

## Investment case

Large Cap Core: FLCC  
Small Cap Core: FSCC

Large Cap Value: FLCV  
Large Cap Growth: FLCG

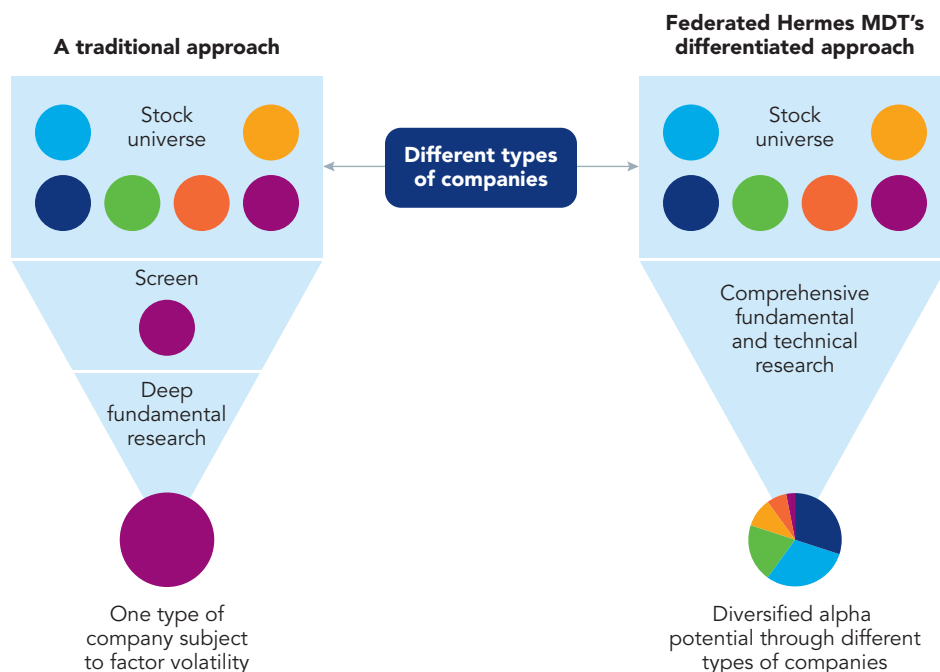
**Federated Hermes MDT ETFs offer:**

- Active exposure to US equities, targeting style and market capitalization
- Access to Federated Hermes MDT's time-tested, systematic investment process in an ETF wrapper
- Style consistency to complement existing portfolio structures

## Investment philosophy

- Federated Hermes MDT believes:
  - » Excess returns can be achieved using an active, systematic investment approach.
  - » Return drivers vary across different types of companies, and sophisticated modeling can identify forecasting techniques that are most relevant to each company type.
  - » The resulting breadth of potential alpha sources provides the opportunity for more consistent performance.

Exhibit 1: Differentiated approach to portfolio construction



- The ETF strategies employ a disciplined, systematic approach built upon demonstrated, well-tested metrics believed to be predictive of a stock's future performance.
- These metrics are identified through a rigorous research process that considers vast amounts of data, while mitigating the biases often introduced through more traditional fundamental approaches.

## Portfolio implementation ideas

Federated Hermes MDT ETFs can be used several ways within an investor’s aggregate portfolio, such as those outlined below.

### Index fund complement or replacement

- Federated Hermes MDT’s active ETFs can replace or be paired with a passive index fund.
- Using one of these ETFs alone or in combination with an index fund of a similar style provides the potential to outperform the index within preferred risk parameters.
- These funds are sector neutral, targeting +/- 1% of the benchmark.
- Stock exposure target is +/- 2.5% of the benchmark

### Exhibit 2: Active portfolio positioning

Federated Hermes MDT ETF active share as of 12/31/24

Fund	Index	Active share
<b>Federated Hermes MDT Large Cap Core ETF</b>	Russell 1000® Index	63.21
<b>Federated Hermes MDT Large Cap Growth ETF</b>	Russell 1000® Growth Index	38.17
<b>Federated Hermes MDT Large Cap Value ETF</b>	Russell 1000® Value Index	77.73
<b>Federated Hermes MDT Small Cap Core ETF</b>	Russell 2000® Index	80.26

Sources: Morningstar, Inc.; Federated Hermes, Inc.

