary policy affecting interest rates and the financial markets.

The projection of non-tax receipts and other available resources assumes various transactions will occur as planned, including, but not limited to receipt of Federal aid; certain payments from public authorities; revenue sharing payments under the Tribal-State Compacts; and the collection of fines, fees, and other receipts at levels to support operations, offset General Fund costs and enable transfer of available fund balances to the General Fund. It should be noted that General Fund Medicaid and School Aid spending remains sensitive to the performance of dedicated revenues, such as Health Care Reform Act and Gaming receipts, used to finance a portion of these program costs.

Projections and timing of disbursements are subject to many of the same risks listed above for receipts, as well as assumptions which may have additional risks including, but not limited to: the level of wage and benefit increases for State employees; changes in the size of the State's workforce; factors affecting the State's required pension fund contributions; the availability of Federal reimbursement, including Federal COVID-19 pandemic emergency assistance; the receipt of Federal approvals necessary to implement the Medicaid savings actions; unanticipated growth in public assistance programs, including the assumed level of utilization of newly expanded benefits; the ability of the State to implement cost reduction initiatives, including reductions in State agency operations, when established, and the success with which the State controls expenditures; and the ability of the State and its public authorities to issue securities successfully in public credit markets.

The amount and composition of Federal funds received by the State fluctuate over time as legislative and regulatory actions at the Federal government level often change. Specific Federal government actions that pose an ongoing risk to the 2025 Budget include audits, disallowances, changes to Federal participation rates or other Medicaid rules, discretionary spending reductions, and the expected need for Congress to increase or suspend the debt limit to avoid delaying payments and/or defaulting on debt obligations. In addition, the 2025 Budget assumes Federal reimbursement of previously incurred pandemic response and recovery costs. However, there can be no assurance that the Federal Emergency Management Agency will approve claims for the State to receive reimbursement in the amounts or State fiscal years projected in the 2025 Budget.

Previously, the State had enacted legislation that suspended certain provisions of the Debt Reform Act of 2000 ("Debt Reform Act") for 2021 fiscal year and 2022 fiscal year bond issuances as part of the State response to the COVID-19 pandemic. Accordingly, a total of \$15.4 billion of State-supported debt issued in FY 2021 and FY 2022 and outstanding as of March 31, 2024 is not counted towards the statutory caps on debt outstanding and debt service.

Current projections anticipate that State-supported debt outstanding and State-supported debt service will continue to remain below the limits imposed by the Debt Reform Act. Based on the most recent personal income and debt outstanding forecasts, the available debt capacity under the debt outstanding cap is expected to decline from \$25.0 billion in FY 2024 to a low point of \$5.3 billion in FY 2029. This calculation includes the estimated impact of funding capital commitments with State bonds. The debt service on State-supported debt subject to the statutory cap is projected at \$1.6 billion in FY 2025 inclusive of prior year prepayments, or roughly \$10.3 billion below the statutory debt service limit.

Changes in the State's available debt capacity reflect personal income forecast adjustments, debt amortizations, and bond sale results. The increase in debt capacity in the 2025 AIS Update is largely due to higher personal income estimates. A Federal government delay or default on payments, particularly for a prolonged period, could have a materially adverse effect on national and state economies, financial markets, and intergovernmental aid payments. Specific effects on the 2025 Budget resulting from a potential Federal government default are unknown and impossible to predict. However, data from past economic downturns suggests that the State's revenue loss could be substantial if a Federal default triggered an economic downturn.

A payment default by the Federal government may also adversely affect the municipal bond market. Municipal issuers, including the State and its public authorities and localities, could face higher borrowing costs and impaired access to capital markets. This would jeopardize planned capital investments and projects. Additionally, the market for and market value of outstanding municipal obligations, including municipal obligations of the State and its public authorities, could be adversely affected.

The State's localities and certain public authorities rely in part on State aid to balance their budgets and meet their commitments and expenses. Unanticipated financial need among localities and the Metropolitan Transportation Authority (the "MTA") can create pressure for the State to assist and may adversely affect the State's 2025 Budget projections. The largest driver of costs for most counties is Medicaid; however, the State has taken over all the growth in the program since FY 2007 and funds the entire cost of minimum wage and homecare wage increases. In addition, certain localities outside the City of New York, including cities and counties, have also experienced financial problems, and have been allocated additional State assistance during the last several State fiscal years. The Financial Restructuring Board for Local Governments aids distressed local governments by performing comprehensive reviews and providing grants and loans on the condition of implementing recommended efficiency initiatives.

