

Fund Manager Commentary

As of September 30, 2025

Fund Highlights

- Utilizes a classic value-driven fundamental investment process
- Seeks to identify companies believed to be selling at a discount to their intrinsic value
- Employs five valuation screens that seek to identify attractively priced securities
- Conducts in-depth research and analysis on the securities that pass the valuation screens in an effort to identify leading companies selling at attractive valuations
- Examines financial statements and assesses the company's management team, competitive strategy and its current market position

Market Recap

Style factors across our asset class were a headwind to performance. Within the Russell Midcap® Value Index, high volatility stocks notably outperformed more defensive, low volatility positions. There was little correlation across price-to-earnings valuations, though non-earners performed best. Stocks with no yield outperformed those with high dividend yields. Stocks in the highest quintiles of return on equity outperformed those in the lower quintiles.

Within the benchmark, the best performing sectors were Information Technology (IT), Consumer Discretionary, and Utilities. Consumer Staples, Real Estate, Energy, Materials, and Health Care sectors notably underperformed.

Portfolio Review

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

The Fund's sector level relative performance was mixed. Consumer Discretionary, Financials, Energy, and Industrials were the largest sector laggards. Relative performance was strongest in Health Care, Utilities, and IT.

The Utilities sector was a modest contributor to performance led by Xcel Energy Inc. The regulated utility has been trading at a discount to peers due to questions about liability in the case of a Colorado fire. Late in the quarter, prior to the start of a trial, the company reached a settlement for an amount much smaller than anticipated by the market.

The IT sector contributed to relative performance, led by strong results from Lumentum Holdings Inc. (LITE) and

PTC Inc. (PTC). LITE reported strong results and raised 2025 guidance expectations as telecom and datacenter growth for artificial intelligence (AI) and cloud computing continue to boost demand for the company's optical solutions. Software company PTC reported a strong pipeline of new business, a benefit stemming from a change in their sales organization, and the company was also the subject of takeover speculation. EPAM Systems Inc. was a notable underperformer in the sector. The software engineering firm reported solid results but lagged in a market that was narrowly focused on AI.

The Materials sector was a modest detractor during the quarter, with Ball Corp., the worst performing name. The aluminum packaging company declined as beer consumption was weaker than expected, though increased energy and soft drink demand should be enough to offset any earnings weakness. However, Eagle Materials Inc. outperformed as pricing for cement and wallboard held up better than expected despite choppy demand patterns for both materials.

Darling Ingredients Inc. was the largest detractor in the Consumer Staples sector. The rendering and biofuels company continues to wait for final rules from the Environmental Protection Agency regarding renewable volume obligations and small refinery exemptions, and capping prices for their products over the short term.

The Industrials sector weighed on relative returns in the quarter, despite solid results from several holdings. Industrial distributor WESCO International Inc. outperformed given their favorable exposure to data center builds. Two defense companies also outperformed, Leidos Holdings Inc. and L3Harris Technologies Inc. (LHX). Leidos' multiple has recovered following solid results

(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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and the end of DOGE-related fears from earlier in the year. LHX has product offerings that align well with the priorities of the new administration: golden dome, space, and munitions restocking.

The Financials sector underperformed during the quarter. Pinnacle Financial Partners Inc., a bank with a strong franchise in the southeastern United States, announced an unexpected merger with Synovus Financial Corp. We expect share losses and a difficult integration, and we exited the position as a result. Reinsurance Group of America Inc. lagged in the quarter, as a reversal of positive mortality rates resulted in an earnings miss. Ameriprise Financial Inc. experienced headwinds from low customer cash balances, reduced asset flows in their wrap platform, and increased competition for advisor acquisitions. On the positive side, investment bank Evercore Inc. benefited from increased advisory fees and tight expense control.

The largest underperforming sector in the Fund was the Consumer Discretionary sector, led by LKQ Corp., an auto salvage and parts company. The company continues to see weak repair volumes as customers have been reluctant to fix damaged vehicles due to rising auto insurance rates. Auto parts manufacturers Gentex Corp. and BorgWarner Inc. both outperformed in the quarter on good execution and more clarity around potential tariff related headwinds.

