Touchstone Strategic Income Fund

Sub-Advised by: Fort Washington Investment Advisors Inc

Income - Multisector Bond 3Q/2026

Fund Manager Commentary

As of 09-30-2026

Fund Highlights

- Primarily invests in income producing securities including corporate debt securities, mortgage-related securities, asset backed securities, government securities (both U.S. government securities and foreign sovereign debt), public equities and preferred stocks
- Invests at least 50% of the portfolio in investment-grade rated securities
- Expanded opportunity set provides the flexibility to react to market dislocations
- Broadly diversified by sector, resulting in multiple sources of return potential and low correlation to traditional asset classes
- Duration management is used as a risk mitigation tool; seeks to avoid taking large duration positions due to the difficulty in predicting interest rates
- Active management and security selection are focused on building a high conviction portfolio

Market Recap

The U.S. economy continued to expand near its trend growth rate during the third quarter, supported by rising capital expenditures associated with the artificial intelligence buildout and continued consumer spending. At the same time, elevated inflation, geopolitical tensions and higher energy prices remained headwinds, particularly for lower-income households.

The Federal Reserve raised the Federal Funds target rate by 25 basis points in September as inflation remained elevated and labor market conditions were steady. Treasury yields moved higher as investors reassessed the outlook for 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. Credit spreads remained near historically tight levels, while large cap equities advanced and mid and small cap equities declined.

Portfolio Review

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

Security selection contributed to relative outperformance, primarily within securitized assets. Selection within residential mortgage-backed securities and asset-backed securities added value, while commercial mortgage-backed securities detracted. Security selection also contributed within emerging market debt and high yield corporates, while investment grade corporate selection detracted.

Interest rate positioning also contributed to relative performance. The Fund maintained, on average, a shorter duration than the benchmark and tactically adjusted duration as yields rose during the quarter. Yield curve positioning modestly detracted, partially offsetting the benefit from duration management. Sector allocation also detracted, primarily due to the Fund's overweight allocation to high yield corporates as credit spreads widened.

The Fund's sector allocations were largely unchanged during the quarter as we continued to emphasize bottom-up security selection. The Fund averaged a duration of 5.5 years, within a range of 5.2 to 5.9 years, compared with 5.9 years for the benchmark. Duration ended the quarter at 5.3 years. The Fund began the quarter overweight the longer portion of the yield curve, shifted the overweight toward intermediate maturities during the second half of the quarter, and ended with a modest overweight to the intermediate portion of the curve relative to the benchmark.

Outlook and Conclusion

We maintain a modest overweight risk posture, with a target risk budget of 30%, as credit valuations remain expensive relative to historical levels and policy and geopolitical uncertainty remains elevated. Investment grade credit exposure continues to emphasize select opportunities in Financials, Telecommunications and Utilities, as well as certain project debt associated with large-scale technology infrastructure. Securitized exposure continues to favor non-agency asset-backed securities, residential mortgage-backed securities and commercial mortgage-backed securities.

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High yield and emerging market debt allocations remain toward the lower end of their historical ranges, reflecting tight valuations and a preference to retain capacity to add risk if valuations become more favorable.

We continue to manage duration tactically within a targeted range of 5.25 to 5.50 years, with a bias toward intermediate maturities. Interest rate volatility may remain elevated as investors assess incoming economic data, inflation, monetary policy and geopolitical developments. The Fund is positioned with a modest overweight to credit sectors while retaining flexibility to increase exposure during periods of market weakness. Bottom-up security selection and tactical interest rate management remain central to the investment strategy.

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Fund Facts

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio	
				Total	Net
A Shares	11/01/93	**TQPAX**	89154M306	1.12%	0.95%
C Shares	03/31/94	**TQPCX**	89154M405	2.12%	1.68%
Y Shares	01/29/15	**TQPYX**	89154M504	0.88%	0.66%
Inst Shares	07/19/21	**TQPIX**	89154M603	0.86%	0.61%

Total Fund Assets $229.5 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 0.95% for Class A Shares, 1.68% for Class C Shares, 0.66% for Class Y Shares, and 0.61% 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	-3.16%	-1.74%	0.00%	7.17%	2.27%	3.08%	5.38%
C Shares	-3.63%	-2.29%	-1.05%	6.36%	1.52%	2.34%	4.68%
Y Shares	-3.10%	-1.53%	0.28%	7.48%	2.55%	3.30%	5.46%
Inst Shares	-3.38%	-1.49%	0.05%	7.59%	2.66%	3.25%	5.43%
Benchmark	-3.51%	-2.91%	-1.84%	4.06%	-0.64%	1.14%	4.19%
Including Max Sales Charge							
A Shares	-6.31%	-4.94%	-3.25%	6.00%	1.60%	2.74%	5.28%
C Shares	-4.58%	-3.24%	-2.00%	6.36%	1.52%	2.34%	4.90%

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 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 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 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 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. 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 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 sovereign debt securities which are issued by foreign governments whose respective economies could have an important effect on their ability or willingness to service their debt which could affect the value of the 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. 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. The Fund invests in repurchase agreements which are considered loans by the Fund and may suffer a loss of principal and interest in the event of counterparty defaults. 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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