Touchstone Ares Credit Opportunities Fund

Sub-Advised by: Ares Capital Management II LLC

Income – High Yield Bond 3Q/2026

Fund Manager Commentary

As of 09-30-2026

Fund Highlights

- Employs flexibility by allocating assets among core investments and opportunistic investments as market conditions change
- Identifies companies and securities that are believed to offer attractive relative values when compared to their fundamental credit risk
- Actively hedges portfolio risks, including credit, interest rate and currency, in an effort to preserve capital
- Consists of several broad investment categories, including high yield bonds, bank loans, special situations, structured credit and hedges

Market Recap

Global risk assets delivered mixed results during the third quarter of 2026 as resilient economic activity and corporate earnings were offset by persistent inflation, conflict in the Middle East, and a sharp rise in interest rates. Supportive technical conditions and expectations for continued growth helped credit markets advance in July and August, but the Federal Reserve's 25 basis point (bps) rate increase in September, together with stronger economic data and fiscal concerns, pushed Treasury yields approximately 50bps higher across the curve. Floating-rate loans proved comparatively resilient, while fixed-rate bonds were pressured by higher government yields. Single-B credit generally held up better than lower-rated CCC securities.

Primary markets remained active, with U.S. high yield gross issuance totaling approximately $97 billion and syndicated loan gross issuance totaling approximately $188 billion during the quarter. Demand remained supportive, including continued collateralized loan obligation (CLO) formation, while corporate fundamentals remained broadly healthy, with muted default activity and limited near-term maturity pressure. Credit spreads remained tight by historical standards, although September's rate-driven repricing lifted all-in yields to approximately 8.3% for high yield bonds and 9.6% for loans.

Portfolio Review

The Touchstone Ares Credit Opportunities Fund (Class A Shares, Load Waived) outperformed its benchmark, the ICE BofA U.S. High Yield Constrained Index, for the quarter ended September 30, 2026.

Relative performance benefited from both asset allocation and security selection. The Fund's allocations to floating-rate credit contributed amid heightened interest-rate volatility, while security selection within the high yield bond allocation also contributed positively. The Fund's equity allocation detracted from relative performance due to issuer-specific developments.

The Fund maintained a neutral risk posture during the quarter, reflecting generally solid macroeconomic and corporate fundamentals alongside historically tight credit spreads. High yield bonds remained the dominant allocation at quarter-end, while bank loans represented a smaller allocation. CLO exposure consisted of CLO equity and CLO debt.

From a credit-quality perspective, BB/Ba exposure increased to 43.7% and single-B exposure increased to 32.5%, while BBB/Baa exposure declined to 6.0% and CCC exposure remained broadly stable at 9.1%. The Fund remained modestly overweight lower-rated credit relative to the benchmark while balancing this exposure with higher-quality holdings and diversified issuer exposure. The issuer base increased to 303 issuers during the quarter.

Outlook and Conclusion

Market conditions remain broadly stable, although investor sentiment has become more measured amid U.S. monetary and fiscal policy developments, elevated interest-rate volatility, and increased primary-market activity. The macroeconomic environment remains mixed, with the conflict in Iran contributing to higher energy prices and inflation expectations, while resilient consumer demand and healthy labor market conditions have supported economic growth. Corporate fundamentals remain favorable, as reflected in muted default activity, while September's repricing improved yields across leveraged credit markets.

We continue to see greater dispersion across issuers and sectors, including businesses exposed to technology disruption, building

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products, and lower-rated credit. Although credit spreads remain tight by historical standards, higher all-in yields and generally supportive fundamentals have created additional opportunities. The team remains focused on bottom-up credit selection, proactive portfolio monitoring, and identifying emerging risks and relative value opportunities across the secondary market while maintaining a neutral risk posture.

