Fund Manager Commentary

As of December 31, 2024

Fund Highlights

- Concentrated, high conviction portfolio
- Distinctive approach is centered on linking valuations with barriers to entry
- Seeks to invest in businesses that are trading below what is believed to be its estimate of the companies' intrinsic value
- Focuses on businesses that are believed to have a sustainable competitive advantage or a high barrier to entry in place
- Strategy provides the opportunity to invest in companies of all market capitalizations

Market Recap

U.S. equities capped the year off higher in the fourth quarter, with the market observing the election outcome and its implications alongside the U.S. Federal Reserve's (Fed) decisions to cut rates by 25 basis points in both November and December. The best performing benchmark sectors were Consumer Discretionary, Communication Services, and Financials. The worst performing sectors for the benchmark were Materials, Health Care, and Real Estate.

Portfolio Review

The Touchstone Focused Fund (Class A Shares, Load Waived) underperformed its benchmark, the Russell 3000® Index, for the quarter ended December 31, 2024.

Within the Touchstone Focused Fund, the sectors where fund holdings outperformed the most relative to the benchmark were Financials, Industrials, and Communication Services. Sectors that lagged the most relative to the benchmark include Energy, Real Estate, and Materials. Sector allocation contributed during the quarter primarily due to the overweight in Communication Services and the zero weight in Utilities.

Three of the holdings that contributed the most to performance were Salesforce Inc. (Information Technology sector), The Goldman Sachs Group Inc. (Financials sector), and Alphabet Inc. (Communication Services sector). Salesforce's stock did well in the quarter as early demand for the firm's artificial intelligence (AI) agents seems strong. Salesforce's AI agents help augment human capabilities in sales, service and marketing functions, and should result in increased productivity for the firm's customers. We expect sales of AI agents will be a new growth driver for the company over the next several years. Goldman Sachs shares outperformed during the quarter primarily due the improving outlook for capital markets with the U.S. election outcomes. Alphabet delivered strong results driven by robust growth in sales of cloud computing services coupled with discipline in operating expenses. On the search front, management continues to see AI as additive to overall usage and monetization. We continue to expect that Alphabet will successfully leverage advancements in AI technology to retain its market position in search and cloud.

Among the holdings that detracted the most from performance included HCA Healthcare Inc., UnitedHealth Group Inc. (both Health Care sector), and Stanley Black & Decker Inc. (Industrials sector). HCA's third quarter earnings disappointed against high expectations (following a very strong second quarter), with hurricane impacts in NC and FL pushing 2024 guidance into the lower end of the prior guidance range. Additionally, the Republican sweep in the November election raises potential reimbursement risks, mainly in Medicaid and the ACA health insurance exchanges. We believe, given the importance of hospital services and their low average margins, that any legislative or regulatory changes impacting hospitals are unlikely to be draconian for HCA. UnitedHealth Group (UNH) endured a tumultuous quarter, headlined by the assassination of the CEO of UnitedHealthcare, the company's health insurance unit, in early December. Additionally, it became evident that there is appetite in DC for PBM regulatory reform, and more generally, the Republican sweep in November raised legislative/regulatory uncertainty across multiple areas of healthcare. We see UNH as well diversified, such that any changes are likely to be manageable for the company. Also, we see Medicare Advantage pricing hardening over the next few years after a challenging 2023-24, and Medicaid margins improving as states' payment rates catch up to acuity changes following Medicaid redeterminations. Stanley's performance lagged behind its Industrial sector peers this quarter, attributed to the company's conservative guidance for the first half of the upcoming year, suggesting earnings that fell short of market

(continued)

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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.***

expectations. Furthermore, proposed tariffs by the incoming White House Administration on imports from China and Mexico could adversely affect Stanley's earnings unless mitigatory actions are taken by the company. Additionally, recent signals from the Fed, indicating a less aggressive stance on interest rate cuts, has negatively influenced market sentiment regarding the construction markets, which constitute approximately two-thirds of Stanley's revenue.

As the quarter came to a close, the Fund had an overweight in the Communication Services and Health Care sectors and an underweight in the Industrials, Energy, Consumer Discretionary, Real Estate, Financials, Information Technology, and Consumer Staples sectors. The weight in the Materials sector was roughly in line with that of the benchmark. The Fund held no positions in the Utilities sector.

