Touchstone US Large Cap Focused ETF





U.S. Equity – Large Cap Core

Actively Managed, Fully Transparent ETF

2Q/2025

Fund Manager Commentary

As of June 30, 2025

Fund Highlights

- Invests primarily in issuers having a market capitalization above \$5 billion at time of purchase
- Distinctive approach is centered on linking valuations with barriers to entry
- Seeks to invest in businesses that are trading below what is believed to be its estimate of the companies' intrinsic value
- Focuses on businesses that are believed to have a sustainable competitive advantage or a high barrier to entry in place
- Concentrated, high conviction portfolio generally holds 25-45 companies

Market Recap

U.S. equities finished higher in the second quarter. While tariff policy was at the forefront, resilient hard economic data, continued enthusiasm around artificial intelligence, and better than expected corporate earnings provided tailwinds for the equity market rebound during the quarter. The best performing benchmark sectors were Information Technology, Communication Services, and Industrials. The worst performing sectors for the benchmark were Energy, Health Care, and Real Estate.

Portfolio Review

The Touchstone US Large Cap Focused ETF (NAV) underperformed the S&P 500 Index for the quarter ended June 30, 2025.

Within the ETF, the sectors where strategy holdings outperformed the most relative to the benchmark were Consumer Staples, Financials, and Real Estate. Sectors that lagged the most relative to the benchmark include Materials, Health Care, and Information Technology. Stock selection detracted from performance for the period. Sector allocation also detracted during the quarter primarily due to the overweight in Health Care.

The three holdings that contributed the most to performance included Oracle Corporation (Information Technology), Meta Platforms Inc. (Communication Services), and Microsoft Corporation (Information Technology).

Oracle is seeing very strong demand for its Oracle Cloud Infrastructure (OCI) services from customers seeking artificial intelligence (AI) training infrastructure. As a result, revenues and profits are growing faster than prior expectations, and management provided strong guidance for future growth. Meta's stock did well due to robust performance of the business. Revenue growth is being driven by increasing consumer engagement with Meta's

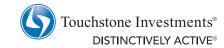
services, driving greater monetization opportunities across Instagram and Facebook. We expect growth to remain strong as the company uses AI to improve user engagement as well as the performance of advertising campaigns on its platforms. Microsoft's shares outperformed as its Azure cloud computing business delivered growth that was above expectations. Management also noted that the company remains capacity constrained in meeting demand for its AI services, which bodes well for sustained growth. Given Microsoft's strong competitive positioning in both cloud infrastructure and AI services, we believe the company is poised to deliver strong results going forward.

The holdings that detracted the most from performance included UnitedHealth Group Inc. (Health Care), Becton, Dickinson and Company (Health Care), and Nvidia Corp. (Information Technology).

UnitedHealth Group lowered, and then subsequently suspended, its 2025 earnings guidance, blaming higher-than-expected medical cost trends, along with the addition of some under-coded members to its OptumHealth value-based care rolls. Given subsequent commentary from peers, we believe United also made some major underwriting mistakes this year. Further, in light of recent media criticism and government investigations, and with former CEO Steve Hemsley back in charge, we expect the company to re-base earnings to a level that requires a less-aggressive approach to risk adjustment coding in Medicare Advantage. In our view, the shares now reflect this, and we see the risk/reward as positive from current levels. Becton had a disappointing quarter from an organic sales growth perspective, with mostly market-driven issues impacting multiple businesses - namely, funding headwinds in Biosciences globally, tougher pricing in China – plus a slower sales ramp for Bactec blood culture testing, following a supply disruption. The company guided to a reacceleration in the second half of the year, but the market is skeptical, as management has

(continued)

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struggled to forecast its businesses of late. Additionally, there was continued concern that the planned separation of the company's Life Sciences business was poorly timed, given current market issues. We understand the concerns about the second half of the year, and the frustration around guidance (and execution, to a degree), but still see Becton as a long-term mid-single-digit grower, and the shares as undervalued. Nvidia detracted from performance despite a strong return in the quarter as the portfolio weight is less than the benchmark weight. Nvidia continues to see healthy growth as customers race to build out AI infrastructure.

The ETF had no investments made in international companies during the period.

