Touchstone Dynamic Allocation Fund

Sub-Advised by: Wilshire Associates Incorporated

Fund Manager Commentary

As of March 31, 2022

Fund Highlights

- This "fund of funds" primarily invests in a diversified portfolio of underlying equity and fixed income funds. These underlying funds, in turn, invest in a variety of U.S. and foreign equity and fixed income securities
- Under normal circumstances, the Fund (through its investment in underlying funds) will invest at least 40% of its portfolio in securities of issuers outside of the U.S.
- The majority of the underlying funds in which the Fund invests will be affiliated funds;
- The Fund's sub-advisor seeks to develop an optimal model allocation among underlying funds that seeks to provide capital appreciation through global exposure to a broad array of asset classes and investment strategies
- Under normal circumstances, the Fund expects to allocate its assets among equity and fixed income funds as follows: Equity Fund Allocation: 45-75%; Fixed Income Fund Allocation: 25-55%

Market Recap

The U.S. stock market produced a negative return for the first quarter of 2022. Sector performance was mixed as Energy and Utilities were up, supported by surging commodities prices. The worst performing sectors this quarter were Communication Services, Consumer Discretionary and Technology. From a size perspective, large-cap outperformed small-cap, although both segments were down. Growth stocks underperformed value in both the large-cap and small-cap segments during the quarter.

Performance results within international equity markets were mostly negative for the first quarter of 2022, with both developed and emerging markets producing losses. Within developed markets, however, there were some bright spots as the Australian and U.K. equity markets were positive. The U.K. economy surged in January and is now back above the level that existed before the COVID-19 pandemic. The largest emerging equity markets were down for the quarter, with China suffering a double-digit loss. An escalating COVID-19 outbreak in China has led to some local lockdowns and is cutting into economic growth forecasts. Russia's invasion of Ukraine led MSCI to reclassify the Russian equity market from Emerging to a Standalone Market since Russian equities are currently uninvestable. The decision was implemented across all MSCI indexes as of March 9, 2022, at a price that is effectively zero.

The U.S. Treasury yield curve was up across all maturities during the quarter, but most sharply in the intermediate range, with pronounced flattening further out the curve. The two-year Treasury was up 160 basis points to 2.34% while the 10-year Treasury yield also ended the quarter at 2.34%, up 83 basis points. The now nonexistent spread is as low as it has been since August 2019, a time of slowing economic growth. Investment-grade credit spreads widened during the quarter, as did the spread on the broad high-yield market. The Federal Open Market Committee met twice during the quarter as scheduled, raising the overnight rate off zero by 0.25% at their March meeting. Through the U.S. Federal Reserve Board's (Fed) "dot plot," it is messaging that the current intent is for additional increases totaling 150 basis points before the end of 2022. Their median forecast for year-end 2023 is for a Fed Funds Rate of 2.75%. During the January meeting, the committee announced that it will continue to reduce (i.e., taper) the monthly pace of its asset purchases and likely end them completely "in early March." As the quarter ended, however, the Fed was still adding assets, moving its balance sheet toward $9 trillion.

Real estate securities were down during the first quarter in both the U.S. and abroad. Most other real assets, however, enjoyed a strong start to the new year. Commodity prices rallied, fueled in part by the geopolitical risks from the Ukraine crisis, as crude oil was up 33.3% to $100.28 per barrel. This is the first time oil has been above $100 since mid-2014, when a boom in shale oil in the U.S. started driving prices considerably lower. Natural gas prices also rose dramatically after a drop during the fourth quarter, increasing by 51.3% and ending March at $5.64 per million

(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.***

BTU. Natural gas is up more than 100% for the past 12 months. Finally, gold prices enjoyed another strong quarter and were up 6.6%, finishing at approximately $1,949 per troy ounce.

Portfolio Review

The Touchstone Dynamic Allocation Fund (Class A Shares-Load Waived) underperformed its first benchmark, the MSCI All Country World Index (ACWI) and outperformed its second benchmark, the Bloomberg U.S. Universal Index for the quarter ended March 31, 2022.

