

Touchstone Mid Cap Growth Fund

Sub-Advised by: Westfield Capital Management Company, L.P.

U.S. Equity – Mid-Cap Growth

2Q/2025

Fund Manager Commentary

As of June 30, 2025

Fund Highlights

- Believes that mid cap companies that exhibit faster earnings growth offer the best opportunity for superior real rates of return given the conviction that stock prices follow earnings growth
- Seeks reasonably priced stocks of companies with high forecasted earnings potential through in-depth, fundamental research and first-hand knowledge of company operations derived through on-site visits and meetings with company management teams, as well as suppliers, users and competitors
- Emphasizes excellent company management, disciplined capital allocation, strong returns on invested capital, solid financial controls, unit volume growth, cash flow sufficient to fund growth and unique market position or pricing power

Market Recap

The second quarter of 2025 delivered a powerful rally across U.S. equities, with the S&P 500 and Nasdaq reaching new highs after a V-shaped rebound. Artificial intelligence (AI) momentum, resilient earnings, and a temporary easing in tariff tensions helped markets recover swiftly from the first quarter correction. Macroeconomic data exceeded expectations, supporting a soft-landing narrative, while improving breadth and sector rotation pointed to a healthier underlying rally. Technology and Communication Services outperformed, while cyclical groups like Financials and Industrials showed strength late in the quarter. Meanwhile, defensive areas and Health Care underperformed amid shifting leadership dynamics.

For the quarter, the three sectors with the best total return in the Index were Energy, Health Care, and Industrials. The three worst performing sectors were Communication Services, Utilities, and Consumer Discretionary.

Portfolio Review

The Touchstone Mid Cap Growth Fund (Class A Shares, Load Waived) outperformed its benchmark, the Russell Midcap® Growth Index, for the quarter ended June 30, 2025.

From a factor perspective, the Fund's overweight exposure to both momentum and size was a relative tailwind to performance. Relative strength in Industrials and Financials outweighed relative weakness in Information Technology and Health Care.

Industrials was the top relative sector contributor over the quarter. Axon Enterprise Inc., a developer of non-lethal weapons and integrated public safety technologies, was the top stock in the sector over the period. Shares outperformed as the company delivered strong execution across hardware and software offerings,

including continued momentum for its newest tasers, body cameras, and AI-powered DraftOne report-writing tool. Axon also launched automated license plate readers and made advancements in drone and drone defense capabilities. With a near-monopoly position in its core market, growing share of wallet, and expanding international and enterprise opportunities, we believe Axon remains a compelling, low-cyclicality growth story.

Financials also contributed to relative results during the quarter. Robinhood Markets, Inc., a mobile-first trading platform serving retail investors, was the top stock in the sector over the period. Shares surged after a strong first quarter report, with earnings per share more than doubling year-over-year and platform assets climbing 89% to \$255 billion. Robinhood Gold subscriptions also grew 90%, reaching 3.2 million users. Momentum was further supported by improving risk sentiment, favorable crypto regulatory headlines, and a well-received initial public offering in the sector. The company's expansion into the E.U. and Canada, including its WonderFi Technologies, Inc. acquisition, adds to its long-term growth runway as it continues to take share from legacy brokers.

Information Technology was the top relative detractor over the period. Palantir Technologies, Inc., a provider of advanced data analytics and AI-driven software platforms, was the bottom stock in the sector over the period due to our underweight positioning. Despite a post-earnings selloff, the stock outperformed for much of the second quarter, buoyed by rising geopolitical tensions and renewed retail investor enthusiasm. While we acknowledge Palantir's leadership in AI-enabled government and commercial solutions, with strong growth and margin profiles, we remained underweight due to valuation concerns. We exited our position at the end of the quarter as we believe better risk-adjusted opportunities exist elsewhere.

(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.**



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Health Care also detracted from relative returns over the quarter. ICON plc, one of the world's largest contract research organizations (CROs), was the bottom stock in the sector over the period. Shares declined following a disappointing first quarter report in which the company missed revenue expectations and lowered full-year guidance, citing ongoing softness in research and development budgets and several large pharma project cancellations. While management characterized these cancellations as one-time in nature, sentiment toward the CRO space remains broadly negative. Nonetheless, we continue to view ICON as a high-quality operator with strong cash flows and a clean balance sheet and believe the stock could re-rate if biotech funding stabilizes in the coming quarters.

