Touchstone High Yield Fund

Sub-Advised by: Fort Washington Investment Advisors, Inc.

Income – High Yield Bond 4Q/2025

Fund Manager Commentary

As of December 31, 2025

Fund Highlights

- Seeks to achieve a high level of income by investing primarily in non-investment-grade debt securities
- Evaluates overall investment opportunities and risks in different industries focusing on those that exhibit the potential for stability and predictability
- Eliminates certain types of securities from purchase due to their structure
- Applies rigorous credit selection process in an effort to identify securities that offer attractive opportunities

Market Recap

Market volatility moderated toward year-end as easing concerns around elevated AI valuations and growing expectations for U.S. Federal Reserve (Fed) policy easing supported a rebound in risk assets late in the quarter. High yield credit extended its positive momentum, supported by constructive technicals and steady investor demand. While credit spreads experienced periods of widening during the quarter, they ultimately finished little changed, and yields declined modestly as confidence in a soft-landing scenario improved.

Performance dispersion across ratings tiers increased, with higher quality segments leading while the lowest rated credits lagged after recent outperformance. Sector results reflected issuer-specific fundamentals rather than broad beta exposure. Select real estate and commodity-linked credits benefited from improved restructuring prospects and strengthened liquidity positions, while transportation-related issuers faced pressure from operational challenges and incremental funding needs. Overall, security selection remained a key driver of returns as investors differentiated more sharply among issuers.

Macroeconomic developments shaped market sentiment throughout the quarter. A prolonged U.S. government shutdown limited economic visibility early on, though subsequent inflation data indicated continued moderation and labor market conditions softened. The Fed delivered additional rate cuts late in the year, though internal disagreement highlighted lingering uncertainty around inflation risks, particularly related to goods prices and trade policy.

Portfolio Review

The Touchstone High Yield Fund (Class A Shares, Load Waived) outperformed its benchmark, the ICE BofA High Yield Cash Pay Index, for the quarter ended December 31, 2025.

Relative performance for the quarter was driven primarily by positive security selection, which more than offset modest headwinds from sector allocation. An underweight to Technology proved beneficial as the sector lagged, while overweights in Packaging and Midstream detracted at the allocation level but were offset by stronger issuer selection within those segments. Market conditions favored higher-quality credits, as lower-rated issuers underperformed and sector returns were broadly positive, reinforcing the importance of bottom-up fundamental credit analysis.

Issuer-specific outcomes were the primary contributors to excess return. Overweights in Altice France and Michaels Companies Inc. added value as both companies benefited from improved balance sheet dynamics and strengthening operating trends. These gains were partially offset by an overweight in Ineos Finance plc, where elevated leverage and challenging global chemical supply conditions continued to pressure performance. An exposure to NextEra Energy Inc. detracted as its floating-rate subordinated security weakened amid falling rates and technical selling, despite stable underlying credit fundamentals.

Overall risk positioning remained stable and opportunistic throughout the quarter, with Fund adjustments driven by relative value rather than top-down shifts. The Fund maintained a modest bias toward higher credit quality while slightly increasing its exposure to B-rated risk. New investments were added selectively, while positions were trimmed or exited where valuations became less compelling.

(continued)

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Sector exposures were actively rebalanced, and duration remained modestly shorter than the benchmark as interest rates moved within a narrow range, supporting a disciplined and flexible positioning approach.

Outlook and Conclusion

Market strength persisted into the fourth quarter as investors largely looked through tariff uncertainty, a prolonged government shutdown, and early signs of labor market softening. While economic survey data has been mixed, hard economic data has remained relatively resilient, creating a challenging environment for interpreting the forward outlook. Growth expectations have moderated, and attention has increasingly shifted toward aggregate employment trends as the Fed balances inflation progress against emerging labor market risks. Despite this uncertainty, credit markets have remained constructive, supported by solid financial conditions, stable fundamentals, and strong technicals. In this environment, we continue to emphasize income generation while maintaining a higher-quality bias, which has helped the Fund remain resilient amid evolving macro signals.

At this stage of the credit cycle, we favor higher-quality and less cyclical areas of the high yield market, particularly BB and B-rated issuers that offer a compelling balance of income and downside protection. We remain underweight the lowest-rated segment, where elevated leverage and floating-rate debt leave issuers more vulnerable should economic conditions weaken. While this positioning may limit upside if risk assets continue to grind tighter, it provides flexibility to rotate into lower-rated credits should valuations become more attractive. Overall, our outlook for high yield remains neutral: yields are supportive of returns, fundamentals remain fair, and defaults are expected to stay manageable. We will continue to monitor relative value opportunities closely and stand ready to adjust risk exposure if markets begin to price in more adverse economic outcomes.

Fund Facts

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio Total	Net
A Shares	05/01/00	**THYAX**	89154W809	1.35%	0.99%
C Shares	05/23/00	**THYCX**	89154W882	4.41%	1.72%
Y Shares	02/01/07	**THYYX**	89154W817	1.02%	0.80%
INST Shares	01/27/12	**THIYX**	89154W775	0.85%	0.72%
Total Fund Assets	**$108.6 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, 1.72% for Class C Shares, 0.80% for Class Y Shares and 0.72% for Class INST Shares. These expense limitations will remain in effect until at least 01/29/27.

Share class availability differs by firm.

Annualized Total Returns

	4Q25	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	1.60%	7.58%	7.58%	8.80%	3.70%	5.09%	5.83%
C Shares	1.44%	6.72%	6.72%	7.95%	2.90%	4.45%	5.61%
Y Shares	1.60%	7.69%	7.69%	9.04%	3.93%	5.34%	6.04%
INST Shares	1.63%	7.92%	7.92%	9.13%	4.04%	5.43%	6.02%
Benchmark	1.36%	8.55%	8.55%	9.97%	4.48%	6.43%	6.74%
Including Max Sales Charge							
A Shares	-1.67%	4.08%	4.08%	7.58%	3.01%	4.58%	5.63%
C Shares	0.44%	5.72%	5.72%	7.95%	2.90%	4.45%	5.61%

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

Benchmark - ICE BofA High Yield Cash Pay Index

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 for Class C, Y, and INST Shares combines the performance of an older class of shares (A Shares) from the Fund's inception, 05/01/00, with the performance since the inception date of each share class.

Top 10 Holdings of Fund

		(% of Portfolio)
1	CQP Holdco LP / BIP-V Chinook 5.50% 06/15/31	1.6
2	Carnival Corp. 5.88% 06/15/31	1.5
3	Allstate Corp. 7.05% 08/15/53	1.5
4	Energy Transfer LP 3.66% 11/01/66	1.4
5	CCO Holdings LLC / CCO Holding 4.25% 02/01/31	1.4
6	Voyager Parent LLC 9.25% 07/01/32	1.2
7	Goodyear Tire & Rubber Co. 5.63% 04/30/33	1.2
8	Michaels Companies Inc. 7.88% 05/01/29	1.2
9	Air Lease Corp. 4.65% 06/15/74	1.2
10	Turning Point Brands Inc. 7.63% 03/15/32	1.2

Source: BNY Mellon Asset Servicing

The ICE BofA High Yield Cash Pay Index is an unmanaged index used as a general measure of market performance consisting of fixed-rate, coupon-bearing bonds with an outstanding par which is greater than or equal to $50 million, a maturity range greater than or equal to one year and must be less than BBB/Baa3 rated but not in default.

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.

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 which are considered speculative with respect to the issuers' ability to make timely payments of interest and principal, may lack liquidity and has had more frequent and larger price changes than other debt securities. 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 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'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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