Touchstone Small Company Fund

Sub-Advised by: Fort Washington Investment Advisors Inc

U.S. Equity - Small Cap Core 2Q/2026

Fund Manager Commentary

As of 06-30-2026

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

It was a risk-on environment for small cap stocks during the quarter ended June 30, 2026, with the Russell 2000 Index delivering one of its strongest second-quarter returns in history. Additionally, the Russell 2000 Index outperformed the large cap Russell 1000 Index on a year-to-date basis by the widest margin since the first half of 2001.

The factors that drove the Russell 2000 Index in the quarter included the highest beta quintile, highest valuation quintile, and non-earners. This market environment proved challenging from a performance perspective for the Fund given its low beta, low volatility, and high-quality characteristics.
The Russell 2000 Index sectors that outperformed during the quarter were Information Technology (IT), Health Care, and Industrials. The Russell 2000 Index sectors that underperformed for the quarter were Real Estate, Financials, Consumer Discretionary, Communication Services, Consumer Staples, Materials, Utilities, and Energy.

Portfolio Review

The Touchstone Small Company Fund (Class A Shares, Load Waived) underperformed its benchmark, the Russell 2000 Index, for the quarter ended June 30, 2026. Relative performance benefited from strong stock selection in the Materials and Energy sectors and underweight allocations to the Materials and Utilities sectors. The largest detractors were negative stock selection in the Industrials, Health Care, and IT sectors. Top contributors included Kulicke & Soffa Industries Inc., Onto Innovation Inc., CommVault Systems Inc., LiveRamp Holdings Inc. (all IT sector), and Progyny Inc. (Health Care sector), which benefited from AI-related demand, favorable business execution, or company-specific catalysts. Key detractors included Option Care Health Inc. (Health Care sector), Tidewater Inc. (Energy sector), EXLService Holdings Inc., CACI International Inc. (both IT sector), and Grand Canyon Education Inc. (Consumer Discretionary sector). Despite near-term headwinds, the team maintained conviction in their long-term fundamentals and selectively added to several positions.

Fund activity reflected the team's valuation-driven, bottom-up investment approach. New positions included Magnolia Oil & Gas Corp. (Energy sector), Middleby Corp. (Industrials sector), MSA Safety Inc. (Industrials sector), Signet Jewelers Ltd., and Urban Outfitters Inc. (both Consumer Discretionary sector), where attractive valuations and favorable long-term growth prospects created compelling opportunities. The team also increased several existing holdings following periods of market weakness.

Sales were driven by changes in fundamental outlooks, valuation discipline, or corporate events. Positions in Colliers International Group Inc. (Real Estate sector), KBR Inc., Maximus Inc. (both Industrials sector), LiveRamp Holdings Inc. (IT sector), Oceaneering International Inc. (Energy sector), PVH Corp., Stride

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Inc. (both Consumer Discretionary sector), and Ziff Davis Inc. (Communication Services sector) were exited due to acquisitions, full valuations, or weakening long-term business fundamentals.

Outlook and Conclusion

Small cap earnings are expected to grow in 2026. Earnings expectations for small cap companies have materially improved over the last year on the back of steady economic growth, lower interest rates, stable inflation, and fiscal stimulus. The war in the Middle East has increased geopolitical risk but near-term has had no impact on the earnings growth outlook.

Small cap valuations ended the quarter at a slight discount compared to their long-term average and at a discount to large cap stocks. The relative growth and valuation dynamic between small and large cap stocks over the last year has been the most favorable for small cap stocks in several years, and we believe is the principal reason for the significant outperformance of small caps versus large caps since April 2025.

We are now five quarters into a material risk-on small cap equity rally. While the market environment since April 2025 has proven challenging from a relative performance perspective for the Fund, we continue to execute our investment process consistently, identify compelling new investments, manage risk, and target the consistent risk/return profile the Fund has delivered since inception.

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	12/23/14	**SSRRX**	89154Q232	0.84%	0.80%

Total Fund Assets $1.7 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 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

	2Q26	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	14.69%	12.10%	22.60%	14.72%	7.48%	11.56%	11.02%
C Shares	14.51%	11.65%	21.83%	13.80%	6.67%	9.29%	9.73%
Y Shares	14.75%	12.23%	23.06%	15.02%	7.79%	11.87%	11.23%
INST Shares	14.83%	12.31%	23.10%	15.14%	7.92%	11.88%	11.11%
R6 Shares	14.86%	12.25%	23.26%	15.15%	7.89%	12.00%	11.18%
Benchmark	21.49%	22.57%	40.78%	18.60%	6.98%	11.62%	9.62%
Including Max Sales Charge							
A Shares	8.95%	6.49%	16.47%	12.77%	6.39%	10.99%	10.85%
C Shares	13.51%	10.65%	20.83%	13.80%	6.67%	9.29%	8.53%

Benchmark - Russell 2000® Index
Max 5% sales charge for Class A Shares and 1% Contingent Deferred Sales Charge for Class C Shares held less than 1 year.

The Russell 2000 Index measures the performance of the small cap segment of the U.S. equity universe. The benchmark index mentioned is an unmanaged statistical composite of stock or bond market performance. Investing in an index is not possible. Index returns do not reflect any fees, expenses or sales charges.

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 advisor 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 combines the performance of the oldest share class from the Fund's inception with the performance since the inception date of each share class.
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Top 10 Holdings

		(% of Portfolio)
1	Progyny Inc	3.3
2	BNY Dreyfus Govt Cash Mgmt Instl	2.8
3	Haemonetics Corp	2.7
4	Qualys Inc	2.2
5	Onto Innovation Inc	2.2

		(% of Portfolio)
6	Tidewater Inc	2.0
7	Kulicke & Soffa Industries Inc	1.9
8	LivaNova PLC	1.7
9	ExlService Holdings Inc	1.7
10	Frontdoor Inc	1.6

Not FDIC Insured | No Bank Guarantee | May Lose Value

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 subadvisor 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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