### Exhibit 3: Federated Hermes MDT ETFs differ from the “market”

Federated Hermes ETF holdings compared to S&P 500® as of 12/31/24

Federated Hermes MDT Large Cap Growth		
Top holdings	%	+/- S&P 500®
<b>Apple Inc.</b>	9.45	2.31
<b>NVIDIA Corp.</b>	9.27	2.70
<b>Microsoft Corp.</b>	8.47	2.61
<b>Amazon.com, Inc.</b>	7.37	3.24
<b>Alphabet Inc.</b>	6.48	4.39
<b>Meta Platforms, Inc.</b>	4.53	1.43
<b>Qualcomm, Inc.</b>	2.87	2.50
<b>Spotify Technology SA</b>	2.82	2.41
<b>Costco Wholesale Corp.</b>	2.65	1.73
<b>Ameriprise Financial, Inc.</b>	2.52	2.42
<b>Total</b>	<b>56.43</b>	<b>25.74</b>

Federated Hermes MDT Large Cap Value		
Top holdings	%	+/- S&P 500®
<b>Johnson &amp; Johnson</b>	3.07	2.34
<b>Ameriprise Financial, Inc.</b>	2.51	2.41
<b>Berkshire Hathaway Inc.</b>	2.48	0.78
<b>AbbVie Inc.</b>	2.38	1.72
<b>Veralto Corp.</b>	2.29	2.24
<b>Prudential Financial, Inc.</b>	2.26	2.18
<b>Fortinet Inc.</b>	2.20	2.06
<b>GE Vernova Inc.</b>	2.15	1.95
<b>Gilead Sciences Inc.</b>	2.03	1.78
<b>GoDaddy, Inc.</b>	1.95	1.90
<b>Total</b>	<b>23.32</b>	<b>19.36</b>



Federated Hermes MDT Large Cap Core		
Top holdings	%	+/- S&P 500®
<b>Apple Inc.</b>	4.48	-2.66
<b>Microsoft Corp.</b>	4.08	-1.78
<b>NVIDIA Corp.</b>	3.66	-2.92
<b>Alphabet Inc.</b>	3.57	1.48
<b>Amazon.com, Inc.</b>	3.40	-0.73
<b>Meta Platforms, Inc.</b>	3.18	0.08
<b>Qualcomm, Inc.</b>	2.82	2.45
<b>Spotify Technology SA</b>	2.59	2.59
<b>GE Vernova Inc.</b>	2.48	2.28
<b>GoDaddy, Inc.</b>	2.31	2.26
<b>Total</b>	<b>32.57</b>	<b>3.05</b>

Federated Hermes MDT Small Cap Core		
Top holdings	%	+/- S&P 500®
<b>Jackson Financial Inc.</b>	2.44	2.44
<b>SSR Mining Inc.</b>	2.10	2.10
<b>Resideo Technologies Inc.</b>	1.97	1.97
<b>Knife River Holding Co.</b>	1.64	1.64
<b>Parsons Corp.</b>	1.43	1.43
<b>BankUnited Inc.</b>	1.39	1.39
<b>Sprouts Farmers Market Inc.</b>	1.25	1.25
<b>Mueller Water Products Inc.</b>	1.16	1.16
<b>CNO Financial Group Inc.</b>	1.14	1.14
<b>American Healthcare REIT Inc.</b>	1.12	1.12
<b>Total</b>	<b>15.64</b>	<b>15.64</b>

Source: Federated Hermes, Inc.

- The ETFs may also provide diversification relative to other actively-managed funds or ETFs used within investors’ aggregate allocation due to the possibility of low correlation of excess returns with other fundamental and quantitative approaches—potentially improving a portfolio’s overall risk-adjusted returns.

