Touchstone Dividend Select ETF

Sub-Advised by: Fort Washington Investment Advisors Inc

DVND

U.S. Equity - Large Cap Value | Actively Managed, Fully Transparent ETF | 3Q/2026

Fund Manager Commentary

As of 09-30-2026

Fund Highlights

- Dividend-focused strategy invests primarily in U.S. large capitalization companies that:
  - Historically paid consistent, growing dividends
  - Have sustainable competitive advantages, which have the potential to support reliable, growing dividends with reasonable valuations
- Seeks to invest in businesses that trade at reasonable valuations compared to their intrinsic value
- Focuses on businesses that are believed to have a sustainable competitive advantage or a high barrier to entry in place

Market Recap

Equity markets remained resilient during the third quarter of 2026, although performance beneath the surface became more uneven as interest rates moved higher and investors reassessed valuations. The S&P 500 Index remained near record levels, supported by strong corporate earnings and continued enthusiasm around AI-related growth. Broader market participation weakened as the quarter progressed, with the equal-weighted S&P 500 Index, small cap stocks, and several rate-sensitive areas coming under pressure. Market returns were increasingly driven by earnings strength among large-cap technology and AI-related companies, while higher discount rates weighed on the average stock.

The macroeconomic backdrop remained firm, with economic growth tracking near trend and supported by stable consumer spending, continued business investment, and capital expenditures tied to the AI buildout. Labor market conditions also remained steady, helping support household income and consumption. At the same time, inflation remained above the Federal Reserve's target, while elevated energy prices and ongoing geopolitical uncertainty in the Middle East added to inflation concerns. In response, the Federal Reserve raised rates by 25 basis points in September, its first increase since 2023.

Higher interest rates were the primary challenge for equities during the quarter. The 10-year U.S. Treasury yield rose sharply, ending September at approximately 5.3%, which pressured valuation multiples and weighed most heavily on smaller companies, rate-sensitive sectors, and more capital-intensive businesses. The S&P 500 Index's forward price-to-earnings multiple contracted from approximately 22x at the beginning of the year to approximately 19x, but strong earnings growth helped offset that multiple compression at the index level. As a result, equity returns were increasingly supported by earnings growth rather than valuation expansion.

Market leadership narrowed after broadening earlier in the year. Mega-cap technology and Communication Services companies regained leadership, while Financials, Materials, Real Estate, Utilities, and Consumer Discretionary lagged as investors priced in the effects of higher interest rates. Healthy corporate fundamentals and continued earnings growth remained supportive, although above-average valuations, persistent inflation, and policy uncertainty contributed to a more demanding investment environment.

Portfolio Review

The Touchstone Dividend Select ETF (NAV) underperformed its benchmark, the Russell 1000 Value Index, for the quarter ended September 30, 2026.
Security selection detracted from relative performance during the quarter, while sector allocation contributed positively. The dividend orientation of the ETF was also a headwind. Security selection within Information Technology, Consumer Discretionary, and Health Care detracted, partially offset by positive selection within Financials, Energy, and Industrials. Sector allocation benefited primarily from positioning in Communication Services, Financials, and Information Technology, partially offset by Energy.

Among the top contributors to relative performance were overweight positions in Meta Platforms Inc. (Communication Services sector), Becton Dickinson and Co. (Health Care sector), Chevron Corp. (Energy sector), and Pfizer Inc. (Health Care sector), as well as an underweight position in Intel Corp. (Information Technology sector). Meta Platforms advanced as

strong advertising trends and increasing confidence in the company's AI strategy supported investor sentiment. Becton Dickinson benefited from better-than-expected results and an improved earnings outlook. Chevron advanced on stronger energy-market fundamentals, production growth, and improved earnings, while Pfizer benefited from better-than-expected results and an improved revenue outlook. The ETF's underweight to Intel contributed as the shares declined amid continued investor focus on execution risk and the capital requirements associated with its foundry turnaround.

