Touchstone Focused Fund

Sub-Advised by: Fort Washington Investment Advisors, Inc.◊

U.S. Equity – Multi-Cap Core

1Q/2023

Fund Manager Commentary

As of March 31, 2023

Fund Highlights

- Concentrated, high conviction portfolio
- Distinctive approach is centered on linking valuations with barriers to entry
- Seeks to invest in businesses that are trading below what is believed to be its estimate of the companies' intrinsic value
- Focuses on businesses that are believed to have a sustainable competitive advantage or a high barrier to entry in place
- Strategy provides the opportunity to invest in companies of all market capitalizations

Market Recap

U.S. equities recorded positive returns in the first quarter as rates pulled back, inflation readings came in lower than expected, and the labor market and consumer spending remained healthy. Among the best performing benchmark sectors were Information Technology, Communication Services, and Consumer Discretionary. Among the worst performing sectors for the benchmark were Financials, Energy, and Health Care.

Portfolio Review

The Touchstone Focused Fund (Class A Shares Load-Waived) outperformed its benchmark, the Russell 3000® Index, for the quarter ended March 31, 2023.

The Fund's outperformance was primarily due to stock selection. Sector allocation also contributed primarily due to an underweight in Energy and an overweight in Communication Services. Within the Touchstone Focused Fund, the sectors where fund holdings outperformed the most relative to the benchmark were Communication Services, Consumer Staples, and Consumer Discretionary. Sectors that lagged the most relative to the benchmark include Real Estate and Health Care.

Among the holdings that contributed to performance were Meta Platforms Inc. (Communication Services sector), Salesforce Inc. (Information Technology sector), and Microsoft Corp. (Information Technology sector). Meta shares outperformed based on quarterly results that exceeded expectations during the period, the announcement of more share buyback authorization, and the pullback in interest rates during the quarter. Salesforce shares outperformed after the company reported significant upside to revenue and profitability during its fiscal fourth quarter and issued favorable margin guidance and buyback authorization. Microsoft outperformed primarily due to strong fiscal quarter results where the company outperformed on the top and bottom lines mainly driven by better than expected results in its Azure business.

Among the holdings that detracted the most from performance included UnitedHealth Group Inc. (Health Care sector), Johnson & Johnson (Health Care sector), and Bank of America Corp. (Financials sector). UnitedHealth Group's underperformance in the quarter was largely due to nervousness around Medicare Advantage rate updates for 2024. However, final rates published early in the second quarter included a 3-year phase-in of one of the key drivers, which made the 2024 rate cut more manageable. Johnson & Johnson shares underperformed as headlines about the company's talc-related claims put litigation risk top of mind for investors during the first quarter. Subsequent to the end of the quarter, Johnson & Johnson announced a potential settlement of all talc claims. While some risk remains, if successful, this should remove an overhang from the shares. Bank of America shares underperformed primarily due to investor concern about higher expenses and lower net interest margin with a potential rate peak in the near term.

From a market cap perspective, the Fund ended the period with low weights in smaller cap stocks (companies with a market cap below $2 billion). The Fund had an underweight in mid-cap businesses. Lastly, the Fund is overweight in larger cap businesses (companies with a market cap above $10 billion). This allocation decision had an insignificant impact to performance during the quarter.

During the quarter, the Fund added Stanley Black & Decker Inc. (Industrials sector) to the Fund's portfolio. As the quarter ended, the Fund had an overweight in the Communication Services, Information Technology and Health Care, and an underweight in the Financials, Energy, Industrials, Materials, and Real Estate

(continued)

◊ *Fort Washington is a member of Western & Southern Financial Group*

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.***

Touchstone Investments®
DISTINCTIVELY ACTIVE®

sectors. The weight in the Consumer Staples and Consumer Discretionary sectors was roughly in line with that of the benchmark. The Fund held no positions in the Utilities sector.

