Touchstone Dynamic International ETF

Sub-Advised by: Los Angeles Capital Management LLC

TDI

International Equity - Large Cap Core | Actively Managed, Fully Transparent ETF | 1Q/2026

Fund Manager Commentary

As of 03-31-2026

Fund Highlights

- Invests primarily in equity securities of non-U.S. companies domiciled in both developed and emerging markets
- Employs an adaptive quantitative investment process, the Dynamic Alpha Stock Selection Model®, to build equity portfolios that adapt to market conditions
- Believes that investor attitudes towards key investment risk change over the course of a market cycle and are a key determinant in explaining security returns
- Primarily invests in a fully transparent portfolio that will generally hold between 100 - 140 names

Market Recap

The first quarter of 2026 was ultimately defined by the U.S.-Israeli military campaign against Iran and the disruption of the Strait of Hormuz, the most consequential geopolitical shock to global equity markets in years. Against a constructive backdrop in January and February, global equities extended their 2025 gains, supported by broadening corporate earnings, easing monetary policy expectations, and continued enthusiasm around artificial intelligence. Non-U.S. equities led overall, with the MSCI ACWI Ex U.S. Index outperforming the MSCI U.S. Index through February, as Europe, Japan, and emerging markets benefited from a weaker U.S. dollar and improving breadth beyond U.S. mega-cap technology. Value, cyclicals, and U.S. small caps also outperformed as investors emphasized near-term fundamentals and valuation support. That constructive narrative was shattered on February 28, when the onset of hostilities and the subsequent closure of the Strait of Hormuz, which handles roughly 20% of global oil supply, sent Brent crude surging 63% in March alone and abruptly shifted market expectations from rate cuts to rate hikes.

Portfolio Review

The Touchstone Dynamic International ETF (NAV) outperformed its benchmark, the MSCI ACWI Ex-USA Index, for the quarter ended March 31, 2026.

Over the period, TDI's portfolio benefited from its overweight to both Cash Flow Value and Balance Sheet Value as investors rewarded valuation characteristics. Additionally, a preference for companies favored by the sell-side analyst community with strong earnings quality contributed to performance. However, the ETF was penalized for its tilt towards companies with robust long term growth prospects and higher business risk (volatility). Within industries, an overweight to Materials notably contributed, while an underweight to Energy and Utilities detracted from performance.

The ETF's largest contributors were driven by favorable positioning in stocks with strong fundamentals, valuation support, and positive sentiment. Positions in Delta Electronics plc (Information Technology sector; Taiwan), TIM S.A. (Communication Services sector; Brazil), and Sumitomo Electric Industries, Ltd. (Consumer Discretionary sector; Japan) benefited performance, reflecting exposure to strong management execution, positive fundamental momentum, attractive valuations, and supportive sell-side analyst views. Conversely, the largest detractors stemmed from positions in Canara Bank (Financials sector; India), UniCredit S.p.A. (Financials sector; Italy), and Sea Ltd. (Consumer Discretionary sector; Singapore), where performance was impacted by exposures to unfavorable factors such as bad momentum (i.e., returns not supported by fundamentals), leverage, and weaker sentiment or valuation dynamics, which weighed on returns despite the initial investment rationale.

During the quarter, the ETF shifted from an underweight to an overweight to the Energy sector, as the sector's positive momentum was explained by fundamentals and/or news and analysts became more bullish towards the sector. Conversely, the ETF's exposure to the Financials sector shifted to an underweight due to its decreased exposure to fundamental momentum and peer momentum.

Outlook and Conclusion

Globally, in regions outside of the U.S., investors continue to prefer valuation characteristics and have shifted away from earnings growth metrics, such as long term growth. Overall, within the ACWI ex-U.S. universe, investors continue to have positive views towards North America and Japan.

Heading into the second quarter, Los Angeles Capital's Dynamic Alpha Stock Selection Model® retains its preference for high

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quality businesses as expressed through the Success factor, while gradually shifting away from Volatility and toward short duration valuation. This valuation preference is most pronounced outside of Japan, with particular emphasis on companies returning capital to shareholders via dividends and buybacks. A preference for large cap companies experiencing upward revisions from the analyst community continues across regions.