Among the top detractors from relative performance were overweight positions in KLA Corp. (Information Technology sector), Caterpillar Inc. (Industrials sector), Home Depot Inc. (Consumer Discretionary sector), and Broadcom Inc. (Information Technology sector), as well as an underweight position in Apple Inc. (Information Technology sector). KLA declined despite solid results as elevated expectations and concerns surrounding the near-term outlook weighed on semiconductor equipment shares. Caterpillar declined as investors became more cautious about margins amid higher manufacturing and tariff-related costs. Home Depot was pressured by housing affordability constraints and low housing turnover, while Broadcom declined despite continued AI-related growth as near-term guidance did not sufficiently exceed elevated expectations. The ETF's underweight to Apple detracted as the shares advanced following better-than-expected results.

There were no new purchases or sales during the quarter and no material changes to sector positioning. At quarter end, Communication Services represented the ETF's largest sector overweight, while Financials and Consumer Discretionary represented its largest underweights.

Outlook and Conclusion

We remain constructive on U.S. equities but believe selectivity has become increasingly important. Corporate earnings growth remains healthy, although higher interest rates, elevated valuations, and persistent inflation have created a more demanding backdrop. Market leadership has also narrowed, with large-cap technology and AI-related companies continuing to drive a meaningful portion of market returns while rate-sensitive, leveraged, and more capital-intensive businesses have faced greater pressure.

We continue to focus on companies with durable competitive advantages, strong free cash flow, consistent dividend growth, and long-term earnings visibility. Portfolio activity remains focused on increasing exposure to businesses in which we have greater conviction while exiting companies where competitive positioning, execution, or earnings visibility has become less certain. We continue to evaluate opportunities in AI infrastructure, health care innovation, and select industrial companies, while valuation discipline, consumer pressure, interest-rate sensitivity, and policy uncertainty remain key challenges.

We continue to emphasize businesses with strong free cash flow, disciplined capital allocation, and the ability to grow dividends over time. The ETF may lag during periods of narrow or speculative market leadership, reinforcing our focus on earnings durability, valuation discipline, and company-specific fundamentals across market environments.

Touchstone Investments®
DISTINCTIVELY ACTIVE®

Touchstone Dividend Select ETF

DVND

Fund Facts

Symbol	Inception Date	CUSIP	Exchange	Annual Fund Operating Expense Ratio	
				Total	Net
DVND	08/02/22	89157W103	NYSE Arca	1.15%	0.50%

Total Fund Assets $52.4 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 0.49%. These expense limitations will remain in effect until at least 04/29/2027.

Annualized Total Returns

	3Q26	YTD	1 Year	3 Year	5 Year	Inception
ETF NAV	-0.15%	9.92%	11.34%	16.84%	—	12.91%
ETF Market Price	-0.09%	9.20%	10.87%	16.87%	—	12.94%
Benchmark	2.61%	19.27%	23.81%	20.07%	—	14.73%

Benchmark - Russell 1000® Value Index

The Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower expected 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.touchstoneinvestments.com/etfs/dividend-select-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.*

The Frank Russell Company (FRC) is the source and owner of the data contained or reflected in this material and all trademarks and copyrights related thereto. The material may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. This is a Touchstone Investments presentation of the data, and FRC is not responsible for the formatting or configuration of this material or for any inaccuracy in the presentation thereof.

Top 10 Holdings

		(% of Portfolio)			*(% of Portfolio)*
1	Microsoft Corp	5.3	6	Alphabet Inc Class C	2.5
2	BNY Dreyfus Govt Cash Mgmt Instl	3.4	7	ExxonMobil Holdings Corp	2.4
3	Broadcom Inc	3.2	8	Visa Inc Class A	2.2
4	Apple Inc	3.1	9	Philip Morris International Inc	2.1
5	Meta Platforms Inc Class A	2.6	10	Johnson & Johnson	2.0

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 subadvisors. 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.

Touchstone ETFs are distributed by **Foreside Fund Services, LLC**

A registered broker-dealer and member FINRA

Touchstone is a member of Western & Southern Financial Group

Not FDIC Insured | No Bank Guarantee | May Lose Value

ETF-28-DVND-2609

Touchstone Investments®

DISTINCTIVELY ACTIVE®

800.638.8194 • TouchstoneInvestments.com