Successful implementation of the 2025 Budget is dependent on the State's ability to market bonds. The State pays for much of its capital spending, in the first instance, from the General Fund or Short Term Investment Pool ("STIP"), and then reimburses itself with proceeds from the sale of bonds. An inability of the State to sell bonds or notes at the level or on the timetable it expects could have a material and adverse impact on the State's financial position and the implementation of its capital plan. The success of projected public sales of municipal bonds is subject to prevailing market conditions and related ratings issued by national credit rating agencies, among other factors. Future developments in the financial markets, including possible changes to the Internal Revenue Code relating to the taxation of interest on municipal bonds, may affect the market for outstanding State-supported and State-related debt.

Recent State Fiscal Years

As reflected in the 2025 AIS, the State ended fiscal year 2024 in balance on a cash basis in the General Fund, based on preliminary unaudited results. General fund receipts, including transfers from other funds, totaled \$103.0 billion. General Fund disbursements, including transfers from other funds, totaled \$100.1 billion. The State ended fiscal year 2024 with a General Fund balance of \$46.3 billion, an increase of \$2.9 billion from fiscal year 2023 results. The higher balance reflects a set aside for asylum seeker assistance, an increase for the reserves for labor settlements/agency operations, and additional net resources available at year-end that were carried forward to reduce the budget gaps in subsequent years.

Debt Levels, Ratings and Outstanding Debt

The State's debt levels are typically measured by DOB using two categories: State-supported debt and State-related debt. State-supported debt represents obligations of the State that are paid from traditional State resources (i.e., tax revenue) and have a budgetary impact. It includes general obligation ("GO") debt, to which the full faith and credit of the State has been pledged, and lease purchase and contractual obligations of Authorities and municipalities, where the State's legal obligation to make payments to those Authorities and municipalities is subject to and paid from annual appropriations made by the legislature. These include the State PIT Revenue Bond program and the State Sales Tax Revenue Bond program. The State's debt reform caps on debt outstanding and debt service apply to State-supported debt.

State-related debt is a broader measure of State debt which includes all debt that is reported in the State's GAAP-basis financial statements, except for unamortized premiums and accumulated accretion on capital appreciation bonds. These financial statements are audited by external independent auditors and published by OSC on an annual basis. The debt reported in the GAAP-basis financial statements includes GO debt, other State-supported debt as defined in the State Finance Law, certain debt of the Municipal Bond Bank Agency issued to finance prior year school aid claims and capital leases and mortgage loan commitments. In addition, State-related debt reported by DOB includes State-guaranteed debt, moral obligation financings and certain contingent-contractual obligation financings, where debt service is paid from non-State sources in the first instance, but State appropriations are available to make payments if necessary. These numbers are not reported as debt in the State's GAAP-basis financial statements.

State Operating Funds debt service is projected to be \$3.5 billion in fiscal year 2025, of which \$276 million is paid from the General Fund and \$3.2 billion is paid from other State funds supported by dedicated tax receipts. The 2025 Budget authorizes short-term financing for liquidity purposes during the fiscal year.

Debt issuances totaling \$6.6 billion are planned to finance capital project spending in fiscal year 2025, an increase of \$1.3 billion (25 percent) from fiscal year 2024. The year-over-year growth is largely attributable to increased capital spending which is projected for fiscal year 2025. Bond issuances in fiscal year 2025 will finance capital commitments for economic development and housing (\$1.4 billion), education (\$847 million), the environment (\$457 million), health and mental hygiene (\$544 million), State facilities and equipment (\$287 million), and transportation (\$3.0 billion).

Over the five-year capital plan, new debt issuances are projected to total \$44.2 billion. New issuances are expected for economic development and housing (\$9.7 billion), education facilities (\$7.2 billion), the environment (\$3.9 billion), mental hygiene and health care facilities (\$4.6 billion), State facilities and equipment (\$2.4 billion), and transportation infrastructure (\$16.3 billion).

The major rating agencies—Fitch, Kroll, Moody’s, and S&P—have assigned the State general credit ratings of AA+, AA+, Aa1, and AA+, respectively. The State’s rating has a stable outlook from all four rating agencies. These ratings reflect the State’s economic recovery from the COVID-19 pandemic and commitment to strong reserve levels. Ratings reflect only the respective views of such organizations, and an explanation of the significance of such ratings may be obtained from the rating agency that furnished the rating. There is no assurance that a particular rating will continue for any given period of time or that any such rating will not be revised downward or withdrawn entirely, if in the judgment of the agency originally establishing the rating, circumstances so warrant. Any such downward revision or withdrawal could have an adverse effect on the market prices of the State GO bonds.

