

Federated Hermes U.S. Strategic Dividend ETF | Ticker: FDV



A time-tested approach to dividend investing

Exposure to large- and mid-cap U.S. stocks with high dividend yields above the S&P 500® Index average

- Leverages an investment process demonstrated since 2001
- Access to 40-60 U.S. companies with high and rising dividend yield potential
 - FDV has had 18 holdings raise dividends from inception 11/15/22 to 2/28/23

May lower equity portfolio risk

- Offers primarily income-producing sector exposure, which tends to have lower market beta

Ticker symbol

- FDV

Key data as of 2/28/23

- Weighted average dividend yield: 4.04%*
- Holdings: 51
- Weighted median P/E (NTM): 13.6
- Weighted median market cap: \$72.6b
- 5-year weighted average beta (underlying holdings versus S&P 500® Index): 0.80

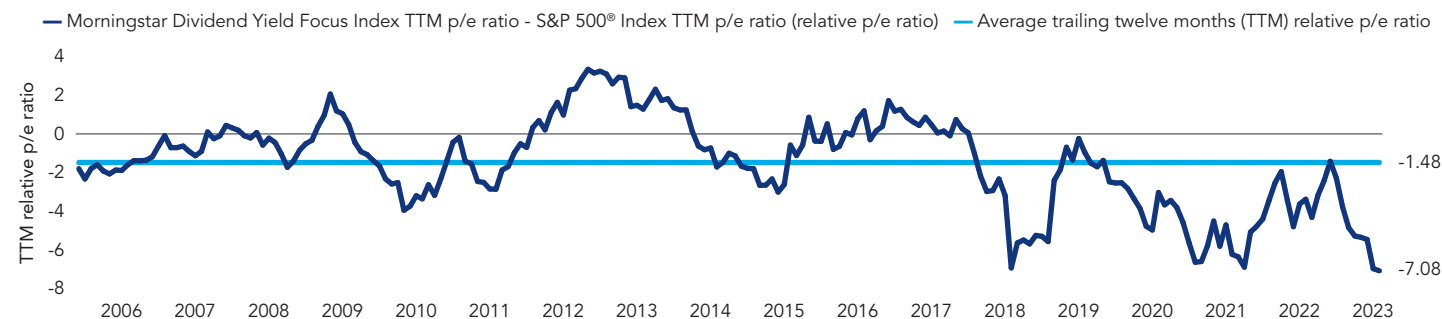
Why invest in high dividend stocks now?

High dividend paying stocks have helped protect capital in challenging markets

Periods of S&P 500® Index declines of -10% or steeper	3/1/73 - 9/30/74	3/1/77 - 3/31/78	6/1/81 - 6/30/82	12/1/87 - 12/31/87	6/1/90 - 10/31/90	7/1/98 - 8/31/98	9/1/00 - 9/30/02	11/1/07 - 2/28/09	10/1/18 - 12/31/18	1/1/20 - 3/31/20	1/1/22 - 9/30/22
Fama-French non-dividend payers portfolio	-55.15	23.16	-38.19	9.99	-31.33	-23.20	-68.14	-51.43	-18.24	-15.09	-33.57
Fama-French top 30% dividend payers portfolio	-27.32	3.26	-0.08	3.66	-12.94	-9.71	2.77	-55.39	-8.89	-27.87	-7.44
Relative return	27.83	-19.90	38.11	-6.33	18.39	13.49	70.91	-3.96	9.35	-12.78	26.13

Based on monthly returns. Includes all S&P 500 declines of -10% or steeper from 1/1/73 to 1/31/23. Sources: Eugene F. Fama & Kenneth R. French, Morningstar, Inc., Federated Hermes analysis. Illustration provided for discussion purposes only. Does not represent ETF investments or performance. **Past performance is no guarantee of future results.**

Valuations are still attractive



As of 2/28/23. Sources: Morningstar, Inc., S&P, Federated Hermes analysis. Illustration provided for discussion purposes only. Does not represent ETF investments or performance. The graphs shows the relative valuation of dividend paying stocks, as represented by the Morningstar Dividend Yield Focus Index. Low relative valuations, along with the potential for valuations to revert to their mean, indicates that now may be a buying opportunity for dividend paying stocks, as valuations may rise closer to typical historical levels.

