

# Federated Hermes Government Obligations Tax-Managed Fund

4th Quarter 2024

## Automated Shares

All information is as of 12/31/24 unless otherwise noted.



### Investor Goal

Pursues current income consistent with stability of principal and liquidity.

### Fund Features

- ✦ Invests primarily in short-term U.S. Treasury and government agency securities that pay interest exempt from state personal income tax.
- ✦ Does not invest in repurchase agreements.
- ✦ Holds AAAm and Aaa-mf ratings from S&P Global Ratings and Moody's, respectively.
- ✦ Income may be exempt from state income taxes, depending on individual state tax laws.

### Fund Performance

#### Yield History (%) 7-day



Net yields are based on the average daily income dividend and average net asset value for the 7 days ended on the date of calculation.

Net Yields (%)	7-day
Federated Hermes Government Obligations Tax-Managed Fund	3.98

Total Returns (%)	1-year
Federated Hermes Government Obligations Tax-Managed Fund	4.77

Annualized Yields (%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
	7-day	4.86	4.81	4.83	4.83	4.81	4.81	4.82	4.79	4.52	4.33	4.16

Although not contractually obligated to do so, the adviser and/or certain fund service providers waived all or a portion of their fees or reimbursed the fund for certain operating expenses. These voluntary waivers and reimbursements may be modified or terminated at any time. The rate at which expenses are accrued during the fiscal year may not be constant and, at any particular point, may be greater or less than the stated average percentage reflected in the fund's expense table in its prospectus. These waivers increase income to the fund and result in a higher return to investors.

Otherwise, the 7-day yield would have been 3.98% and total return would have been lower.

Total return represents the change in value of an investment after reinvesting all income and capital gains.

Yield quotations more closely reflect the current earnings of the fund than the total return quotation.

Prior to April 2, 2024, Rule 2a-7 required that money market funds maintain at least 10% daily liquidity assets and at least 30% weekly liquidity assets. Effective April 2, 2024, the daily and weekly liquid assets thresholds increased to 25% and 50%, respectively. Both requirements are "point of purchase" requirements. Thus, it is possible that money market funds may, at any given time, have liquidity percentages reflecting less than the daily and weekly liquidity asset thresholds. In such circumstances, the portfolio manager will be required to purchase securities to meet the requisite liquidity thresholds prior to purchasing longer-dated securities. Additionally, the SEC requirements for what may be defined as "daily" and "weekly" differs from the standard maturities used in calculating the "Effective Maturity Schedule." Therefore, the percentages in the 2a-7 Liquidity table will generally not equal the amounts shown in the "Effective Maturity Schedule."

### Credit Ratings:

AAAm S&P Global Ratings  
Aaa-mf Moody's

### Portfolio Assets:

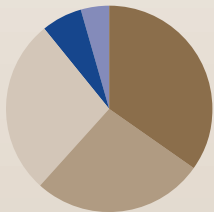
\$7.3 Billion

### Portfolio Composition:

U.S. Government Agency Debt 32.4%  
U.S. Treasury Debt 67.6%

### Effective Maturity Schedule:

- 1-7 Days 34.8%
- 8-30 Days 27.0%
- 31-90 Days 27.6%
- 91-180 Days 6.4%
- 181+ Days 4.2%



### Weighted Average Maturity:

41 Days

### Weighted Average Life:

85 Days

### 2a-7 Liquidity

Daily 67.50%

Weekly 81.02%

Performance data quoted represents past performance, which is no guarantee of future results. Investment return will vary. An investor's shares, when redeemed, may be worth more or less than the original cost.

Mutual fund performance changes over time and current performance may be lower or higher than what is stated. To view performance current to the most recent month-end, visit our Web site at [FederatedHermes.com/us](http://FederatedHermes.com/us), "Products" section, or call 1-800-341-7400.

See reverse for important definitions and disclosures.

