Touchstone Sands Capital US Select Growth ETF

Sub-Advised by: Sands Capital Management, LLC

TSEL

U.S. Equity - Large Cap Growth | Actively Managed, Fully Transparent ETF | 2Q/2026

Fund Manager Commentary

As of 06-30-2026

Fund Highlights

Invests primarily in common stocks of U.S. companies that have above average potential for revenue or earnings growth

Emphasizes investments in large and mid capitalization growth companies

Identifies leading companies with dramatic wealth creation potential focusing on key investment criteria

The Fund will typically own between 25 and 35 companies

Market Recap

U.S. large cap growth equities advanced sharply during the second quarter of 2026, recovering from late first-quarter weakness as improving corporate fundamentals and renewed investor confidence in the AI investment cycle outweighed elevated geopolitical and macroeconomic uncertainty. Early in the quarter, markets contended with geopolitical tensions surrounding the U.S.-Iran conflict, higher oil prices, and concerns that disruptions to global energy markets could pressure inflation and economic growth. Investor sentiment improved following the announcement of a ceasefire and a memorandum of understanding aimed at ending the conflict, allowing markets to look beyond near-term geopolitical risks.

Corporate earnings were a key driver of market performance. First quarter earnings growth exceeded expectations and broadened beyond the largest technology companies, while improving earnings revisions supported investor confidence. AI remained the dominant investment theme as hyperscale cloud providers reported continued shortages in AI compute capacity, accelerating cloud revenue growth, expanding backlogs, and rising capital expenditure expectations. Investors increasingly focused on businesses benefiting from the broader AI infrastructure buildout, particularly semiconductors, memory, processors, and networking technologies, while software performance remained more mixed.

Portfolio Review

The Touchstone Sands Capital US Select Growth ETF (NAV) outperformed its benchmark, the Russell 1000 Growth Index, for the quarter ended June 30, 2026.

The ETF's outperformance was driven primarily by broad-based strength across its AI infrastructure holdings. Positive contributions spanned AI chip design, semiconductor fabrication, memory, storage, semiconductor capital equipment, and energy infrastructure. Earnings growth, rather than valuation expansion, supported the ETF's strong absolute return. We believe the emergence of agentic AI has broadened demand across the AI infrastructure stack, creating opportunities in areas including memory, CPUs, networking, storage, and advanced semiconductor technologies. While AI infrastructure holdings generated strong results, the ETF's vertical software and internet holdings modestly detracted as investors continued to evaluate the long-term implications of AI across those business models.

Among the top contributors to performance were Seagate Technology Holdings plc (Information Technology sector), NVIDIA Corp. (Information Technology sector), Carpenter Technology Corp. (Industrials sector), Amazon.com, Inc. (Consumer Discretionary sector), and Lam Research Corp. (Information Technology sector). Seagate Technology benefited from improving supply-demand conditions and stronger pricing expectations for enterprise storage products as AI-related workloads increased demand for data storage. NVIDIA continued to benefit from robust demand for accelerated computing infrastructure supporting AI applications, while Carpenter Technology advanced as improving aerospace demand, pricing, and operating leverage supported earnings growth.

Among the top detractors from performance were Intercontinental Exchange, Inc. (Financials sector), Spotify Technology S.A. (Communication Services sector), Shopify Inc. (Information Technology sector), Roblox Corp. (Communication Services sector), and Netflix, Inc. (Communication Services sector). Intercontinental Exchange declined as investors evaluated the potential impact of AI on portions of its mortgage technology business. Shopify and Spotify came under pressure as investors focused on rising AI-related investment costs and near-term margin pressure despite continued strong operating performance. Roblox and Netflix were sold during the quarter as we reallocated capital toward opportunities with stronger near-term earnings visibility and greater relative conviction.

During the quarter, the ETF initiated positions in Bloom Energy Corp. (Industrials sector), Micron Technology, Inc. (Information Technology sector), SanDisk Corp. (Information Technology sector), SpaceX (Industrials sector), and Sphere

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Entertainment Co. (Communication Services sector) while exiting positions in DoorDash, Inc. (Consumer Discretionary sector), Netflix, Inc. (Communication Services sector), and Roblox Corp. (Communication Services sector). These changes reflected our continued effort to increase exposure to businesses positioned at critical bottlenecks within the AI infrastructure buildout while reducing exposure to selected consumer internet holdings.

Outlook and Conclusion

We remain focused on navigating the technology transformation enabled by AI while maintaining balance across businesses that provide essential AI infrastructure, companies using AI to strengthen existing competitive advantages, and businesses with distinct long-term growth drivers. The Fund continues to emphasize three primary themes: AI hardware and power infrastructure, AI infrastructure and software platforms, and demand aggregators that we believe are positioned to benefit from increasing AI adoption and improving customer engagement.

We believe continued growth in agentic AI will drive sustained demand across critical infrastructure, including memory, CPUs, AI chips, semiconductor manufacturing, capital equipment, and power. At the same time, we continue to monitor developments that could influence the pace and composition of AI infrastructure spending, including competition from lower-cost open-source models, changing usage patterns, and advances that could improve computing efficiency. Beyond AI infrastructure, the ETF maintains exposure to businesses with differentiated, company-specific growth opportunities and continues to emphasize companies that the investment team believes possess durable competitive advantages capable of strengthening over time. Although periods of heightened volatility may occur as investor expectations evolve, we believe the ETF remains well positioned given its emphasis on earnings growth, attractive relative valuation, and long-term structural growth opportunities.

Fund Facts

Symbol	Inception Date	CUSIP	Exchange	Annual Fund Operating Expense Ratio Total	Annual Fund Operating Expense Ratio Net
TSEL	12/31/24	89157W806	Nasdaq	0.96%	0.67%

Total Fund Assets $83.5 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 04/29/27.

Annualized Total Returns

	2Q26	YTD	1 Year	3 Year	5 Year	Inception
ETF NAV	19.58%	4.29%	3.81%	—	—	11.84%
ETF Market Price	19.52%	4.18%	3.68%	—	—	11.83%
Benchmark	16.74%	5.33%	17.71%	—	—	16.21%

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/sands-capital-us-select-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)
1	NVIDIA Corp	11.3
2	Seagate Technology Holdings PLC	7.8
3	Micron Technology Inc	6.2
4	Alphabet Inc Class A	6.2
5	Meta Platforms Inc Class A	5.4

		(% of Portfolio)
6	Amazon.com Inc	5.3
7	Carpenter Technology Corp	4.6
8	Quanta Services Inc	4.5
9	SanDisk Corp Ordinary Shares	4.0
10	Spotify Technology SA	4.0

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 dividend-paying companies. There is no guarantee that the companies in which the Fund invests will declare dividends in the future or that dividends, if declared, will remain at current levels or increase over time. Securities that pay dividends may be sensitive to changes in interest rates, and as interest rates rise or fall, the prices of such securities may fall.

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'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. The Fund invests in value stocks which may not appreciate in value as anticipated or may experience a decline in value. 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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