Manager selection detracted during the quarter, while the timing of rebalancing the equities vs. fixed income exposure back to target contributed slightly.

The equity allocation was a detractor from absolute returns during the quarter. Individual manager performance within the equity bucket is estimated to have detracted during the quarter while allocation decisions within the equity bucket contributed, with the overweight to U.S. value equities and an overweight to foreign equities boosting relative returns.

On a stand-alone basis, the Fund's fixed income bucket outpaced the fixed income benchmark, which became 100% Bloomberg U.S. Universal Index as of January 18, 2022, replacing the Bloomberg Global Aggregate Index. An underweight to duration, as well as modestly more credit risk than the benchmark, benefited the Fund during the quarter. Individual manager performance within the fixed income bucket is estimated to have contributed during the quarter, while tilts within fixed income, and mismatch versus the benchmark, contributed.

The Fund's exited positions in iShares MSCI EAFE Value ETF and iShares Core MSCI Emerging Markets ETF were the two strongest performing allocations on a stand-alone basis during the quarter. Both positions were exited January 18 as the Fund removed third party ETF positions from the Fund and those allocations had generated positive returns through the 18th. With regard to positions held for the entire quarter, Touchstone Value Fund was the stronger absolute performer. Touchstone Sands Capital Select Growth Fund was the worst performer during the quarter, falling as rising interest rates and a re-rating of high growth stocks weighed on performance. Similar issues, compounded by generally negative returns for emerging markets equities, weighed on Touchstone Sands Capital Emerging Markets Growth Fund, which underperformed significantly during the quarter.

Outlook and Conclusion

Outside of China, the major global events have shifted away from COVID-19 concerns to the Russian invasion of Ukraine. Although both the U.S. and U.K. predicted that an invasion was likely to occur, the world (including Ukraine) were still caught off-guard when saber-rattling gave way to actual war. It remains unclear what the long-term outcome of the war will be, but in the short-to-intermediate-term, there is likely to be continued inflation that remains above trend, due to rapid increases in energy prices and disrupted global supply lines across a range of product types. Although the war is not expected to lead to a global recession, there is likely to be a notable reduction in economic growth in various countries, particularly in Europe.

COVID-19 may have been bumped from the headlines, but it is becoming increasingly difficult to contain within China. The city of Shanghai effectively entered a lockdown as case counts have soared. China's zero COVID-19 policy has helped keep infections low relative to nearly all other countries, but the steps necessary to keep the spread contained have a materially negative impact on economic growth. If cases continue to spread rapidly, and if China continues to adhere to its zero COVID-19 policy, then that headwind to economic growth will continue, though China will take other steps to help keep growth propped up. Already there have been reports of China easing up on its clampdown of the property industry as well as important parts of the technology industry.

Global economic growth will likely remain positive throughout 2022. Within the U.S., corporate earnings are expected to continue growing in 2022, though at a far reduced rate when compared to 2021. Absent additional multiples compression, this earnings growth should allow equity prices to move upwards during the coming quarters.

We anticipated that interest rates would move upwards, and prepared the Fund accordingly, and rates have risen rapidly during 2022. Rates have moved so quickly that we now believe that any additional rise in interest rates is likely to be modest, even as the Fed aggressively increases the Fed Funds rate from its current low level. Although rates may continue to drift upwards, the outlook for fixed income is far improved from even a quarter ago.

The Fund is positioned relatively neutral overall, with a target to equities that is in line with long-term expectations. Volatility within both the equity and credit markets is likely to remain elevated relative to recent years, though that volatility could lead to interesting investment opportunities for talented active managers. Give that the Fund invests solely in actively managed funds; we are excited for the outlook for the Fund in the coming quarters.

As of March 31, 2022, Touchstone Value Fund made up 15.96%, Touchstone Sands Capital Select Growth Fund made up 5.07%, and Touchstone Sands Capital Emerging Markets Growth Fund made up 5.98% of the Touchstone Dynamic Allocation Fund. Current and future portfolio holdings are subject to change.

