

Touchstone Small Cap Value Fund

Sub-Advised by: Leeward Investments, LLC

U.S. Equity – Small-Cap Value

4Q/2025

Fund Manager Commentary

As of December 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 modest headwind for the Fund's portfolio in the quarter. Within the benchmark, performance was varied across price-to-earnings quintiles, with the exception of non-earners, which notably outperformed. The lowest return on equity quintile strongly outperformed, while performance across the remaining quintiles was mixed. Companies with faster growing sales modestly outperformed those with slower sales growth. Lower volatility quintiles outperformed higher volatility stocks, but only slightly. Companies with higher foreign sales outperformed companies with foreign sales below 20%. Companies with lower leverage outperformed those with more balance sheet debt. Stocks with higher dividend yields modestly underperformed stocks with low or no yields. Across market capitalization quintiles, performance was mixed.

Within the benchmark, Health Care, Materials, and Communication Services outperformed the overall return for the benchmark. The largest underperformers were Information Technology (IT), Consumer Staples, 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 December 31, 2025.

The Fund's outperformance in the quarter was overwhelmingly driven by stock selection, primarily in the IT sector. Five of eleven sectors had positive attribution in our Fund, led by IT. The largest detractors were Health Care and Materials.

Returns in IT were driven by exceptional performance from Lumentum Holdings Inc. Strong demand for its optical solutions in the data center and telecom verticals led to increased guidance

for 2025 and positive comments regarding 2026. Viavi Solutions Inc. was another beneficiary of AI outgrowth. Its network test and monitoring products have seen increased demand for data center and defense applications.

The Industrials sector modestly outperformed. Huron Consulting Group Inc. was the largest contributor within the Industrials sector, raising guidance due to strong demand in its healthcare segment. Environmental services company Enviro Corp. outperformed after announcing the sale of its Clean Earth division to Veolia Environment SA, at a price above investor expectations. Gates Industrial Corp. plc was the largest laggard in the sector following a restructuring announcement, sparking fears about its future revenue opportunities. EnPro Industries Inc. underperformed as the revenue mix within its advanced surface technologies segment resulted in weaker than expected margins.

The Energy sector was a modest contributor despite underperformance from Civitas Resources Inc. The Colorado-based exploration and production company funded a buyback using debt following the departure of its CEO and subsequently agreed to a stock-based acquisition by SM Energy Co. (SM). SM underperformed following the deal, dragging Civitas' stock price lower.

The Fund's Real Estate sector allocation had a neutral impact on the portfolio in the quarter, with underperformance from Newmark Group Inc. offset by our underweight to the underperforming sector. Newmark reported strong top-line results in the quarter, but the expected lift in earnings was absorbed by investments for its international expansion.

The Consumer Discretionary sector was a modest detractor in the quarter. Aftermarket auto parts company Dorman Products Inc. reversed gains from the prior quarter as tariff costs impacted

(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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margins to a greater extent than expected. Valvoline Inc. was another laggard, issuing guidance below expectations due to integration costs from its Breeze Autocare acquisition. Yeti Holdings Inc. outperformed as strong demand for coolers and in its international segment led to an earnings beat. Shoemaker Steve Madden Ltd. outperformed as wholesale orders resumed following tariff disruptions earlier in the year.

Performance Food Group Co. drove underperformance in Consumer Staples. The food distributor sold off following the cessation of merger discussions with competitor US Foods Holding Corp. Soft restaurant traffic and a CEO transition also contributed to the stock's lag in the quarter.

The Health Care sector was the largest detractor during the quarter. Not owning biotechnology or pharmaceutical shares hurt relative returns, as these segments were up over 26% and 35%, respectively, in the quarter. Inpatient rehab provider Encompass Health Corp. weighed on relative returns as well, as it was impacted by the rotation to riskier biotech stocks while also reporting earnings that were below investor expectations. Strong performance from Globus Medical Inc. was driven by demand for its spinal products and improved results from its recent Nevro acquisition.

As we enter the new year, our largest relative overweight position is the Industrials sector, while our largest underweights are in Communication Services and Health Care. These exposures are driven by the opportunity set we see in each sector.

Outlook and Conclusion

Opacity continues to reign supreme as we enter 2026. There are indications that the AI boom is cooling as investors pause and evaluate risk/reward following a strong run. Lower interest rates and legislative changes could broaden demand for other sectors and improve performance for areas that have lagged the AI boom. Any changes to Fed independence or the expected path of interest rates are likely to impact the markets' trajectory. Elevated inflation and subpar jobs growth continue to pose risks to outperformance. The midterm elections will be watched closely by investors for potential impacts on legislation and consumer confidence. The geopolitical situations in Ukraine and Venezuela are also flashpoints that could drive the markets' performance in the coming year.

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	1.48%	1.36%
C Shares	03/01/11	TVOCX	89155T813	4.20%	2.01%
Y Shares	03/01/11	TVOYX	89155T789	1.20%	1.11%
INST Shares	03/01/11	TVOIX	89155T797	1.12%	0.95%
Total Fund Assets	\$190.1 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 1.34% for Class A Shares, 1.98% for Class C Shares, 1.09% for Class Y Shares and 0.93% for Class INST Shares. These expense limitations will remain in effect until at least 01/29/27. Share class availability differs by firm.

Annualized Total Returns

	4Q25	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	4.35%	10.40%	10.40%	10.07%	9.67%	8.93%	8.50%
C Shares	4.15%	9.68%	9.68%	9.27%	8.87%	8.28%	7.93%
Y Shares	4.40%	10.65%	10.65%	10.34%	9.94%	9.20%	8.68%
INST Shares	4.44%	10.84%	10.84%	10.51%	10.11%	9.38%	8.78%
Benchmark	3.26%	12.59%	12.59%	11.73%	8.88%	9.27%	8.22%
Including Max Sales Charge							
A Shares	-0.86%	4.87%	4.87%	8.20%	8.55%	8.29%	8.23%
C Shares	3.15%	8.68%	8.68%	9.27%	8.87%	8.28%	7.93%

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

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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 Newmark Group Inc.	2.4	6 Columbia Banking System, Inc.	2.0
2 Lumentum Holdings Inc.	2.3	7 Wintrust Financial Corp.	1.9
3 Huron Consulting Group Inc.	2.3	8 Gates Industrial Corp. PLC	1.9
4 Viavi Solutions Inc.	2.3	9 Standex International Corp.	1.9
5 First Horizon Corp.	2.0	10 Prestige Consumer Healthcare Inc.	1.9

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.

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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 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 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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