

# Federated Hermes Total Return Bond ETF



Ticker symbol — FTRB | Listing exchange — NYSE | Cusip — 31423L404

12/31/25

## Product highlights

- Pursues total return.
- Invests in a broad, strategic mix of bond sectors: primarily US government and investment-grade corporate; also high-yield and emerging markets (including trade finance and bank loan); sub-investment grade allocation limited to 25%.
- Focuses on sectors management believes will benefit from anticipated changes in economic and market conditions.
- Serves as a core multi-sector bond holding.

## Morningstar category

Intermediate Core-Plus Bond

## Benchmark 1

Bloomberg US Aggregate Bond Index

## Benchmark 2

Bloomberg US Universal Index

## Key investment team

Donald Ellenberger  
Nathan Kehm, CFA  
Jerome Conner, CFA  
Todd Abraham, CFA  
Kathryn Glass, CFA  
Ihab Salib  
Anthony Venturino, CFA  
Christopher McGinley

## Fund statistics

Portfolio assets	\$355.6 m
Number of securities	437
Dividends	Paid monthly
Weighted average effective maturity	8.0 years
Weighted average effective duration	5.7 years
Weighted average spread duration	5.7 years
Weighted average bond price	\$97.73

## Top holdings (%)

Mortgage Core Fund	13.0
iShares MBS ETF	6.4
Project and Trade Finance Core Fund	5.5
Vanguard Mortgage-Backed Securities ETF	4.2
U.S. Treasury Note, 3.750% due 5/15/28	4.0
U.S. Treasury Bond, 4.750% due 5/15/55	3.9
Emerging Markets Core Fund	3.1
High Yield Bond Core Fund	3.1
U.S. TIPS, 1.125% due 10/15/30	2.8
U.S. Treasury Note, 4.250% due 11/15/34	2.3

## Sector weightings (%)

U.S. Treasury Securities	29.8
Mortgage-Backed Securities	25.3
Investment Grade Corporates	25.2
Trade Finance	5.6
Emerging Markets	4.0
Treasury Inflation Protected Securities	3.7
High Yield	3.3
Asset-Backed Securities	2.7
Bank Loans	0.8
Commercial Mortgage-Backed Securities	0.7
Cash/Cash Equivalents	-1.1

## Quality breakdown (%) \*\*

AAA	3.3
AA	61.0
A	10.8
BBB	12.9
BB	3.9
B	2.5
CCC	1.0
Not Rated	5.7
Cash/Cash Equivalents	-1.1

Quality breakdown does not apply to Equity or Cash/Cash Equivalents.

## Average annual total returns (%)

					Expense ratio*, †	
	Performance inception	Cumulative 3-month	1-year	Since inception	Before waivers	After waivers
NAV	1/2/24	1.30	7.87	5.28	0.51	0.39
Market price	1/2/24	1.30	7.60	5.04	0.51	0.39
Benchmark 1		1.10	7.30	-	-	-
Benchmark 2		1.20	7.58	-	-	-

## Calendar year total returns (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
NAV	7.87	-	-	-	-	-	-	-	-	-
Benchmark 1	7.30	1.25	5.53	-13.01	-1.54	7.51	8.72	0.01	3.54	2.65
Benchmark 2	7.58	2.04	6.17	-12.99	-1.10	7.58	9.29	-0.26	4.09	3.91

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 [FederatedHermes.com/us](https://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 9/1/26 or the date of the fund's next effective prospectus.

† Includes acquired fund fees and other expenses.

# Federated Hermes Total Return Bond ETF

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 4:00pm 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](https://FederatedHermes.com/us).

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.

*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 [FederatedHermes.com/us](https://FederatedHermes.com/us). Please carefully read the summary prospectus or the prospectus before investing.*

*Past performance is no guarantee of future results.*

## A word about risk

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

Bond prices are sensitive to changes in interest rates, and a rise in interest rates can cause a decline in their prices.

The value of some mortgage-backed securities may be particularly sensitive to changes in prevailing interest rates, and although the securities are generally supported by some form of government or private insurance, there is no assurance that private guarantors or insurers will meet their obligations.

International investing involves special risks including currency risk, increased volatility, political risks, and differences in auditing and other financial standards. Prices of emerging-market and frontier-market 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.

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.

## Definitions

**The holdings percentages** are based on net assets at the close of business on 12/31/25 and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes. Because this is a managed portfolio, the investment holdings will change.

**Total return** represents the change in value of an investment after reinvesting all income and capital gains. Total return would have been lower in the absence of temporary expense waivers or reimbursements.

**Weighted average effective maturity** is the average time to maturity of debt securities held in the fund.

**Weighted average effective duration** (sometimes called "Option-Adjusted Duration") is a measure of a security's price sensitivity to changes in interest rates calculated using a model that recognizes that the probability of a bond being called or remaining outstanding until maturity may vary if market interest rates change, and that makes adjustments based on a bond's embedded options (e.g., call rights, or in the case of a mortgage-backed security, the probability that homeowners will prepay their mortgages), if any, based on the probability that the options will be exercised. A fund's weighted average effective duration will equal the market value weighted average of each bond's effective duration in the fund's portfolio. As with any model, several assumptions are made so the weighted average effective duration of a fund in the Federated Hermes family of funds may not be comparable to other funds outside of the Federated Hermes family of funds. Securities with longer durations are more sensitive to changes in interest rates than securities of shorter durations.

**Weighted average spread duration** is the average of the spread durations of the underlying securities.

**Weighted average bond price** - calculated by weighting the price of each bond by its relative size in the portfolio. This number reveals if the manager favors bonds selling at prices above or below face value (i.e., at a discount or premium). A higher number indicates a bias toward premiums. This statistic is expressed as a percentage of par (face) value.

**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 Universal Index** is an index that represents the union of the US Aggregate Index, US Corporate High-Yield, Investment Grade 144A Index, Eurodollar Index, US Emerging Markets Index, and the non-ERISA eligible portion of the CMBS Index. The index covers USD denominated, taxable bonds that are rated either investment-grade or below investment-grade.

Indexes are unmanaged and cannot be invested in directly.

## Ratings and rating agencies

Morningstar Category identifies funds based on their actual investment styles as measured by their underlying portfolio holdings over the past three years. If the fund is less than three years old, the category is based on the life of the fund. ©2026 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

\*\* The ratings referred to in the quality breakdown are provided by S&P Global Ratings, Moody's, and Fitch. The allocation of ratings presented aligns with the methodology of the Bloomberg index. Bloomberg employs the middle rating from S&P Global Ratings, Moody's, and Fitch to determine a security's credit classification, essentially following a "two-out-of-three" rule. In cases where only two agencies rate a security, the more conservative (lower) rating is utilized. If only one agency rates a security, that single rating is used. Additionally, certain securities may not have a credit rating from any of the agencies, and they are categorized as "not rated." For clarity, credit ratings of A or better are indicative of high credit quality, while BBB represents good credit quality and the lowest tier of investment grade. Ratings of BB and below are assigned to lower-rated securities, often referred to as "junk bonds," and credit ratings of CCC or below indicate a high level of default risk. This breakdown doesn't consider the impact of credit derivatives in the fund.