Touchstone Balanced Fund

Sub-Advised by: Fort Washington Investment Advisors Inc

Multi Asset - Growth & Income 3Q/2026

Fund Manager Commentary

As of 09-30-2026

Fund Highlights

- Primarily invests in a diversified portfolio of fixed-income and equity securities. Under normal circumstances, the Fund generally expects to allocate its assets as follows:
  - 60% equity securities
  - 40% fixed-income securities
- Allocates assets based on relative attractiveness
  - Equity/fixed income weights
  - Sector/industry weights
  - Active duration management and yield curve positioning
- Fundamentally driven equity and credit analysis
- Strategic long-term execution of asset class allocation

Market Recap

The U.S. economy continued to expand near its trend rate during the third quarter, supported by rising capital expenditures associated with AI infrastructure and continued consumer spending. However, higher energy prices related to geopolitical conflicts in the Middle East and between Russia and Ukraine pressured many consumers. Inflation, particularly energy prices, remained an important consideration as the November midterm elections approached.

The Federal Reserve raised the federal funds target rate by 25 basis points in September, citing elevated inflation and a steady labor market. Investors generally viewed the action as the start of a mid-cycle recalibration rather than an aggressive tightening cycle. Treasury yields rose as investors reassessed monetary policy, economic growth, inflation and fiscal policy, while interest-rate volatility increased. The 10-year U.S. Treasury yield rose approximately 80 basis points, and the yield curve flattened modestly. The S&P 500 Index gained 2.3%, while mid and small cap stocks declined. Credit spreads remained near historically tight levels.

Portfolio Review

The Touchstone Balanced Fund (Class A Shares, Load Waived) outperformed its blended benchmark, 60% Russell 1000 Index and 40% Bloomberg U.S. Aggregate Bond Index, for the quarter ended September 30, 2026.

Asset allocation contributed positively to relative performance because the Fund maintained a higher allocation to equities, which outperformed fixed income during the quarter. The equity portion of the Fund returned 6.5%, compared with -3.9% for the fixed-income segment. Although a portfolio rebalance reduced equity exposure by approximately 3.5 percentage points, market performance resulted in the Fund beginning and ending the quarter with a 4% equity overweight. Equity security selection was the primary driver of relative outperformance. Selection within Information Technology contributed most, including overweight positions in Microsoft Corp. (Information Technology sector), Meta Platforms Inc. (Communication Services sector), Salesforce Inc. (Information Technology sector) and Workday Inc. (Information Technology sector).

Fixed income modestly detracted from relative performance. Interest-rate management detracted as the Fund's portfolio maintained longer duration than the fixed income benchmark while rates rose. Positive sector allocation and security selection partially offset this result. Security selection within securitized products contributed positively, while overweight allocations to investment-grade corporate credit and securitized products supported sector allocation.

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During the quarter, the Fund rebalanced its equity allocation, eliminated its position in Johnson & Johnson Services, Inc. (Health Care sector) and initiated a position in Stryker Corp. (Health Care sector). Within fixed income, the Fund increased securitized exposure by approximately 2 percentage points and reduced Treasury exposure. The target risk budget remained at 35%.

Outlook and Conclusion

We maintained a marginal overweight to equities and ended the quarter with approximately 64% invested in equities, about 4 percentage points above the blended benchmark. The equity allocation continued to emphasize high-quality companies with higher returns on capital, pricing power and moderate-to-high barriers to entry. Communication Services sector was the largest sector overweight, while Utilities, Industrials and Consumer Staples sectors were the largest underweights. Equity valuations were generally near long-term averages after earnings growth and the market's third-quarter advance.

Within fixed income, we remained underweight U.S. government securities and overweight investment-grade credit and securitized products, with a modest overweight to high-yield corporate credit. Credit spreads remained expensive relative to historical averages, supporting a higher-quality bias and an emphasis on security-specific opportunities. Intermediate and long-term rates were near the higher end of our fair-value range, supporting a modest duration bias. Policy, inflation and geopolitical uncertainty may continue to affect markets. We retained flexibility to adjust duration and risk exposure as valuations and market conditions change.

