Fund Manager Commentary

As of September 30, 2025

Fund Highlights

- Employs flexibility by allocating assets among core investments and opportunistic investments as market conditions change
- Identifies companies and securities that are believed to offer attractive relative values when compared to their fundamental credit risk
- Actively hedges portfolio risks, including credit, interest rate and currency, in an effort to preserve capital
- Consists of several broad investment categories, including high yield bonds, bank loans, special situations, structured credit and hedges

Market Recap

Risk assets were a source of positive returns in the third quarter due to a supportive U.S. Federal Reserve (Fed) and macroeconomic environment, coupled with healthy corporate fundamentals. Though labor conditions showed signs of weakness, inflation remained rangebound and growth expectations positive. Labor weakness led to increased speculation of easing by the Fed, culminating with the central bank's rate cut in September, their first since December 2024. Many viewed the cut as a risk management measure, with further reductions expected before year-end. Corporate earnings remained positive as the number of earnings beats outpaced misses. Coupled with a tight spread environment, we noticed single name dispersion increase, particularly in names with negative headlines. The supportive macro and fundamental environment were tailwinds for high yield bonds (proxy: ICE BofA U.S. High Yield Constrained Index), which returned 2.40%. Syndicated loans (proxy: S&P UBS Leveraged Loan Index) were a source of positive returns too and returned 1.68%, as the broader risk-off tone offset the headwind of rate expectations. Traditional fixed income (proxy: Bloomberg U.S. Aggregate Bond Index) returned 2.03%, outperforming syndicated loans while underperforming high yield bonds, emblematic of investor risk sentiment and rate expectations.

Specific to sub-investment grade credit, spreads continued to grind tighter across the quality spectrum. High yield bond and syndicated loan spreads ended the quarter at their 2nd and 21st percentiles, respectively, for the post-crisis period. While spreads are justifiably tight, yields, the primary driver of total returns over time, remain wide of their respective post-crisis medians in both credit sectors.

Portfolio Review

The Touchstone Ares Credit Opportunities Fund (Class A Shares, Load Waived) underperformed its benchmark, the ICE BofA U.S. High Yield Constrained Index, for the quarter ended September 30, 2025.

Relative performance was due to off-benchmark allocations to collateralized loan obligations (CLO) equity and equity, both of which lagged the benchmark. Further, credit specific events within the high yield bond allocation were a headwind to returns, though we would note credit selection within this cohort was positive on a year to date basis. While syndicated loans underperformed high yield bonds broadly, the Fund's allocation to syndicated loans was additive as the allocation outperformed the syndicated loan and high yield bond markets during the quarter.

The Fund's risk posture remained neutral during the quarter amid tight credit spreads across sub-investment grade credit. Investment activity was largely based on relative value within the respective credit sectors, with an emphasis on preserving yield and getting ahead of potential credit issues within the Fund.

By credit quality, the Fund remained market weight relative to the benchmark as an overweight to CCCs was offset by an off-benchmark allocation to BBBs. The allocation to BBBs and single Bs were reduced during the quarter in favor of BBs.

(continued)

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 TouchstoneInvestments.com/mutual-funds.***

From an industry perspective, exposures to Media, Capital Goods and Leisure were increased while the allocations to Healthcare, Basic Industry and Financial Services were reduced. Overall, in our view the Fund remains well positioned for capital appreciation and income relative to the benchmark.

The Fund's overweight within the fixed income allocation was additive during the quarter amid shifting rate expectations. This was somewhat offset by the move lower in short term rates, which negatively impacted base rates and ultimately yields within the syndicated loan allocation.

Outlook and Conclusion

Leveraged credit markets remain active as evidenced by a recent surge in new issue, positive retail fund flows and steady CLO origination. Macroeconomic data remains largely supportive for risk assets; unemployment has ticked up but remains muted overall. A supportive Fed, firm demand and a strong technical backdrop should contribute to lower borrowing costs in the months ahead. While corporate fundamentals also remain intact, spreads remain at tight levels, leading to little room for error for managers. We have noticed increased single name dispersion recently as investors seek to shed risk and generally have a higher sensitivity to idiosyncratic risk. The most notable example of this is auto supplier First Brands, which saw its term loan decline 60 points in a short period of time prior to filing for bankruptcy recently. Ares has not had exposure to First Brands since May 2024, underscoring our ability to identify and mitigate credit risks. Overall, our risk posture remains neutral given the current spread environment, supportive macro and corporate fundamental backdrop. We remain focused on relative value within the leveraged credit markets and utilize off-benchmark sectors where appropriate to preserve spread and yield within the Fund. With single name dispersion on the rise, we believe the value-add from credit selection and avoidance will only increase in the months ahead.

