

Fund Manager Commentary

As of March 31, 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

The performance of style factors across our asset class was mixed. Within the Russell Midcap® Value Index, there was little correlation across price-to-earnings valuations, though the middle quintiles slightly outperformed others. Stocks with no yield underperformed dramatically when compared to stocks that pay a dividend. Across return on equity quintiles the highest and lowest both underperformed. High leverage slightly outperformed stocks with lower levels of debt. Stocks with the slowest rate of sales growth notably underperformed those with higher growth. Stocks with foreign sales over 30% notably underperformed compared to stocks below that threshold. The results within volatility quintiles were linear, with high volatility stocks notably underperforming more defensive, low volatility positions. Taken together, these factors created a modest tailwind for the Fund.

Within the benchmark, the best performing sectors were Utilities, Energy, Consumer Staples, and Communication Services. Information Technology, Consumer Discretionary, and Industrials notably underperformed.

Portfolio Review

The Touchstone Mid Cap Value Fund (Class A Shares, Load Waived) outperformed its benchmark, the Russell Midcap Value Index, for the quarter ended March 31, 2025.

Strong selection drove the Fund's outperformance within the Health Care sector. Medical distributor Cencora Inc. was the largest individual contributor. The stock moved higher after management raised guidance in the quarter. Encompass Health was another notable performer. The inpatient rehabilitation company continues to execute well, growing its bed count while driving strong cash flow.

The Utilities sector outperformed, benefiting from both the market's flight to safety and solid stock selection. DTE Energy and WEC Energy both outperformed following the conclusion of rate cases in the prior year. Both stocks, as well as Entergy Corp, are situated in prominent locations for the buildout of power-intensive data centers, driving above normal growth rates compared to their utility peers.

LKQ Corp was the most notable contributor in the Consumer Discretionary sector. The aftermarket auto parts company rebounded in the quarter as investors began to anticipate a bottom in the collision repair market following volume headwinds over the last year.

The Fund's outperformance in the Financials sector was primarily due to the price strength of American International Group. After a soft 2024, the company asserted itself with strong guidance and aggressive buyback assumptions for fiscal year 2025. A bullish investor day followed its earnings announcement, which highlighted the various opportunities for growth and margin expansion.

The Information Technology sector was a modest contributor, despite headwinds from a trio of holdings. EPAM Systems was the largest detractor in the sector. The software engineering firm sold off as demand for its development services has been tempered by increased macro uncertainty. Akamai Technologies also traded lower on weaker than expected guidance for 2025 predicated on subpar security growth and foreign exchange noise. PTC Inc. was another victim of a possible deterioration in the macro economy.

The Industrials sector was a modest laggard in the period. Regal Rexnord was the Fund's largest individual detractor as weak end markets continue to hamper demand for its motion control and industrial solutions. Clean Harbors suffered from investor

(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.**



perception that its business could be hampered by a rollback of environmental policies by the new administration. Shares of Wesco International fell on worries about the macro economy and its exposure to datacenters, as news from Chinese artificial intelligence (AI) company DeepSeek raised questions about the time and expenditures needed to build out AI-related datacenters. On the positive side, Genpact Ltd. notably outperformed when management reported strong bookings and margin expansion on its quarterly conference call.

Relative performance in the Materials sector was impacted by poor performance from FMC Corp. The crop chemicals producer issued earnings guidance that was substantially below expectations. FMC Corp is facing increased competition from generic competitors sooner than expected, reducing margins and top-line opportunities during the coming year.

In Consumer Staples, private label manufacturer Treehouse Foods lagged on the company's earnings report, as management called out soft consumer demand and higher financing costs. As the maker of Modelo and Corona beers, Constellation Brands also underperformed amid tariff worries on goods produced in Mexico. Tyson Foods outperformed as margins in its chicken business continue their return to historical levels.

As we enter the new year, our largest relative overweight is in the Utilities sector. We are notably underweight in Real Estate and Communication Services. These exposures are driven by the opportunity set we see in each sector. During the quarter we initiated positions in Ball Corp (Materials sector), and Xcel Energy (Utilities sector). We exited our positions in Berry Global, FMC Corp, and Scotts Miracle Gro (all three Materials sector).

Outlook and Conclusion

The overarching considerations of the first quarter centered around what the new administration could or would change from a policy perspective. While the past three months have provided clarity in some areas, they have also created substantial unknowns and reminded investors that changes to policy occur in an instant. Management teams in recent weeks have expressed caution in discussions related to the changing environment, and with earnings reports starting over the next two weeks, it is likely that sentiment will be front and center during most calls. The potential impact across the investment universe will vary widely and we will look to be nimble in taking advantage of dislocations on a case-by-case basis.

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	1.50%	1.24%
C Shares	09/30/09	TMFCX	89155H397	2.80%	1.99%
Y Shares	09/30/09	TCVYX	89155H371	1.21%	0.99%
INST Shares	09/30/09	TCVIX	89155H389	0.98%	0.86%
Total Fund Assets	\$552.0 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 1.22% for Class A Shares, 1.91% for Class C Shares, 0.97% for Class Y Shares and 0.84% for Class INST Shares. These expense limitations will remain in effect until at least 01/29/26. Share class availability differs by firm.

Annualized Total Returns

	1Q25	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	-1.30%	-1.30%	-1.24%	1.81%	14.35%	6.92%	9.83%
C Shares	-1.46%	-1.46%	-1.94%	1.06%	13.49%	6.29%	9.40%
Y Shares	-1.19%	-1.19%	-0.99%	2.07%	14.64%	7.19%	10.10%
INST Shares	-1.18%	-1.18%	-0.85%	2.20%	14.78%	7.33%	10.26%
Benchmark	-2.11%	-2.11%	2.27%	3.78%	16.70%	7.62%	10.96%
Including Max Sales Charge							
A Shares	-6.24%	-6.24%	-6.18%	0.09%	13.19%	6.29%	9.41%
C Shares	-2.45%	-2.45%	-2.87%	1.06%	13.49%	6.29%	9.40%

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 Allstate Corp.	2.4	6 Tyson Foods, Inc.	2.0
2 Reinsurance Group of America Inc.	2.2	7 Genpact Ltd.	2.0
3 Encompass Health Corp.	2.1	8 Keysight Technologies Inc.	2.0
4 Clean Harbors, Inc.	2.1	9 First Horizon Corp.	2.0
5 Cencora Inc.	2.1	10 Willis Towers Watson PLC	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 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'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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