Outlook and Conclusion

The U.S. equity market finished a strong 2024 with a modest gain in the fourth quarter. The bull market continued as investors anticipated further rate cuts and as economic data suggested the U.S. economy remains on solid footing. The S&P 500 Index logged 57 all-time highs during 2024, driven by a combination of improvement in inflation readings, expectation of further rate cuts, and optimism around how artificial intelligence will impact productivity. With the exception of sectors exposed to certain commodity prices, equity market performance was fairly broad based. Seven sectors posted double digit positive performance during the year.

The market performance detailed above reflects investor optimism that the Fed will be able to control inflation without inducing a recession. September marked the first time the Fed has lowered the fed funds rate in four years amidst progress with their dual mandate. While investors have responded favorably to the policy shift, it is important to remember that monetary policy operates with a significant lag and the prior four years were characterized by one of the most aggressive tightening cycles in decades. History includes many periods where talk of a soft landing occurs just before recession strikes. Therefore, we keep an open mind and watch employment, housing, manufacturing, and market breadth data among others to continually re-underwrite our view. Consistent with our approach over the past few years, we have maintained a high-quality portfolio with a focus on higher return on capital businesses with pricing power. One hundred percent of the Fund's portfolio, excluding cash, remains invested in companies that have moderate to high barriers to entry in our view. We believe disciplined execution of our process will benefit the Fund's portfolio and investors over the long term.

Touchstone Investments®
DISTINCTIVELY ACTIVE®

Fund Facts

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio Total	Net
A Shares	09/30/03	**TFOAX**	89154X245	1.19%	1.19%
C Shares	04/12/12	**TFFCX**	89154X237	2.03%	1.91%
Y Shares	02/12/99	**TFFYX**	89154X229	0.89%	0.89%
INST Shares	12/20/06	**TFFIX**	89154X211	0.96%	0.85%
Total Fund Assets	**$1.3 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 "AFFE," and other expenses, if any) to 1.20% for Class A Shares, 1.89% for Class C Shares, 0.95% for Class Y Shares and 0.83% for Class INST Shares. These expense limitations will remain in effect until at least 07/29/25.

Share class availability differs by firm.

Annualized Total Returns

	4Q24	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	1.62%	18.55%	18.55%	6.46%	13.65%	11.27%	10.48%
C Shares	1.42%	17.63%	17.63%	5.64%	12.78%	10.60%	9.88%
Y Shares	1.71%	18.91%	18.91%	6.78%	13.99%	11.59%	10.77%
INST Shares	1.68%	18.91%	18.91%	6.81%	14.04%	11.66%	10.86%
Benchmark	2.63%	23.81%	23.81%	8.01%	13.86%	12.55%	8.39%
Including Max Sales Charge							
A Shares	-3.45%	12.63%	12.63%	4.66%	12.49%	10.61%	10.22%
C Shares	0.42%	16.63%	16.63%	5.64%	12.78%	10.60%	9.88%

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 3000® Index

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The performance presented for Class A, C, and INST Shares combines the performance of an older class of shares (Y Shares) from the Fund's inception, 02/12/99, with the performance since the inception date of each share class.

Top 10 Equity Holdings of Fund

		(% of Portfolio)
1	Microsoft Corp.	8.9
2	Apple, Inc.	7.5
3	Meta Platforms, Inc.	6.5
4	Alphabet Inc.	6.3
5	Amazon.com Inc.	5.4
6	Salesforce Inc.	3.0
7	UnitedHealth Group Inc.	2.7
8	Oracle Corp.	2.6
9	NVIDIA Corp.	2.6
10	Bank of America Corp.	2.6

Source: BNY Mellon Asset Servicing

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.

Not FDIC Insured | No Bank Guarantee | May Lose Value

The Russell 3000® Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

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.

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A Word About Risk

The Fund invests in equities which are subject to market volatility and loss. The Fund invests in stocks of large-cap companies which may be unable to respond quickly to new competitive challenges. The Fund invests in stocks of small- and mid-cap companies, which may be subject to more erratic market movements than stocks of larger, more established companies. 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, 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 may focus its investments in a particular industry and/or market sector which may increase the Fund's volatility and magnify its effects on total return. 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 is non-diversified, which means that it may invest a greater percentage of its assets in the securities of a limited number of issuers and may be subject to greater risks. Current and future portfolio holdings are subject to change.

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