

# Federated Hermes Enhanced Income ETF

Ticker symbol — PAYR | Listing exchange — CBOE | Cusip — 31423L883

3/31/26

## Product highlights

- Pursues high current income with a secondary objective of capital appreciation.
- Seeks a higher dividend yield than that of the broad equity market.
- Seeks to invest in high-dividend-paying stocks of companies with dividend growth potential along with an options overlay strategy.

## Morningstar category

Derivative Income

## Benchmark

S&P 500®

## Key investment team

Dana Meissner, CFA, FRM, CAIA  
Damian McIntyre, CFA, FRM, CAIA  
Daniel Peris, Ph.D., CFA  
Deborah Bickerstaff  
Michael Tucker  
Jared Hoff

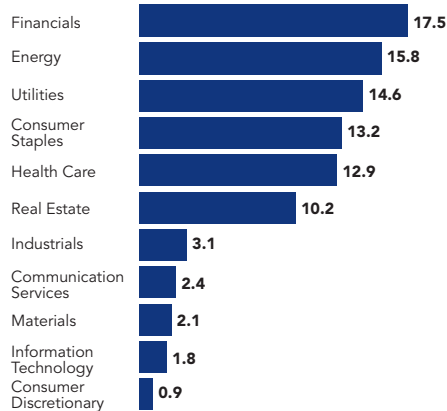
## Fund statistics

Portfolio assets	\$24.9 m
Dividends	Paid monthly
Foreign securities	23.41%
Number of securities	51
5 year beta (source: FactSet and Federated Hermes attribution team)**	0.68
Median 3 year average payout ratio	69.94
Median market cap	\$83.9 b
Weighted average EPS growth next 5 years	7.63
Weighted median market cap	\$101.9 b
Weighted median price/book	2.1x
Weighted median price/cash flow	11.00x
Weighted median P/E (LTM)	22.4x
Weighted median P/E (NTM)	15.8x

## Top holdings (%)

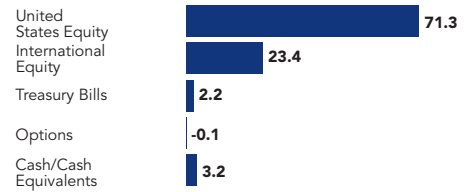
TotalEnergies SE	4.8
Chevron Corp	3.9
Sanofi ADR	3.4
Enbridge Inc.	3.3
U.S. Bancorp	3.3
Paychex, Inc.	3.1
Truist Financial Corp.	3.1
British American Tobacco P.L.C. - ADR	3.0
Pfizer Inc.	3.0
PNC Financial Services Group, Inc. Pfizer Inc.	2.8

## Sector weightings (%) — equity



Totals may not add up to 100% due to rounding.

## Portfolio composition (%)



S&P 500® Index Futures were 3.7%. Futures contracts do not require cash outlay; the notional value is reported.

## Average annual total returns (%)

	Performance inception	Cumulative 1-month	Cumulative 3-month	Cumulative since inception	Expense ratio*, †	
					Before waivers	After waivers
NAV	10/7/25	-2.81	9.67	12.81	0.74	0.40
Market price	10/7/25	-3.37	8.35	11.82	0.74	0.40
Benchmark		-4.98	-4.33	-	-	-

Performance quoted represents past performance, which is no guarantee of future results. Fund performance changes over time and current performance may be lower or higher than what is stated. Investment return and principal value will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted. Performance includes reinvestment of dividends and other earnings. To view performance current to the most recent month-end contact us or visit [FederatedHermes.com/us](https://FederatedHermes.com/us).

The market price return is calculated from closing prices as determined by the fund's listing exchange. The returns shown do not represent the returns you would receive if you traded shares at other times.

\* The fund's expense ratio is from the most recent prospectus. The expense ratio may reflect voluntary fee waivers and/or expense reimbursements determined by the fund's Advisor and its affiliates. The voluntary waivers and/or reimbursements, if applicable, are in effect up to but not including the later of 1/1/27 or the date of the fund's next effective prospectus.

† Includes acquired fund fees and other expenses.

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Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. To obtain a summary prospectus or prospectus containing this and other information, contact us or visit [FederatedHermes.com/us](http://FederatedHermes.com/us). Please carefully read the summary prospectus or the prospectus before investing.

Past performance is no guarantee of future results.

Fund shares are bought and sold on an exchange at market price (not NAV) and are not individually redeemed from the fund. However, shares may be redeemed at NAV directly by certain authorized broker-dealers (Authorized Participants) in very large creation/redemption units. The returns shown do not represent the returns you would receive if you traded shares at other times. Shares may trade at a premium or discount to their NAV in the secondary market. Brokerage commissions will reduce returns. Market price returns are based on the official closing price of an ETF share or, if the official closing price isn't available, the midpoint between the national best bid and national best offer ("NBBO") as of the time the ETF calculates the current NAV per share. NAVs are calculated using prices as of the end of regular trading on the New York Stock Exchange (normally 4:00pm Eastern Time). Recent information, including information about the fund's NAV, market price, premiums and discounts, and bid-ask spreads, is included on the fund's website at [FederatedHermes.com/us](http://FederatedHermes.com/us).

