Fund Manager Commentary

As of March 31, 2022

Fund Highlights

- Seeks a high level of income consistent with reasonable risk by investing primarily in income producing securities
- Primarily invests in investment grade corporate bonds, high yield corporate bonds, preferred stocks, U.S. municipal bonds and U.S. Treasuries
- Actively manages the portfolio by rotating among asset classes and tactically hedging during various interest rate and market environments
- Seeks to identify relative value across asset classes and capture opportunities primarily within the corporate, U.S. Treasury, municipal and preferred security markets
- Analyzes and targets the portfolio's level of risk and interest rate sensitivity
- Selects individual positions based on security credit metrics and structures
- Focuses on liquid securities with transparent pricing and actively-traded capital structures

Market Recap

After a relatively benign fourth quarter of 2021 for the fixed income markets in general, the first quarter of 2022 was the complete opposite. The year began with a strong sell-off in U.S. Treasuries. This continued a trend that began toward the end of third quarter of 2021 when the U.S. Federal Reserve Board (Fed) pivoted its guidance about tightening rates and tapering asset purchases "soon." Since that pivot, inflationary signals continued to climb steadily, even before the Russian invasion of Ukraine began. After the start of the conflict, sanctions against Russia from many nations around the world further exacerbated the surge of prices of many commodities, especially oil, wheat and fertilizer, with even more dramatic increases in inflationary metrics causing a sell-off in rates globally. Although the Fed's messaging has been consistent during the past six months, its actions thus far have only resulted in a 25 basis point (bps) rate hike and an official end to incremental asset purchases as of the end of the first quarter of 2022. During the first quarter, the U.S. Treasury yield curve inverted. Specifically, the fact that the difference between the yield of the 10-year U.S. Treasury Note and the 2-year U.S. Treasury Note is negative (inverted) has often been a signal that the U.S. economy may struggle in the near/medium-term.

Portfolio Review

The Touchstone Flexible Income Fund (Class A Shares Load-Waived) outperformed its benchmark, the Bloomberg U.S. Aggregate Bond Index, for the quarter ended March 31, 2022.

Our main tenets have been to focus on investment opportunities with high current income, relatively short duration (generally inside 5 years) combined with high confidence of a very low probability of default; we continue to be extremely focused on underlying fundamentals and credit quality. A majority of the Fund, as of the end of the quarter, was invested across Preferred Securities and Agency Commercial Mortgage-Backed Securities (CMBS) holdings. The Preferred allocation is centered on securities with fixed coupons for 5 years and that reset at a spread off of U.S. Treasuries, thus mitigating interest rate risk. While the Preferred asset class had several low coupon perpetuals decline for the quarter, we avoided these securities, and Fund holdings in less rate-sensitive structures outperformed the Index. The Agency CMBS positions are generally backed by multi-family residential housing properties, which performed well fundamentally compared to other commercial sectors such as retail or lodging which we are actively avoiding, as we do not like the fundamentals of those sub-sectors.

Credit spreads across the asset classes in which the Fund was invested widened versus their extremely tight levels experienced in and around in 2021. We observed some

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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.***

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illiquidity a week or two after the Russia/Ukraine conflict started which caused some spreads to reach their widest levels of the first quarter of 2022. However, spreads have since tightened to a degree which offset a portion of the further sell-off in U.S. Treasuries through the end of the quarter.

Opportunistically, we deployed various hedges during the quarter to counter a portion of the duration exposure within the Fund. We also deployed a hedge to counter a portion of the Fund's high yield credit exposure, a short position in an ETF referencing the S&P 500 Index.

The Fund's duration at the end of the first quarter was over three years shorter relative to the benchmark. The Fund is positioned with a lower duration than the benchmark purposefully as we wanted it to stay in shorter solid credits to cushion the Fund from any spread volatility and/or large moves up in benchmark interest rates. Because of the Fund's lower duration versus the benchmark, duration was additive to relative performance during the quarter.

Of the major allocations within the Fund's portfolio Preferred Securities remained the largest asset class allocation. While we were successful in avoiding long duration preferred securities, the Fund was not unscathed. Its preferred allocation was comprised of mainly fixed to reset off U.S. Treasury securities with short call dates. While these securities held up better than the Index, many were still down during the quarter.

Among the Fund's investment grade security allocation, Investment Grade Structured Products Securities was the largest, followed by Investment Grade Corporate Bonds. We focused on investing a portion of the Fund's cash and monthly distributions into shorter duration Investment Grade Structured Products as a defensive measure during the beginning of the first quarter as short-term U.S. Treasuries sold-off. However, soon after the Russia/Ukraine conflict began, we pivoted into investing in short dated U.S. Bills to optimize liquidity. Regarding the Fund's Investment Grade Corporate Bonds, we continue to like the positions held for their credit and spreads and were able to add some exposure in the front end considering the sell-off in U.S. Treasuries and widening of spreads. We will continue to look to add to this asset class on a tactical basis.

