

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

Style factors created a tailwind for the Fund during the quarter. Within the benchmark, the performance of volatility quintiles was linear, as high volatility underperformed and low volatility outperformed. Companies with the largest market capitalization outperformed smaller caps. Within return on equities quintiles, companies with the highest return on equity outperformed and the lowest quintile drastically trailed the benchmark. High balance sheet leverage outperformed lower leverage. Results varied across price-to-earnings quintiles, with non-earners declining the most. High foreign sales underperformed low foreign sales.

Within the benchmark, the Utilities, Consumer Staples, Financials, and Real Estate sectors outperformed the overall return for the benchmark. The largest underperformers were Information Technology, Energy, Health Care, and Consumer Discretionary.

Portfolio Review

The Touchstone Small Cap Value Fund (Class A Shares, Load Waived) outperformed its benchmark, the Russell 2000® Value Index, for the quarter ended March 31, 2025.

The Fund's outperformance in the quarter was entirely driven by stock selection, which more than offset a small allocation headwind. Eight of eleven sectors had positive attribution in the Fund, led by Health Care, Industrials, and Energy sectors. Among the largest detractors were the Information Technology and Consumer Staples sectors.

The Health Care sector was the Fund's largest contributor during the quarter. Solid results from holdings in the Providers & Services and Pharmaceutical Industries, along with the benefit from our ongoing underweight to Biotechnology stocks all helped relative returns. Top contributors included Encompass Health Corp,

which continues to execute well, growing the number of beds for their inpatient rehab services. Over-the-counter pharmacy company Prestige Consumer Healthcare, Inc. also continues to operate well and is viewed as a defensive business, largely immune from tariffs and other policy changes. At-home IV operator Option Care Health Inc., rebounded strongly as management delivered an upbeat outlook with 2025 earnings guidance better than expected due to share gains, capital allocation, and less disruption compared to the prior year.

Huron Consulting Group Inc. was the Fund's largest individual contributor, driving positive selection within the Industrials sector. The company continues to execute well driven by demand in the education and healthcare end markets. Regal Rexnord Corp. was a detractor, as weak end-markets continue to hamper the need for their motion control and industrial solutions. Clean Harbors Inc. suffered from investor perception that its business could be hampered by a rollback of environmental policies by the new administration.

The Energy sector outperformed, led by ChampionX Corp. The oil field services company is in the process of being acquired by Schlumberger Ltd. and rallied in line with that company following a fourth quarter sell-off. Civitas Resources Inc. was down following the company's earnings call where management announced lower production for 2025 and a shift in capital allocation from share repurchases to debt reduction. Cactus Inc. was another detractor within the sector. The company has production assets in China contributing to tariff worries and expects softer demand for their wellhead and flexible pipe solutions as first quarter production looks to be below expectations.

Outperformance in Real Estate sector was led by Agree Realty Corp. and STAG Industrial Inc. Agree reported strong quarterly

(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.**



Touchstone Investments®
DISTINCTIVELY ACTIVE®

results and forward guidance. The company is also expected to weather any potential economic downturn better than their triple net peers, given their tenant quality. STAG Industrial bounced as industrial REITs continue to work through pockets of excess capacity.

Hanover Insurance Group drove outperformance versus the benchmark in the Financials sector. The company has continued to execute profit improvement initiatives for its commercial lines while its personal lines business has experienced margin expansion from price and risk reduction.

The Consumer Discretionary sector was a modest contributor, despite underperformance from Steve Madden Ltd. The shoe retailer tempered guidance for 2025, expecting difficult comparisons in their accessory lines and significant potential headwinds from looming changes to tariffs.

The Consumer Staples sector was a modest detractor in the quarter. Private label leader, Treehouse Foods was the largest laggard. The company issued softer than expected guidance for 2025, calling out weak consumer demand and increased interest expense following a debt refinancing.

The Information Technology sector was the Fund's largest detractor. Harmonic Inc. declined as management issued weaker than expected guidance on soft demand due to a change in cable amplification technology. Lumentum Holdings, an optical solutions provider, underperformed as concerns around tariffs and artificial intelligence spend increased despite a strong earnings report and outlook. Semiconductor company Cohu Inc., struggled as the demand turn for their products has been pushed out relative to investor expectations.

As we enter the second quarter, our largest relative overweight position is the Industrials sector. We are notably underweight in Financials, Communication Services, and Real Estate sectors. These exposures are driven by the opportunity set we see in each sector. During the quarter we initiated positions in Associated Banc-Corp (Financials sector) and Group 1 Automotive, Inc. (Consumer Discretionary sector). We sold Carter's Inc. (Consumer Discretionary sector), American Eagle Outfitters (Consumer Discretionary sector), Arcadium Lithium (Materials sector), and BWX Technologies (Industrials 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	03/01/11	TVOAX	89155T821	1.51%	1.39%
C Shares	03/01/11	TVOCX	89155T813	5.30%	2.14%
Y Shares	03/01/11	TVOYX	89155T789	1.23%	1.14%
INST Shares	03/01/11	TVOIX	89155T797	1.15%	0.99%
Total Fund Assets		\$189.3 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 1.38% for Class A Shares, 2.00% for Class C Shares, 1.13% for Class Y Shares and 0.98% 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	-5.13%	-5.13%	-0.41%	2.87%	16.28%	5.85%	8.08%
C Shares	-5.27%	-5.27%	-1.11%	2.11%	15.43%	5.22%	7.49%
Y Shares	-5.08%	-5.08%	-0.15%	3.14%	16.57%	6.12%	8.25%
INST Shares	-5.03%	-5.03%	0.01%	3.29%	16.78%	6.29%	8.35%
Benchmark	-7.74%	-7.74%	-3.12%	0.05%	15.31%	6.07%	7.57%
Including Max Sales Charge							
A Shares	-9.88%	-9.88%	-5.38%	1.12%	15.09%	5.23%	7.80%
C Shares	-6.22%	-6.22%	-2.10%	2.11%	15.43%	5.22%	7.49%

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 2000® Value Index

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 adviser 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 for Class A, C, Y and INST Shares combines the performance of a predecessor class of shares (Z Shares). Class Z Shares inception date was 03/04/02. Class Z Shares were merged into Class A Shares on 06/10/11.

Top 10 Equity Holdings of Fund

	(% of Portfolio)		(% of Portfolio)
1 Prestige Consumer Healthcare Inc.	2.6	6 Columbia Banking System, Inc.	2.0
2 Encompass Health Corp.	2.4	7 Hanover Insurance Group Inc.	2.0
3 Huron Consulting Group Inc.	2.4	8 Agree Realty Corp.	1.9
4 Wintrust Financial Corp.	2.3	9 Pinnacle Financial Partners Inc.	1.9
5 Portland General Electric Co.	2.1	10 First Horizon Corp.	1.8

Source: BNY Mellon Asset Servicing

The Russell 2000® Value Index measures the performance of those Russell 2000 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.

The Frank Russell Company (FRC) is the source and owner of the data contained or reflected in this material and all trademarks and copyrights related thereto. The material may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. This is a Touchstone Investments presentation of the data, and FRC is not responsible for the formatting or configuration of this material or for any inaccuracy in the presentation thereof.

A Word About Risk

The Fund invests in equities which are subject to market volatility and loss. The Fund invests in stocks of small-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.

Touchstone Funds are distributed by
Touchstone Securities, Inc.

A registered broker-dealer and member FINRA and SIPC

A member of Western & Southern Financial Group

Not FDIC Insured | No Bank Guarantee | May Lose Value



Touchstone Investments®
DISTINCTIVELY ACTIVE®