Moderate economic growth may support the Fund's equity and credit exposures, although policy, inflation and geopolitical uncertainty remain. The Fund's portfolio retains flexibility to add risk if market weakness creates more favorable valuations, while maintaining its focus on high-quality security selection.

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Fund Facts

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio Total	Net
A Shares	11/15/38	**SEBLX**	89154Q323	0.98%	0.98%
C Shares	05/04/98	**SBACX**	89154Q174	1.76%	1.76%
Y Shares	08/27/07	**SIBLX**	89154Q315	0.76%	0.76%
R6 Shares	10/28/21	**TBARX**	89154M801	0.91%	0.63%

Total Fund Assets $989.1 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 and other expenses, if any) to 1.01% for Class A Shares, 1.78% for Class C Shares, 0.81% for Class Y Shares, and 0.63% for Class R6 Shares. These expense limitations will remain in effect until at least 10/29/27.

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	2.51%	4.73%	6.82%	13.55%	6.80%	9.75%	8.68%
C Shares	2.33%	4.12%	6.03%	12.68%	5.99%	8.91%	7.83%
Y Shares	2.59%	4.92%	7.10%	13.81%	7.05%	9.99%	8.72%
R6 Shares	2.63%	4.99%	7.21%	13.97%	7.18%	9.94%	8.70%
Benchmark	-0.35%	6.13%	8.13%	14.93%	7.56%	9.55%	—
Including Max Sales Charge							
A Shares	-2.62%	-0.51%	1.48%	11.63%	5.71%	9.18%	8.62%
C Shares	1.33%	3.12%	5.03%	12.68%	5.99%	8.91%	6.05%

Benchmark - 60% Russell 1000 Index 40% Bloomberg U.S. Aggregate Bond 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 1000® Index measures the performance of the 1000 largest companies in the Russell 3000® Index. The Bloomberg U.S. Aggregate Bond Index is an unmanaged index comprised of U.S. investment grade, fixed rate bond market securities including government, government agency, corporate and mortgage backed securities between one and ten years.
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	Microsoft Corp	6.1
2	Alphabet Inc Class C	5.7
3	NVIDIA Corp	5.3
4	Apple Inc	4.9
5	Meta Platforms Inc Class A	4.5
6	Amazon.com Inc	4.0
7	United States Treasury Notes 3.5%	2.6
8	Taiwan Semiconductor Manufacturing Co Ltd ADR	2.2
9	United States Treasury Bonds 5.125%	2.0
10	Applied Materials Inc	1.8

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, stocks of large cap companies which may be unable to respond quickly to new competitive challenges, stocks of mid cap companies which may be subject to more erratic market movements than stocks of larger, more established companies, foreign securities, including depositary receipts, such as American Depositary Receipts, Global Depositary Receipts, and European Depositary Receipts, 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 invests in emerging markets securities which are more likely to experience turmoil or rapid changes in market or economic conditions than developed countries. 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 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. The Fund invests in investment grade debt securities which may be downgraded by an NRSRO to below investment grade status. The Fund invests in non-investment grade debt securities which are considered speculative with respect to the issuers' ability to make timely payments of interest and principal, may lack liquidity and has had more frequent and larger price changes than other debt securities. The Fund invests in U.S. government agency securities which are neither issued nor guaranteed by the U.S. Treasury and are not guaranteed against price movements due to changing interest rates. The Fund invests in mortgage backed securities and asset-backed securities which are subject to the risks of prepayment, defaults, changing interest rates and at times, the financial condition of the issuer. The Fund invests in derivatives and securities such as futures contracts, options, forward contracts 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. Leverage can create an interest expense that may lower the Fund's overall returns. There can be no guarantee that a leveraging strategy will be successful. 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 mortgage dollar rolls which involve increased risk and volatility, as the securities the Fund is required to repurchase may be worth less than the securities that the Fund originally held. The Fund may experience higher portfolio turnover which may lead to increased fund expenses, lower investment returns and higher short-term capital gains taxable to shareholders. 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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