State Retirement Systems

State employees become eligible for post-employment benefits (e.g., health insurance) if they reach retirement while working for the State, are enrolled in either the New York State Health Insurance Program (“NYSHIP”) or the NYSHIP opt-out program at the time they reach retirement, and have the required years of eligible service.

The State and Local Retirement Systems (“Systems”) provide pension benefits to public employees of the State and its localities (except employees of the City and public school teachers and administrators, who are covered by separate public retirement systems). The State Constitution considers membership in any State pension or retirement system to be a contractual relationship, the benefits of which shall not be diminished or impaired.

The total State payment (including Judiciary) due to the Systems for fiscal year 2024 was approximately \$1.926 billion. The State opted not to amortize under the Contribution Stabilization Program (“Program”) (eligible to amortize in the New York State and Local Police and Fire Retirement System only) and paid the March 1, 2024 invoice in full. Chapter 55 of the Laws of 2023 amended the Program to provide employers more flexible use of reserve funds while preserving the intent of the Program to smooth out pension contributions when rates increase. The Program also limits the size of the reserve fund assets that employers are required to maintain and allows Systems participating employers to withdraw from the Program, subject to approval by the Comptroller, provided all prior year amortizations are paid in full, including interest.

The estimated total State payment (including Judiciary) for fiscal year 2025 is approximately \$2.270 billion. Several prepayments (including interest credit and application of reserve fund assets) have reduced the estimated total to approximately \$25 million. The estimated total State payment (including Judiciary) for fiscal year 2026 is approximately \$2.558 billion.

Litigation

The State is a party to numerous legal proceedings, many of which normally occur in governmental operations. The State is involved in certain other legal proceedings that, if decided against the State, might require the State to make significant future expenditures or substantially impair future revenue sources. Because of the prospective nature of these proceedings, it is not possible to predict their outcome or estimate the potential impact on the ability of the State to pay debt service costs on its obligations.

Authorities: General

Authorities are not subject to the constitutional restrictions on the incurrence of debt that apply to the State itself and they may issue bonds and notes within the amounts and restrictions set forth in legislative authorization. Certain Authorities issue bonds under two of the three primary State credits - PIT Revenue Bonds and Sales Tax Revenue Bonds. The State’s access to the public credit markets through bond issuances constituting State-supported or State-related debt issuances by certain of its Authorities could be impaired and the market price of the outstanding debt issued on its behalf may be materially and adversely affected if any of these Authorities were to default on their respective State-supported or State-related debt issuances.

The State has numerous Authorities with various responsibilities, including those which finance, construct and/or operate revenue-producing public facilities. These entities generally pay their own operating expenses and debt service costs on their notes, bonds or other legislatively authorized financing structures from revenues generated by the projects they finance or operate, such as tolls charged for the use of highways, bridges or tunnels; charges for public power, electric and gas utility services; tuition and fees; rentals charged for housing units; and charges for occupancy at medical care facilities. Since the State has no actual or contingent liability for the payment of this type of public authority indebtedness, it is not classified as either State-supported debt or State-related debt. Some Authorities, however, receive monies from State appropriations to pay for the operating costs of certain programs.

There are statutory arrangements that, under certain circumstances, authorize State local assistance payments that have been appropriated in a given year and are otherwise payable to localities to be made instead to the issuing Authorities in order to secure the payment of debt service on their revenue bonds and notes. However, in honoring such statutory arrangements for the redirection of local assistance payments, the State has no constitutional or statutory obligation to provide assistance to localities beyond amounts that have been appropriated therefor in any given year.

As of December 31, 2023 (with respect to the New York Job Development Authority, as of March 31, 2024), there were 15 Authorities with outstanding debt of \$100 million or more, and the aggregate outstanding debt, including refunding bonds, was approximately \$216 billion, only a portion of which constitutes State-supported or State-related debt.

Metropolitan Transportation Authority

The State is directly contributing \$9.1 billion to the MTA's 2015-19 capital plan and \$3.1 billion to the MTA's 2020-24 capital plan. These State commitment levels represent substantial increases from the funding levels for prior MTA capital plans (2010-2014: \$770 million; 2005-2009: \$1.45 billion). In addition, a substantial amount of new funding to the MTA was authorized in the 2020 fiscal year enacted budget as part of a comprehensive reform plan expected to generate an estimated \$25 billion in financing for the MTA's 2020-2024 capital plan.

