

Fund Manager Commentary

As of September 30, 2025

Fund Highlights

- Utilizes a bottom-up security selection process that screens potential investments against a proprietary quantitative model for return on capital, earnings to value ratio, free cash flow and return on equity
- Looks at a company's corporate governance structure and management incentives to try to ascertain whether or not management's interests are aligned with shareholder interests
- Seeks to identify the sources of a company's competitive advantage as well as what levers management has at its disposal to increase shareholder value
- Seeks to purchase generally profitable, financially stable large-cap companies that consistently generate high returns on unleveraged operating capital, are run by shareholder-oriented management, and are trading at a discount to their private market value

Market Recap

U.S. equities continued their advance in the third quarter, fueled by a U.S. Federal Reserve (Fed) rate cut, solid corporate earnings and enthusiasm around artificial intelligence (AI). Economic data released throughout the third quarter was mixed, but the economy retained most of its momentum from the second quarter. Expectations for additional interest rate cuts by the Fed also drove more optimism in the market. High volatility stocks extended their sharp rebound off April 8th lows, notching the strongest high volatility rally since the bounce off the Global Financial Crisis trough in 2009. For the quarter, the broader market, as measured by the Russell 3000 Index, increased 8.2%, and the S&P 500 and small cap Russell 2000 both hit all-time record highs. Stylistically, Growth outperformed Value, and Small Cap stocks led Large Caps. Turning to market factors, Volatility and Yield factors posted the strongest returns. Value and Growth factors were mixed.

Portfolio Review

The Touchstone Large Cap Fund (Class A Shares, Load Waived) underperformed its benchmark, the Russell 1000® Index, for the quarter ended September 30, 2025.

Stock selection was a headwind to relative performance, partially offset by positive sector exposure. Quality factors, which the Fund tilts toward, were mostly headwinds. An underweight to Health Care and Real Estate (two weaker performing sectors) helped relative performance, while an underweight to Information Technology (a better performing sector) and overweight to Financials (a weaker performing sector) hurt relative performance.

The Fund delivered strong absolute returns but trailed our expectations of 85-90% participation in up-market periods. Relative underperformance was entirely driven by sector exposure. Once again, leadership by volatility factors and the concentration of the benchmark were material headwinds. We remain confident in our holdings: durable advantages, strong balance sheets, and steady free cash flow underpin long-term value.

Among the largest contributors to Fund performance were Alphabet Inc. (Communication Services sector), TE Connectivity plc (Information Technology sector), and NewMarket Corporation (Materials sector).

Alphabet Inc. was a top performer following strong core business results and the accelerated adoption of its AI offerings. Favorable news on outstanding legal cases also helped. Management is effectively executing cost-saving initiatives while diversifying revenue through Cloud and subscriptions. We remain attracted to its massive ecosystem scale, sound capital allocation, and clean balance sheet.

TE Connectivity plc was a top performer as it is benefiting from AI spending plus delivering stronger margins despite a mixed demand environment in other end markets. Its diversified portfolio, high-value products, and market leadership, combined with disciplined capital allocation through dividends and buybacks, position it for sustained growth and margin expansion.

NewMarket Corporation was a strong performer in the quarter, mainly due to three factors. First, low oil prices cut input costs faster than revenue, driving improved profitability. Second, a

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timely defense acquisition allowed NewMarket to ramp up production amid global conflicts. Finally, the market is positively viewing the company's use of cash flow to repay debt.

Among the largest detractors from Fund performance were Fiserv, Inc. (Financials sector), Progressive Corporation (Financials sector), and Old Dominion Freight Line, Inc. (Industrials sector).

Fiserv, Inc. underperformed this quarter due to slower growth and margin pressure in its Merchant business, leading to reduced guidance. Organic growth was weighed down by delayed product launches and cautious consumer spending. Despite Clover's weaker volume growth, Fiserv's strong revenue from international expansion, new products, and its resilient Financial Solutions segment continues to remain healthy. We are attracted to its durable business model as it maintains a leadership position across its core segments and provides mission-critical services to its customers.

Progressive Corporation was a bottom performer this quarter due to investor concerns over decelerating policy and premium growth, despite strong margins and strong retention driven by its leadership in personal auto insurance. We remain attracted to its best-in-class operations, conservative underwriting, and shareholder-friendly capital allocation philosophy.

Trucking stocks in general, and Old Dominion Freight Line, Inc. specifically, have had challenging performance during the quarter due to the lingering softness in the industrial economy. Old Dominion continues to report declining volume trends as the "boom and bust" nature of post-COVID normalization is playing out. We believe that the industry is bumping along the bottom, and that even the slightest strengthening in trends will result in outperformance for the group and for Old Dominion. We like Old Dominion's strong position in the industry, the superior returns that its business model generates, and management's adeptness at capital allocation.

During the quarter, we initiated a position in Equitable Holdings, Inc. (Financials sector) and exited our position in Bruker Corporation (Health Care sector).

