

Federated Hermes Short Duration Corporate ETF | Ticker: FCSH



Active, investment grade fixed income in an ETF

Potential for attractive total return in the future from today's higher yields

- Interest rate volatility has created the opportunity to minimize duration risk without giving up yield
- While the yields on the broad investment grade market surpass yields of current holdings, the fund has nearly two and a half times less duration risk (as of 12/31/25)

Exhibit 1: Attractive yield with lower duration risk



	30-day yield (%) (NAV)	Yield to maturity (%)	Effective duration (years)	Yield/duration
Federated Hermes Short Duration Corp ETF	3.86	4.15	2.53	1.64
Bloomberg US Corporate 1-5 Year Index	–	4.23	2.58	1.64
Bloomberg US Aggregate Bond Index	–	4.32	5.81	0.74
Bloomberg US Credit Index	–	4.79	6.48	0.74

Yield to maturity and effective duration are weighted average of the underlying securities in the portfolio. See next page for the ETF's total returns.

As of 12/31/25. Sources: Federated Hermes, Inc. and Bloomberg.

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.

Actively managed within the investment grade spectrum

- Overweight exposure to investment grade bonds rated BBB — which typically provide higher income than bonds rated AAA to A — can increase long-term return potential.
- Security selection and duration management leverages a tenured investment team with 25+ years average investment experience dedicated to high grade fixed income investing.
- Team seeks to produce returns that are competitive with the benchmark with lower interest rate risk.

Exhibit 2: Bloomberg US Corporate Bond 1-5 Year Index calendar year returns (%) segmented by credit quality

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
A	1.56	3.51	3.01	1.58	7.80	5.51	-0.23	-5.47	6.68	5.28	7.01
AA	1.43	2.19	2.30	1.33	6.48	5.14	-0.63	-5.59	5.94	4.75	6.74
AAA	1.31	1.93	1.91	1.06	5.62	4.62	-0.73	-5.66	5.04	4.15	6.09
BBB	0.73	1.37	1.51	0.77	5.20	4.56	-0.80	-5.86	4.67	3.92	5.61

As of 12/31/25. Sources: Federated Hermes, Inc. and Bloomberg.

Graphic ranks from highest to lowest the calendar year performance of the Bloomberg US Corporate Bond 1-5 Year Index by ratings category (AAA, AA, A and BBB-rated bonds). Below investment grade and unrated securities representing less than 2% of the index as of 12/31/25 are not included.

This chart is for illustrative purposes only and is not representative of any particular investment. Indexes are unmanaged and cannot be invested in directly.

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Not FDIC Insured • May Lose Value • No Bank Guarantee

Average annual total returns (%) as of 12/31/25

	NYSE ticker	Cumulative 3-month	1-year	3-year	Since inception 12/16/21	Expense ratio*	
						Before waivers	After waivers
NAV	FCSH	1.16	6.43	5.57	2.55	0.40	0.30
Market Price	FCSH	1.12	6.38	5.50	2.58	0.40	0.30
Bloomberg US Corporate 1-5 Year Index	–	1.26	6.81	5.98	–	–	–

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* 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 7/1/26 or the date of the fund's next effective prospectus. Includes acquired fund fees and other expenses.

Key investment team

A tenured investment team with 25+ years average investment experience leverages security selection and duration management to seek higher risk-adjusted returns.

John Gentry, CFA

Senior Vice President
Senior Portfolio Manager
Head of Corporate Fixed Income Group

Investment experience: 35 years

Robert Matthews, CFA

Vice President
Senior Investment Analyst
Portfolio Manager

Investment experience: 16 years

This material must be preceded or accompanied by a prospectus which can be found [here](#).

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 4:00 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.

The ratings agencies that provided the ratings are S&P Global Ratings, 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 CC 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.

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.

Diversification does not assure a profit nor protect against loss.

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.

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.

Definitions

30-day yield (also known as "SEC yield") is a compounded and annualized figure calculated according to a formula set by the SEC. The formula requires use of a specific methodology for calculating dividends and interest earned, and expenses accrued, during the period, and reflects the net asset value per fund share. The standardized computation is designed to facilitate yield comparisons among different funds. In the absence of temporary expense waivers or reimbursements, the 30-day yield would have been 3.77%.

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/duration (yield divided by duration) is an interest rate risk measure of the yield offered per unit of duration. The higher the yield/duration number, the more the yield can withstand a rise in interest rates.

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.

Yield to maturity is the percentage interest rate returned for a bond if the bond is held until it matures.

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 Corporate Bond 1-5 Year Index measures the investment-grade, fixed-rate, taxable corporate bond market with 1-5 year maturities.

Bloomberg US Credit Index is composed of all publicly issued, fixed-rate, nonconvertible, investment-grade corporate debt. Issues are rated at least Baa by Moody's Investors Service or BBB by S&P Global Ratings, if unrated by Moody's. Collateralized Mortgage Obligations (CMOs) are not included. Total return comprises price appreciation/depreciation and income as a percentage of the original investment.

Indexes are unmanaged and cannot be invested in directly.