On June 5, 2024, Governor Hochul announced that the implementation of congestion pricing in Manhattan, which had been expected to go into effect on June 30, 2024, would be paused. Congestion pricing was expected to raise \$1 billion of revenue annually to fund \$15 billion of the MTA's 2020-2024 capital plan. The MTA and the State are evaluating the impact on the MTA's 2020-2024 capital plan.

The pandemic caused severe declines in MTA ridership and traffic in 2020, and ridership remains significantly below pre-pandemic levels. In the 2024 Budget, the State took substantial action to provide the MTA with additional operating revenues dedicated to help solve the MTA's fiscal crisis. This included an increase in the Metropolitan Commuter Transportation Mobility Tax in the City of New York, a one-time State subsidy of \$300 million, an increase in the City of New York's contribution to the MTA for the costs of paratransit services and directing a portion of future casino revenues, the timing of which is uncertain, to the MTA.

Risks to the MTA include, but are not limited to, the level and pace at which ridership will return, the economic conditions of the MTA region, the ability to implement cost controls and savings actions, the ability to implement biennial fare and toll increases, and the ability to fully fund the 2020-2024 capital plan. If additional resources are provided by the State, either through additional subsidies or new revenues, it could have a material and adverse impact on the 2025 Budget.

New York City Economy

The fiscal demands on the State may be affected by the fiscal condition of the City of New York. The City relies in part on State aid to balance its budget and meet its cash requirements. It is also possible that the State's finances may be affected by the ability of the City, and its related issuers, to market securities successfully in the public credit markets. While the fiscal condition of the City and other local governments in the State is reliant, in part, on State aid to balance their annual budgets and meet their cash requirements, the State is not legally responsible for their financial condition and viability. Indeed, the provision of State aid to localities, while one of the largest disbursement categories in the State budget, is not constitutionally obligated to be maintained at current levels or to be continued in future fiscal years and the State Legislature may amend or repeal statutes relating to the formulas for and the apportionment of State aid to localities.

The discussion that follows regarding the status of the City economy is based primarily on information published by the OMB and the New York City Comptroller no later than January 2025, and includes discussion of the 2025 Financial Plan for Fiscal Years 2025-2029 (the "Financial Plan"). All predictions and past performance information regarding the City economy contained in this subsection were made by OMB on or prior to that date, even though they may be stated in the present tense, and may no longer be accurate. All the risks to the national and State economies apply to the City economy.

In January 2025, OMB released the Financial Plan. In April 2023, OMB released the Executive Budget for fiscal year 2024 and, in June 2024, the City Council adopted the fiscal year 2025 budget. The City's fiscal year end is at the end of June; the 2025 fiscal year runs from July 1, 2024 to June 30, 2025. The preliminary 2025 fiscal year budget totaled approximately \$112.4 billion.

The New York City economy remains resilient despite slowing in recent years due to higher interest rates. As of November 2024, New York City employment is 1.3 percent above pre-pandemic levels. In the first 11 months of 2024, New York City added 75,700 jobs. However, of the nine major private sectors, just four reported an increase in employment in 2024. High interest rates continued to weigh on growth in several industries. Job prospects are expected to improve in 2025 for most sectors as financial conditions loosen. Total employment is forecasted to grow by 1.4 percent in 2025 (on a fourth quarter to fourth quarter basis), and then increase at a rate between one and two percent through 2029. Private sector wage earnings accelerated by 5.7 percent year-over-year in the first half of 2024, as both employment and average wages improved. Wage earnings are projected to grow by 5.6 percent in full year 2024 and 4.8 percent in 2025 as healthy average wage and employment growth continues.

New York City's economy continues to expand, which is expected to boost total tax revenue by 5.6 percent in 2025 to \$78 billion. Revenue growth is broad based, as healthy labor markets and vibrant financial markets boost both personal and business taxes. Property markets continue to rebound, which has supported modest property tax growth, and while interest rates remain elevated, the recent Federal Reserve shift to loosen financial policy has begun to spark sales activity. Tourism has helped boost hotel and sales taxes. Tax revenue growth moderates in 2026 as the economy decelerates.

