Federated Hermes Short Duration High Yield ETF | Ticker: FHYS

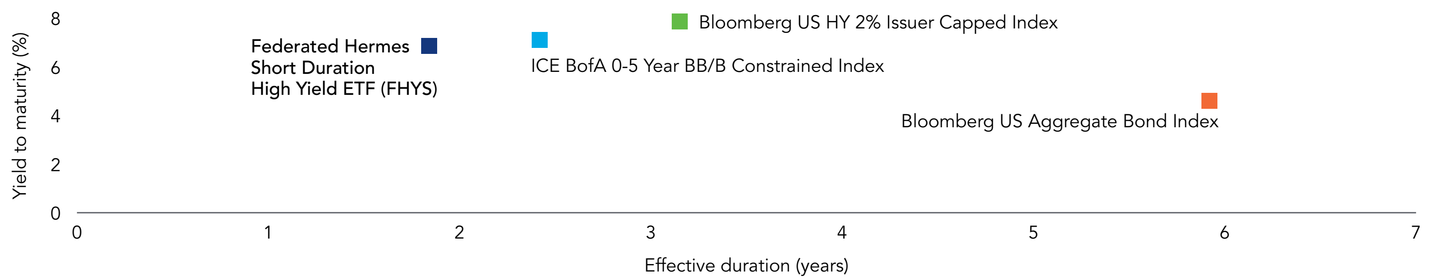
Federated Hermes

Active, high yield fixed income in an ETF

A low duration solution for uncertain times

- Interest rate volatility has created the opportunity to minimize duration risk without giving up yield
- Currently producing yields that approach the broad high yield market with less duration (as of 3/31/25)

Exhibit 1: Attractive yield with lower duration risk



	30-day yield (%) (NAV)	Yield to maturity (%)	Effective duration (years)	Yield/duration
Federated Hermes Short Duration High Yield ETF (FHYS)	6.09	6.86	1.84	3.73
ICE BofA 0-5 Year BB/B Constrained Index	–	7.12	2.42	2.94
Bloomberg US HY 2% Issuer Capped Index	–	7.87	3.15	2.50
Bloomberg US Aggregate Bond Index	–	4.60	5.92	0.78

As of 3/31/25.

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

Sources: Federated Hermes, Inc., Bloomberg and ICE.

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.

Opportunistic active management across ratings and sectors

- The ETF seeks to provide high current income by pursuing opportunities primarily in the high yield bond and bank loan sectors.
- The team views bank loans as an integral component of short duration high yield investing for additional diversification and portfolio construction benefits such as managing the quality and duration profile of the portfolio across various market environments.

Exhibit 2: Calendar year returns (%) of the ETF's primary investment universe — examples by investment type and rating

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
B 1.44	CCC 22.98	CCC 10.46	Bank loans 1.14	B 9.21	BB 6.03	CCC 6.96	Bank loans -1.06	CCC 13.26	CCC 13.56
BB 1.19	SD HY 13.50	SD HY 5.81	BB 1.12	SD HY 8.58	Bank loans 2.78	Bank loans 5.40	BB -2.72	Bank loans 13.04	Bank loans 9.05
Bank loans -0.38	Bank loans 9.88	B 4.89	SD HY 0.64	Bank loans 8.17	SD HY 2.16	SD HY 4.70	B -3.01	SD HY 11.92	SD HY 8.69
SD HY -2.89	B 8.95	Bank loans 4.25	B 0.40	CCC 7.81	CCC 1.05	B 3.99	SD HY -4.70	B 10.06	B 7.21
CCC -5.21	BB 5.53	BB 3.75	CCC -2.36	BB 7.67	B 0.46	BB 3.09	CCC -7.41	BB 8.14	BB 6.80

Short duration high-yield (SD HY) performance represented by the ICE BofA 0-3 Year Duration-to-Worst US High Yield Constrained Index. BB, B and CCC-rated bonds performance represented by BB, B and CCC-rated bonds in the ICE BofA 0-3 Year Duration-to-Worst US High Yield Constrained Index. Bank loans performance represented by the S&P UBS Leveraged Loan Index (formerly the Credit Suisse Leveraged Loan Index).

As of 12/31/24. Sources: Federated Hermes, Bloomberg, ICE and Credit Suisse.

Graphic ranks from highest to lowest the calendar year performance of the ICE BofA 0-3 Year Duration-to-Worst US High Yield Constrained Index by ratings category (BB, B and CCC-rated bonds) and the S&P UBS Leveraged Loan Index.

