

Federated Hermes, Inc. launches two active, transparent fixed-income ETFs

• New short-duration products are corporate and high-yield strategies

(PITTSBURGH, Pa., Dec. 17, 2021) — Federated Hermes, Inc. (NYSE: FHI), a global leader in active, responsible investing, today launched the Federated Hermes Short Duration Corporate ETF and Federated Hermes Short Duration High Yield ETF. These new actively managed products benefit from Federated Hermes' decades of experience in offering active fixed-income investment ideas and its capabilities with authentic environmental, social and governance (ESG) integration, along with the advantages of an ETF structure, tax efficiency, lower costs and intraday trading. These short-duration ETFs are new tools for investors concerned about inflation and the potential interest-rate risk associated with products that invest in longer-duration securities.

These ETFs utilize the experience, insights and capabilities developed over the firm's 50 years of managing fixed-income solutions for investors. As of Sept. 30, Federated Hermes managed \$97 billion in fixed income in a range of mutual funds, separate accounts and SMAs. The ETFs also incorporate Federated Hermes' proprietary ESG assessment process in evaluating the risk profiles of investment-grade and high-yield securities.

"With a growing U.S. client appetite for fixed-income, our first two ETF strategies build upon Federated Hermes' heritage of responsible investing, diligent credit analysis and experience in providing compelling options at every step of the yield curve," said John B. Fisher, president and chief executive officer of Federated Advisory Companies. "Additionally, we believe that investors in high-yield and short-duration ETFs can benefit from the capabilities of an experienced active manager."

The Federated Hermes Short Duration High Yield ETF (NYSE: FHYS) seeks high current income by investing in a diversified portfolio of high-yield bonds, bank loans and other securities. The strategy seeks to maintain an effective duration of 3 years or less. The ETF is managed by Senior Portfolio Manager Steven Wagner, Portfolio Manager Tony Venturino, CFA, and Senior Portfolio Manager Mark Durbiano, CFA, who leads the firm's domestic high-yield group. Nine industry-specific analysts and two traders complete the 14-member group supporting the fund, which averages 20 years of industry experience and 16 years of experience at Federated Hermes.

The Federated Hermes Short Duration Corporate ETF (NYSE: FCSH) seeks current income by investing primarily in securities with maturities of 1 to 5 years and will maintain a duration between 1.5 and 3.5 years. The strategy may also invest up to 10 percent of its portfolio in non-investment grade fixed-income securities. Senior Portfolio manager John Gentry, CFA, who heads the Federated Hermes corporate fixed-income group, and Portfolio Manager Robert Matthews, CFA, are supported by six analysts and two traders who specialize in investment-grade fixed income. The 11-member corporate bond group averages 17 years of industry experience and 13 years of experience at Federated Hermes.

Federated Hermes, Inc. is a leading global investment manager with \$634.1 billion in assets under management as of Sept. 30, 2021. Guided by our conviction that responsible investing is the best way to create wealth over the long term, our investment solutions span equity, fixed-income, alternative/private markets, multi-asset and liquidity management strategies. Providing world-class active investment management and engagement services to more than 11,000 institutions and intermediaries, our clients include corporations, government entities, insurance companies, foundations and endowments, banks and broker/dealers. Headquartered in Pittsburgh, Federated Hermes' nearly 2,000 employees include those in London, New York, Boston and offices worldwide. For more information, visit [FederatedHermes.com](https://www.federatedhermes.com).

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For more complete information, visit [FederatedInvestors.com](https://www.federatedinvestors.com) or contact your investment professional for summary prospectuses or prospectuses. You should consider the fund's investment objectives, risks, charges and expenses carefully before you invest. Information about these and other important subjects is in the fund's summary prospectus or prospectus, which you should read carefully before investing. Prospectuses are available by calling Federated Hermes at 1-800-341-7400 or by visiting [FederatedInvestors.com](https://www.federatedinvestors.com).

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. 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. These risks are described further in the prospectus which should be read carefully.

ESG investments may be viewed as "sustainable," "responsible" or "socially conscious," among other names. ESG factors may be utilized and evaluated differently by different investment managers and may mean different things to different people. Investing based in part on ESG factors carries the risk that, under certain market conditions, the investment strategy may underperform strategies that do not utilize such factors. The application of responsible investment criteria may affect exposure to certain sectors or types of investments and may impact relative investment performance depending on whether such sectors or investments are in or out of favor in the market. An investment's ESG performance or an investment manager's assessment of such performance may change over time. The successful application of ESG factors is dependent on an investment manager's skill in properly identifying and analyzing material ESG issues, and the suitability of ESG investments may change over time. Issuers of fixed-income securities may fail to pay interest or principal on those securities.

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. Investors purchasing and selling at market price may pay 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.

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