

Federated Hermes Kaufmann IPO update

Investing in the Kaufmann funds can provide early access to promising growth companies.

U.S. IPO market update

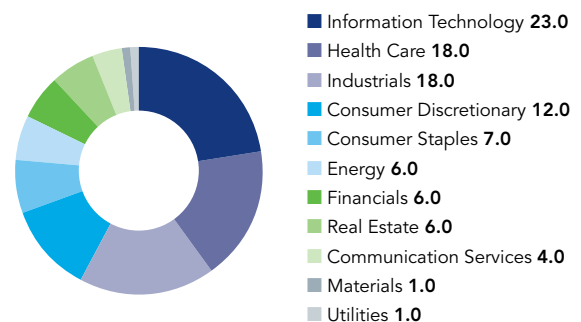
Initial public offerings (IPOs) are part of a healthy movement of capital into new, more productive growth channels. The IPO market began to stir from its slumber in 2023 with 108 deals raising \$19.4 billion, showing signs of life after 2022's historic inactivity (71 deals raising \$7.7 billion). We expect activity to continue to increase in 2024.

U.S. IPO activity - last five years

	2023	2022	2021	2020	2019
Number of deals	108	71	397	221	163
Proceeds raised (billions)	\$19.4	\$7.7	\$142.4	\$78.2	\$46.3
Median deal size (millions)	\$14.0	\$20.0	\$176.0	\$176.0	\$106.0

As of 12/31/23. Source: Renaissance Capital.

2023 sector breakdown (%)



As of 12/31/23. Source: Renaissance Capital. Breakdown by percent of IPOs. Total may not sum to 100 due to rounding.

Kaufmann IPO participation in 2023

- The Federated Hermes Kaufmann team pursues long-term growth opportunities at the best possible price, whether by uncovering up-and-coming companies through intensive research, increasing positions in attractive companies when the overall market stumbles or identifying strong potential at the IPO stage
- Earlier participation in a significant capital raising event, before mainstream investors, offers a potentially better entry point and a longer runway for potential outperformance
- The team typically participates in 30-50% of the IPOs in the U.S. through their small-, mid- and large-cap growth equity portfolios
- As of 12/31/23, companies that were first purchased at IPO comprised the following percentage of each Federated Hermes Kaufmann fund:
 - » 44.40% of the Federated Hermes Kaufmann Small Cap Fund
 - » 19.88% of the Federated Hermes Kaufmann Fund
 - » 5.50% of the Federated Hermes Kaufmann Large Cap Fund
- In 2023, the team participated in a total of 20 IPOs

	Ticker symbol	Date of IPO	Price of IPO	Price as of 12/31/23
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2023 Federated Hermes Kaufmann Large Cap Fund IPO activity

The Federated Hermes Kaufmann Large Cap Fund team participated in two IPOs and still holds one of these companies, listed below.

ARM Holdings PLC, ADR	ARM	9/14/23	\$51.00	\$75.15
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2023 Federated Hermes Kaufmann Fund IPO activity

The Federated Hermes Kaufmann Fund team participated in six IPOs and still holds five of these companies, listed below.

Birkenstock Holding Ltd.	BIRK	10/11/23	\$46.00	\$48.73
Maplebear, Inc.	CART	9/19/23	\$30.00	\$23.47
ARM Holdings PLC, ADR	ARM	9/14/23	\$51.00	\$75.15
FTAI Aviation Ltd, Pfd., 9.5%	FTAIM	3/8/23	\$25.00	\$25.28
Structure Therapeutics Inc - ADR	GPCR	2/3/23	\$15.00	\$40.76

2023 Federated Hermes Kaufmann Small Cap Fund IPO activity

The Federated Hermes Kaufmann Small Cap Fund team participated in twelve IPOs and still holds seven of these companies, listed below.

Birkenstock Holding Ltd.	BIRK	10/11/23	\$46.00	\$48.73
Klaviyo, Inc.	KVYO	9/20/23	\$30.00	\$27.78
Maplebear, Inc.	CART	9/19/23	\$30.00	\$23.47
Savers Value Village Inc	SVV	6/29/23	\$18.00	\$17.38
GEN Restaurant Group Inc	GENK	6/28/23	\$12.00	\$7.83
Cava Group Inc	CAVA	6/15/23	\$22.00	\$42.98
Structure Therapeutics Inc - ADR	GPCR	2/3/23	\$15.00	\$40.76

Sources: Federated Hermes, State Street.

Holdings are as of 12/31/23. The funds are managed portfolios and holdings are subject to change.

Past performance is no guarantee of future results. For current fund performance, visit FederatedHermes.com/us.

The Federated Hermes Kaufmann funds can provide early access to potentially significant growth opportunities. Learn more by calling 1-888-400-7838.

As of 12/31/23.

IPO market data includes IPOs and direct listings with a market cap of at least \$50 million and excludes closed-end funds and SPACs.

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. Please carefully read the summary prospectus or prospectus before investing.

Please visit FederatedHermes.com/us and click on the Characteristics tab for more information on the portfolio. Past performance is no guarantee of future results. For current performance, visit FederatedHermes.com/us.

Investing in IPOs involves special risks such as limited liquidity and increased volatility.

Portfolio holdings are subject to change. Portfolio composition percentages are based on net assets at the close of business on the date indicated and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes. Because this a managed portfolio, the investment mix will change.

Mutual funds are subject to risks and fluctuate in value.

International investing involves special risks including currency risk, increased volatility, political risks and differences in auditing and other financial standards.

Small-cap companies may have less liquid stock, a more volatile share price, unproven track records, a limited product or service base and limited access to capital. The above factors could make small-cap companies more likely to fail than larger companies and increase the volatility of the fund's portfolio, performance and share price. Suitable securities of small-cap companies also can have limited availability and cause capacity constraints on investment strategies for funds that invest in them.