This is for illustrative purposes only and is not representative of any specific investment. **Performance quoted represents past performance, which is no guarantee of future results.**

Average annual total returns (%) as of 3/31/25

	NYSE ticker	Cumulative 3-month	1-year	3-year	Since inception 12/16/21	Expense ratio* Before waivers	After waivers
NAV	FHYS	0.98	6.04	4.78	3.58	0.61	0.51
Market Price	FHYS	1.11	6.30	4.91	3.70	0.61	0.51
ICE BofA 0-5 Year BB-B US High Yield Constrained Index	–	1.07	6.74	5.41	–	–	–

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 and current performance may be lower or higher than the performance quoted. Performance includes reinvestment of dividends and other earnings. Returns for periods shorter than one year are not annualized. To view performance current to the most recent month-end contact us or visit FederatedHermes.com/us. The market price return is calculated from closing prices as determined by the fund's listing exchange. The returns shown do not represent the returns you would receive if you traded shares at other times.

*** 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 7/1/25 or the date of the fund's next effective prospectus.** Includes acquired fund fees and other expenses.

Key investment team

The Federated Hermes team seeks to uncover value across ratings and high-yield securities. The team has decades of experience investing within high-yielding areas of the market. It seeks opportunities across rating categories via rigorous fundamental credit research that seeks to identify issuers with stable and predictable cash flow to service debt.

Mark Durbiano, CFA

Senior Vice President
Senior Portfolio Manager
Co-Head of Domestic High Yield Group
Head of Bond Sector Pod/Committee

Investment experience: 43 years

Anthony Venturino, CFA

Vice President
Portfolio Manager
Senior Investment Analyst

Investment experience: 28 years

Braden Rotberg, CFA

Vice President
Portfolio Manager
Senior Investment Analyst

Investment experience: 15 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. 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). The returns shown do not represent the returns you would receive if you traded shares at other times.

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.

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

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.

Diversification does not assure a profit nor protect against loss.

Variable and floating rate loans and securities generally are less sensitive to interest rate changes but may decline in value if their interest rates do not rise as much or as quickly as interest rates in general. Conversely, variable and floating rate loans and securities generally will not increase in value as much as fixed rate debt instruments if interest rates decline.

In addition to the risks generally associated with debt instruments, such as credit, market, interest rate, liquidity and derivatives risks, bank loans are also subject to the risk that the value of the collateral securing a loan may decline, be insufficient to meet the obligations of the borrower or be difficult to liquidate.

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.

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.

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

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 7.32%.

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 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 High-Yield 2% Issuer Capped Index is an issuer-constrained version of the Bloomberg US Corporate High-Yield Index that measures the market of USD denominated, non-investment grade, fixed-rate, taxable corporate bonds. The index follows the same rules as the uncapped index but limits the exposure of each issuer to 2% of the total market value and redistributes any excess market value index-wide on a pro-rata basis.

ICE BofA 0-3 Year Duration-to-Worst US High Yield Constrained Index tracks the performance of short-term U.S. dollar denominated below investment-grade corporate debt publicly issued in the U.S. domestic market. Qualifying securities must have a duration-to-worst less than three years, a remaining to final maturity of at least one month, at least 18 months to final maturity at point of issuance, a below investment-grade rating (based on an average of Moody's, S&P and Fitch), a fixed coupon schedule and a minimum amount outstanding of $250 million.

ICE BofA 0-5 Year BB-B US High Yield Constrained Index tracks the performance of short-term US dollar denominated below investment grade corporate debt publicly issued and settled in the US domestic market. Qualifying securities must have less than five years remaining term to final maturity, at least 18 months to final maturity at point of issuance, be rated BB1 through B3, inclusive, based on an average of Moody's S&P and Fitch, have a fixed coupon schedule and a minimum amount outstanding of $250 million.

S&P UBS Leveraged Loan Index is designed to mirror the investable universe of the U.S. dollar-denominated leveraged loan market. Average values are computed over the index for coupon, current yield, initial spread and price. The average coupon, current yield and initial spread are weighted by market value (amount outstanding multiplied by the price) at the end of the measurement period for each loan currently paying interest in the index. Total return is computed for each loan, which is the percent change in the value of each loan during the measurement period. Total return is the sum of three components: principal, interest and reinvestment return.

Indexes are unmanaged and cannot be invested in directly.