Fund Manager Commentary

As of December 31, 2023

Fund Highlights

- Utilizes a classic value-driven fundamental investment process
- Seeks to identify companies believed to be selling at a discount to their intrinsic value
- Employs five valuation screens that seek to identify attractively priced securities
- Conducts in-depth research and analysis on the securities that pass the valuation screens in an effort to identify leading companies selling at attractive valuations
- Examines financial statements and assesses the company's management team, competitive strategy and its current market position

Market Recap

Style factors created a less favorable backdrop for the Fund in the period. Within the Russell 2000® Value Index, the performance of market cap quintiles was linear: smaller capitalization companies outperformed larger caps, which was a broad detriment to active managers. The lowest volatility quintile markedly underperformed all other quintiles. Dividend paying stocks fared better than those with low or no yield. Within price-to-earnings quintiles, non-earners outperformed most significantly followed by the two lowest quintiles. Companies with the best sales growth outperformed the lower growth quintiles.

Within the benchmark, Financials, Consumer Discretionary and Health Care sectors materially outperformed the overall return for the Russell 2000 Value Index. The largest underperformers were Energy, Communication Services, Utilities, and Consumer Staples.

Portfolio Review

The Touchstone Small Cap Value Fund (Class A Shares Load Waived) underperformed its benchmark, the Russell 2000 Value Index, for the quarter ended December 31, 2023.

The Fund outperformed its benchmark as the market declined in October but was unable to keep pace with the strong returns created in November and December.

Nearly all the Fund's performance shortfall in the quarter can be attributed to stock performance, compounded by idiosyncratic issues in individual holdings, as we discuss further below. Four of eleven sectors had positive contributions to relative performance to the Fund's portfolio, led by Energy and Real Estate. The largest detractors to relative performance by sector included Health Care, Financials, Industrials, Consumer Discretionary, and Consumer Staples.

The Fund's outperformance in the Energy sector was the result of positioning: the Fund's average allocation in the quarter was below the benchmark's weight. Given the broad-based price weakness in the sector, however, we had a number of positions that underperformed. Champion X Corp was the portfolio's largest detractor in the period. The oilfield services company missed earnings estimates for the third quarter and lowered expectations for the fourth as the decline in drilling and completions activity exceeded prior assumptions. Civitas Resources also underperformed. The company pulled drilling activity forward from 2024 into the fourth quarter, increasing capital expenditures in order to hit their production targets for the year.

Newmark Group and National Storage Affiliates drove strong selection in the Real Estate sector. Newmark outperformed as the interest rate decline sparked hopes for a recovery in their core brokerage services. National Storage benefitted from the rate decline and affirmed guidance despite challenges across the storage industry.

The Information Technology sector was a modest outperformer driven by strong results from cable services provider Harmonic Inc. Management indicated that inventory destocking was ending in their cable business, and announced a strategic review for their video segment on the heels of activist pressure to sell that business. Conversely, Belden Inc. preannounced soft results due to an inventory correction and weak demand for their network and cable solutions.

Treehouse Foods (THS) was the largest detractor in the Consumer Staples sector. The private label foods company lowered its sales

(continued)

guidance due to supply chain disruptions and shifts in consumer purchasing patterns. THS maintained their earnings expectations however, driven by pricing net of inflation and operational benefits.

The Consumer Discretionary sector underperformed during the quarter as our more defensive holdings had trouble-keeping pace with the market's vertical move. Steve Madden outperformed as demand for their footwear offering improved versus prior quarters and management pointed to more stable demand from their wholesale customers moving forward.

Industrials underperformed, driven by weaker stock selection in the Fund's largest sector overweight. After exhibiting strong performance year to date, Huron Consulting pulled back on its exposure to defensive end markets (hospitals and universities) which, limits its ability to keep pace in a strong up market. Masonite International was another detractor. The residential door company announced an acquisition in an adjacent area late in the quarter, raising leverage and execution risk for the company. On the positive side, Enpro Industries outperformed on expectations of a recovery in their optical/semiconductor end markets. Azek Co. was also a notable contributor. The decking company's fiscal 2024 guidance was better than expected driven by continued contractor backlogs and cost benefits from raw materials.

The Financials sector was a laggard despite outperformance from Columbia Banking System. Earnings for the company have stabilized following a period of accounting headwinds related to a merger earlier in the year. Pinnacle Financial Partners outperformed due to an expected improvement in the bank's net interest income. Shares of Independent Bank Corp. moved higher after the bank reported a stable net interest margin and announced an accelerated share buyback.

The Health Care sector was a notable underperformer in the period; a headwind from a strong biotechnology bounce and weakness in both Encompass Health and Envista Holdings all weighed on relative returns. Encompass struggled to keep pace with the market despite strong commentary from management around volume growth for their inpatient and home health healthcare services. Envista lowered guidance for the fourth quarter driven by weak consumer spending and operational disruptions at an important dental product manufacturer.