The Fund's largest sector change was in Information Technology where we reduced exposure during the quarter. Within semis/hardware, we reduced exposure to cyclical technology with three sales (Flex Ltd., Coherent Corp., Pure Storage, Inc.), and our remaining exposure is tilted towards AI beneficiaries. Within Information Technology, the benchmark weight came down by over 10% following the Russell index reconstitution, which led to two sales in the Fund based on market cap (Palantir Technologies, Inc. and AppLovin Corp.). We also sold CrowdStrike Holdings, Inc. as the stock approached our internal price target and rotated some of that capital into Snowflake, Inc. and Cloudflare, Inc., both of which are names we believe have emerging AI stories and strong competitive positioning. Within the group, we are overweight higher quality/cash flow generators and underweight lower quality/unprofitable/speculative business models.

Outlook and Conclusion

As we enter the second half of the year, investor confidence appears buoyed by improving market breadth, a stabilizing interest rate backdrop, and renewed optimism around corporate earnings. While tariffs and policy volatility remain key risks, the market's resilience suggests that underlying demand and sentiment remain constructive. Looking ahead, progress on inflation, corporate guidance, and central bank signaling will likely shape the tone for the remainder of the year.

We believe the current environment continues to favor our disciplined approach centered on high-quality growth companies with a strong valuation framework. While market leadership remains narrow, we're encouraged by early signs of broader participation in Financials, Industrials, and small to mid caps. With resilient consumer and labor trends, easing inflation, and potential U.S. Federal Reserve support ahead, we see a constructive backdrop but remain cautious given stretched valuations at the top, saturated positioning, and policy uncertainties. We believe our barbell strategy, anchored in durable growth franchises while selectively adding exposure where valuations and fundamentals are compelling, should position the Fund to navigate near-term risks and participate if the rally continues to broaden.



Fund Facts

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio	
				Total	Net
A Shares	10/03/94	TEGAX	89154X880	1.22%	1.22%
C Shares	10/03/94	TOECX	89154X872	2.06%	2.00%
Y Shares	02/02/09	TEGYX	89154X534	1.00%	0.98%
INST Shares	04/01/11	TEGIX	89154X526	0.94%	0.87%
R6 Shares	02/10/20	TFGRX	89154X112	0.87%	0.78%
Total Fund Assets		\$1.4 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 1.39% for Class A Shares, 1.99% for Class C Shares, 0.97% for Class Y Shares, 0.86% for Class INST Shares and 0.77% for Class R6 Shares. These expense limitations will remain in effect until at least 07/29/26.

Share class availability differs by firm.

Annualized Total Returns

	2Q25	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	20.43%	8.98%	24.21%	17.54%	11.52%	11.36%	11.90%
C Shares	20.20%	8.57%	23.20%	16.58%	10.60%	10.65%	11.54%
Y Shares	20.53%	9.12%	24.51%	17.82%	11.78%	11.63%	12.06%
INST Shares	20.54%	9.16%	24.62%	17.97%	11.91%	11.73%	12.08%
R6 Shares	20.58%	9.21%	24.78%	18.08%	12.00%	11.78%	12.10%
Benchmark	18.20%	9.79%	26.49%	21.46%	12.65%	12.13%	10.74%
Including Max Sales Charge							
A Shares	14.42%	3.54%	17.99%	15.55%	10.38%	10.70%	11.69%
C Shares	19.20%	7.57%	22.20%	16.58%	10.60%	10.65%	11.54%

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® Growth Index

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The performance presented for Class Y, INST and R6 Shares combines the performance of an older class of shares (Class A Shares) from the Fund's inception, 10/03/94, with the performance since the inception date of each share class.

Top 10 Equity Holdings of Fund

(% of Portfolio)			(% of Portfolio)		
1	Axon Enterprise Inc.	4.9	6	Roblox Corp.	2.8
2	Howmet Aerospace Inc.	4.6	7	TransDigm Group Inc.	2.7
3	Vertiv Holdings Co.	4.4	8	AutoZone Inc.	2.7
4	Ascendis Pharma A/S	3.3	9	Royal Caribbean Cruises, Ltd.	2.6
5	Tapestry Inc.	2.8	10	Ares Management Corp.	2.6

Source: BNY Mellon Asset Servicing

The Russell Midcap® Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values.

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 mid-cap companies which may be subject to more erratic market movements than stocks of larger, more established companies. The Fund invests in growth stocks which may be more volatile than investing in other stocks and may underperform when value investing is in favor. The Adviser engages a sub-adviser to make investment decisions for the Fund's portfolio; it may be unable to identify and retain a sub-adviser who achieves superior investment returns relative to other similar sub-advisers. 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 may experience higher portfolio turnover which may lead to increased fund expenses, lower investment returns and higher short-term capital gains taxable to shareholders. 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. 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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