The Fund's high yield allocation was comprised of both Structured Products and Corporate Bonds. High Yield Structured Products represented the largest below investment grade sub-category. We continue to be constructive with the risk/reward of these securities, as we stay focused predominantly on housing related transactions that have good fundamentals which we believe have low probability of default with relatively low duration and high current income. We were able to tactically add to this exposure at higher yields during the first quarter of 2022. Regarding the Fund's High Yield Corporate Bond allocation, we continue to favor high coupon first lien secured bonds that are trading to short call dates. These issues sit senior in the capital structure and are further secured by unencumbered collateral packages.

Furthermore, we see value in several High Yield / Loan Closed-End Funds, which trade at significant discounts to net asset value.

The Fund's smaller allocations consist of Municipal Bonds, U.S. Treasuries and Cash Equivalents. Municipal Bonds have been susceptible to an increase in long-term rates. They were under pressure in the first quarter of 2022. We see relative value opportunities in closed end funds. We are cautious to add exposure as the technical picture for Municipal Bonds is still poor and we believe this will continue to pressure all security types in the asset class. The Fund's U.S. Treasury allocation was invested in shorter maturity Treasuries in order to minimize the "cash drag" from the larger allocation of cash equivalents given our desire for the Fund's portfolio to remain liquid. Finally, regarding the Fund's cash equivalents allocation, we continue to remain patient and look to further aggregate cash flows generated from the securities held by the Fund and may continue to reinvest any flows received into short dated U.S. Treasuries and/or other short duration investments in order to prepare for any corrections and/or better entry points.

Outlook and Conclusion

In general, the greatest headwind to the Fund's portfolio is the same thing that is potentially shielding it from inflation, rising U.S. Treasury yields, credit deterioration, etc. Its lower duration and cash equivalents position may affect the Fund if there were a large move lower in yields without a commensurate widening of spreads.

The Fed has stated that it has near term plans to ease to curb runaway inflation. We also know that it has acted slower than messaged. As discussed previously, when the Fed realized that it intended to ease back in September 2021, it continued to purchase more assets from that time to the end of the first quarter of 2022, which we believe added to the outsized amount of inflationary pressures. In our view, the current surge in prices of various commodities such as oil and food may slow U.S. consumer demand (i.e. demand destruction), causing the Fed to ease slower than the market is anticipating. We anticipate a convergence between the rate hikes implemented to combat inflation versus the slowing demand we expect because of the abnormally high amount of inflationary pressures. Further, we think some other variables could potentially provide headwinds for the Fed to raise rates for a sustained period of time including geopolitical issues in Eastern Europe and Asia, COVID-19 related supply chain constraints, and worse than anticipated employment metrics and inflation gauges. These factors may cause the delay in the scheduled easing of rates in 2022. We are constantly monitoring interest rates, as we are aware that the Fund's largest allocations to Preferred Securities and Agency CMBS can be somewhat sensitive to longer U.S. Treasuries.

With the headwinds mentioned earlier causing a potential slowdown in U.S. growth, we believe the Fed may have to reverse course at some point, however, in the near term we believe it will continue to be aggressive with rate hikes and winding down asset purchases. As an observation, we

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thought the Fed's actions have continued to remain relatively dovish from September 2021 through the end of the first quarter as it had the opportunity to stop asset purchases much earlier, raise rates earlier, and by more than just the 25 bps it approved during its March meeting. We are also mindful that the fiscal packages being negotiated by the U.S. Congress, along with further strong prints in employment figures, and continuously high Consumer Price Index (CPI) and inflationary metrics stemming from surging commodity prices, may all cause U.S. Treasuries to gravitate higher from here forcing the Fed's hand to taper by more than is anticipated. There is already some weakening in the data such as the University of Michigan Consumer Sentiment Index, which dropped to 59 at the end of March 2022, only 4 points away from the all-time low set in 2008. Additionally, U.S. housing, one of the pillars during the economic recovery following the market dislocation caused by COVID-19 lockdowns in March of 2020, has started to weaken as U.S. mortgage rates have increased dramatically.

Inflation is another major variable we are constantly monitoring. Throughout 2021 and through the first quarter of 2022 there was a surge in pricing for housing, oil, natural gas, construction costs and various other commodities. They experienced varying degrees of inflationary pressures due to supply chain issues and general shortages versus heightened demand stemming from generous stimulus packages distributed directly to U.S. consumers during the past few years. As mentioned earlier, some of this inflationary pressure was further exacerbated due to the Russia/Ukraine conflict, which caused further spikes in commodities that were overweight in regards to production in Eastern Europe, such as oil, wheat and fertilizer as examples. Away from this episodic conflict, we feel the view of further "runaway inflation" and a parabolic increase in benchmark yields to temper it will continue to some extent, however, we also believe a fair amount of it has already been priced in by the markets. We believe most of the pricing pressure (inflation) due to current shortages and supply chain disruptions have already started to abate, albeit slowly, and we do not expect wages to grow fast enough to sustain long-term inflation. Certain commodities and inflationary metrics have already come down off their recently recorded highs, for example, used cars, lumber and coal. Certain inflationary elements such as home prices and wages may continue to remain at their historically high, current levels or increase at a more decelerated pace. Owner equivalent rent, which contributed to approximately one third of U.S. CPI, may continue to rise in the near term as it has lagged the increase experienced in the U.S. housing indices over the last year and a half. On the other hand, considering the incremental government spending injected into the economy and the likelihood of the unemployed population re-entering the workforce now that COVID-19 related unemployment insurance benefits have officially expired and stimulus related savings have been spent, inflationary pressures may re-emerge if demand continues to outweigh supply. Again, we view this as less likely as it appears the inflationary pressures will not be sustained at these historically high levels, and we anticipate them decreasing to more normal historical levels faster than the Fed is currently expecting. Nevertheless, we will continue to remain vigilant and monitor this risk.

