Touchstone Large Cap Fund

Sub-Advised by: The London Company

U.S. Equity - Large Cap Core 2Q/2026

Fund Manager Commentary

As of 06-30-2026

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 were higher during the quarter, reversing the start of the year. The themes driving performance were a resurgent AI and semiconductor trade, de-escalation in the Iran conflict, and a shift in Federal Reserve (Fed) rate expectations. The broader market rallied meaningfully during the quarter. The 10-year Treasury yield rose modestly, while the curve flattened as short-term yields rose even faster due to a shift from rate-cut expectations to pricing in the possibility of hikes.

Momentum and Volatility factors delivered the strongest positive relative returns, as investors favored higher-beta, higher-volatility stocks. Value factors were mostly negative, with only names that look cheap on book value outperforming. Quality and Yield factors detracted from relative returns as the market shifted away from stability, profitability, and total yield. Growth was mixed, and Size remained negative.

Portfolio Review

The Touchstone Large Cap Fund (Class A Shares, Load Waived) underperformed its benchmark, the Russell 1000® Index, for the quarter ended June 30, 2026.

The Fund posted positive absolute returns but underperformed the benchmark. Within the Russell 1000 Index, Information Technology and Industrials posted the strongest returns, while Energy and Utilities lagged. The top beta quintile drove the majority of the index's gain as the market favored more speculative names. The Fund's underweight in Information Technology was a material headwind to relative performance.

In terms of attribution, both stock selection and sector allocation detracted from results. From a sector perspective, an underweight in Health Care and an underweight in Consumer Discretionary helped. An underweight in Information Technology and an overweight in Materials detracted.

Turning to stock selection, among the largest contributors to Fund performance were Entegris, Inc., Texas Instruments Inc. (both Information Technology sector), and Alphabet Inc. (Communication Services sector).

Entegris was a top contributor, benefiting from improving fab utilization and accelerating AI-driven semiconductor demand. It continues to gain share as advanced node transitions increase materials intensity per wafer. Looking ahead, fundamentals are improving with higher wafer starts, near-full utilization, and multiple growth drivers across advanced logic and memory. With its investment cycle largely complete and free cash flow expected to improve, we remain attracted to its strong competitive positioning and high barriers to entry.

Texas Instruments outperformed as improving industrial demand and accelerating AI infrastructure investment drove stronger results. With its multiyear investment cycle largely complete, declining capital spending and improving capacity utilization are expected to drive a meaningful free cash flow inflection. We remain attracted to Texas Instruments' manufacturing advantage, growing market share, and disciplined capital allocation.

Alphabet rallied following strong Cloud and Search results that demonstrated attractive returns on its AI investments. AI is driving faster cloud growth, expanding margins, and increasing Search engagement and monetization, easing concerns that generative AI would disrupt the business. We continue to believe Alphabet's scale, engineering leadership, and growing AI ecosystem position the company to compound earnings over the long term.

The largest detractors from Fund performance were Chevron Corp. (Energy sector), Republic Services, Inc. (Industrials sector), and Martin Marietta Materials Inc. (Materials sector).

Chevron declined as oil prices retreated following a strong first quarter. While commodity prices remain outside management's control, we continue to appreciate Chevron's disciplined capital allocation, operational efficiency, and commitment to shareholder returns.

Republic Services declined despite another solid quarter as softer Environmental Solutions results and continued weakness in construction-related volumes weighed on investor sentiment. Core fundamentals remain strong, with pricing continuing to outpace inflation, early signs of volume stabilization, and structural margin expansion supported by productivity initiatives. We remain confident in Republic Services' disciplined capital allocation, favorable landfill dynamics, and long runway for earnings growth.

Martin Marietta declined as pricing was temporarily impacted by acquisition mix and softer residential and light non-residential construction activity. Underlying demand remains healthy, supported by infrastructure spending, data center development, and a robust acquisition pipeline. We continue to believe Martin Marietta's disciplined capital allocation, leading aggregates franchise, and favorable long-term industry fundamentals position the company to compound earnings over time.

During the quarter, the Fund reduced its position in Alphabet. We trimmed the Fund's largest position on strength and to comply with our stated position limits. The Fund increased its position in Republic Services, viewing the recent weakness in waste management stocks as an attractive opportunity to add to a high-quality, defensive business. The company benefits from resilient demand, inflation-linked pricing, strong cash flow generation, and disciplined cost management, while recent insider share purchases further support our view that the stock offers compelling long-term value.

Outlook and Conclusion

We believe the current environment reinforces the value of the Fund's quality-focused, defensive investment approach. As economic growth, consumer spending, and Fed policy evolve, market volatility could increase, making companies with durable competitive advantages, strong free cash flow, conservative balance sheets, and high returns on invested capital increasingly attractive. While short-term relative performance may lag during strong market advances, we believe the Fund's high-conviction, downside-conscious approach is well positioned to deliver superior long-term risk-adjusted returns across full market cycles.

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 $323.7 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 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

	2Q26	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	9.76%	11.11%	17.61%	12.33%	7.80%	10.51%	9.20%
C Shares	9.64%	10.74%	16.75%	11.52%	7.00%	9.70%	8.40%
Y Shares	9.83%	11.29%	17.87%	12.61%	8.07%	10.79%	9.47%
INST Shares	9.92%	11.37%	18.01%	12.74%	8.17%	10.91%	9.58%
Benchmark	15.13%	10.32%	22.01%	20.47%	12.66%	15.29%	13.52%
Including Max Sales Charge							
A Shares	4.27%	5.55%	11.73%	10.43%	6.70%	9.95%	8.73%
C Shares	8.64%	9.74%	15.75%	11.52%	7.00%	9.70%	8.40%

Benchmark - Russell 1000® 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 Index measures the performance of the 1000 largest companies in the Russell 3000 Index. 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)
1	Alphabet Inc Class C	9.0
2	Apple Inc	6.5
3	Berkshire Hathaway Inc Class B	6.0
4	Norfolk Southern Corp	5.1
5	Republic Services Inc	4.8
6	Entegris Inc	4.3
7	Texas Instruments Inc	4.1
8	Dominion Energy Inc	4.1
9	Chubb Ltd	3.9
10	Visa Inc Class A	3.9

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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