

# Federated Hermes Total Return Bond ETF



Ticker: FTRB

## Active, multi-sector fixed income in an ETF

Determining a fixed-income allocation isn't easy given growing uncertainty about the direction of the economy, markets, inflation and interest rates. Federated Hermes Total Return Bond ETF offers an actively managed, flexible, one-fund approach to help navigate a complex bond market—managed by a team with the experience and resources to uncover opportunities that can add value.

**NYSE ticker:** FTRB

**CUSIP:** 31423L404

**ISIN:** US31423L4041

### Investment universe

The exchange-traded fund (ETF) invests in a broad mix of bond sectors that management believes will benefit from changes in economic and market conditions. U.S. government and investment-grade corporate bonds predominate, with limits on exposure to domestic high-yield and both developed and emerging international sectors.

### Benchmark 1

Bloomberg US Aggregate Bond Index

### Benchmark 2

Bloomberg US Universal Index

### Transparency

Daily, with holdings posted daily by open of market trading

### Dividends

Declared and paid monthly

### Advisor

Federated Investment Management Company

### Custodian

State Street Bank and Trust Company

### Key investment team

Donald Ellenberger  
Nathan Kehm, CFA  
Jerome Conner, CFA

## A core fixed-income holding

- The fund seeks to deliver a broadly diversified bond portfolio. Portfolio managers strategically invest across Treasury, government agency, mortgage-backed, investment-grade as well as high-yield corporate and international bonds.
- The portfolio managers seek to adapt to a changing environment. Employing the collective decisions of Federated Hermes' bond market leadership and sector specialists, the management team analyzes each market sector and the potential influences on performance—maturity, redemption features, credit quality, interest rate, price and economic outlook—to arrive at what they believe is the best combination of bonds for the portfolio.

## A transparent and repeatable investment process tested by multiple market conditions

- The investment team builds the portfolio based on its analysis of the five key drivers of fixed-income performance: sector allocation, security selection, duration, the yield curve and currencies.
- By seeking diversified sources of alpha generation, Federated Hermes' fixed-income process is not reliant on any one major factor or specific point in the market or economic cycle.

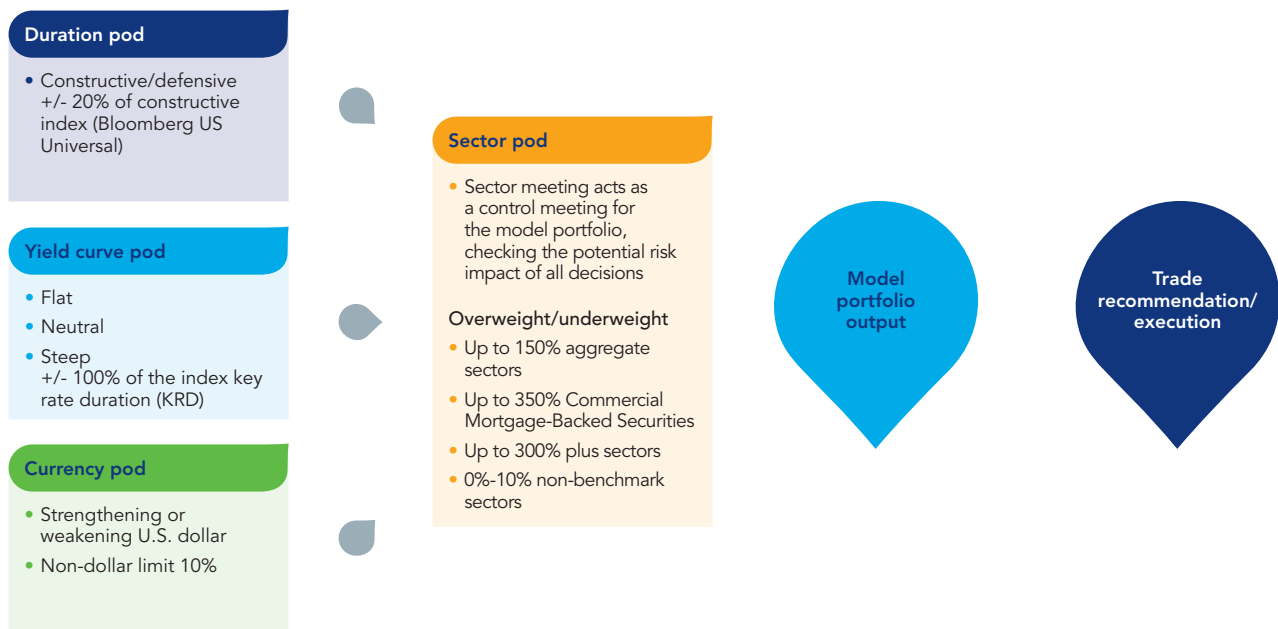
## A tenured team with long-term results

- The strategy demonstrates Federated Hermes' management capabilities within each bond sector and an ability to bring multiple sectors together to seek value for investors.
- Federated Hermes' experience managing fixed-income portfolios spans more than 50 years. Management stability and process consistency are Federated Hermes' hallmarks. The fund's management team reflects this strength and has worked together through numerous market and economic cycles.