Credit spreads which experienced all-time tights or at least multi-year tights across mostly all fixed income asset classes in 2021 have generally widened to what we view as historically fair to somewhat cheap as of the end of the first quarter. We remain focused on asset classes that we still view as being relatively cheap from historical standards, yet fundamentally solid given our current and projected macroeconomic views. At the beginning of the first quarter, considering the extremely flat credit curve and bear flattening of the yield curve, we began refocusing on shorter, more senior securities, as well as short dated U.S. Treasuries and cash equivalents. This was further reinforced after the Russia/Ukraine conflict started as our focus turned to maintaining optimal liquidity to be better positioned to take advantage of any opportunities we felt were cheap on a risk-adjusted basis.

We continue to be wary and avoid highly credit sensitive asset classes such as High Yield Corporate Bonds, although they are currently much more fairly priced on a risk-adjusted basis than they have been in a few years. In our view, we will remain tentative to rotate into such investments as they have a meaningfully higher probability of default. We will look to take advantage of investment opportunities in this space on a tactical basis. As always, we remain diligent and patient as we are focused on avoiding any positions that have the potential to suffer from extreme illiquidity, which could be caused by an unforeseen event.

The Fund seeks high current income and will seek total return opportunities in an effort to capitalize on portfolio rotation, asset allocation, opportunistic investing, etc.

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

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio* Total	Net
A Shares	04/01/04	**FFSAX**	89154Q620	1.16%	1.11%
C Shares	10/29/01	**FRACX**	89154Q612	1.92%	1.86%
Y Shares	09/01/98	**MXIIX**	89154Q596	0.90%	0.86%
INST Shares	09/10/12	**TFSLX**	89154Q588	0.91%	0.76%

Total Fund Assets $846.8 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 1.04% for Class A Shares, 1.79% for Class C Shares, 0.79% for Class Y Shares and 0.69% for Class INST Shares. These expense limitations will remain in effect until at least 07/29/22.*

Share class availability differs by firm.

Fifth Third Strategic Income Fund Class I Shares became Touchstone Flexible Income Fund Class Y Shares on 09/10/12.

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	-4.66%	-4.66%	-1.76%	3.20%	3.33%	3.75%	5.93%
C Shares	-4.82%	-4.82%	-2.52%	2.41%	2.55%	3.13%	5.43%
Y Shares	-4.67%	-4.67%	-1.61%	3.44%	3.56%	4.02%	6.28%
INST Shares	-4.56%	-4.56%	-1.45%	3.55%	3.68%	4.11%	6.37%
Benchmark^	-5.93%	-5.93%	-4.15%	1.69%	2.14%	2.24%	6.40%
Including Max Sales Charge							
A Shares	-7.79%	-7.79%	-4.93%	2.50%	2.12%	3.14%	5.76%
C Shares	-5.76%	-5.76%	-3.47%	2.41%	2.55%	3.13%	5.43%

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 - Bloomberg U.S. Aggregate Bond Index[1]

[1]The Bloomberg U.S. Aggregate Bond Index is an unmanaged index comprised of U.S. investment grade, fixed rate bond market securities, including government, government agency, corporate and mortgage-backed securities between one and ten years.

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.

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.*

*****Class A, Class C and Class Y shares performance was calculated using the historical performance of the Fifth Third/Maxus Income Fund Investor shares, with an inception date of March 10, 1985, for periods prior to April 1, 2004, October 29, 2001 and September 1, 1998, respectively. Institutional Class shares performance information was calculated using the historical performance of Class Y shares for the periods prior to September 10, 2012. The returns have been restated to reflect sales charges and fees applicable to Class A, Class C, Class Y and Institutional Class shares.***

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 mortgage-backed securities and asset-backed securities which are subject to the risks of prepayment, defaults, changing interest rates and at times, the financial condition of the issuer. The Fund invests in investment grade debt securities which may be downgraded by a Nationally Recognized Statistical Rating Organization (NRSRO) to below investment grade status. 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 U.S. government agency securities which are neither issued nor guaranteed by the U.S. Treasury and are not guaranteed against price movements due to changing interest rates. 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'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. 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 convertible securities which are subject to the risks of both debt securities and equity securities. The Fund invests in derivatives such as futures contracts. 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. 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 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 municipal securities which may be affected by uncertainties in the municipal market related to legislation or litigation involving the taxation of municipal securities or the rights of municipal security holders in the event of bankruptcy and may not be able to meet their obligations. The Fund may experience higher portfolio turnover which may lead to increased fund expenses, lower investment returns and higher short-term capital gains taxable to shareholders. 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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