Outlook and Conclusion

During the first quarter, the U.S. equity market continued to rebound from the 2022 downturn. Despite lingering recession risk and two large bank failures during the quarter, the equity market rallied as interest rates pulled back and inflation climbed less than expected. Investors are now debating whether this is a sustainable market transition or simply another bear market rally. In our view, much of last year's tightening has not been digested by the real economy. Soft landings are typically preceded by the easing of lending standards, while hard landings are preceded by the tightening of lending standards. We believe bank lending standards will continue to tighten. U.S. Federal Reserve Board (Fed) expectations changed significantly over the first quarter, but the inflation data complicates near term decision making for the Fed. Therefore, the path for a soft landing remains narrow and we continue to see indications of the slowdown we thought was likely in the back half of 2022 and into 2023 mainly due to the lag effects of higher interest rates and higher prices. The labor market and consumer spending have been resilient due to elevated pandemic savings. But with sustained tight financial conditions, we see additional downside risk to growth.

Based on our outlook, we have been gradually de-risking the portfolio for a while. Last year, for example, we sold one of the two recently failed banks (Signature Bank) due to our concerns about its performance in a de-risking market resulting from higher interest rates. In addition, we have moved the portfolios into higher return on capital and higher barrier to entry businesses with pricing power, increased our defensive exposure, and increased our cash position. We believe this conservative risk posture will benefit the portfolio going forward.

As of March 31, 2023, Meta Platforms Inc. made up 2.87%, Salesforce Inc. made up 2.44%, Microsoft Corp. made up 7.83%, UnitedHealth Group Inc. made up 3.01%, Johnson & Johnson made up 2.81%, Bank of America Corp. made up 2.02%, and Stanley Black & Decker Inc. made up 0.55% of the Touchstone Focused Fund. Current and future portfolio holdings are subject to change.

Fund Facts *(As of 03/31/23)*

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio* Total	Net
A Shares	09/30/03	**TFOAX**	89154X245	1.15%	1.15%
C Shares	04/12/12	**TFFCX**	89154X237	1.91%	1.91%
Y Shares	02/12/99	**TFFYX**	89154X229	0.86%	0.86%
INST Shares	12/20/06	**TFFIX**	89154X211	0.88%	0.84%
Total Fund Assets	**$1.1 Billion**				

**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 1.20% for Class A Shares, 1.95% for Class C Shares, 0.95% for Class Y Shares and 0.83% 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 03/31/23)*

	1Q23	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	8.94%	8.94%	-6.52%	20.09%	10.32%	11.06%	9.88%
C Shares	8.72%	8.72%	-7.26%	19.18%	9.48%	10.40%	9.25%
Y Shares	9.00%	9.00%	-6.26%	20.44%	10.65%	11.37%	10.17%
INST Shares	9.03%	9.03%	-6.21%	20.50%	10.71%	11.47%	10.26%
Benchmark^	7.18%	7.18%	-8.58%	18.48%	10.45%	11.73%	7.35%
Including Max Sales Charge							
A Shares	3.50%	3.50%	-11.20%	18.05%	9.02%	10.40%	9.61%
C Shares	7.72%	7.72%	-8.15%	19.18%	9.48%	10.40%	9.25%

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 3000® Index[1]

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 adviser 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 A, C, and INST Shares combines the performance of an older class of shares (Y Shares) from the Fund's inception, 02/12/99, with the performance since the inception date of each share class.***

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.

Not FDIC Insured | No Bank Guarantee | May Lose Value

[1]The Russell 3000® Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

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.

A Word About Risk

The Fund invests in equities which are subject to market volatility and loss. The Fund invests in stocks of large-cap companies which may be unable to respond quickly to new competitive challenges. The Fund invests in stocks of small- and mid-cap companies, which may be subject to more erratic market movements than stocks of larger, more established companies. 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, including depositary receipts, such as American Depositary Receipts, Global Depositary Receipts, and European Depositary Receipts, 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 emerging markets securities which are more likely to experience turmoil or rapid changes in market or economic conditions than developed countries. The Fund may focus its investments in a particular industry and/or market sector which may increase the Fund's volatility and magnify its effects on total return. 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 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. Current and future portfolio holdings are subject to change.

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

Touchstone Investments®
DISTINCTIVELY ACTIVE®

800.638.8194 • TouchstoneInvestments.com