In 2025, total tax revenue is forecast at \$78 billion, increasing \$1.1 billion over the November 2024 Plan as the economy performed better than expected in 2024 compared to the economic forecast in the April 2024 Plan. Property taxes are expected to grow 4.1 percent, a modest rise compared to the strong annual gains made in the years leading up to the pandemic. Non-property taxes are forecast to increase 7.5 percent. Personal income taxes lift 11.1 percent as non-wage income climbs and wage income growth keeps pace with historical averages. Transaction taxes increase 12.5 percent as residential transaction volume returns to a growth trajectory and commercial activity turns a corner. Business taxes gain 6.1 percent with strength in primarily the finance sector. Sales tax lifts 3.8 percent after a slow start to the year. Hotel tax climbs 7.8 percent on increases in room rates, as well as the occupancy rate.

Total tax revenue is forecast to grow 2.1 percent in 2026 to \$80 billion, increasing \$2.0 billion over the November 2024 Plan. Property tax revenues are expected to grow 1.8 percent as preliminary estimates of the 2026 property tax roll are largely in line with what was anticipated in November 2024. Non-property tax revenues are expected to increase 2.6 percent as overall economic growth continues in the City at a slower pace. Personal income taxes rise just 1.6 percent as a relatively flat capital gains forecast creates drag. Business taxes also flatten out as Wall Street profits fall back. The post-pandemic hotel tax bounce back finally begins to stabilize with growth of 3.8 percent due to higher room rates driven by lack of inventory and a return to pre-pandemic tourism levels. Sales tax is expected to increase 4.5 percent.

The level of uncertainty has increased with the re-election of former President Trump. Prior to November 2024, the main forecast risks included the potential for a Federal Reserve policy misstep as it flipped to a more accommodative monetary policy, a global economic slowdown centered on China and Europe, and geopolitical hotspots in the Middle East and Taiwan. The policy agenda of the incoming administration introduces further risks in the form of inflationary tariffs accompanied by a trade war and other initiatives that could potentially disrupt markets and growth.

The new administration's stated policies on trade, immigration, deregulation, and fiscal policy introduce new risks that could directly impact the economic outlook. The President-elect has promised to impose new taxes on trade, proposing a 60 percent tariff on Chinese imports and a 10 to 20 percent universal tariff on all imports. While the exact configuration is not yet specified, during the first Trump administration, effective tariff rates doubled. This policy could potentially lead to higher prices as consumers bear at least part of the tax burden. The President-elect has also vowed to restrict unlawful immigration into the U.S. and implement mass deportations. These immigration policies could impact the labor market by creating shortages and driving wages higher. Additionally, the new administration's pro-deregulation stance could stimulate short-term growth but carries the risk of increased economic and financial volatility. Lastly, federal spending cuts could directly affect growth and could lead to a decrease in productive public services.

Asylum Seekers

Since Spring 2022, the City has experienced a large increase in asylum seeker migrants, with nearly 229,000 individuals seeking help from the City. Many asylum seekers are characterized by significant economic and health challenges and require deep support from the City to provide shelter, food, and clothing, as well as access to legal and educational resources. As of January 2025, over 50,000 asylum seekers remain in City care nightly.

The asylum seeker emergency has had a significant fiscal impact on the City, with costs rising over time as the population has increased. Through December 2024, total estimated costs of caring for this population are \$6.91 billion.

During the emergency, the City has undertaken a series of policy changes to manage growth in the asylum seeker population. In addition to the City's actions, the federal government has recently taken steps to regulate border crossings. In June 2024, the Biden administration announced an executive order to restrict asylum eligibility during periods of high levels of border encounters. In conjunction, the City and federal actions have contributed to a slowdown and subsequent decline in the number of asylum seekers in care. At current trends in the asylum seeker population, the City expects the costs of caring for the population to be \$3.28 billion in fiscal year 2025 and \$2.66 billion in fiscal year 2026. The total costs are associated with \$2.4 billion in savings, relative to previously budgeted costs, over two fiscal years.

New York City Financing Program

The City financing program projects \$83.3 billion of long-term borrowing for the period from 2025 through 2029 to support the current City capital program. The portion of the capital program not financed by the New York City Municipal Water Finance Authority (“NYW” or the “Authority”) will be split between GO bonds of the City and Future Tax Secured (“FTS”) bonds of the New York City Transitional Finance Authority (“TFA”). The City and TFA both expect to issue \$35.4 billion in bonds during the plan period, each supporting 42.5 percent of the total. NYW expects to issue approximately \$12.5 billion in bonds which represents 15 percent of the total.

