Fund Manager Commentary

As of September 30, 2020

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 continued to rally in the third quarter, buoyed by continued central bank stimulus, improving economic data and optimism surrounding an economic recovery. The U.S. Federal Reserve Board (Fed) continued to support the corporate credit markets through the Secondary Market Corporate Credit Facility, though purchases moderated relative to the prior quarter. Economic data such as jobless claims improved, evoking optimism among investors despite remaining near all-time highs. Despite a brief bout of volatility in September, the sub-investment grade credit markets generated a positive return for the quarter.

Returns were driven by CCC-rated securities in both the High Yield and Bank Loan markets as the hunt for yield intensified with sovereign rates remaining below one percent across the globe. Demand for both asset classes was strong in the form of positive fund flows and a pickup in collateralized loan obligation (CLO) origination. New issuance was driven by refinancing as companies took advantage of compressed yields to potentially lower their borrowing costs.

The default environment improved during the quarter as companies were able to source liquidity in the public and private markets and activity remained driven by the energy and retail sectors. Downgrades remained muted relative to earlier in the year as well, contributing to a more balanced bid across the loan and high yield markets. The structured credit markets continued to rally as well with momentum picking up in September. Even with the rally, the mezzanine segment of the CLO market remained an attractive source of income with yields wide of their historical median.

Portfolio Review

The Touchstone Credit Opportunities II Fund (Class A Shares Load-Waived) outperformed its benchmark, the ICE BofA Merrill Lynch 3-Month U.S. Treasury Bill Index, for the quarter ended September 30, 2020.

The Fund's allocations to high yield bonds and bank loans outperformed their respective markets. The Fund received positive contributions from High Yield, Bank Loans and Structured products during the quarter. Returns were positive in July and August, and the Fund provided a downside cushion against the High Yield market in September. Short positions were a modest detractor during the rally for risk assets.

We continued to favor High Yield bonds relative to Bank Loans throughout the quarter due to the enhanced convexity of the asset despite valuations being somewhat equal. The allocation to High Yield increased partly due to spread compression within names that were previously distressed from a credit spread perspective. While the Structured products allocation was roughly flat in the quarter, the Fund opportunistically participated in several CLO control equity deals, which looked interesting given their attractive levels and low COVID-19-exposed portfolios.

From a ratings perspective, the allocation to BB-rated securities remained the Fund's largest exposure at quarter-end as we continued to favor high quality companies trading at a discount. Single B-rated securities were de-emphasized during the quarter in favor of fallen angel candidates in the investment grade space and CCC-rated securities which looked attractive on a relative basis.

(continued)

◊ *Prior to September 9, 2019, the performance history is that of the Touchstone Credit Opportunities Fund.*
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.***

Outlook and Conclusion

Credit markets have been strong recently despite a myriad of bearish headlines including election uncertainty in the U.S, a first wave of COVID-19 cases in the White House, a second wave in Europe and finally, President Trump's conflicting statements around additional fiscal stimulus. Loan and High Yield bond spreads in the U.S. and Europe entered the month above their respective post-crisis medians, which suggests an attractive opportunity exists, though much uncertainty remains around the economy and the U.S. elections. While many agree additional fiscal stimulus is needed in the U.S., there is much debate regarding the size and allocation of funds, pushing out the timeline of when and if a bill will be passed. Though default rates remain focused in the energy and retail sectors, and continue to trend lower, uncertainty around reopening plans suggests other industries may be vulnerable in the near term. In addition, loan documentation has started to revert to pre-pandemic standards, another potential landmine for inexperienced or pure beta investors. While this may be a lot to digest, we would also note these factors (for the most part) impact capital markets overall, and that income-oriented alternatives such as Investment Grade Corporates and Sovereigns continue to yield below 3 percent and 1 percent, respectively. Overall, we believe these factors underscore the importance of active management and an allocation to leveraged credit within a balanced portfolio. In the near-term, we expect to actively rotate exposures, take advantage of pockets of volatility and continue to focus on mistake avoidance, particularly around the upcoming earnings season. We believe the macro backdrop favors experienced managers with collaborative platforms and will continue to utilize the power of our platform to manage the Fund.

Fund Facts *(As of 09/30/20)*

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio* Total	Net
A Shares	08/31/15	**TMARX**	89155T631	2.56%	1.19%
C Shares	08/31/15	**TMACX**	89155T623	3.63%	1.94%
Y Shares	08/31/15	**TMAYX**	89155T615	1.61%	0.94%
INST Shares	08/31/15	**TARBX**	89155T599	1.37%	0.84%
Total Fund Assets	**$87.4 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 1.08% for Class A Shares, 1.83% 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 01/30/21.*

Share class availability differs by firm.

Annualized Total Returns *(As of 09/30/20)*

Class	3Q20	YTD	1 Year	3 Year	5 Year	Inception
Excluding Max Sales Charge						
A Shares	4.78%	-2.64%	-0.29%	2.90%	5.13%	4.55%
C Shares	4.72%	-3.11%	-0.98%	2.15%	4.43%	3.86%
Y Shares	4.89%	-2.42%	-0.13%	3.15%	5.38%	4.80%
INST Shares	4.89%	-2.42%	-0.02%	3.25%	5.49%	4.90%
Benchmark^	0.04%	0.64%	1.10%	1.69%	1.20%	1.18%
Including Max Sales Charge						
A Shares	1.34%	-7.52%	-5.29%	0.90%	3.88%	3.34%
C Shares	3.72%	-4.05%	-1.92%	2.15%	4.43%	3.86%

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 Merrill Lynch 3-Month U.S. Treasury Bill Index[1]

The ICE BofA Merrill Lynch 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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◇ Prior to September 9, 2019, the performance history is that of the Touchstone Credit Opportunities Fund.

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.

Touchstone Funds are distributed by Touchstone Securities, Inc.*
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Touchstone is a member of Western and Southern Financial Group

Not FDIC Insured | No Bank Guarantee | May Lose Value

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 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 convertible securities which are subject to the risks of both debt securities and equity securities. 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 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 is involved in short selling which may result in additional costs associated with covering short positions and a possibility of unlimited loss. Certain Touchstone funds-of-funds may invest in the Fund. Purchases, redemptions, and underlying allocations may require the Fund to take actions when it otherwise would not do so. This could adversely affect performance. 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. Events affecting the financial markets, such as a health crisis, 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. Current and future portfolio holdings are subject to risk. 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.

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