

Federated Hermes Kaufmann IPO update

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

US IPO market update

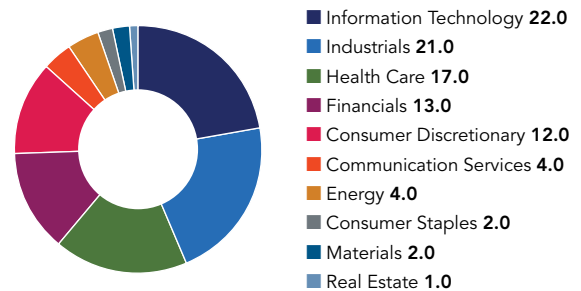
Initial public offerings (IPOs) are part of a healthy movement of capital into new, more productive growth channels. Despite a few blips due to volatility throughout the year, the IPO market broke out of recovery mode in 2025 with 202 IPOs raising \$44 billion — the most since 2021. We believe this momentum will continue in 2026.

US IPO activity - last five years

	2025	2024	2023	2022	2021
Number of deals	202	150	109	71	397
Proceeds raised (billions)	\$44.0	\$29.6	\$19.5	\$7.7	\$142.4
Median deal size (millions)	\$15.0	\$13.0	\$14.0	\$20.0	\$176.0

As of 12/31/25. Source: Renaissance Capital.

2025 sector breakdown (%)



As of 12/31/25. Source: Renaissance Capital. Breakdown by percent of IPOs. Total may not sum to 100 due to rounding.

Kaufmann IPO participation in 2025

- 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
- Companies offered over \$1 trillion in IPOs from 2000 to 2025. The Kaufmann funds offer access to this large yet difficult-to-access market, historically participating in on average about 10% of total US issuance. This can help differentiate returns from portfolios that are less active or don't participate in the primary market, such as passive index funds
- As of 12/31/25, companies that were first purchased at IPO comprised the following percentage of each Kaufmann fund:
 - » 47.71% of the Federated Hermes Kaufmann Small Cap Fund
 - » 19.77% of the Federated Hermes Kaufmann Fund
 - » 10.00% of the Federated Hermes Kaufmann Large Cap Fund
- In 2025, the team participated in a total of 49 IPOs

	Ticker symbol	Date of IPO	Price of IPO	Price as of 12/31/25
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2025 Federated Hermes Kaufmann Large Cap Fund IPO activity

The Federated Hermes Kaufmann team participated in one IPO but no longer holds this company.

2025 Federated Hermes Kaufmann Fund IPO activity

The Federated Hermes Kaufmann team participated in seven IPOs and still holds three of these companies, listed below.

Chime Financial Inc	CHYM	6/12/25	\$27.00	\$25.17
Beta Technologies Inc.	BETA	11/4/25	\$34.00	\$28.21
Medline Inc.	MDLN	12/17/25	\$29.00	\$42.00

2025 Federated Hermes Kaufmann Small Cap Fund IPO activity

The Federated Hermes Kaufmann team participated in 41 IPOs and still holds 23 of these companies, listed below.

Karman Holdings Inc	KRMN	2/13/25	\$22.00	\$73.17
Kestra Medical Technologies Inc	KMTS	3/6/25	\$17.00	\$26.52
Etoro Group Limited	ETOR	5/14/25	\$52.00	\$35.13
MNTN Inc	MNTN	5/22/25	\$16.00	\$11.94
Circle Internet Finance PLC	CRCL	6/5/25	\$31.00	\$79.30
Omada Health Inc	OMDA	6/6/25	\$19.00	\$15.78
Voyager Technologies Inc	VOYG	6/11/25	\$31.00	\$26.14
Chime Financial Inc	CHYM	6/12/25	\$27.00	\$25.17
Slide Insurance Holdings, Inc.	SLDE	6/18/25	\$17.00	\$19.48
Accelerant Holdings	ARX	7/24/25	\$21.00	\$16.35
Shoulder Innovations Inc	SI	7/31/25	\$15.00	\$14.30
Bullish	BLSH	8/13/25	\$37.00	\$37.87
Miami International Holdings, Inc.	MIAX	8/14/25	\$23.00	\$44.38
Figure Technology Solutions Inc	FIGR	9/11/25	\$25.00	\$40.84
Black Rock Coffee Bar Inc	BRCB	9/12/25	\$20.00	\$22.25
Legence Corp	LGN	9/12/25	\$28.00	\$43.04
Via Transportation, Inc.	VIA	9/12/25	\$46.00	\$29.01
WaterBridge Infrastructure LLC	WBI	9/17/25	\$20.00	\$20.01
Netskope, Inc.	NTSK	9/18/25	\$19.00	\$17.54
Beta Technologies Inc.	BETA	11/4/25	\$34.00	\$28.21
Evimmune Inc.	EVMN	11/6/25	\$16.00	\$17.12
Cardinal Infrastructure Group Inc.	CDNL	12/10/25	\$21.00	\$24.18
Lumexa Imaging Holdings Inc.	LMRI	12/11/25	\$18.50	\$18.50

Sources: Federated Hermes, Inc., State Street. Holdings are as of 12/31/25. The funds are managed portfolios and holdings are subject to change. Table shows companies that the funds purchased at IPO and held as of the date indicated. The funds may have participated in additional IPOs that are not listed. **Past performance is no guarantee of future results. For current fund performance, visit FederatedHermes.com/us.**

As of 12/31/25.

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.

Diversification does not assure a profit nor protect against a loss.

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.

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.

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

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 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.

Growth stocks tend to have higher valuations and thus are typically more volatile than value stocks. Growth stocks also may not pay dividends or may pay lower dividends than value stocks.

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.

The Federated Hermes Kaufmann funds can provide early access to potentially significant growth opportunities.