Specific to the Fund, we believe the 82% allocation to high yield bonds and duration overweight will prove beneficial in the coming months as rates are expected to move lower.

Fund Facts

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio Total	Net
A Shares	08/31/15	**TMARX**	89155T631	1.16%	1.01%
C Shares	08/31/15	**TMACX**	89155T623	1.97%	1.73%
Y Shares	08/31/15	**TMAYX**	89155T615	0.89%	0.78%
INST Shares	08/31/15	**TARBX**	89155T599	0.89%	0.67%
R6 Shares	05/19/25	**TARSX**	89155T417	0.89%	0.60%
Total Fund Assets	**$879.1 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 0.99% for Class A Shares, 1.71% for Class C Shares, 0.76% for Class Y Shares, 0.65% for Class INST Shares and 0.58% for Class R6 Shares. These expense limitations will remain in effect until at least 05/29/26.

Share class availability differs by firm.

Annualized Total Returns

	3Q25	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	1.90%	6.18%	6.60%	9.93%	6.74%	5.93%	5.63%
C Shares	1.80%	5.69%	6.02%	9.46%	6.21%	5.42%	5.13%
Y Shares	2.03%	6.35%	6.93%	10.17%	6.97%	6.18%	5.87%
INST Shares	2.04%	6.49%	6.98%	10.28%	7.07%	6.27%	5.97%
R6 Shares	2.05%	6.34%	6.77%	9.98%	6.77%	5.95%	5.65%
Benchmark	2.40%	7.06%	7.23%	10.98%	5.53%	6.06%	5.74%
Including Max Sales Charge							
A Shares	-1.46%	2.77%	3.12%	8.72%	6.03%	5.30%	5.01%
C Shares	0.80%	4.69%	5.03%	9.46%	6.21%	5.42%	5.13%

Max 3.25% sales charge for Class A Shares and 1% Contingent Deferred Sales Charge for Class C Shares held less than 1 year.

The ICE BofA U.S. High Yield Constrained Index is a market-value-weighted index of all domestic and Yankee high-yield bonds, including deferred interest bonds and payment-in-kind securities. Issues included in the index have maturities of one year or more and have a credit rating lower than BBB-/Baa3 but are not in default. The index limits any individual issuer to a maximum of 2% benchmark exposure.

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.

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A Word About Risk

The Fund invests in fixed-income securities which can experience reduced liquidity during certain market events, lose their value as interest rates rise and are subject to credit risk which is the risk of deterioration in the financial condition of an issuer and/or general economic conditions that can cause the issuer to not make timely payments of principal and interest also causing the securities to decline in value and an investor can lose principal. When interest rates rise, the price of debt securities generally falls. Longer term securities are generally more volatile. The Fund invests in non-investment grade debt securities, distressed securities and corporate loans which are considered speculative with respect to the issuers' ability to make timely payments of interest and principal, may lack liquidity and have more frequent and larger price changes than other debt securities. There is a high risk that the Fund could suffer losses from investments in non-investment grade debt securities caused by the default of an issuer. 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. The Fund invests in Collateralized Loan Obligations (CLOs) that have risks that largely depend on the type of underlying collateral and risks may include illiquidity, limited active market, the possibility that distributions from collateral securities will be insufficient to make interest or other payments, the potential for a decline in the quality of the collateral, and can bear the risk of default by the loans. The Fund invests in derivatives and securities such as futures contracts, options and swap agreements. Derivatives can be highly volatile, illiquid and difficult to value, subject to counterparty and leverage risks and there is risk that changes in the value of a derivative held by the Fund will not correlate with the Fund's other investments. Gains or losses from speculative positions in a derivative may be much greater than the original cost and potential losses may be substantial. The Fund invests in convertible securities which are subject to the risks of both debt securities and equity securities. 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. The Fund invests in equities which are subject to market volatility and loss. 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 securities 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 is involved in short selling which may result in additional costs associated with covering short positions and a possibility of unlimited loss. 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.

Please consider the investment objectives, risks, charges and expenses of the Fund 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 800.638.8194. Please read the prospectus and/or summary prospectus carefully before investing.

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