*Weighted Average Dividend Yield is the prospective dividend yield for each security averaged based on the percentages of the securities in the portfolio. Prospective dividend yield is calculated by taking the most recent declared dividend payment multiplied by the number of dividend payments typically made during the year for each holding, divided by the current share price for each security.

Not FDIC Insured • May Lose Value • No Bank Guarantee

Total returns (%) as of 2/28/23

	Cumulative				Expense ratio ¹	
	YTD	1-month	3-month	Since inception 11/15/22	Before waivers	After waivers
FDV (NAV)	-1.43	-4.13	-3.53	-0.20	0.60	0.50
FDV (market price)	-1.35	-3.94	-3.34	0.57	0.60	0.50
S&P 500® Index	3.69	-2.44	-2.28	-0.02	-	-

Total returns (%) as of 12/31/22

	30-day SEC yield	Cumulative		Expense ratio ¹	
		1-month	Since inception 11/15/22	Before waivers	After waivers
FDV (NAV)	3.29	-2.13	1.25	0.60	0.50
FDV (market price)	-	-2.02	1.94	0.60	0.50
S&P 500® Index	-	-5.76	-3.57	-	-

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. To view performance current to the most recent month-end contact us or visit FederatedInvestors.com.

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.

Our approach to dividend investing is now available in an ETF focused on U.S. companies only.²

Investment team

- Dedicated to dividend investing
- Fourteen investment professionals
- Average more than 18 years of experience
- Over \$35 billion under management as of 12/31/22
- Led by four portfolio managers who have worked together for over a decade

Our security selection process has been demonstrated over several market cycles since 2001.

- We focus on high quality companies with:
 - » Higher dividend yields than S&P 500® Index average
 - » Dividend growth potential
 - » Strong balance sheets
 - » Stable cash flows
 - » Wide competitive moats

¹ 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 12/1/23 or the date of the fund's next effective prospectus. Includes acquired fund fees and other expenses.

² The Fund intends to invest exclusively in U.S. issuers (i.e., companies domiciled and/or with operations in the United States, or listed on U.S.-based exchanges. U.S. issuers will be defined as issuers i) that are organized under the laws of U.S. or that maintain their principal place of business in the U.S.; (ii) whose securities are traded principally on U.S. based exchanges; or (iii) that, during the issuer's most recent fiscal year, derived at least 50% of their revenues or profits from goods produced or sold, investments made, or services performed in the U.S. or that have at least 50% of their assets in the U.S.

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.

Past performance is no guarantee of future results.

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

This material must be preceded or accompanied by a prospectus.

A word about risk

ETFs are subject to risks and fluctuate in value.

There are no guarantees that dividend-paying stocks will continue to pay dividends. In addition, dividend-paying stocks may not experience the same capital appreciation potential as non-dividend-paying stocks.

Definitions

High dividend paying stocks are defined by the Advisor as those with a higher dividend yield than the S&P 500 Index's average dividend yield.

Fama-French portfolios formed on D/P at the end of each June using NYSE breakpoints. The dividend yield used to form portfolios in June of year t is the total dividends paid from July of t-1 to June of t per dollar of equity in June of t. Includes all NYSE, AMEX, and NASDAQ stocks for which we have market equity for June of year t, and at least 7 monthly returns (to compute the dividend yield) from July of t-1 to June of t.

Morningstar Dividend Yield Focus Index tracks the top 75 high-yielding stocks that meet screening requirements for quality and financial health.

S&P 500® Index 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.

Weighted median price-to-earnings (P/E) - next twelve months (NTM). In calculating this, individual holdings with values greater than 60 are capped at 60 in accordance with Morningstar's methodology for calculating "weighted Median P/E."

Weighted median market cap (capitalization) is the calculation represented by the median market capitalization of the stocks in the portfolio, weighted by the amount of each stock.

Beta analyzes the market risk of a fund by showing how responsive the fund is to the market. The beta of the market is 1.00. Accordingly, a fund with a 1.10 beta is expected to perform 10% better than the market in up markets and 10% worse in down markets. Usually higher betas represent riskier investments.

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 maximum offering price 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 yield would have been 3.19% and total returns also would be lower.