Fund Facts

Symbol	Inception Date	CUSIP	Exchange	Annual Fund Operating Expense Ratio Total	Net
TDI	09/30/04	89157W608	Nasdaq	1.04%	0.65%

Total Fund Assets $142.4 Million

Expense ratio is annualized. Data as of the current prospectus. Touchstone Advisors has contractually agreed to waive a portion of its fees and/or reimburse certain Fund expenses in order to limit certain annual fund operating expenses (excluding Acquired Fund Fees and Expenses and other expenses, if any) to 0.65%. These expense limitations will remain in effect until at least 04/29/27.

Annualized Total Returns

	1Q26	YTD	1 Year	3 Year	5 Year	10 Year	Inception
ETF NAV	4.12%	4.12%	37.65%	21.03%	9.87%	9.15%	6.76%
ETF Market Price	6.61%	6.61%	40.44%	21.99%	10.39%	9.40%	—
Benchmark	-0.71%	-0.71%	24.91%	14.49%	7.02%	8.38%	17.64%

Benchmark - MSCI ACWI Ex-U.S. Index

The MSCI ACWI ex-U.S. Index is an unmanaged, capitalization weighted index composed of companies representing both developed and emerging markets excluding the U.S.
The benchmark index mentioned is an unmanaged statistical composite of stock or bond market performance. Investing in an index is not possible. Index returns do not reflect any fees, expenses or sales charges.

Performance data quoted represents past performance, which is no guarantee of future results. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. ***Current performance may be higher or lower than performance data given. For performance information current to the most recent month-end, visit https://www.westernsouthern.com/touchstone/etfs/dynamic-international-etf.*** *From time to time, the investment advisor may waive some fees and/or reimburse expenses, which if not waived or reimbursed, will lower performance. Returns assume reinvestment of all distributions. Returns are not annualized for periods less than one year. Investing involves risk, principal loss is possible. ETFs may trade at a premium or discount to their net asset value. Market price returns are based on the consolidated market price and do not represent the returns you would receive if you traded shares at other times.*
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Top 10 Holdings

		(% of Portfolio)
1	Taiwan Semiconductor Manufacturing Co Ltd	4.5
2	Dreyfus Government Cash Mgmt Instl	3.3
3	ASML Holding NV	2.6
4	AIA Group Ltd	2.2
5	TIM SA Ordinary Shares	1.9

		(% of Portfolio)
6	Otsuka Holdings Co Ltd	1.9
7	Samsung Electronics Co Ltd	1.7
8	Pan American Silver Corp	1.6
9	Banco BPM SpA	1.6
10	Rolls-Royce Holdings PLC	1.6

A Word About Risk

The Fund invests in equities which are subject to market volatility and loss. The Fund invests in preferred stocks which are relegated below bonds for payment should the issuer be liquidated. If interest rates rise, the fixed dividend on preferred stocks may be less attractive, causing their price to decline. The Fund invests in foreign securities, including depositary receipts, such as American Depositary Receipts, Global Depositary Receipts, and European Depositary Receipts, which carry the associated risks of economic and political instability, market liquidity, currency volatility, and accounting standards that differ from those of U.S. markets and may offer less protection to investors.

The Advisor engages a sub-advisor to make investment decisions for the Fund's portfolio; it may be unable to identify and retain a sub-advisor who achieves superior investment returns relative to other similar sub-advisors. Events in the U.S. and global financial markets, including actions taken to stimulate or stabilize economic growth may at times result in unusually high market volatility, which could negatively impact Fund performance and cause it to experience illiquidity, shareholder redemptions, or other potentially adverse effects. Financial institutions could suffer losses if interest rates rise or economic conditions deteriorate. The Fund uses proprietary statistical analyses and models to construct the portfolio, models can perform differently than the market as a whole. The Fund may be more or less exposed to a risk factor than its individual holdings. Quantitative models are subject to technical issues which could adversely affect their effectiveness or predictive value.

The Fund's investments in other investment companies will be subject to substantially the same risks as those associated with the direct ownership of the securities comprising the portfolios of such investment companies, and the value of the Fund's investment will fluctuate in response to the performance of such portfolios. In addition, if the Fund acquires shares of investment companies, shareholders of the Fund will bear their proportionate share of the fees and expenses of the Fund and, indirectly, the fees and expenses of the investment companies or ETFs. Current and future portfolio holdings are subject to change.

Please consider the investment objectives, risks, charges and expenses of the ETF carefully before investing. The prospectus and the summary prospectus contain this and other information about the Fund. To obtain a prospectus or a summary prospectus, contact your financial professional or download and/or request one at TouchstoneInvestments.com/resources or call Touchstone at 833.368.7383. Please read the prospectus and/or summary prospectus carefully before investing.

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