Touchstone Ares Credit Opportunities Fund

Sub-Advised by: Ares Capital Management II LLC

Income – Nontraditional Bond 1Q/2022

Fund Manager Commentary

As of March 31, 2022

Fund Highlights

- Employs flexibility by allocating assets among core investments and opportunistic investments as market conditions change
- Identifies companies and securities that are believed to offer attractive relative values when compared to their fundamental credit risk
- Actively hedges portfolio risks, including credit, interest rate and currency, in an effort to preserve capital
- Consists of several broad investment categories, including high yield bonds, bank loans, special situations, structured credit and hedges

Market Recap

Global risk assets were pressured in the first quarter as heightened inflation, rising interest rates and the Russia-Ukraine crisis weighed on market sentiment. Investor angst increased as inflation reached multi-decade highs, commodity prices increased and a yield curve inversion in the U.S. cultivated aversion to credit and rate risk. Credit spreads widened in both the high yield bond and bank loan markets as investors sought to reduce risk in their portfolios despite a benign default environment and specific to bank loans, an increase in reference rates.

Portfolio Review

The Touchstone Ares Credit Opportunities Fund (Class A Shares Load-Waived) underperformed its benchmark, the ICE BofA 3-Month U.S. Treasury Bill Index, for the quarter ended March 31, 2022.

We actively rotated exposures throughout the quarter, seeking to take advantage of pockets of volatility created by the macroeconomic and corporate fundamental environment. The Fund's overweight risk posture was reduced as global economic growth was expected to remain positive though forecasts have been negatively impacted by the Russia-Ukraine crisis. From an asset class perspective, the exposure to high yield bonds was increased as spreads widened to a greater degree than bank loans. As the Russia-Ukraine crisis escalated, our team conducted an in-depth review of potential second and third derivative exposures to the situation; the Fund had no direct exposure nor did we purchase assets in either country during the quarter. As a result of the crisis, we sought to reduce our exposure to global cyclical credits and industries that we expect to be pressured by constraints to the global supply chain. In addition, we reduced exposure to credits that we expect to be impacted by rising supply chain costs that cannot be passed on to the consumer. While the Fund's exposure to risk was reduced, we selectively added to CCC-rated credits through the primary market as we observed a yield premium being placed on lower-rated deals given the volatile market backdrop. Looking ahead, while the market has shown signs of improvement in recent weeks, we believe pockets of volatility persist and will seek to take advantage of those opportunities to generate attractive risk-adjusted returns.

Outlook and Conclusion

The first quarter of 2022 can be described as a "cooling off" period for risk assets, following the rally which has unfolded on the heels of central bank actions in response to the COVID-19 pandemic. As central banks begin to pivot toward more restrictive monetary policy, we believe this will lead to increased bifurcation in the market and elevated single name dispersion, an ideal backdrop for active managers. While the fundamental backdrop for sub-investment grade credit entered the year on strong footing, we will be paying close attention to the upcoming earnings season as we assess the impact inflationary pressures have had on corporate balance sheets. In preparation, our analyst team has been proactively assessing risks in their respective industries as we seek to avoid earnings misses, which are typically punished by the market. Broadly, we continue to closely monitor the situation in Ukraine for potential second and third derivative impacts, in addition to central bank

(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.***

actions. Overall, we expect pockets of volatility to persist and will continue to actively rotate exposures in an effort to insulate the Fund from volatility and generate attractive returns.

Fund Facts *(As of 03/31/22)*

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio* Total	Net
A Shares	08/31/15	**TMARX**	89155T631	1.33%	1.09%
C Shares	08/31/15	**TMACX**	89155T623	2.18%	1.49%
Y Shares	08/31/15	**TMAYX**	89155T615	1.08%	0.89%
INST Shares	08/31/15	**TARBX**	89155T599	0.98%	0.79%
Total Fund Assets	**$315.5 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 "AFFE," and other expenses, if any) to 1.03% for Class A Shares, 1.43% for Class C Shares, 0.83% for Class Y Shares and 0.73% for Class INST Shares. These expense limitations will remain in effect until at least 07/29/23.*

Share class availability differs by firm.

Annualized Total Returns *(As of 03/31/22)*

Class	1Q22	YTD	1 Year	3 Year	5 Year	Inception
Excluding Max Sales Charge						
A Shares	-2.80%	-2.80%	3.27%	5.79%	5.24%	5.55%
C Shares	-2.89%	-2.89%	2.73%	5.10%	4.53%	4.86%
Y Shares	-2.70%	-2.70%	3.49%	6.08%	5.52%	5.82%
INST Shares	-2.76%	-2.76%	3.53%	6.16%	5.58%	5.90%
Benchmark^	0.04%	0.04%	0.06%	0.81%	1.13%	0.93%
Including Max Sales Charge						
A Shares	-5.96%	-5.96%	-0.11%	3.98%	4.01%	4.61%
C Shares	-3.85%	-3.85%	1.77%	5.10%	4.53%	4.86%

Max 3.25% sales charge for Class A Shares and 1% Contingent Deferred Sales Charge for Class C Shares held less than 1 year.

^Benchmark - ICE BofA 3-Month U.S. Treasury Bill Index[1]

The ICE BofA 3-Month U.S. Treasury Bill Index is an unmanaged index of Treasury securities maturing in 90 days that assumes reinvestment of all income.

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 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, distressed securities and corporate loans which are considered speculative with respect to the issuers' ability to make timely payments of interest and principal, may lack liquidity and have more frequent and larger price changes than other debt securities. There is a high risk that the Fund could suffer losses from investments in non-investment grade debt securities caused by the default of an issuer. 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. The Fund invests in Collateralized Loan Obligations (CLOs) that have risks that largely depend on the type of underlying collateral and risks may include illiquidity, limited active market, the possibility that distributions from collateral securities will be insufficient to make interest or other payments, the potential for a decline in the quality of the collateral, and can bear the risk of default by the loans. The Fund invests in derivatives and securities such as futures contracts, options and swap agreements. 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 convertible securities which are subject to the risks of both debt securities and equity securities. 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 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. The Fund is involved in short selling which may result in additional costs associated with covering short positions and a possibility of unlimited loss. 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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