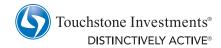
Las Vegas Sands Corp. (Consumer Discretionary sector) was added to the ETF and FedEx Corp. (Industrials sector) was removed from the portfolio during the quarter.

As the quarter came to a close, the ETF had an overweight in Communication Services, Health Care, and Financials sectors, and an underweight in the Information Technology, Consumer Discretionary, Industrials, Consumer Staples, Real Estate, and Energy sectors. The weight in the Materials sector was roughly in line with that of the index. The ETF held no positions in the Utilities sector. Cash holdings ended the quarter at 3.9%.

Outlook and Conclusion

The U.S. equity market concluded a volatile first half near all-time highs. The second quarter began with the S&P 500 entering bear market territory following the considerable policy uncertainty introduced on Liberation Day. By the end of the end of the period, investors witnessed the fastest rebound in history following a pullback greater than or equal to 15%. The primary drivers for the market rebound included easing policy uncertainty, resilient hard economic data, continued enthusiasm around AI, and strong corporate earnings.

In the first half of 2025, investors grappled with the new administration's frenetic pace of policy initiatives. Many wondered whether this agenda would stimulate some combination of lower growth and higher inflation. Despite concerns in the soft data, inflation readings and business fundamentals were generally healthy through the end of the second quarter. Going forward, we continue to assess the economic and fiscal impacts of tariffs and budget reconciliation. We remain attentive to potential impacts on employment, housing, manufacturing, and market breadth data among other items to continually re-underwrite our view. Consistent with our approach over the past few years, we have maintained a high-quality Fund portfolio with a focus on higher return on capital businesses with pricing power. One hundred percent of the Fund's portfolio excluding cash remains invested in companies that have moderate to high barriers to entry in our view. We believe disciplined execution of our process will benefit the portfolio through periods of volatility and over the long term.





Fund Facts

Annual Fund Operating Expense Ratio

Symbol	Inception Date	CUSIP	Exchange	Total	Net
LCF	07/27/22	89157W400	Cboe BZX	1.29%	0.56%
Total Fund /	Accete \$48.3 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 0.55%. These expense limitations will remain in effect until at least 04/29/26.

Total Returns

	2Q25	YTD	1 Year	Inception
ETF NAV	10.28%	6.45%	15.52%	16.66%
ETF Market Price	10.33%	6.15%	15.68%	16.69%
Benchmark	10.94%	6.20%	15.16%	17.74%

Benchmark - S&P 500® Index

Performance data quoted represents past performance, which is no quarantee 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/us-large-cap-focused-etf. From time to time, the investment adviser 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. 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	Microsoft Corp.	9.7
2	Meta Platforms, Inc.	7.4
3	Apple, Inc.	6.2
4	Amazon.com Inc.	5.7
5	NVIDIA Corp.	5.5
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Not FDIC Insured | No Bank Guarantee | May Lose Value

Source: BNY Mellon Asset Servicina

		(% of Portfolio)
6	Alphabet Inc. Class C	5.4
7	Dreyfus Gov Cash	3.9
8	Oracle Corp.	3.2
9	Bank of America Corp.	3.0
10	Philip Morris International	2.8

The S&P 500° Index is a group of 500 widely held stocks and is commonly regarded to be representative of the large capitalization stock universe.

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.

A Word About Risk

The Fund invests in equities which are subject to market volatility and loss. The Fund invests in stocks of large-cap companies which may be unable to respond quickly to new competitive challenges. The Fund invests in stocks of mid-cap companies which may be subject to more erratic market movements than stocks of larger, more established companies. The Fund is non-diversified, which means that it may invest a greater percentage of its assets in the securities of a limited number of issuers and may be subject to greater risks.

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's service providers are susceptible to cyber security risks that could result in losses to a Fund and its shareholders. Cyber security incidents could affect issuers in which a Fund invests, thereby causing the Fund's investments to lose value. Current and future portfolio holdings are subject to change. The Fund may focus its investments in specific sectors and therefore is subject to the risk that adverse circumstances will have greater impact on the fund than on the fund that does not do so.

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 Touchstonelnvestments.com/resources or call Touchstone at 833.368.7383. Please read the prospectus and/or summary prospectus carefully before investing.

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