Touchstone US Large Cap Focused ETF

Sub-Advised by: Fort Washington Investment Advisors Inc

LCF

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

Fund Manager Commentary

As of 06-30-2026

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 rebounded during the second quarter of 2026, overcoming inflation concerns earlier in the period and continued geopolitical tensions. Renewed momentum surrounding AI was a primary driver of the market advance, supported by strong corporate earnings and continued demand for semiconductor-related companies. Within the S&P 500 Index, the Information Technology, Industrials, and Consumer Discretionary sectors generated the strongest returns, while Energy, Utilities, and Consumer Staples were the weakest-performing sectors. Macroeconomic conditions improved as geopolitical risks moderated during the quarter. Following the April ceasefire between the United States and Iran and progress toward a diplomatic framework, concerns surrounding energy supply disruptions eased and oil prices retreated significantly from their first-quarter highs. Although inflation remained above the Federal Reserve's target, resilient corporate earnings and continued capital investment in AI infrastructure supported investor sentiment. Market participation broadened relative to recent quarters, although semiconductor, memory, networking, and data center-related companies continued to account for a meaningful share of market returns as investors maintained confidence that AI infrastructure investment remains in its early stages.

Portfolio Review

The Touchstone US Large Cap Focused ETF (NAV) underperformed its benchmark, the S&P 500 Index, for the quarter ended June 30, 2026.

Stock selection detracted from relative performance during the quarter, while sector allocation also modestly detracted. The sectors where the Fund's portfolio holdings outperformed the benchmark most were Consumer Staples, Materials, and Consumer Discretionary. The largest relative detractors were Information Technology, Health Care, and Industrials. Sector allocation detracted primarily due to the portfolio's overweight to Communication Services and underweight to Information Technology.

Among the top contributors to relative performance were Applied Materials, Inc. (Information Technology sector), Texas Instruments Inc. (Information Technology sector), and UnitedHealth Group Inc. (Health Care sector). Applied Materials benefited from robust demand for AI semiconductors, which continued to support strong orders for semiconductor manufacturing equipment. Texas Instruments outperformed as results and guidance exceeded expectations, driven by strong demand from industrial and data center customers. UnitedHealth Group contributed following strong first quarter results and an increase in full year guidance, as medical cost trends remained in line with or slightly better than expectations.

Among the top detractors from relative performance were Exxon Mobil Corp. (Energy sector), Meta Platforms, Inc. (Communication Services sector), and Microsoft Corp. (Information Technology sector). Exxon Mobil underperformed as easing geopolitical concerns surrounding Iran reduced crude oil prices and lowered expectations for future cash flow generation. Meta Platforms detracted as elevated AI-related investment continued to pressure near-term cash flows. Microsoft underperformed as management continued to allocate incremental AI computing capacity toward internal research and development and products such as Copilot rather than third-party Azure customers, weighing on near-term revenue growth despite the investment team's positive long-term outlook.

During the quarter, Blackstone Inc. (Financials sector) and QXO, Inc. (Industrials sector) were added to the portfolio, while RTX Corp. (Industrials sector) and Waters Corp. (Health Care sector) were removed. At quarter-end, the Fund's portfolio was overweight Communication Services, Financials, and Health Care sectors and underweight the Information Technology, Industrials,

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Consumer Discretionary, Materials, Energy, Real Estate, and Consumer Staples sectors. The Fund held no positions in the Utilities sector.

Outlook and Conclusion

We continue to monitor employment, housing, manufacturing activity, and market breadth to assess the evolving investment environment. While inflation remains above the Federal Reserve's target and investors continue to evaluate the pace of AI monetization and future monetary policy, resilient corporate earnings and continued investment in AI infrastructure provide support for the broader market.

The Fund remains focused on high-quality businesses with attractive returns on invested capital, pricing power, and durable competitive advantages. Excluding cash, the portfolio remains fully invested in companies we believe possess moderate to high barriers to entry. We believe disciplined execution of its investment process positions the Fund to navigate periods of market volatility while seeking to generate attractive long-term returns.

Fund Facts

Symbol	Inception Date	CUSIP	Exchange	Annual Fund Operating Expense Ratio Total	Annual Fund Operating Expense Ratio Net
LCF	07/27/22	89157W400	Cboe BZX	1.18%	0.56%

Total Fund Assets $64.7 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 0.55%. 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	9.91%	2.11%	12.23%	15.32%	—	15.51%
ETF Market Price	10.12%	0.95%	12.30%	15.34%	—	15.56%
Benchmark	15.20%	10.21%	22.32%	20.61%	—	18.89%

Benchmark - S&P 500® Index
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 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/us-large-cap-focused-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.*

Top 10 Holdings

		(% of Portfolio)
1	Alphabet Inc Class C	9.5
2	Apple Inc	7.6
3	NVIDIA Corp	7.4
4	Microsoft Corp	7.1
5	Amazon.com Inc	5.7

		(% of Portfolio)
6	Meta Platforms Inc Class A	5.2
7	Applied Materials Inc	3.9
8	Bank of America Corp	3.3
9	BNY Dreyfus Govt Cash Mgmt Instl	2.6
10	Philip Morris International Inc	2.5

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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 nondiversified, 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.

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. 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 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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