

Fund Manager Commentary

As of September 30, 2025

Fund Highlights

- Invests primarily in common stocks of small companies
- Research intensive approach focuses on finding high quality companies that are believed to have improving business models, solid management teams, sustainable growth potential and favorable industry dynamics
- Quality companies are those that possess the following traits: consistent earnings, reasonable valuations, low debt levels, solid free cash flows and strong management with a history of good capital allocation

Market Recap

The small cap Russell 2000 Index made significant gains in the quarter ended September 30, 2025. Since the April 8, 2025 low, the Russell 2000 Index has returned a remarkable 39.3%. Returns during the quarter were driven by the lowest market capitalization quintile; lowest ROE quintile; and non-earners. The benchmark sectors that outperformed during the quarter were Materials, Communication Services, Industrials, Energy, Information Technology (IT), Health Care, and Utilities. The benchmark sectors that underperformed for the quarter were Consumer Discretionary, Real Estate, Financials, and Consumer Staples.

Portfolio Review

The Touchstone Small Company Fund (Class A Shares, Load Waived) underperformed its benchmark, the Russell 2000 Index, for the quarter ended September 30, 2025.

Among the Fund's top performing sectors in terms of adding value were Financials and Consumer Staples. Stock selection and sector allocation positively contributed to Financials, while no allocation to Consumer Staples benefitted relative performance. The Fund's bottom three performing sectors that detracted from relative performance were Health Care, Materials, and IT. Stock selection detracted in all three sectors. From a factor perspective, the Fund's focus on profitable, liquid, and higher quality small cap stocks negatively impacted relative performance during the quarter.

Among the largest contributors to Fund performance were Ciena Corp. (IT sector), Tower Semiconductor Ltd. (IT sector), Nextrackr Inc. (Industrials sector), Maximus Inc. (Industrials sector), and WNS Holdings Ltd. (Industrials sector).

Ciena is the global leading provider of optical network equipment. It was the top performing stock last quarter as well. The stock returned 79% in the third quarter due to strong demand for their products to connect artificial intelligence (AI) data centers.

Tower Semiconductor operates foundries that manufacture specialty analog semiconductors. The stock returned 67% during the quarter after providing a strong outlook for revenue and earnings growth, driven primarily by their RF Infrastructure business that supplies chips used in data center connectivity.

Nextrackr is the global leading supplier of utility-scale solar arrays. The stock returned 36% after reporting record bookings and backlog. Additionally, the One Big Beautiful Bill lifted policy uncertainty for the industry and is supportive of continued investment in utility-scale solar, which added more than twice as much global electricity generation as any other source in 2024.

Maximus is a strategic partner to the government delivering services to support programs such as Medicaid, Medicare, and Veterans health. The stock returned 31% after reporting record earnings and lifting their outlook, providing evidence of their critical services to the government and not being a focus of DOGE.

WNS Holdings provides business process management solutions to global corporations. The stock returned 18% during the quarter after announcing they were being acquired by Capgemini. Our large overweight positively contributed to the contribution to return. We exited the position due to the acquisition.

Among the largest detractors from Fund performance were Haemonetics Corp. (Health Care sector), SPS Commerce Inc. (IT sector), Silgan Holdings Inc. (Materials sector), LiveRamp Holdings Inc. (IT sector), and Option Care Health Inc. (Health Care sector).

Haemonetics is a global medical device manufacturer with leading positions in plasma collections for biopharmaceutical, and blood management and interventional technologies for hospitals. The stock declined 35% after reporting a significant deceleration in growth in their third largest business, interventional technologies.

(continued)

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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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Strength in their two larger segments outweighed that weakness leading to the company reiterating their earnings outlook for the year. We added to the position on weakness.

SPS Commerce operates the largest network connecting retailers and their suppliers to optimize supply chain operations. The stock declined 23% after lowering their long-term growth targets to the high-single digit range due to macroeconomic pressures on their customers due to weaker consumer demand and tariff uncertainty. We added to the position on weakness.

Silgan Holdings is a global supplier of packaging products for consumer food, beverage, and personal care products. The stock declined 20% during the quarter after reporting softer volumes in sports beverages and vegetable cans, which caused them to guide earnings to the lower end of their target range. We added to the position.

LiveRamp Holdings is a leading data collaboration partner for global brands and media platforms to digitally and securely share information used in advertising. The stock declined 18% after reporting lower than expected growth in annual recurring revenue. Despite the lower growth, the company's earnings were better-than-expected, and they raised their full year earnings targets. We added to the position.

Option Care Health is the nation's largest provider of home and alternate site infusion services. The stock declined 15% despite reporting record results and raising their revenue and earnings outlook. The market is concerned about the growth profile in 2026 due to the air of uncertainty over the pharmaceutical industry. We added to the position.

During the quarter, new purchases included Kulicke & Soffa Industries Inc. (IT sector), Certara Inc. (Health Care sector), and Gulfport Energy Corp. (Energy sector).

Kulicke & Soffa is a global leader in semiconductor technology. We believe after a two-year plus downturn, the global broad-based semiconductor market is in the early stages of a cyclical recovery, which will drive capacity utilization and demand for the company's products. Additionally, the company has innovative technologies in emerging secular growth markets.