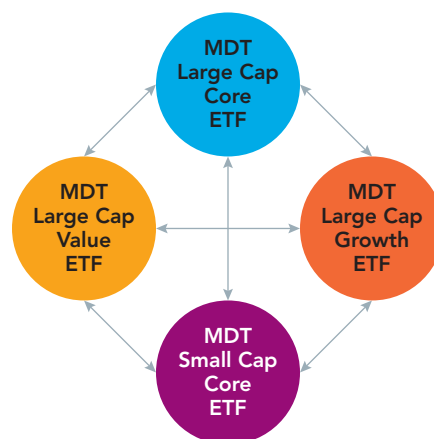
### Active manager complement

- Unlike certain other quantitative approaches, Federated Hermes MDT considers various factors and factor combinations that vary based on individual stocks’ attributes.
- Federated Hermes MDT’s strategies seek to produce excess returns (alpha) that have low correlations to other active managers’ excess returns in its style category.
- We believe this potential for uncorrelated alpha means that each ETF may effectively complement similar strategies.



### Active multi-strategy components

- All four ETFs managed together or in combination can be used to create an equity portfolio that manages exposure to large/small and growth/value styles.
- The ETFs select most of their investments from companies listed in their respective benchmark.
- Growth and Value funds can be used tactically to shift style exposures.



### Core or tactical allocation

- ETFs can be employed individually to establish strategic or tactical exposure across style and capitalization ranges.
- Potential for diversification benefits may increase when added to a multi-manager framework.
- Our ETFs don’t have trading restrictions and can be used to create tactical exposures, with shorter holding periods.



## Why ETFs?

### More tax efficient

- ETFs utilize in-kind transfers of securities that can help maintain a high level of tax efficiency.
- In-kind transfers do not create a taxable event, because the underlying shares that comprise the ETFs are transferred from one vehicle to another rather than sold on the open market.
- While not immune to capital gain distributions, ETFs’ capital gains likely will be lower versus a mutual fund.

### Lower costs

- ETFs have lower structural costs compared to mutual funds.
- Investors’ costs may be reduced due to in-kind transactions.
- With lower operational costs, ETFs may provide investors with a higher total return versus a mutual fund.

### More flexibility

- Intraday trading allows clients to make asset allocation changes in real-time.
- Potential for clients to utilize more complex investment strategies (options hedging, covered call strategies).

NAV	Expense ratio*, ^	
	Before waivers	After waivers
<b>Federated Hermes MDT Large Cap Core ETF (FLCC)</b>	0.39%	0.29%
<b>Federated Hermes MDT Large Cap Value ETF (FLCV)</b>	0.42%	0.32%
<b>Federated Hermes MDT Large Cap Growth ETF (FLCG)</b>	0.49%	0.39%
<b>Federated Hermes MDT Small Cap Core ETF (FSCC)</b>	0.46%	0.36%

\*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 8/1/25 or the date of the fund's next effective prospectus.

^Includes acquired fund fees and other expenses.

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

This material is not intended to provide and should not be relied on for accounting, legal or tax advice, or investment recommendations. This document has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient.

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 4:00 PM 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).

### A word about risk

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.

The quantitative models and analysis used by the fund's adviser may perform differently than expected and negatively affect fund performance.

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.

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.

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.

Value stocks tend to have higher dividends and thus have a higher income-related component in their total return than growth stocks. Value stocks also may lag growth stocks in performance, particularly in late stages of a market advance.

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.

### Definitions

**Active Share** is a measure of the percentage of stock holdings in a portfolio that differ from the benchmark index.

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

**Russell 1000® Index** measures the performance of the large-cap segment of the US equity universe. It is a subset of the Russell 3000® Index and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000® represents approximately 92% of the US market. The Russell 1000® Index is constructed to provide a comprehensive and unbiased barometer for the large-cap segment and is completely reconstituted annually to ensure new and growing equities are reflected.

**Russell 1000® Value Index** measures the performance of the large-cap value segment of the US equity universe. It includes those Russell 1000® index companies with lower price-to-book ratios and lower expected growth values. The R1000V is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment. The Russell 1000® Value Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics.

**Russell 1000® Growth Index** measures the performance of the large-cap growth segment of the US equity universe. It includes those Russell 1000® index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics.

**Russell 2000® Index** measures the performance of the small-cap segment of the US equity universe. The Russell 2000® is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® Index is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set. Indexes are unmanaged and cannot be invested in directly.

**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.

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