Touchstone Mid Cap Fund

Sub-Advised by: The London Company

U.S. Equity – Mid-Cap Core 3Q/2025

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 mid-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 Mid Cap Fund (Class A Shares, Load Waived) underperformed its benchmark, the Russell MidCap® Index, for the quarter ended September 30, 2025.

Both stock selection and sector exposure were headwinds to relative performance. Quality factors, which the Fund's portfolio tilt towards, were mostly headwinds. An overweight to Industrials (a better performing sector) and an underweight to Real Estate (a weaker performing sector) helped relative performance. An overweight to Consumer Staples (the weakest performing sector) and underweight to Communication Services (a better performing sector) hurt relative performance.

The Fund came up short of our 85-90% participation in up-market periods. There have been pockets of idiosyncratic weakness across the Fund's portfolio, but ultimately our high Quality, low Volatility positioning has been out of favor since April 8th. Quality factors, a tailwind during the drawdown earlier in the year, turned into a headwind as Volatility surged. The high volatility rally has been driven by low quality, negative earning companies which have rallied on hopes of further Fed rate cuts. The recent weakness by Quality factors is consistent with historical patterns. In the aftermath of recessions or policy shifts, markets often reward speed and speculation over stability. 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 Somnigroup International, Inc. (Consumer Discretionary sector), Armstrong World Industries, Inc. (Industrials sector), and NewMarket Corporation (Materials sector).

Somnigroup International was a top performer as it continues to gain incremental share in the bedding market, despite the weakness in the end market. The integration of Mattress Firm is progressing ahead of schedule, causing an improvement in the outlook. We believe the business combination has the potential to unlock meaningful value. Our investment thesis is supported by robust free cash flow generation, strong brand equity, and solid management execution.

(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.***

Armstrong World Industries, Inc. shares outperformed in the quarter due to beating expectations, driven by favorable positioning in key verticals and strong operating leverage. We continue to like Armstrong for its consistent execution, strong financials, leading market share and persistent moats through its exclusivity agreements and warranties.

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 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 Fidelity National Information Services, Inc. (Financials sector), Allison Transmission Holdings, Inc. (Industrials sector), and AptarGroup, Inc. (Materials sector).

Fidelity National Information Services, Inc. have underperformed mainly due to inconsistent execution and a weaker outlook that requires an acceleration later this year. While there is execution risk, the company's strong market position and recurring revenue base continue to deliver. Management will need to execute to regain credibility with investors.

Allison Transmission Holdings, Inc. dipped in early July but has since traded roughly flat. Some trade policy uncertainty has impacted the North American on-highway end-market demand, which has concerned investors. Our conviction on the stock is based on its wide competitive moat and strong management team; we continue to believe that the company has a number of growth opportunities that have not been fully realized yet, especially in defense.

AptarGroup, Inc. was a bottom performer after extending the recovery in the Consumer Healthcare business and facing harder competition in certain high growth products. All parts of the business showed growth (Pharma, Beauty, and Closures) and margins in the Pharma business are expected to increase this year. We remain attracted to the high switching costs of the Pharma products and long-term contracts.

During the quarter, we initiated a position in Avantor, Inc. (Health Care sector) and reduced our position in Amphenol Corporation (Information Technology sector).

Avantor, Inc. is a leading provider of mission-critical products and services primarily to the life sciences and biopharma industries. Avantor offers an extensive catalog for research and laboratories, ranging from general laboratory supplies to specialized consumables used in bioprocess manufacturing. Avantor operates as an asset-efficient distribution platform, supported by a high level of recurring revenue (85%). Its products are often specified directly into customer processes, resulting in high switching costs and stable demand. Avantor's scale, broad product portfolio, and integration into customer workflows with on-site support help reinforce its market position. Over the long term, we believe Avantor is well positioned to benefit from structural trends such as the increasing adoption of biologics, the growth of personalized medicine, and rising global investment in biopharma research and development. While near-term end market weakness has weighed on valuation, we believe this does not fully reflect the company's resilient business model, competitive advantages, and long-term earnings potential. A recent large insider purchase from a board member gives us greater confidence in our timing, and we remain optimistic about the outlook.

We reduced the position in Amphenol Corporation on strength. The stock has done very well over the years and had a great run so far in 2025. We maintain strong conviction in the company but wanted to reduce the size in the Fund as the market cap now exceeds $150B.

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	05/14/07	**TMAPX**	89155H629	1.17%	1.17%
C Shares	05/14/07	**TMCJX**	89155H611	1.91%	1.91%
Y Shares	01/02/03	**TMCPX**	89155H793	0.90%	0.90%
Z Shares	04/24/06	**TMCTX**	89155H785	1.24%	1.21%
INST Shares	01/27/12	**TMPIX**	89155T649	0.85%	0.85%
R6 Shares	02/22/21	**TMPRX**	89155T490	0.80%	0.79%
Total Fund Assets	**$5.3 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 "AFFE," and other expenses, if any) to 1.21% for Class A Shares, 1.96% for Class C Shares, 0.96% for Class Y Shares, 1.21% for Class Z Shares, 0.89% for Class INST Shares and 0.79% for Class R6 Shares. These expense limitations will remain in effect until at least 01/29/26.

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	1.14%	1.70%	-0.34%	13.98%	9.06%	10.87%	10.47%
C Shares	0.94%	1.13%	-1.10%	13.14%	8.27%	10.22%	10.07%
Y Shares	1.21%	1.90%	-0.09%	14.29%	9.36%	11.16%	10.73%
Z Shares	1.13%	1.68%	-0.40%	13.95%	9.04%	10.86%	10.43%
INST Shares	1.22%	1.93%	-0.04%	14.35%	9.43%	11.23%	10.77%
R6 Shares	1.23%	1.98%	0.01%	14.43%	9.49%	11.22%	10.76%
Benchmark	5.33%	10.42%	11.11%	17.69%	12.66%	11.39%	11.24%
Including Max Sales Charge							
A Shares	-3.93%	-3.39%	-5.32%	12.05%	7.95%	10.21%	10.19%
C Shares	-0.06%	0.13%	-2.06%	13.14%	8.27%	10.22%	10.07%

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

Benchmark - Russell Midcap® Index

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The performance presented for Class A, C, Z, INST and R6 Shares combines the performance of an older class of shares (Y Shares) from the Fund's inception, 01/02/03, with the performance since the inception date of each share class.

Top 10 Equity Holdings of Fund

		(% of Portfolio)
1	Armstrong World Industries Inc.	5.2
2	AerCap Holdings NV	5.1
3	Somnigroup International Inc.	4.8
4	Dollar Tree, Inc.	4.6
5	Churchill Downs Inc.	4.1
6	Entegris Inc.	4.0
7	Vulcan Materials Co.	3.8
8	M&T Bank Corp	3.7
9	NewMarket Corp.	3.6
10	STERIS PLC	3.5

Source: BNY Mellon Asset Servicing

The Russell Midcap® Index measures the performance of the 800 smallest companies in the Russell 1000® 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.

A Word About Risk

The Fund invests in equities which are subject to market volatility and loss. The Fund invests in stocks of mid-cap companies which may be subject to more erratic market movements than stocks of larger, more established companies. 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. A fund that focuses its investments in the securities of a particular market sector is subject to the risk that adverse circumstances will have a greater impact on the fund than a fund that does not focus its investments in a particular sector. 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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