

Touchstone Dividend Equity Fund

Sub-Advised by: Fort Washington Investment Advisors Inc

U.S. Equity - Large Cap Value

1Q/2026

Fund Manager Commentary

As of 03-31-2026

Fund Highlights

- U.S. large capitalization companies
- Historically paid consistent, growing dividends
- 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

Market Recap

U.S. equities fell sharply toward the end of the first quarter as the Iran conflict dominated headlines and market sentiment, triggering a broad selloff across asset classes. Unlike prior months, weakness was broad-based, with the equal-weight S&P 500 lagging the cap-weighted index, signaling that selling pressure extended beyond mega-cap leadership.

The quarter's defining feature was the energy shock. Escalation in Iran and resulting supply concerns—particularly around the Strait of Hormuz, drove a sharp rise in oil prices, with crude posting its strongest monthly gain since 2020. Even so, prices remained below worst-case levels, as a prolonged disruption could have pushed oil much higher. Energy sector stocks led the market, along with select commodity-linked areas, while most cyclical and growth sectors lagged. Mega-cap technology also declined, with software and semiconductors under pressure as investors weighed long-term AI optimism against near-term uncertainty. While confidence in a quicker end to the conflict has increased, that view remains fragile. Meanwhile, the economic effects are likely to linger. Iran still has the ability to disrupt the Strait of Hormuz, and restoring production and infrastructure could keep commodity prices elevated versus pre-conflict levels.

Macro conditions added to the pressure. Treasury yields rose sharply, reflecting both inflation concerns tied to energy prices and reduced expectations for near-term Federal Reserve (Fed) easing. The Fed maintained a cautious stance, while economic data softened modestly, with weaker payrolls, a slight rise in unemployment, and early stagflationary signals in survey data. Still, markets showed some resilience. Equities held up relatively well for much of the quarter given the size of the geopolitical shock and related volatility in oil and rates. That resilience was reinforced late in the period, as reports of a possible diplomatic resolution sparked a sharp rally into quarter-end, including a nearly 3% gain for the S&P 500 on the final day of March.

Portfolio Review

The Touchstone Dividend Equity Fund (Class A Shares, Load Waived) underperformed its benchmark, the Russell 1000 Value Index, for the quarter ended March 31, 2026.

Security selection detracted from relative performance during the period, while sector allocation contributed positively to relative performance. The dividend orientation of the Fund's portfolio was a positive for the quarter as above average dividend paying stocks outperformed below average dividend paying stocks.

Selection within Information Technology (IT) and Consumer Staples sectors were the primary drivers of negative selection, while selection within Health Care, Utilities, and Communication Services sectors added modestly. Allocation effects were positive overall, aided by positioning in IT and Financials sectors, partially offset by an underweight to the Materials sector.

Among the largest individual contributors to relative performance during the quarter were overweight positions in KLA Corp. (IT sector) and Valero Energy Corp. (Energy sector), and underweight positions in Amazon.com Inc. (Consumer Discretionary sector), Berkshire Hathaway Inc. (Financials sector), and Alphabet Inc. (Communication Services sector).

Amazon.com declined during the quarter as investors reassessed expectations for consumer spending and the pace of margin expansion following strong prior performance. Cautious commentary around demand trends and competitive intensity weighed on sentiment.

KLA Corp. rose during the quarter, supported by resilient demand for semiconductor process control equipment tied to leading-edge manufacturing. Continued investment in AI-related compute capacity and strong execution supported the shares. Valero Energy rose sharply during the quarter as crack spreads widened and crude oil prices moved higher amid conflict in the Middle East. Strength in refined product pricing supported robust

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refining margins, and strong cash generation and continued shareholder returns supported investor sentiment.

Berkshire Hathaway declined modestly during the quarter as financial stocks were pressured by shifting rate expectations and concerns about the economic outlook. Investors also rotated away from some defensive holdings amid heightened volatility. Among the largest detractors from relative performance were overweight exposures to Microsoft Corp., Broadcom Inc., Oracle Corp., Qualcomm Inc. (all IT sector), and Visa Inc. (Financials sector).

Microsoft declined meaningfully during the quarter as investors grew more cautious on mega-cap technology amid a risk-off market backdrop. Markets weighed the pace of cloud demand against elevated AI-related investment spending, pressuring sentiment toward the shares.

Broadcom declined during the quarter as investors reassessed the near-term pace of AI infrastructure spending following strong prior performance. Valuation concerns and broader weakness in semiconductors weighed on the shares.

Oracle declined meaningfully during the quarter as investors expressed concerns around the company's AI initiatives and the near-term returns on incremental cloud infrastructure investment. While Oracle continues to position its Oracle Cloud Infrastructure product to support AI training and inference workloads, questions around competitive differentiation, execution, and the pace of monetization weighed on sentiment. These concerns, combined with valuation considerations, pressured the shares.