As we enter the fourth quarter, we are notably underweight in the Real Estate and Communication Services sectors. These exposures are driven by the opportunity set we see in each sector. During the quarter we initiated positions in Microchip Technology Corp. (IT sector), Southstate Bank Corp. (Financials sector), Packaging Corp. (Materials sector), and Schlumberger Limited (Energy sector). We exited our positions in ChampionX Corp. (Energy sector), Columbia Sportswear Co. (Consumer Discretionary sector), NiSource Inc. (Utility sector), Pinnacle Financial Partners Inc. (Financials sector), and Qorvo Inc. (IT sector).

Outlook and Conclusion

Crosswinds persist as we move into the final quarter of 2025. While a well-telegraphed reduction in interest rates boosted returns in the third quarter, the pace of future rate reductions is still in question, as is the independence of the U.S. Federal Reserve. Inflation continues to run at elevated rates while job creation has stagnated, creating diametrically opposing signals for decision makers. Tariffs, policy changes, and a government shutdown are all creating unevenness across the global economy. The AI boom has been a key driver for markets over the last two years, and a valuation bubble continues to be actively debated among investors.

Amid these market dynamics, we continue to hold fast and invest according to our process. Fundamentally we are looking for quality stocks, trading at a discount, with good risk/reward. We look for companies with strong management teams, high barriers to entry, solid balance sheets, and we continue to rigorously examine downside scenarios for our positions.

We continue to find attractively valued investment opportunities with favorable risk/reward profiles. While we do not believe in making short term projections, we believe these investments will outperform the market longer term.



Fund Facts

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio	
				Total	Net
A Shares	09/30/09	TCVAX	89155H413	1.39%	1.17%
C Shares	09/30/09	TMFCX	89155H397	2.69%	1.92%
Y Shares	09/30/09	TCVYX	89155H371	1.10%	0.94%
INST Shares	09/30/09	TCVIX	89155H389	0.87%	0.84%
Total Fund Assets		\$554.8 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 1.15% for Class A Shares, 1.90% for Class C Shares, 0.92% for Class Y Shares and 0.82% for Class INST Shares. These expense limitations will remain in effect until at least 06/29/26. 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	3.89%	6.26%	4.63%	10.32%	11.58%	8.67%	10.01%
C Shares	3.70%	5.71%	3.90%	9.51%	10.76%	8.03%	9.60%
Y Shares	3.93%	6.46%	4.87%	10.58%	11.85%	8.93%	10.29%
INST Shares	3.94%	6.54%	4.97%	10.72%	12.00%	9.08%	10.44%
Benchmark	6.18%	9.50%	7.58%	15.51%	13.66%	9.96%	11.38%
Including Max Sales Charge							
A Shares	-1.29%	0.93%	-0.61%	8.45%	10.44%	8.02%	9.60%
C Shares	2.70%	4.71%	2.91%	9.51%	10.76%	8.03%	9.60%

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® Value Index

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Top 10 Equity Holdings of Fund

	(% of Portfolio)		(% of Portfolio)
1 Keysight Technologies Inc.	2.6	6 PTC Inc.	2.2
2 Allstate Corp.	2.3	7 First Horizon Corp.	2.1
3 Clean Harbors, Inc.	2.3	8 Regal Rexnord Corp.	2.1
4 Wesco International, Inc.	2.3	9 Lumentum Holdings Inc.	2.1
5 Encompass Health Corp.	2.2	10 Reinsurance Group of America Inc.	2.0

Source: BNY Mellon Asset Servicing

The Russell Midcap® Value Index measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower 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 value stocks which may not appreciate in value as anticipated or may experience a decline in value. 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's investments in other investment companies will be subject to substantially the same risks as those associated with the direct ownership of the securities comprising the portfolios of such investment companies, and the value of the Fund's investment will fluctuate in response to the performance of such portfolios. In addition, if the Fund acquires shares of investment companies, shareholders of the Fund will bear their proportionate share of the fees and expenses of the Fund and, indirectly, the fees and expenses of the investment companies or ETFs. 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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