Fund Facts

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio Total	Net
A Shares	08/31/15	**TMARX**	89155T631	1.10%	1.00%
C Shares	08/31/15	**TMACX**	89155T623	1.91%	1.72%
Y Shares	08/31/15	**TMAYX**	89155T615	0.85%	0.77%
INST Shares	08/31/15	**TARBX**	89155T599	0.81%	0.66%
R6 Shares	05/19/25	**TARSX**	89155T417	698.97%	0.59%

Total Fund Assets $808.9 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 and other expenses, if any) to 0.99% for Class A Shares, 1.71% for Class C Shares, 0.76% for Class Y Shares, 0.65% for Class INST Shares, and 0.58% for Class R6 Shares. These expense limitations will remain in effect until at least 01/29/27.

Share class availability differs by firm.

Annualized Total Returns

	3Q26	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	-1.75%	-0.30%	0.28%	6.83%	3.55%	5.00%	5.14%
C Shares	-2.01%	-0.84%	-0.53%	6.20%	3.03%	4.36%	4.50%
Y Shares	-1.65%	-0.01%	0.50%	7.05%	3.77%	5.25%	5.38%
INST Shares	-1.72%	-0.04%	0.61%	7.18%	3.87%	5.34%	5.48%
R6 Shares	-1.59%	0.12%	0.67%	7.21%	3.89%	5.35%	5.48%
Benchmark	-1.82%	0.04%	1.39%	7.94%	3.56%	4.94%	5.34%
Including Max Sales Charge							
A Shares	-4.94%	-3.54%	-2.98%	5.66%	2.87%	4.66%	4.82%
C Shares	-2.97%	-1.79%	-1.45%	6.20%	3.03%	4.36%	4.50%

Benchmark - ICE BofA U.S. High Yield Constrained Index
Max 3.25% sales charge for Class A Shares and 1% Contingent Deferred Sales Charge for Class C Shares held less than 1 year.

The ICE BofA U.S. High Yield Constrained Index is a market value weighted index of all domestic and Yankee high yield bonds, including deferred interest bonds and payment-in-kind securities. Issues included in the index have maturities of one year or more and have a credit rating lower than BBB/Baa3 but are not in default. The index limits any individual issuer to a maximum of 2% benchmark exposure.
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.

A Word About Risk

The Fund invests in fixed-income securities which can experience reduced liquidity during certain market events, lose their value as interest rates rise and are subject to credit risk which is the risk of deterioration in the financial condition of an issuer and/or general economic conditions that can cause the issuer to not make timely payments of principal and interest also causing the securities to decline in value and an investor can lose principal. When interest rates rise, the price of debt securities generally falls. Longer term securities are generally more volatile. The Fund invests in non-investment grade debt securities, distressed securities and corporate loans which are considered speculative with respect to the issuers' ability to make timely payments of interest and principal, may lack liquidity and have more frequent and larger price changes than other debt securities. There is a high risk that the Fund could suffer losses from investments in non-investment grade debt securities caused by the default of an issuer. 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. The Fund invests in Collateralized Loan Obligations (CLOs) that have risks that largely depend on the type of underlying collateral and risks may include illiquidity, limited active market, the possibility that distributions from collateral securities will be insufficient to make interest or other payments, the potential for a decline in the quality of the collateral, and can bear the risk of default by the loans. The Fund invests in derivatives and securities such as futures contracts, options and swap agreements. Derivatives can be highly volatile, illiquid and difficult to value, subject to counterparty and leverage risks and there is risk that changes in the value of a derivative held by the Fund will not correlate with the Fund's other investments. Gains or losses from speculative positions in a derivative may be much greater than the original cost and potential losses may be substantial. The Fund invests in convertible securities which are subject to the risks of both debt securities and equity securities. 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 invests in equities which are subject to market volatility and loss. The Fund invests in preferred stocks which are relegated below bonds for payment should the issuer be liquidated. If interest rates rise, the fixed dividend on preferred stocks may be less attractive, causing their price to decline. 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 is involved in short selling which may result in additional costs associated with covering short positions and a possibility of unlimited loss. 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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