Touchstone Flexible Income Fund

Sub-Advised by: Bramshill Investments LLC

Income - Multisector Bond 3Q/2026

Fund Manager Commentary

As of 09-30-2026

Fund Highlights

- Seeks a high level of income consistent with reasonable risk by investing primarily in income producing securities
- Primarily invests in investment grade corporate bonds, high yield corporate bonds, preferred stocks, U.S. municipal bonds and U.S. Treasuries
- Actively manages the portfolio by rotating among asset classes and tactically hedging during various interest rate and market environments
- Seeks to identify relative value across asset classes and capture opportunities primarily within the corporate, U.S. Treasury, municipal and preferred security markets
- Analyzes and targets the portfolio's level of risk and interest rate sensitivity
- Selects individual positions based on security credit metrics and structures
- Focuses on liquid securities with transparent pricing and actively-traded capital structures

Market Recap

U.S. fixed income markets posted negative returns during the third quarter of 2026 as investors navigated persistent inflation, geopolitical uncertainty, and developments surrounding the U.S. midterm elections. Economic activity remained relatively resilient despite these headwinds. The Federal Reserve held the federal funds target range steady in July before raising rates in September, emphasizing that future policy decisions remain dependent on incoming economic data.

Labor market conditions were mixed during the quarter. The unemployment rate ended September at 4.1%, while nonfarm payroll growth remained uneven but positive overall. Inflation moderated modestly but remained above the Federal Reserve's longer-term objective, reinforcing concerns that policy rates may remain elevated for an extended period.

The Bloomberg U.S. Aggregate Bond Index returned -3.51% for the quarter. Treasury yields moved higher across the curve, with the 10-year U.S. Treasury yield rising significantly during the period. While corporate credit spreads remained relatively tight by historical standards, higher Treasury yields weighed on most fixed income sectors. Emerging markets local-currency debt was among the stronger-performing areas of the market, while investment-grade corporates and preferred securities generated negative returns.

Portfolio Review

The Touchstone Flexible Income Fund (Class A Shares, Load Waived) outperformed its benchmark, the Bloomberg U.S. Aggregate Bond Index, for the quarter ended September 30, 2026.

The Fund remained broadly diversified across investment-grade and high-yield corporate bonds, preferred securities, residential mortgage-backed securities, agency commercial mortgage-backed securities, prime auto asset-backed securities, emerging markets debt and U.S. Treasuries.

Among the strongest individual contributors to performance were positions in prime auto asset-backed securities, residential mortgage-backed securities credit risk transfer holdings and short-duration investment-grade corporate bonds. Prime auto asset-backed securities benefited from strong underlying borrower performance, front-loaded cash flows and relatively low interest-rate sensitivity during the quarter's rise in Treasury yields. Credit risk transfer securities backed by seasoned residential mortgages also contributed, reflecting resilient housing fundamentals, attractive carry and relatively short effective durations. Short-duration investment-grade corporate bonds provided stability through their limited exposure to rising rates and strong underlying credit quality.

The largest individual detractors from performance were long-duration U.S. Treasury securities, long-duration investment-grade corporate bonds and prime jumbo residential mortgage-backed securities. Rising long-term Treasury yields weighed on longer-

Touchstone Investments®
DISTINCTIVELY ACTIVE®

duration positions across the Fund's portfolio. Long-duration investment-grade credits were negatively affected by higher rates despite relatively stable credit spreads, while prime jumbo residential mortgage-backed securities experienced spread widening alongside the broader rate selloff.

The Fund continued to emphasize higher-quality investments with strong fundamentals, current income and structural protections. During the quarter, exposure to emerging markets increased primarily through local-currency sovereign debt in countries offering comparatively attractive real yields. The Fund also selectively added to preferred securities and higher-yielding structured-credit opportunities while maintaining exposure to seasoned residential mortgage-backed securities, agency commercial mortgage-backed securities and prime auto asset-backed securities. Within high yield, the Fund continued to favor higher-quality issuers with strong liquidity, substantial enterprise value and shorter spread duration.

The Fund maintained a diversified duration profile. The Fund's duration was approximately 6.2 years at quarter-end versus approximately 5.8 years for the Bloomberg U.S. Aggregate Bond Index. Approximately 61% of the Fund's duration exposure was 5.8 years or less, reflecting an emphasis on shorter-duration, income-oriented holdings designed to reduce sensitivity to rising rates and credit-spread volatility. The balance was invested in selected longer-duration securities purchased at discounted prices and offering attractive income, positive convexity or favorable long-term total-return potential.

Outlook and Conclusion

Persistent inflation and U.S. Treasury rates remaining above historical averages continue to represent key headwinds for the Fund. At the same time, elevated rates support income generation across the approximately 71% of the Fund invested in fixed-rate, fixed-to-reset and fixed-to-floating-rate holdings. We remain attentive to evolving economic conditions, including policy developments, labor market trends and refinancing risks within lower-quality segments of the credit markets.

We continue to favor higher-quality investments with strong fundamentals, attractive current income and ample liquidity. We remain cautious toward lower-quality and more credit-sensitive asset classes, particularly where spreads appear inconsistent with underlying risks. We believe the combination of current income, selective duration exposure and opportunistic capital deployment positions the Fund to navigate a range of market outcomes while seeking attractive risk-adjusted returns.

Touchstone Investments®
DISTINCTIVELY ACTIVE®

Fund Facts

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio	
				Total	Net
A Shares	04/01/04	**FFSAX**	89154Q620	1.10%	1.09%
C Shares	10/29/01	**FRACX**	89154Q612	1.88%	1.84%
Y Shares	09/01/98	**MXIIX**	89154Q596	0.82%	0.82%
INST Shares	09/10/12	**TFSLX**	89154Q588	0.80%	0.74%

Total Fund Assets $1.5 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 1.04% for Class A Shares, 1.79% for Class C Shares, 0.79% for Class Y Shares, and 0.69% for Class INST Shares. These expense limitations will remain in effect until at least 07/29/27.

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	-3.46%	-2.03%	-1.37%	4.44%	1.45%	2.84%	4.85%
C Shares	-3.62%	-2.62%	-2.13%	3.65%	0.68%	2.06%	4.06%
Y Shares	-3.38%	-1.93%	-1.11%	4.72%	1.70%	3.10%	5.11%
INST Shares	-3.37%	-1.86%	-1.12%	4.79%	1.79%	3.19%	5.15%
Benchmark	-3.51%	-2.91%	-1.84%	4.06%	-0.64%	1.14%	5.76%
Including Max Sales Charge							
A Shares	-6.60%	-5.22%	-4.57%	3.30%	0.78%	2.50%	3.76%
C Shares	-4.57%	-3.56%	-3.07%	3.65%	0.68%	2.06%	3.64%

Benchmark - Bloomberg U.S. Aggregate Bond 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 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.

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 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 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 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'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 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 convertible securities which are subject to the risks of both debt securities and equity securities. The Fund invests in derivatives such as futures contracts. 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. 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 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 invests in municipal securities which may be affected by uncertainties in the municipal market related to legislation or litigation involving the taxation of municipal securities or the rights of municipal security holders in the event of bankruptcy and may not be able to meet their obligations. 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. 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.

Touchstone Funds are distributed by **Touchstone Securities, LLC**

A registered broker-dealer and member FINRA and SIPC

A member of Western & Southern Financial Group

Not FDIC Insured | No Bank Guarantee | May Lose Value

Touchstone Investments®

DISTINCTIVELY ACTIVE®

800.638.8194 • TouchstoneInvestments.com