Although the information provided in this document has been obtained from sources which Federated Hermes believes to be reliable, it does not guarantee accuracy of such information and such information may be incomplete or condensed.

\*\* Before a 3-year fund return beta is available, the ETF's beta is calculated using the betas of its underlying securities relative to the S&P 500® for the US securities, or their local market index for foreign securities. For non-option securities, the beta is calculated using a weighted average of their 5-year betas, based on their portfolio weights on the calculation date. For options, due to their volatility, the beta is calculated using a weighted average of their 5-year betas based on an average of their daily portfolio exposures from the time they were added to the ETF through the calculation date.

## A word about risk

There are no guarantees that dividend-paying stocks will continue to pay dividends. In addition, dividend-paying stocks may not experience the same capital appreciation potential as non-dividend-paying stocks.

Diversification does not assure a profit nor protect against loss.

ETFs are subject to risks and fluctuate in value.

The value of equity securities in the fund's portfolio will fluctuate and, as a result, the fund's share price may decline. Equity securities may decline in value because of an increase in interest rates or changes in the stock market.

Because the fund may allocate relatively more assets to certain industry sectors than others, the fund's performance may be more susceptible to any developments which affect those sectors emphasized by the fund.

Large-cap companies may have fewer opportunities to expand the market for their products or services, may focus their competitive efforts on maintaining or expanding their market share, and may be less capable of responding quickly to competitive challenges. The above factors could result in the share price of large-cap companies lagging the overall stock market or growth in the general economy, and, as a result, could have a negative effect on the fund's portfolio, performance and share price.

The fund's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional instruments.

As part of the fund's investment objective, the fund seeks to distribute current monthly income. As a result of market, interest rate and other circumstances, the amounts of such distributions may vary widely from month to month and in some months no distribution may be paid at all. There is no assurance that the fund will make a distribution in any given month. Distributions in excess of the fund's current and accumulated earnings and profits will be treated as a return of capital and a significant portion of the fund's distributions at any point in time may consist of return of capital. A return of capital distribution generally will not be taxable currently but will reduce the shareholder's cost basis and will result in a higher capital gain or lower capital loss when those fund shares on which the distribution was received are sold.

The fund is a new fund that recently commenced operations. New funds have limited operating histories for investors to evaluate and new funds may not attract sufficient assets to achieve investment and trading efficiencies.

Mid-cap companies often have narrower markets and limited managerial and financial resources compared to larger and more established companies.

## Definitions

**The holdings percentages** are based on net assets at the close of business on 3/31/26 and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes. Because this is a managed portfolio, the investment holdings will change.

**Total return** represents the change in value of an investment after reinvesting all income and capital gains. Total return would have been lower in the absence of expense waivers or reimbursements.

**Beta** analyzes the market risk of a fund by showing how responsive the fund is to the market. The beta of the market is 1.00. Accordingly, a fund with a 1.10 beta is expected to perform 10% better than the market in up markets and 10% worse in down markets. Usually the higher betas represent riskier investments.

**Median 3-year average payout ratio** is the proportion of earnings paid out as dividends to shareholders, typically expressed as a percentage.

**Median market capitalization** is the calculation representing the median market capitalization of the stocks in the portfolio.

**Weighted average EPS growth next 5 years** is the estimated weighted average annual growth rate of fiscal year earnings per share for the next five years for a given corporation.

**Weighted median price/cash flow ratio** is a stock valuation measure calculated by dividing a firm's cash flow per share into the current stock price, with the weights of the stocks in the portfolio considered in determining the median price/cash flow.

**Weighted median P/E (LTM - latest twelve months)** is a ratio comparing share price to earnings per share using data from the previous twelve months.

**Weighted median P/E (NTM - next twelve months)** in calculating this, individual holdings with values greater than 60 are capped at 60 in accordance with Morningstar's methodology for calculating "weighted median P/E."

**Weighted median market capitalization** is the calculation represented by the median market capitalization of the stocks in the portfolio, weighted by the amount of each stock.

**Weighted median price/book** is a ratio comparing share price to book value or assets minus liabilities.

**S&P 500®** is an unmanaged capitalization-weighted index of 500 stocks designated to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

Indexes are unmanaged and cannot be invested in directly.

## Ratings and rating agencies

Morningstar Category identifies funds based on their actual investment styles as measured by their underlying portfolio holdings over the past three years. If the fund is less than three years old, the category is based on the life of the fund.

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