Fund Manager Commentary

As of June 30, 2025

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

Global equity markets were sharply unsettled at the outset of the second quarter following the Liberation Day tariff announcement, which pushed the S&P 500 Index to the edge of bear market territory by early April. However, sentiment improved rapidly after a temporary 90-day pause in reciprocal tariffs was announced, triggering a powerful market rebound. As policy clarity returned, investors rotated back into growth-oriented and higher-beta equities, propelling global indices back toward all-time highs.

Within the MSCI ACWI ex U.S. universe, stocks exhibiting higher volatility outperformed, particularly in sectors such as Information Technology (IT), Communication Services, and Industrials sectors. The market's swift pivot back toward growth was supported by renewed appetite for earnings visibility and secular innovation drivers, especially in global technology and defense-linked names. Momentum factors performed strongly as investors rewarded companies with improving fundamentals and constructive news flow.

Portfolio Review

The Touchstone Dynamic International ETF (NAV) outperformed its benchmark, the MSCI ACWI Ex-U.S. Index, for the quarter ended June 30, 2025.

During the quarter, the Fund benefitted from its dynamic positioning toward momentum-based exposures, particularly where positive momentum was supported by underlying fundamentals or company-specific catalysts. The portfolio's tilt away from larger cap companies added value, as investors displayed a renewed preference for smaller cap and mid cap stocks. Additionally, overweight positions in companies demonstrating strong long-term growth prospects and effective management execution contributed to relative performance. Conversely, exposure to companies valued attractively on a cash flow basis detracted from results, as cash-flow valuation metrics were out of favor during the period.

Among the strongest contributors to performance was Rheinmetall Ag, an Industrials sector company based in Germany, which rallied as European defense budgets continued to expand. The Fund maintained an overweight in the name based on positive momentum and favorable long-term growth characteristics. Tim S.A., a Communication Services sector company in Brazil, also contributed positively. The Fund's position was based on strong management success and appealing valuation metrics. Kongsberg Gruppen ASA, a Norway-based Industrials sector company, was another key contributor as European defense-related spending boosted investor sentiment.

On the negative side, the Fund was hurt by not owning ASML Holding, a Netherlands-based company in the IT sector. The position was avoided due to a lack of analyst support and negative fundamental momentum. Similarly, an underweight to Commonwealth Bank of Australia (Financials sector) detracted from performance, as the stock advanced amid expectations for monetary easing. The Fund maintained its underweight due to weak operating success and lackluster fundamentals. Additionally, the absence of a position in Siemens Energy, another Industrials sector name in Germany, weighed on results after the company posted strong quarterly results and raised its outlook.

During the quarter, the Fund increased its allocation to the Industrials sector, supported by improving fundamental momentum, earnings quality, and management success metrics. At the same time, the Fund reduced exposure to the Consumer Discretionary sector due to declining analyst sentiment and elevated valuation levels.

(continued)

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.***

Outlook and Conclusion

Looking ahead, the Fund remains attentive to evolving market dynamics, particularly investor responses to ongoing trade policy uncertainty. Globally, equity markets appear to favor growth-oriented companies, especially those with high-quality fundamentals and experienced management teams. Within Europe, the Pacific Basin (excluding Japan), and the emerging markets, the intersection of value and quality is currently in favor. From a regional perspective within the MSCI ACWI ex U.S. Index, investor sentiment is strongest toward North America and emerging markets.

The Fund's positioning continues to reflect the outputs of LA Capital's Dynamic Alpha Stock Selection Model, which during the quarter tilted further into higher-quality growth names and higher-volatility exposures. The model currently favors companies with positive earnings and sales revisions, strong peer-relative momentum, and stock price appreciation that is fundamentally supported.

Fund Facts

Symbol	Inception Date	CUSIP	Exchange	Annual Fund Operating Expense Ratio Total	Net
TDI	09/30/04	89157W608	Nasdaq	1.19%	0.65%
Total Fund Assets	$59.1 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 "AFFE," and other expenses, if any) to 0.65%. These expense limitations will remain in effect until at least 04/29/26.

Total Returns

	2Q25	YTD	1 Year	3 Year	5 Year	10 Year	Inception
ETF NAV	14.25%	23.08%	20.02%	15.65%	9.68%	6.52%	6.47%
ETF Market Price	13.50%	22.57%	19.92%	15.45%	9.56%	6.47%	6.44%
Benchmark	12.03%	17.90%	17.72%	13.99%	10.13%	6.12%	18.63%

Benchmark - MSCI ACWI Ex-U.S. Index

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Investing involves risk, principal loss is possible. Unlike mutual funds, ETFs may trade at a premium or discount to their net asset value. Touchstone ETFs are new and have limited operating history to judge. Shares are bought and sold at market price not net asset value (NAV). Market price returns are based upon the consolidated market price and do not represent the returns you would receive if you traded shares at other times.

Top 10 Holdings of Fund

		(% of Portfolio)
1	Taiwan Semiconductor Manufacturing Co. Ltd.	2.5
2	Intesa Sanpaolo SpA	2.3
3	Novartis AG	2.1
4	Tencent Holdings Ltd.	2.0
5	DNB Bank ASA	2.0
6	Dreyfus Gov Cash	2.0
7	Swiss Re AG	1.9
8	Deutsche Telekom AG	1.8
9	Sea Ltd.	1.8
10	Rheinmetall AG	1.7

Source: BNY Mellon Asset Servicing

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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Not FDIC Insured | No Bank Guarantee | May Lose Value

The MSCI All Country World Ex-U.S. Index is an unmanaged, capitalization-weighted index composed of companies representative of both developed and emerging markets excluding the United States.

The indexes mentioned are unmanaged statistical composites of stock market or bond market performance. Investing in an index is not possible. Unmanaged index returns do not reflect any fees, expenses or sales charges.

Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used to create indices or financial products. This report is not approved or produced by MSCI.

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. Touchstone exchange-traded funds (ETFs) are actively managed and do not seek to replicate a specific index. ETFs are bought and sold through an exchange at the then current market price, not net asset value (NAV), and are not individually redeemed from the fund. Shares may trade at a premium or discount to their NAV when traded on an exchange. Brokerage commissions will reduce returns. There can be no guarantee that an active market for ETFs will develop or be maintained, or that the ETF's listing will continue or remain unchanged.

The Adviser engages a sub-adviser to make investment decisions for the Fund's portfolio; it may be unable to identify and retain a sub-adviser who achieves superior investment returns relative to other similar sub-advisers. 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.

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