

Fund Manager Commentary

As of 03-31-2026

Fund Highlights

- Invests primarily in U.S. equity securities of large capitalization companies believed to offer the best opportunity for reliable growth at attractive stock valuations.
- Utilizes a bottom-up idea-driven growth style with a long-term investment horizon, coupled with a distinct valuation discipline
- Seeks to identify companies which are believed to exhibit certain quality characteristics, including:
 - Predictable growth
 - Solid fundamentals
 - Attractive profitability
 - Successful managements

Market Recap

During the quarter, enterprise software and consumer Internet stocks sold off amid concerns that artificial intelligence (AI) could disrupt their growth and raise competitive costs. At the same time, investors reduced exposure to companies heavily investing in AI infrastructure. These firms are funding large-scale datacenter buildouts to meet strong demand for compute and to drive internal productivity gains. Management teams continue to report solid ROI and indicate demand will exceed supply in the near to medium term. We believe AI will remain a durable earnings driver and that investors will re-engage as earnings power compounds.

Geopolitical tensions, particularly the Iran war, also weighed on markets. Disruptions to Persian Gulf oil supply pushed fuel prices higher, creating uncertainty and pressuring global equities. Energy-sensitive sectors, such as airlines, restaurants, and certain industrials are likely to face margin and demand headwinds. While elevated oil prices may slow the return to normalized economic growth, we expect the economy will ultimately stabilize over time.

Portfolio Review

The Touchstone Large Company Growth ETF (NAV) underperformed its benchmark, the Russell 1000® Growth Index, for the quarter ended March 31, 2026.

At quarter end, the Fund was invested across the Communication Services, Consumer Discretionary, Financials, Health Care, Industrials, and Information Technology (IT) sectors. First quarter underperformance versus the benchmark was driven primarily by stock selection in the IT sector, with additional drag from selections in the Communication Services sector. These were partially offset by positive contributions from both overweight

positioning and stock selection in the Industrials sector. Key contributors included GE Vernova Inc., Howmet Aerospace Inc., and Siemens Energy AG (all Industrials sector), along with Netflix Inc. (Communication Services sector), and Teradyne, Inc. and Entegris, Inc. (both IT sector). The largest detractors were Microsoft Corp., Intuit Inc., and NVIDIA Corp. (all IT sector), as well as Reddit, Inc. (Communication Services sector) and Amazon.com (Consumer Discretionary sector).

We believe investor concerns around AI disruption, particularly within software, are overdone. Many leading technology companies trade at discounts to consumer and industrial peers, despite strong positioning in the AI ecosystem. Within hardware, smaller niche companies such as Teradyne and Entegris have recently outperformed larger players like NVIDIA, reflecting a market narrative favoring perceived "AI winners" such as GE Vernova while discounting larger incumbents. We find this inconsistent: if an AI bubble existed, it would likely affect the entire ecosystem. Instead, we believe all major AI-related hardware companies are positioned to benefit from sustained demand.

While we are disappointed with near-term relative performance, our conviction in the Fund's portfolio remains high. Several core holdings including Amazon.com; Arista Networks Inc., Broadcom Inc., Microsoft, and NVIDIA (all IT sector); and Alphabet Inc. and Meta Platforms, Inc. (both Communication Services sector), are central to the AI buildout and now trade at what we view as reasonable valuations after a period of sideways to negative price performance despite continued earnings growth. We expect valuations to stabilize and earnings to drive future returns. No changes were made to Fund positioning during the quarter, though we continue to monitor volatility for potential opportunities.



Outlook and Conclusion

While the timing of the Iran conflict's resolution is uncertain, we expect it to conclude within weeks or months, not years, after which Gulf oil flows should normalize. Historically, economies adapt to energy shocks through supply adjustments and demand responses, and we believe investors should look beyond near-term disruption to the post-war environment. Although a prolonged conflict could temporarily slow global growth and raise inflation concerns, this is not our base case. More broadly, shifting geopolitical dynamics, marked by weakening influence among U.S. adversaries and internal challenges in countries such

as Russia and China, may ultimately reinforce America's position as the leading global economic and political power, potentially renewing American Exceptionalism as a market driver. Despite near-term uncertainty, we do not expect a meaningful impact on longer-term earnings, particularly into 2027, barring a sustained disruption to global oil supply. We believe markets can rebound quickly once confidence returns, as seen after prior shocks. The Fund's portfolio remains attractively valued, with earnings growth above 20% driven by high-quality, AI-enabled technology businesses. As the Middle East conflict resolves, we expect a stable macro backdrop and AI-driven productivity gains to support a strong recovery in the economy and global equity markets.



Fund Facts

Symbol	Inception Date	CUSIP	Exchange	Annual Fund Operating Expense Ratio	
				Total	Net
TLG	08/28/09	89157W863	Nasdaq	0.82%	0.67%

Total Fund Assets \$134.9 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 0.67%. These expense limitations will remain in effect until at least 04/29/2027.

Annualized Total Returns

	1Q26	YTD	1 Year	3 Year	5 Year	10 Year	Inception
ETF NAV	-11.35%	-11.35%	12.71%	17.46%	8.89%	14.06%	14.06%
ETF Market Price	-11.37%	-11.37%	12.68%	17.45%	8.88%	14.06%	14.06%
Benchmark	-9.78%	-9.78%	18.81%	21.18%	12.76%	16.83%	16.01%

Benchmark - Russell 1000® Growth Index

The Russell 1000 Growth Index measure the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. 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/large-company-growth-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)		(% of Portfolio)		
1	NVIDIA Corp	17.2	6	Meta Platforms Inc Class A	4.5
2	Microsoft Corp	10.2	7	Arista Networks Inc	4.5
3	Alphabet Inc Class A	8.4	8	Howmet Aerospace Inc	4.0
4	Amazon.com Inc	6.4	9	GE Vernova Inc	3.9
5	Broadcom Inc	6.0	10	Netflix Inc	3.0

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 growth stocks which may be more volatile than investing in other stocks and may underperform when value investing is in favor. The Fund invests in convertible securities which are subject to the risks of both debt securities and equity securities. 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 and emerging markets 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 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.

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 than a diversified fund and may be subject to greater risks. 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. Banks and financial services companies could suffer losses if interest rates rise or economic conditions deteriorate. Current and future portfolio holdings are subject to change. The Advisor engages a subadvisor 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.

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](https://www.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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