We elected to sell our position in Bruker Corporation after shares significantly underperformed the broader market since our purchase in 2024. Headwinds from weak pharma spending, possible cuts to National Institutes of Health and academic funding, and tariff concerns may continue. The stock hit our soft stop loss, and with no insider purchases or accelerated buybacks from the company, we elected to exit the position and fund a higher-conviction idea.

Equitable Holdings, Inc. is a leading U.S. financial services company helping clients achieve retirement and wealth goals through three core businesses: Equitable (retirement and protection strategies), AllianceBernstein (global asset management), and Equitable Advisors (financial and wealth planning). Together, these franchises manage over \$1 trillion in client assets. Equitable operates with an asset-light model that generates strong free cash flow, which it uses to repurchase shares and grow dividends. Over the past five years, the share count has declined about 8% annually, while the dividend has compounded at a 7% growth rate, currently yielding 2.1%. A recent reinsurance transaction with Venerable released nearly \$2 billion of excess

capital to the holding company, reducing risk while validating reserves. As Equitable Holdings continues shifting toward higher-quality, fee-based retirement and asset management businesses, we believe the market will reward it with a higher valuation multiple, reflecting its stronger growth profile, enhanced capital return, and lower risk structure.

Outlook and Conclusion

Despite the twists and turns of uncertainty, the U.S. economy has displayed impressive resilience this year. Housing, the impact of recent tariffs, and the labor market continue to be areas of concern. That said, the past six months were filled with powerful catalysts—including tax reform, Fed easing, lower long-term rates, tariff clarity, and record capital spending—which gave new life to risk-taking and economic optimism. Still, sticky inflationary pressures combined with a weakening labor market have complicated the Fed's dual mandate.

Turning to equities, the markets remain concentrated and expensive, potentially limiting room for multiple expansion and raising the prospect of muted returns with higher volatility. Expectations are being partly driven by productivity gains, broadening of earnings growth, and less restricted monetary policy. Yet, the momentum and sustainability of AI and the capital expenditures behind it have been questioned more frequently. High volatility rallies, like the past six months, are rare, short-lived and historically mean-reverting. In the aftermath of recessions or policy shifts, markets often reward speed and speculation over stability. Quality factors usually lag in these circumstances, then regain leadership when fundamentals reassert themselves. With valuations stretched and speculation abundant, we believe focusing on resilient, attractively valued businesses remains the best path to compounding wealth across full cycles. Our Quality-at-a-Reasonable-Price discipline is designed to protect capital during frothy periods and deliver steadier results when the cycle turns.



Fund Facts

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio	
				Total	Net
A Shares	07/09/14	TACLX	89154Q554	1.34%	1.04%
C Shares	07/09/14	TFCCX	89154Q547	3.02%	1.75%
Y Shares	07/09/14	TLCYX	89154Q521	0.89%	0.79%
INST Shares	07/09/14	TLCIX	89154Q539	0.83%	0.69%
Total Fund Assets		\$308.3 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 1.03% for Class A Shares, 1.74% for Class C Shares, 0.78% for Class Y Shares and 0.68% for Class INST Shares. These expense limitations will remain in effect until at least 10/29/26. 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	5.83%	7.79%	8.43%	15.71%	10.33%	10.16%	8.82%
C Shares	5.56%	7.17%	7.59%	14.84%	9.51%	9.51%	8.25%
Y Shares	5.81%	7.94%	8.65%	15.97%	10.60%	10.44%	9.08%
INST Shares	5.86%	8.04%	8.75%	16.11%	10.73%	10.55%	9.19%
Benchmark	7.99%	14.60%	17.75%	24.64%	15.99%	15.04%	13.24%
Including Max Sales Charge							
A Shares	0.53%	2.40%	2.99%	13.76%	9.21%	9.51%	8.24%
C Shares	4.56%	6.17%	6.59%	14.84%	9.51%	9.51%	8.25%

Benchmark - Russell 1000® Index

Max 5.00% sales charge for Class A Shares and 1% Contingent Deferred Sales Charge for Class C Shares held less than 1 year.

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Top 10 Equity Holdings of Fund

	(% of Portfolio)		(% of Portfolio)
1 Alphabet Inc.	8.5	6 BlackRock Inc.	4.4
2 Berkshire Hathaway Inc. Class B	6.8	7 Visa Inc.	4.3
3 Apple, Inc.	6.5	8 NewMarket Corp.	4.3
4 The Progressive Corp.	4.8	9 Charles Schwab Corp.	4.0
5 Norfolk Southern Corp.	4.7	10 Air Products & Chemicals, Inc.	4.0

Source: BNY Mellon Asset Servicing

The Russell 1000® Index measures the performance of the 1,000 largest companies in the Russell 3000® Index.

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 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 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 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. 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. Current and future portfolio holdings are subject to change. 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.

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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