Certara is a leading provider of bio simulation software and services utilized in global drug development. We believe growing adoption of their solutions, including as a result of policy changes such as reduced animal testing, will accelerate revenue and earnings growth.

Gulfport Energy is an oil and gas exploration and development company with acreage in one of the highest returning and strategic shales in North America, the Utica Shale. We believe demand for natural gas will increase driven by power generation requirements and liquid natural gas exports, fueling higher prices and higher free cash flow at Gulfport.

Sales during the quarter included Apple Hospitality REIT Inc. (Real Estate sector), Kite Realty Group Trust (Real Estate sector), EMCOR Group Inc. (Industrials sector), Verint Systems Inc. (IT sector), and Viant Technology Inc. (IT sector).

Apple Hospitality is a hotel real estate investment trust we sold due to concerns about weakening hotel demand. Kite Realty Group is a retail real estate investment trust we sold due to concerns the retail real estate market was at peak, with signs of increasing bankruptcies and higher vacancies.

EMCOR Group is one of the nation's largest electrical and mechanical engineering and construction firms. The stock returned over 500% during our holding period the last three-plus years as demand for their services exploded driven first by the cyclical recovery post pandemic, then by onshore investments in industries such as semiconductors and pharmaceuticals, and most recently by the massive AI infrastructure build-out. The stock appreciated above our market cap range and was added to the S&P 500, and as a result we exited.

Verint provides customer experience software to large global corporations and is being acquired by private equity. Viant Technology operates a demand-side platform that connects global advertisers and publishers. We exited the position due to competitive concerns.

Outlook and Conclusion

Small cap stocks have experienced a significant 39% rally from the April 8 "Liberation Day" lows and are now up a solid 10% on a year to date basis. We believe the rally has been driven by tariffs not impacting economic growth and corporate profits as originally feared, the One Big Beautiful Bill lifting government policy uncertainty and being supportive of growth, and lower interest rate expectations. Economic growth has slowed but we are still experiencing about 5% U.S. GDP growth year-over-year, and this is expected to continue. Small cap earnings are currently expected to increase 10% in 2025, after two years of declines, and only slightly lower than the 11% earnings growth expected for large caps. Small cap valuations at 16x forward earnings are in-line with the historical average but still pinned near record lows at 70% of large caps.

The market environment and types of companies driving the small cap rally has been challenging for the Fund's relative performance. However, we remain committed to the execution of our investment process focused on the profitable small cap universe and quality fundamental characteristics such as above average return on equity, low financial leverage, high earnings quality, above-average industry growth, and relative value. We apply our stock selection process to the profitable, quality small cap universe with the goal of outperformance combined with deliberate risk management to achieve lower downside volatility.



Fund Facts

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio	
				Total	Net
A Shares	03/01/93	SAGWX	89154Q257	1.15%	1.15%
C Shares	07/09/01	SSCOX	89154Q240	2.02%	1.96%
Y Shares	05/04/07	SIGWX	89154Q224	0.93%	0.90%
INST Shares	10/30/17	TICSX	89154Q166	0.92%	0.80%
R6 Shares	12/31/14	SSRRX	89154Q232	0.84%	0.80%
Total Fund Assets		\$1.3 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 1.22% for Class A Shares, 1.95% for Class C Shares, 0.89% for Class Y Shares, 0.79% for Class INST Shares and 0.79% for Class R6 Shares. These expense limitations will remain in effect until at least 10/29/26.

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	6.68%	6.86%	7.05%	15.69%	14.80%	10.88%	10.81%
C Shares	6.52%	6.15%	6.18%	14.77%	13.89%	10.23%	10.22%
Y Shares	6.75%	6.91%	7.25%	15.97%	15.10%	11.18%	11.02%
INST Shares	6.72%	7.03%	7.38%	16.12%	15.24%	11.22%	11.02%
R6 Shares	6.78%	6.95%	7.33%	16.03%	15.24%	11.31%	10.96%
Benchmark	12.39%	10.39%	10.76%	15.21%	11.56%	9.77%	9.09%
Including Max Sales Charge							
A Shares	1.27%	1.59%	1.73%	13.70%	13.63%	10.31%	10.64%
C Shares	5.52%	5.15%	5.18%	14.77%	13.89%	10.23%	10.22%

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® Index

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The performance presented for Class C, Y, INST and R6 Shares combines the performance of an older class of shares (Class A Shares) from the Fund's inception, 03/01/93, with the performance since the inception date of each share class.

Top 10 Equity Holdings of Fund

(% of Portfolio)			(% of Portfolio)		
1	CarGurus Inc.	2.4	6	RingCentral Inc.	2.0
2	Liveramp Holdings Inc.	2.1	7	Haemonetics Corp.	1.9
3	Option Care Health Inc.	2.1	8	Oceaneering International Inc.	1.9
4	Progeny Inc.	2.1	9	Maximus, Inc.	1.8
5	Stride Inc.	2.0	10	COPT Defense Properties	1.7

Source: BNY Mellon Asset Servicing

The Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe.

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 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 focus its investments in a particular industry and/or market sector which may increase the Fund's volatility and magnify its effects on total return. 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. Current and future portfolio holdings are subject to change. 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.

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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