Touchstone Small Cap Fund

Sub-Advised by: The London Company

U.S. Equities - Small Cap Core 3Q/2026

Fund Manager Commentary

As of 09-30-2026

Fund Highlights

- Utilizes a bottom-up security selection process that screens potential investments against a proprietary quantitative model for return on capital, earnings to value ratio, free cash flow and return on equity
- Looks at a company's corporate governance structure and management incentives to try to ascertain whether or not management's interests are aligned with shareholder interests
- Seeks to identify the sources of a company's competitive advantage as well as what levers management has at its disposal to increase shareholder value
- Seeks to purchase generally profitable, financially stable small-cap companies that consistently generate high returns on unleveraged operating capital, are run by shareholder-oriented management, and are trading at a discount to their private market value

Market Recap

U.S. equities were mixed during the third quarter, with modest gains for broad-market indexes but weaker participation beneath the surface. Market themes included a pause in the AI trade following a strong prior run, higher oil prices as the conflict with Iran remained unresolved, and a shift in Federal Reserve (Fed) policy toward higher interest rates. Treasury yields rose across the curve, with the 10-year Treasury yield reaching its highest level since 2002.

Value and Yield factors posted the strongest relative returns, while Quality factors also performed well. Larger companies outperformed smaller companies. Momentum and Volatility factors lagged as prior winners and higher-beta stocks gave back some earlier gains, while Growth factors were mixed.

The U.S. economy remained resilient, supported by consumer spending, business activity and corporate profitability. However, inflation remained above the Fed's target, while labor demand moderated. The Fed raised its target interest rate by 25 basis points in September as policymakers continued to focus on elevated inflation.

Portfolio Review

The Touchstone Small Cap Fund (Class A Shares, Load Waived) outperformed its benchmark, the Russell 2000 Index, for the quarter ended September 30, 2026.
Stock selection contributed to relative performance, while sector allocation detracted. From a sector perspective, an overweight allocation to Information Technology contributed to relative performance. Underweight allocations to Health Care, Energy and Utilities detracted.

Among the top contributors to relative performance were Haemonetics Corp. (Health Care sector), Atkore Inc. (Industrials sector) and Qualys, Inc. (Information Technology sector). Haemonetics contributed after strong quarterly results, as plasma demand and market share gains supported an improved outlook. Atkore contributed after agreeing to be acquired by Prysmian in an all-cash transaction expected to close in the fourth quarter. Qualys contributed following strong quarterly results, accelerating billings and an increased outlook, while investor perceptions of AI continued to shift from a potential disruption risk toward a source of increased cybersecurity demand.

Among the top detractors were Acushnet Holdings Corp. (Consumer Discretionary sector), Landstar System, Inc. (Industrials sector) and Marten Transport, Ltd. (Industrials sector). Acushnet detracted amid concerns about more difficult second-half comparisons despite strong results and an increased outlook, as early demand for new golf clubs pulled some sales forward. Landstar System detracted as trucking stocks came under pressure from rising insurance and liability costs despite improving freight trends. Marten Transport detracted after results fell short of expectations, although trends improved sequentially as truckload pricing improved while the dedicated business remained pressured by driver shortages.

During the quarter, the Fund exited UniFirst (Industrials sector) following its announced acquisition by Cintas, as UniFirst's shares were trading near the transaction price. The Fund initiated a position in Churchill Downs Inc. (Consumer Discretionary sector),

reflecting its recurring cash flow, capital allocation and valuation following recent share-price weakness. The Fund increased its position in McGrath RentCorp (Industrials sector) to complete a full position, reflecting the our confidence in the long-term investment thesis. The Fund exited Enovis (Health Care sector) following an acquisition announcement that reduced the our confidence in management. The Fund increased its position in Vontier (Information Technology sector) following improving operating results and what we viewed as a favorable valuation.

Outlook and Conclusion

The economy has remained resilient, supported by consumer spending, manufacturing activity and corporate earnings. At the same time, higher energy prices, weaker consumer confidence, persistent inflation and restrictive monetary policy present potential challenges. Higher interest rates may particularly affect smaller companies with weaker balance sheets and floating-rate debt.

Against this backdrop, we continue to emphasize companies with durable competitive advantages, strong free cash flow, conservative balance sheets and high returns on capital. We believe valuations among select quality companies outside recent areas of market leadership may offer investment opportunities and remains focused on identifying businesses that meet their quality and valuation criteria.

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Fund Facts

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio Total	Net
A Shares	09/30/09	**TSFAX**	89155H272	1.53%	1.25%
C Shares	09/30/09	**TSFCX**	89155H264	2.77%	1.95%
Y Shares	09/30/09	**TSFYX**	89155H249	1.18%	1.00%
INST Shares	09/30/09	**TSFIX**	89155H256	1.09%	0.92%
R6 Shares	07/27/26	**TVORX**	89155T383	1.09%	0.84%

Total Fund Assets $244.8 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 1.24% for Class A Shares, 1.94% for Class C Shares, 0.99% for Class Y Shares, 0.91% for Class INST Shares, and 0.83% 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	-2.54%	7.40%	10.04%	9.43%	6.77%	7.96%	9.34%
C Shares	-2.69%	6.92%	9.29%	8.68%	6.01%	7.19%	8.55%
Y Shares	-2.48%	7.61%	10.33%	9.72%	7.04%	8.24%	9.63%
INST Shares	-2.43%	7.71%	10.40%	9.80%	7.12%	8.33%	9.73%
R6 Shares	-7.03%	11.80%	16.66%	14.49%	7.86%	8.76%	9.38%
Benchmark	-7.23%	13.71%	16.20%	17.72%	6.34%	9.84%	10.92%
Including Max Sales Charge							
A Shares	-7.41%	2.03%	4.54%	7.58%	5.68%	7.41%	9.01%
C Shares	-3.66%	5.92%	8.29%	8.68%	6.01%	7.19%	8.55%

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)			*(% of Portfolio)*
1	White Mountains Insurance Group Ltd	5.1	6	Haemonetics Corp	4.0
2	NewMarket Corp	4.5	7	Moelis & Co Class A	4.0
3	Matson Inc	4.4	8	Gates Industrial Corp Ltd	3.8
4	ACI Worldwide Inc	4.2	9	Landstar System Inc	3.8
5	Atkore Inc	4.1	10	Vontier Corp Ordinary Shares	3.7

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 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. 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. A fund that focuses its investments in the securities of a particular market sector is subject to the risk that adverse circumstances will have a greater impact on the fund than a fund that does not focus its investments in a particular sector. 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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