Visa declined during the quarter as investor concerns about consumer spending and a slower payments growth outlook weighed on the shares. Broader risk-off positioning in financial services also pressured sentiment during the period.

Qualcomm Inc. declined during the quarter as investors remained cautious on handset demand trends and the pace of a broader device upgrade cycle. Rising component costs, including a surge in memory prices, added pressure for handset OEMs, and competitive dynamics and ongoing inventory adjustments across the supply chain also weighed on sentiment.

The Fund added one new name during the quarter: Prologis Inc. (Real Estate sector). Prologis represents a high-quality industrial

REIT with a portfolio concentrated in mission-critical logistics assets that support global supply chains. The company's scale, land bank, and long-standing customer relationships provide durable competitive advantages, while its conservative balance sheet and disciplined capital allocation support reliable cash flows and dividend stability. Near-term industrial fundamentals remain mixed following a period of elevated supply, but new development deliveries are declining and leasing activity has begun to stabilize. As supply-demand conditions normalize, Prologis is positioned to benefit from embedded rent growth, steady development contributions, and incremental fee income from its strategic capital platform, supporting long-term earnings growth.

There were no material sector changes during the quarter. IT remains the largest sector overweight, while Financials, Energy, and Industrials are the largest underweights.

Outlook and Conclusion

Looking ahead, the Iran conflict remains the key variable. A prolonged disruption could drive oil much higher; an outcome not fully reflected in current pricing. A faster resolution and reopening of the Strait would likely support a recovery in risk assets, even if oil markets take longer to normalize. While uncertainty remains high, U.S. incentives to bring the conflict to a close support our base case of a shorter duration.

We remain constructive on U.S. equities but acknowledge near-term headwinds exist and aggregate market valuations do not fully compensate for such. Following the material outperformance of growth-oriented stocks the past few years, dividend strategies are a compelling option as earnings begin to converge while the valuation discount remains at historically attractive levels. Dividend strategies have the potential to provide both capital appreciation and a growing stream of income while also providing downside protection through lower volatility during times of distress.



Fund Facts

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio	
				Total	Net
A Shares	06/08/98	TQCAX	89155T482	1.01%	0.99%
C Shares	06/08/98	TQCCX	89155T474	1.78%	1.69%
Y Shares	05/15/13	TQCYX	89155T466	0.76%	0.76%
INST Shares	07/19/21	TQCIX	89155T458	0.88%	0.65%
R6 Shares	08/02/21	TQCRX	89155T441	0.78%	0.65%

Total Fund Assets \$2.3 Billion

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 0.99% for Class A Shares, 1.69% for Class C Shares, 0.77% for Class Y Shares, 0.65% for Class INST Shares, and 0.64% for Class R6 Shares. These expense limitations will remain in effect until at least 01/29/27.

Share class availability differs by firm.

Annualized Total Returns

	1Q26	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	0.36%	0.36%	15.20%	13.16%	8.38%	7.71%	7.40%
C Shares	0.22%	0.22%	14.43%	12.37%	7.63%	6.99%	6.69%
Y Shares	0.48%	0.48%	15.51%	13.44%	8.63%	7.95%	7.51%
INST Shares	0.45%	0.45%	15.64%	13.53%	8.70%	7.87%	7.46%
R6 Shares	0.45%	0.45%	15.57%	13.56%	8.72%	7.88%	7.46%
Benchmark	2.10%	2.10%	15.87%	14.31%	9.43%	10.58%	7.61%
Including Max Sales Charge							
A Shares	-4.65%	-4.65%	9.44%	11.25%	7.27%	7.16%	7.20%
C Shares	-0.78%	-0.78%	13.43%	12.37%	7.63%	6.99%	6.69%

Benchmark - Russell 1000® Value Index

Max 5% sales charge for Class A Shares and 1% Contingent Deferred Sales Charge for Class C Shares held less than 1 year.

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 TouchstoneInvestments.com/mutual-funds.** From time to time, the investment advisor may waive some fees and/or reimburse expenses, which if not waived or reimbursed, will lower performance. Performance by share class will differ due to differences in class expenses. Returns assume reinvestment of all distributions. Returns are not annualized for periods less than one year.

The performance presented combines the performance of the oldest share class from the Fund's inception with the performance since the inception date of each share class.

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Top 10 Holdings

	(% of Portfolio)		(% of Portfolio)		
1	Microsoft Corp	3.2	6	Chevron Corp	1.9
2	Broadcom Inc	2.5	7	Alphabet Inc Class C	1.8
3	Exxon Mobil Corp	2.4	8	Cisco Systems Inc	1.6
4	Johnson & Johnson	2.2	9	Bank of America Corp	1.6
5	Apple Inc	2.1	10	Procter & Gamble Co	1.5

Not FDIC Insured | No Bank Guarantee | May Lose Value

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. Banks and financial services companies could suffer losses if interest rates rise or economic conditions deteriorate. The Fund invests in value stocks which may not appreciate in value as anticipated or may experience a decline in value. 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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