Since July 1, 2024, the City has issued \$3.6 billion in GO bonds for capital purposes and approximately \$1.1 billion in GO refunding bonds. In October 2024, the City issued its third series of Social Bonds, structured as \$820 million of taxable GO bonds. The proceeds of the Social Bonds sale financed affordable housing programs administered by the City’s Department of Housing Preservation and Development. The City’s GO refunding transaction completed to date in 2025 generated approximately \$91 million of debt service savings, primarily spread evenly across 2025 through 2028. The City plans to issue GO bonds for capital purposes of approximately \$6.9 billion, \$6.3 billion, \$7.0 billion, \$7.4 billion, and \$7.8 billion in 2025 through 2029, respectively. Currently the debt service for City GO, TFA FTS, and City appropriation debt, or conduit debt, excluding the effect of pre-payments, is 6.7 percent of the City’s total budgeted revenues in 2025. That ratio is projected to rise to 9.4 percent in 2029. As a percentage of tax revenues, the debt service ratio is 10.0 percent in 2025 and is projected to increase to 13.1 percent in 2029.

As of January 2025, the primary issuers financing the City capital program have maintained credit ratings of the AA category or better by Moody’s, S&P, and Fitch, and in the case of the City, Kroll. These entities have maintained reliable market access, including during the economic uncertainty caused by the onset of COVID-19, to finance capital spending and undertake refinancing transactions. All of the outlooks are stable.

Ratings reflect only the respective views of such organizations, and an explanation of the significance of such ratings may be obtained from the rating agency that furnished the rating. There is no assurance that a particular rating will continue for any given period of time or that any such rating will not be revised downward or withdrawn entirely, if in the judgment of the agency originally establishing the rating, circumstances so warrant. Any such downward revision or withdrawal could have an adverse effect on the market prices of the City’s GO bonds.

Other Localities

Certain localities other than the City have experienced financial problems and have requested and received additional State assistance during the last several fiscal years. While a relatively infrequent practice, deficit financing by local governments has become more common in recent years. State legislation enacted from 2004 to date includes 32 special acts authorizing bond issuances to finance local government operating deficits. Included in this figure are special acts that extended the period of time related to prior authorizations and modifications to issuance amounts previously authorized. When a local government is authorized to issue bonds to finance operating deficits, the local government is subject to certain additional fiscal oversight during the time the bonds are outstanding as required by the State’s Local Finance Law, including an annual budget review by the Office of the New York State Comptroller. In addition to deficit financing authorizations, the State has periodically enacted legislation to create oversight boards in order to address deteriorating fiscal conditions within particular localities. The impact on the State of any possible requests in the future for additional oversight or financial assistance cannot be determined and therefore is not included in the 2025 Budget projections.

Like the State, local governments must respond to changing political, economic and financial influences over which they have little or no control, but which can adversely affect their financial condition. For example, the State or Federal government may reduce (or, in some cases, eliminate) funding of local programs, thus requiring local governments to pay these expenditures using their own resources. Similarly, past cash flow problems for the State have resulted in delays in State aid payments to localities. In some cases, these delays have necessitated short-term borrowing at the local level.

Other factors that have had, or could have, an impact on the fiscal condition of local governments and school districts include: the loss of temporary Federal stimulus funding; recent State aid trends; constitutional and statutory limitations on the imposition by local governments and school districts of property, sales and other taxes; the economic ramifications of a pandemic; and for some communities, the significant upfront costs for rebuilding and clean-up in the wake of a natural disaster. Localities may also face unanticipated problems resulting from certain pending litigation, judicial decisions and long-range economic trends. Other large-scale potential problems, such as declining urban populations, declines in the real property tax base, increasing pension, health care and other fixed costs, or the loss of skilled manufacturing jobs, may also adversely affect localities and necessitate requests for State assistance.

Ultimately, localities as well as local public authorities may suffer serious financial difficulties that could jeopardize local access to public credit markets, which may adversely affect the marketability of notes and bonds issued by localities within the State.

Additional Information

The information herein has not been independently verified and constitutes only a brief summary of some of the general factors that may impact certain issuers of municipal bonds and does not purport to be a complete or exhaustive description of all adverse conditions to which the issuers of municipal bonds held by the Fund are subject. Information regarding the State's financial condition is included in various public documents issued by the State, such as the official statements prepared in connection with the issuance of General Obligation bonds of New York.