

# Federated Hermes U.S. Strategic Dividend ETF



Federated  
Hermes

Federated Hermes U.S. Strategic Dividend ETF is an actively managed ETF investing in high dividend paying securities of U.S. companies.<sup>1</sup>

**NYSE ticker:** FDV

**CUSIP:** 31423L305

**ISIN:** US31423L3050

**Investment objective**

Seeks income and long-term capital appreciation

**Investment universe**

The exchange-traded fund (ETF) invests in dividend paying securities of U.S. companies.<sup>1</sup> Primary investments include large-cap or mid-cap common stocks and REITS. The ETF does not intend to hold foreign securities.<sup>1</sup>

**Benchmark**

S&P 500 Index

**Transparency**

Daily, with holdings posted daily by open of market trading

**Dividends**

Declared and paid monthly

**Advisor**

Federated Equity Management Company of PA

**Custodian**

Bank of New York Mellon

**Portfolio managers**

Daniel Peris, Ph.D., CFA  
Deborah Bickerstaff  
Jared Hoff  
Michael Tucker

**Expense ratio<sup>2</sup>**

Before waivers: 0.60%

After waivers: 0.50%

## An opportunity for income and income growth with lower volatility

- Invests in high dividend paying stocks of U.S. companies with dividend growth potential
- Targets lower volatility than the broad U.S. stock market

## An experienced investment team

- Fourteen investment professionals dedicated to dividend investing
- Average more than 18 years of investment experience
- \$30 billion in dividend-paying equity assets under management as of 9/30/22
- Led by four portfolio managers who have worked together for more than 10 years

## A time-tested approach to dividend investing, now in an ETF

- Disciplined investment process that focuses on high dividend paying companies in strong financial condition that exhibit resilience in different market environments
- The team scrutinizes each investment candidate and its ability to sustain and grow dividends
- Ongoing risk management, including the team's sell discipline, is a critical component of the investment process

## The resources and oversight of Federated Hermes

- Federated Hermes has been deeply committed to active equity management for more than 65 years, and has a 20-year history managing high dividend paying equity strategies
- Federated Hermes' equities platform is built on proprietary research that provides portfolio management teams with differentiated insights they use to seek better investment outcomes
- Multiple risk management tools help ensure that portfolios are positioned as intended and that the highest conviction ideas are aligned with mandates. These tools include an independent risk management division, risk managers embedded in investment teams and regular meetings with the equity CIO

<sup>1</sup> 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.

<sup>2</sup> The Adviser and certain of its affiliates on their own initiative have agreed to waive certain amounts of their respective fees and/or reimburse expenses. Total annual fund operating expenses (excluding acquired fund fees and expenses, tax reclaim recovery expenses, interest expense, taxes, litigation expenses, extraordinary expenses, and proxy-related expenses, paid by the Fund, if any) paid by the Fund (after the waivers and/or reimbursements) will not exceed 0.50% (the "Fee Limit"), up to but not including the later of (the "Termination Date"): (a) December 1, 2023; or (b) the date of the Fund's next effective Prospectus. These arrangements may only be terminated or the Fee Limit increased prior to the Termination Date with the agreement of the Trustees.

Other expenses are based on estimated amounts for the current fiscal year.

The Fund has adopted a Distribution (12b-1) Plan pursuant to which the Fund may incur and pay a Distribution (12b-1) Fee of up to a maximum of 0.25%. No such fee is currently incurred and paid by the the Fund. The Fund will not incur and pay such a Distribution (12b-1) Fee until such time as approved by the Fund's Board of Trustees ("Trustees").

**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 [FederatedInvestors.com](https://www.federatedinvestors.com). Please carefully read the summary prospectus or the prospectus before investing.**

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 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 [FederatedInvestors.com](https://www.federatedinvestors.com).

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.

#### **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.

Diversification does not assure a profit nor protect against loss.

#### **Definitions**

**Dividend yield** represents a stock's annual dividends divided by its current stock price.

**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.

**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.