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

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio* Total	Net
A Shares	09/30/04	**TSMAX**	89154Q307	1.46%	1.07%
C Shares	09/30/04	**TSMCX**	89154Q406	2.91%	1.82%
Y Shares	12/09/05	**TSMYX**	89154Q505	1.45%	0.82%

Total Fund Assets $77.8 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 0.49% for Class A Shares, 1.24% for Class C Shares and 0.24% for Class Y Shares. These expense limitations will remain in effect until at least 04/29/23.*

Share class availability differs by firm.

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

Class	1Q22	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	-6.09%	-6.09%	-3.15%	6.56%	5.86%	5.78%	5.53%
C Shares	-6.22%	-6.22%	-3.85%	5.79%	5.09%	5.14%	5.17%
Y Shares	-5.96%	-5.96%	-2.87%	6.84%	6.13%	6.04%	5.80%
Benchmark 1^	-5.36%	-5.36%	7.28%	13.75%	11.64%	10.00%	8.18%
Benchmark 2^^	-6.11%	-6.11%	-4.23%	1.85%	2.31%	2.57%	3.84%
Including Max Sales Charge							
A Shares	-10.77%	-10.77%	-7.99%	4.74%	4.61%	5.15%	5.17%
C Shares	-7.15%	-7.15%	-4.77%	5.79%	5.09%	5.14%	5.17%

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 - MSCI All Country World Index[1]

^^Benchmark - Bloomberg Global Aggregate Index[2]

[1]The MSCI All Country World Index measures the equity market performance of developed and emerging markets.

[2]The Bloomberg U.S. Universal Index represents the union of the U.S. Aggregate Index, U.S. Corporate High Yield Index, Investment Grade 144A Index, Eurodollar Index, U.S. Emerging Markets Index, and the non-ERISA eligible portion of the CMBS Index. The index covers USD-denominated, taxable bonds that are rated either investment grade or high-yield.

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.

Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used to create indices or financial products. This report is not approved or produced by MSCI.

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 for Class Y Shares combines the performance of an older class of shares (A Shares) from the Fund's inception, 09/30/04, with the performance since the inception date of each share class.***

A Word About Risk

The value of an investment in the Fund is based on the performance of the underlying funds in which it invests and the allocation of its assets among those funds. The underlying funds may change their investment goals, policies or practices and there can be no assurance that the underlying funds will achieve their respective investment goals. Because the Fund invests in mutual funds, shareholders indirectly bear a proportionate share of the expenses charged by the underlying funds in which it invests. The principal risks of an investment in the Fund include the principal risks of investing in the underlying funds. The Fund's ability to achieve its investment goal depends upon the sub-advisor's skill in selecting the best mix of underlying funds. 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. Financial institutions could suffer losses if interest rates rise or economic conditions deteriorate. The principal risks of an investment in the Fund include the principal risks of investing in the underlying funds in addition to those of the Fund. The Fund invests in equities which are subject to market volatility and loss. The Fund invests in foreign securities, foreign depositary receipts, emerging markets and frontier markets securities which carry the associated risks of economic and political instability, market liquidity, currency volatility and differences in accounting standards that differ from those of U.S. markets and offer less protection to investors. The Fund invests in fixed-income securities which can 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. 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 derivatives which may expose the Fund to additional risk than directly investing in securities and may lack a liquid market, are subject to counterparty risk and leverage risk which could result in increased volatility of returns as well as losses. Liquidity risk may exist when particular investments are difficult to purchase or sell, which can reduce an underlying fund's return. Leverage can create an interest expense that may lower the Fund's overall returns. There can be no guarantee that a leveraging strategy will be successful. 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.

Touchstone Funds are distributed by Touchstone Securities, Inc.*

*A registered broker-dealer and member FINRA and SIPC

Touchstone is a member of Western & Southern Financial Group

Not FDIC Insured | No Bank Guarantee | May Lose Value

Touchstone Investments®
DISTINCTIVELY ACTIVE®

800.638.8194 • TouchstoneInvestments.com

TSF-28-TSMAX-2203