## Investment approach

<h3>Core Plus, Intermediate Bond</h3>	<h3>Consistent, repeatable investment process</h3>	<h3>Tenured team with long-term results</h3>
<ul style="list-style-type: none"> <li>• A disciplined approach to core fixed income with a conservative, primarily investment-grade risk profile</li> <li>• Invests primarily in U.S. government, mortgage-backed and investment-grade corporate fixed income with modest exposure to sectors such as high yield and emerging markets debt</li> <li>• May invest in below investment-grade securities up to 25%</li> </ul>	<ul style="list-style-type: none"> <li>• Combines top-down decision making with bottom-up security selection to build diversified, risk-managed portfolios</li> <li>• Key decision teams known as “alpha pods” seek diversified, uncorrelated alpha sources across various market environments</li> <li>• Positioning set across five factors: sector allocation, security selection, duration management, yield curve strategy and currency management</li> </ul>	<ul style="list-style-type: none"> <li>• Team-based approach focused by sector to extract value from each step of the process</li> <li>• Federated Hermes’ fixed-income philosophy and process has a 50-year heritage</li> <li>• Senior fixed-income management team averages 29 years of experience, and team members have worked together at Federated Hermes for over 20 years</li> </ul>

## Portfolio construction



**Past performance is no guarantee of future results.**

**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 [FederatedInvestors.com/us](https://FederatedInvestors.com/us). Please carefully read the summary prospectus or the prospectus before investing.**

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. 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 E F 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 4:00 P M 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](https://FederatedHermes.com/us).

The ratings agencies that provided the ratings are Standard and Poor's, Moody's and Fitch. When ratings vary, the highest rating is used. Credit ratings of A or better are considered to be high credit quality; credit ratings of BBB are good credit quality and the lowest category of investment grade; credit ratings BB and below are lower-rated securities ("junk bonds"); and credit ratings of C or below have high default risk.

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

Diversification does not assure a profit nor protect against loss.

**A word about risk**

Bond prices are sensitive to changes in interest rates and a rise in interest rates can cause a decline in their prices.

Issuers of fixed-income securities may fail to pay interest or principal on those securities when due, which may reduce the value of the fund's portfolio holdings, its share price and its performance.

High-yield, lower-rated securities generally entail greater market, credit/default and liquidity risks, and may be more volatile than investment-grade securities.

Certain non-rated securities may carry a higher risk of default.

Bond ratings and credit ratings pertain only to the securities in the portfolio and do not protect fund shares against market risk.

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

Prices of emerging markets securities can be significantly more volatile than the prices of securities in developed countries and currency risk and political risks are accentuated in emerging markets.

The value of some mortgage-backed securities may be particularly sensitive to changes in prevailing interest rates.

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.

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**Definitions**

**Alpha** measures the excess returns of a fund relative to the return of a benchmark index.

**Bloomberg US Aggregate Bond Index** is an unmanaged index composed of securities from the Bloomberg Government/Corporate Bond Index, Mortgage-Backed Securities Index and the Asset-Backed Securities Index. Total return comprises price appreciation/ depreciation and income as a percentage of the original investment. Indices are rebalanced monthly by market capitalization.

**Bloomberg US Universal Index** is an index that represents the union of the US Aggregate Index, US Corporate High-Yield, Investment-Grade 144A Index, Eurodollar Index, US Emerging Markets Index and the non-ERISA eligible portion of the CMBS Index. The index covers USD-denominated, taxable bonds that are rated either investment grade or below investment grade.

Indexes are unmanaged and cannot be invested in directly.

**Duration** is a measure of a security's price sensitivity to changes in interest rates. Securities with longer durations are more sensitive to changes in interest rates than securities of shorter durations.

**Yield curve** is a graph showing the comparative yields of securities in a particular class according to maturity. Securities on the long end of the yield curve have longer maturities.