

Fund Manager Commentary

As of June 30, 2024

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 across our asset class created a mixed backdrop for the Fund during the quarter. Within the Russell Midcap® Value Index, the lowest volatility quintile substantially outperformed the highest volatility quintile, but the middle quintiles were mixed. Within price-earnings, the highest valuation quintile outperformed but non-earners had the strongest performance. Stocks with the largest market capitalizations outperformed smaller caps and stocks with high dividends outperformed those with low or no yield. Stocks with the fastest sales growth notably outperformed the remaining quintiles. Performance across return on equity quintiles were mixed.

Within the benchmark, the best performing sectors were the Utilities, Information Technology (IT), and Real Estate sectors. Consumer Staples, Health Care, Materials, and Consumer Discretionary sectors notably underperformed the benchmark.

Portfolio Review

The Touchstone Mid Cap Value Fund (Class A Shares, Load Waived) underperformed its benchmark index, the Russell Midcap® Value Index, for the quarter ended June 30, 2024.

The Fund outperformed on a relative basis in three of eleven sectors. Industrials and Materials were the strongest sectors while performance was the weakest in IT, Financials, and Real Estate.

Positive stock selection drove the Industrials sector allocation within the Fund during the quarter. Clean Harbors raised its annual guidance expectations, driven by strong volumes and pricing in its incineration and landfill businesses. Leidos Holdings, a defense contractor, raised guidance on better margin performance. Westinghouse Air Brake Technologies also raised guidance driven by strong demand for its fuel-efficient rail

solutions. Aircraft leasing company Aercap Holdings continues to benefit as the shortage of new aircraft raises the market value of its fleet. Aircraft supplier Hexcel Corp underperformed due to choppy build rates for new aircraft and a surprise change in the CEO role. Regal Rexnord was among the Fund's largest detractor. Softer conditions in some industrial end-markets and an elevated debt load sparked a sell-off in the stock.

In the Health Care sector allocation, positive stock selection offset the shortfall from our overweight to the sector. A recent buy, Humana Inc outperformed. Medicare Advantage insurers appear to be shifting its focus to margins for the 2025 bid season, which has improved investor sentiment. Outpatient services company Encompass Health, reported stronger than expected volumes and margin expansion from stabilizing wages. Zimmer Biomet, an orthopedic equipment company, traded lower as investors digested back-half loaded guidance and an expected acceleration in revenue growth.

The Utilities sector was the strongest performer within the benchmark. Investors expect the sector to benefit from artificial intelligence as datacenter growth drives increased energy needs. However, the sector was a modest detractor for the Fund, despite solid results from Centerpoint Energy. The Texas utility was able to complete its funding needs at advantageous terms and reiterated its long-term growth rates.

The Fund's Consumer Staples sector also lagged the benchmark, driven by a trio of names with disappointing results. Global rendering leader Darling Ingredients has experienced persistent weakness in fat prices, and a delay in the implementation of new rules for California's Low Carbon Fuel Standard program weighed on investor sentiment. Lamb Weston suffered from a botched enterprise resource planning implementation, combined with fears

(continued)

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.**



that slowing restaurant traffic will impact demand for its French fry products. Margins at Dollar Tree have been compressed as consumers have shifted their spending from discretionary to consumable products. Costs at the discount retailer are also expected to run higher following tornado damage to one of its distribution centers. The Consumer Staples sector did have a bright spot in Casey's General Stores. The convenience store operator continued to benefit from strong fuel margins and sales growth in prepared foods and merchandise.

Underperformance in the Financials sector was concentrated mainly in Global Payments. First quarter cash flow performance for the payments technology provider was below expectations while management's guidance implied a strong second half acceleration, leading to investor trepidation. Reinsurance Group of America reported strong top and bottom-line results driven by better mortality results.

The IT sector was the weakest performing sector in the Fund's portfolio during the quarter. Akamai Technologies was the largest detractor at the stock level. The security software company reduced guidance for its content delivery network as TikTok cut costs following the politically driven ban in the U.S.

At the end of the second quarter, the Fund's largest relative overweight is in the Consumer Staples sector. We are notably underweight in the Real Estate and Communication Services sectors. These exposures are driven by the opportunity set we see in each sector and by the recent Russell Index rebalance.

Outlook and Conclusion

The current market outlook is unchanged from recent history. Crosscurrents are abundant. Geopolitical strife continues to be an issue globally. Many investors continue to believe in the possibility of a "goldilocks" or soft-landing scenario, but inflation expectations have continued to hold and the unemployment rate is slowly ticking higher. Consumer spending is noticeably choppy across most of the income spectrum and recent election cycles have led to consumer angst and lower spending. Elevated debt levels are proving to be an outsized burden for many companies given higher interest rates, but it is also reasonable to assume the market has seen peak rates this cycle.

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

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio	
				Total	Net
A Shares	09/30/09	TCVAX	89155H413	1.51%	1.24%
C Shares	09/30/09	TMFCX	89155H397	2.38%	1.99%
Y Shares	09/30/09	TCVYX	89155H371	1.20%	0.99%
INST Shares	09/30/09	TCVIX	89155H389	0.97%	0.86%
Total Fund Assets	\$771.6 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 1.22% for Class A Shares, 1.97% for Class C Shares, 0.97% for Class Y Shares and 0.84% 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

	2Q24	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	-4.68%	3.08%	7.45%	2.95%	8.20%	7.04%	10.09%
C Shares	-4.88%	2.66%	6.59%	2.18%	7.38%	6.41%	9.64%
Y Shares	-4.64%	3.19%	7.69%	3.22%	8.47%	7.30%	10.36%
INST Shares	-4.60%	3.26%	7.81%	3.33%	8.61%	7.45%	10.52%
Benchmark	-3.40%	4.54%	11.98%	3.65%	8.49%	7.60%	11.12%
Including Max Sales Charge							
A Shares	-9.45%	-2.05%	2.07%	1.20%	7.09%	6.41%	9.65%
C Shares	-5.83%	1.66%	5.59%	2.18%	7.38%	6.41%	9.64%

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 Midcap® Value Index

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Top 10 Equity Holdings of Fund

	(% of Portfolio)		(% of Portfolio)		
1	Clean Harbors, Inc.	3.0	6	Ameriprise Financial Inc.	2.1
2	Allstate Corp.	2.6	7	LKQ Corp.	2.0
3	Leidos Holdings Inc.	2.5	8	Reinsurance Group of America Inc.	2.0
4	Regal Rexnord Corp.	2.2	9	Wesco International, Inc.	1.9
5	Encompass Health Corp.	2.2	10	Qorvo Inc.	1.9

Source: BNY Mellon Asset Servicing

The Russell Midcap® Value Index measures the performance of those Russell Midcap 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.

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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 mid-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](https://www.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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