At the onset of the New Year, our largest relative overweight positions are in the Industrials and Consumer Staples sectors. We are notably underweight in Financials, Energy, and Real Estate. These exposures are driven by the opportunity set we see in each sector. During the quarter we initiated positions in First Horizon Corp. (Financials sector), Physicians Realty Trust (Real Estate sector), and Westamerica Bancorp (Financials sector). We exited our positions in CIRCOR International (Industrials sector), Hostess Brands (Consumer Staples sector) and National Instruments (IT sector).

Outlook and Conclusion

The market continues to be volatile; the declines of September and October gave way to rapid increases during November and December. The health of the consumer continues to be variable with shifts in purchasing behavior across the income spectrum and credit metrics that continue to worsen. Lower energy prices and government spending have provided an offset thus far, but another potential shutdown looming in a presidential election year creates uncertainty around the magnitude of continued government support. The coming wave of debt refinancing in the office real estate market has some investors worried about tangential effects through the financial system. Elevated debt levels are proving to be an outsized burden for many companies given the higher interest rates. The change in commentary by the Federal Reserve (Fed) following their December meeting spurred a violent increase in markets. The market seems to be pricing in a goldilocks scenario without considering whether the Fed change is due to signs of deterioration as the economy catches up to the rate increases.

Amid these market dynamics, we continue to hold fast and invest according to our process. Fundamentally, we are looking for quality stocks, trading at a discount, with good risk/reward. We look for companies with strong management teams, high barriers to entry, solid balance sheets, and we continue to rigorously examine downside scenarios for our positions.

We continue to find attractively valued investment opportunities with favorable risk/reward profiles. While we do not believe in making short-term projections, we believe these investments will outperform the market longer term.

Fund Facts *(As of 12/31/23)*

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio Total	Net
A Shares	03/01/11	**TVOAX**	89155T821	1.53%	1.40%
C Shares	03/01/11	**TVOCX**	89155T813	5.19%	2.15%
Y Shares	03/01/11	**TVOYX**	89155T789	1.26%	1.15%
INST Shares	03/01/11	**TVOIX**	89155T797	1.20%	1.00%
Total Fund Assets	**$121.4 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 "AFFE," and other expenses, if any) to 1.38% for Class A Shares, 2.13% for Class C Shares, 1.13% for Class Y Shares and 0.98% for Class INST Shares. These expense limitations will remain in effect until at least 01/29/25.

Share class availability differs by firm.

Annualized Total Returns *(As of 12/31/23)*

	4Q23	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	10.90%	10.16%	10.16%	9.44%	10.98%	5.50%	8.36%
C Shares	10.69%	9.36%	9.36%	8.63%	10.16%	4.87%	7.74%
Y Shares	10.95%	10.46%	10.46%	9.72%	11.26%	5.76%	8.53%
INST Shares	11.02%	10.64%	10.64%	9.89%	11.45%	5.94%	8.62%
Benchmark	15.26%	14.65%	14.65%	7.94%	10.00%	6.76%	8.03%
Including Max Sales Charge							
A Shares	5.34%	4.65%	4.65%	7.58%	9.85%	4.88%	8.07%
C Shares	9.69%	8.36%	8.36%	8.63%	10.16%	4.87%	7.74%

Max 5.00% sales charge for Class A Shares and 1% Contingent Deferred Sales Charge for Class C Shares held less than 1 year.

Benchmark - Russell 2000® Value Index

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 adviser 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 for Class A, C, Y and INST Shares combines the performance of a predecessor class of shares (Z Shares). Class Z Shares inception date was 03/04/02. Class Z Shares were merged into Class A Shares on 06/10/11.

Top 10 Equity Holdings of Fund *(As of 12/31/23)*

		(% of Portfolio)
1	Harmonic Inc.	2.1
2	Wintrust Financial Corp.	2.1
3	Murphy USA Inc.	2.0
4	ITT Inc.	2.0
5	Prestige Consumer Healthcare Inc.	2.0
6	Columbia Banking System, Inc.	2.0
7	Primerica, Inc.	1.9
8	Huron Consulting Group Inc.	1.9
9	Portland General Electric Co.	1.9
10	Encompass Health Corp.	1.7

Source: BNY Mellon Asset Servicing

The Russell 2000® Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

The indexes mentioned are unmanaged statistical composites of stock market or bond market performance. Investing in an index is not possible. Unmanaged index returns do not reflect any fees, expenses or sales charges.

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 value stocks which may not appreciate in value as anticipated or may experience a decline in value. The Adviser engages a sub-adviser to make investment decisions for the Fund's portfolio; it may be unable to identify and retain a sub-adviser who achieves superior investment returns relative to other similar sub-advisers. 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'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 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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