# Federated Hermes Government Obligations Tax-Managed Fund

*Automated Shares*

## Share Class Statistics:

### Fund Managers

Susan Hill, CFA  
John Wyda, CFA

### Inception Date

7/14/15

### Newspaper listing

GovTxMgAS

### Cut-Off Times

2:00 pm ET — purchases (T+0)  
2:00 pm ET — redemptions (T+0)  
4:00 pm ET — purchases (T+1)  
4:00 pm ET — redemptions (T+1)

*For more complete information about any Ave Maria Mutual Fund, please call your investment professional at 1-866-AVE-MARIA for prospectuses. You should consider the fund's investment objectives, risks, charges and expenses carefully before you invest. Information about these and other important subjects is in the fund's prospectus, which you should read carefully before investing.*

**All information is as of 12/31/24 unless otherwise noted.**

**This must be preceded or accompanied by a current prospectus for Federated Hermes Government Obligations Tax-Managed Fund.**

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

Key to the hawkish shift was concern about the ramifications of some of the plans President-elect Donald Trump promised to enact. The thinking is that the potential combination of increased federal tax cuts, expanded government expenditures, new tariffs and significant deportations could increase price and cost pressures. While the quarter-percentage-point cut in the FOMC meeting ending November 7 was likely predetermined—rather than a response to Trump's win—the similar-sized reduction at the December meeting was yet again paired with expectations for fewer future rate cuts than once assumed.

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

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

**Susan Hill, CFA** *Fund Manager & Senior Vice President*



## Ratings from Leading Agencies

Ratings are based on an evaluation of several factors, including credit quality, diversification and maturity of assets in the portfolio, as well as management strength and operational capabilities. A money market fund rated AAAM by S&P Global Ratings is granted after evaluating a number of factors, including credit quality, market price, exposure and management. Money market funds rated Aaa-mf by Moody's are judged to be of an investment quality similar to Aaa-rated fixed-income obligations, that is, they are judged to be of the best quality. Ratings are subject to change and do not remove market risk. For more information on credit ratings, visit [standardandpoors.com](http://standardandpoors.com) and [v3.moody.com](http://v3.moody.com). Credit ratings do not provide assurance against default or other loss of money and can change.

## About Ave Maria and Federated Hermes Relationship

The Ave Maria Mutual Funds are managed by Schwartz Investment Counsel, Inc., a registered investment adviser who has been providing investment counsel to institutions and individuals since 1980 and today serves investors nationwide. Schwartz Investment Counsel, Inc. selected Federated Hermes Government Obligations Tax-Managed Fund for this program because its investments are congruent with the moral standards in place across the Ave Maria Fund Family. The money market fund is managed by a subsidiary of Federated Hermes, one of America's largest and most respected money fund managers.

*You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not a bank account and is not insured or guaranteed by the Federal Deposit Insurance Company or any other government agency. The Fund's sponsor is not required to reimburse the Fund for losses, and you should not expect that the sponsor will provide financial support to the Fund at any time, including during periods of market stress.*

*The fund has not elected to be subject to the liquidity fees at this time.*

*Income is subject to federal income tax.*

*Consult your tax advisor regarding the status of your account under state and local tax laws.*

*Net yields are based on the average daily income dividend and average net asset value for the 7 days ended on the date of calculation. The 7-day net annualized yield is based on the average net income per share for the 7 days ended on the date of calculation and the offering price on that date.*

*The fund is a managed portfolio and its holdings are subject to change.*

*The holdings percentages are based on net assets at the close of business on 12/31/24 and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes.*

*Fund shares are not guaranteed by the US government.*

*Current and future portfolio holdings are subject to risk.*

*Weighted Average Maturity is the mean average of the periods of time remaining until the securities held in the fund's portfolio (a) are scheduled to be repaid, (b) would be repaid upon a demand by the fund or (c) are scheduled to have their interest rate readjusted to reflect current market rates. For government variable rate securities, if the interest rate is readjusted no less frequently than every 397 calendar days, the security shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate. For non-government variable rate securities, if the security has a scheduled maturity of 397 days or less the security is treated as maturing on the earlier of the date the security is scheduled to be repaid through demand or the period remaining until the next readjustment of the interest rate. If the variable rate security has a scheduled maturity that is more than 397 days it is the later of those two dates. The mean is weighted based on the percentage of the market value of the portfolio invested in each period.*

*Weighted Average Life is calculated in the same manner as the Weighted average maturity (WAM), but is based solely on the periods of time remaining until the securities held in the fund's portfolio (a) are scheduled to be repaid or (b) would be repaid upon a demand by the fund without reference to when interest rates of securities within.*