

Fund Manager Commentary

As of June 30, 2021

Fund Highlights

- Invests in stocks of companies that span the capitalization spectrum and draws on the collective experience of the investment team
- Has the ability to shift assets to the most attractive segments of the market based on fundamental research and current market and economic conditions
- Believes that companies that exhibit faster earnings growth offer the best opportunity for superior real rates of return given the conviction that stock prices follow earnings growth
- Seeks reasonably priced stocks of companies with high forecasted earnings potential through in-depth, fundamental research and first-hand knowledge of company operations derived through on-site visits and meetings with management teams, as well as suppliers, users and competitors
- Emphasizes excellent company management, disciplined capital allocation, strong returns on invested capital, solid financial controls, unit volume growth, cash flow sufficient to fund growth and unique market position or pricing power

Market Recap

U.S. equities finished a quarter in positive territory for the fifth consecutive time since the market bottomed in March 2020. Reversing the trend from the end of the first quarter, pro-cyclical stocks and value, as a factor, ceded market leadership to their growth peers. Robust equity inflows coupled with stellar corporate earnings, rising vaccination rates, continued re-openings, and supportive monetary policy propelled equity markets higher. Inflation was the topic of the quarter with much debate over how much of the recent price pressures are transitory in nature due to supply chain bottlenecks and what are likely to result in sustained upward price pressure. While the debate raged on, the U.S. Federal Reserve Board (Fed) remained firm in its assertion that current pressures will abate over time and no additional intervention will be necessary.

After a first quarter that was characterized by extreme factor volatility, factors had a relatively more muted effect on performance in the second quarter. The Energy, Communications Services, Real Estate and Information Technology sectors outperformed the overall benchmark while Materials, Utilities, Consumer Staples and Industrials lagged.

Portfolio Review

The Touchstone Growth Opportunities Fund (Class A Shares Load-Waived) underperformed its benchmark, the Russell 3000® Growth Index, for the quarter ended June 30, 2021.

The Fund's relative weakness in the Industrials and Information Technology sectors outweighed relative strength in Consumer Discretionary and Financials.

Information Technology was the top detracting sector from relative results over the first quarter. Lumentum Holdings, Inc., a market leader in optical equipment for telecom operators, was the top detractor within the sector over the period. The company missed revenue expectations in its most recent quarterly report and lowered guidance on slowing 5G deployments in China. Additionally, it lowered its 3D sensing market segment projections down for next year because of an architecture change for forthcoming Apple, Inc. products. While a disappointing quarter, it is our opinion that moving forward, Lumentum is capable of meeting or exceeding its updated projections based on clarified targets. NVIDIA Corporation, a designer and manufacturer of computer graphics processors and related multimedia software, was a top contributor to relative performance within the sector, offsetting some relative losses elsewhere within the sector. After a period of recent relative underperformance, NVIDIA rebounded as strength in its gaming and data center segments was more durable than investors initially assumed. Additionally, being one of the

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premier growth stocks within the semiconductors, NVIDIA was lifted from the rotation back to growth stocks that occurred over the quarter.

Industrials detracted from relative returns over the period. The swift rotation away from high quality, cyclically oriented recovery stocks in the quarter had an outsized impact on certain segments of the market, including Industrials. One of these high-quality operators, railroad transportation company Union Pacific Corporation, was the top detractor to relative performance in the sector. Despite the macro headwinds, the underlying business demands for rail transportation remain incredibly robust. We continue to think that Union Pacific is well positioned as an inflation and industrial-cycle beneficiary as we move forward into the second half of 2021.

Consumer Discretionary was the largest positive relative contributing sector for the period. U.S. optical retailer National Vision Holdings, Inc. was a top relative performer. National Vision continued to see robust demand for its eyeglasses and exam services, and we believe market share gains will continue given its compelling value proposition and ongoing expansion plans. Additionally, its partnership with Walmart Inc., and the potential growth of that relationship, could provide substantial longer-term upside for National Vision.

Financials was another relative contributing sector over the quarter. The relative strength was primarily due to Fund positioning in Morgan Stanley. The company has continued to re-rate higher as it executes on its plan to further develop its wealth and asset management segments, and drive consistent organic growth. Additionally, following the release of the Fed's stress tests on banks late in the quarter, Morgan Stanley announced an increased dividend and share repurchase program, well ahead of expectations.

The most significant change to the portfolio's characteristics was the impact on active sector weights resulting from the Russell Index rebalance at the end of June. In particular, the weight in the cyclical areas—as defined by Industrials, Materials, Energy, Financials, Consumer Discretionary, Semiconductors, and Semiconductor Equipment—in the benchmark increased significantly in the rebalance. As a result, the Fund is underweight Cyclical following the rebalance (compared to overweight pre-rebalance).

The Fund's largest sector change was in Industrials as the absolute weight decreased, however the Fund continued to be overweight the sector as we believe Industrials is one of the best ways to participate in a cyclical recovery. During the quarter, we sold two stocks within Electric Equipment as we believe sources of funds for recovery-oriented stocks have higher risk/rewards.

It is important to remember that we take a bottom-up, fundamental approach when identifying securities for inclusion within the strategy and sector exposures are the result of our fundamental conviction in individual companies.

Outlook and Conclusion

Moving forward, we continue to believe that we are entering a period of robust economic activity as the economy fully reopens, supply chain bottlenecks subside, and pent-up demand is

exhausted. With robust aggregate demand, we think current price pressures in the system will remain, and likely worsen, as the labor market tightens in the coming months with the end of jobless benefits which we believe will ultimately drive wage pressure higher. There will undoubtedly be counter-trend trades to make at times, but we maintain conviction that the best way to invest in this type of environment is through exposure to high-quality growth cyclical businesses, particularly those with pricing power. We believe these businesses are best suited to navigate a rising interest rate environment and pass through rising input costs. For those best positioned, they may even be able to expand margins. We also believe that growth-at-any-price should be avoided here. Valuations will matter and quality is key. Ultimately, we expect the Fed to adjust course over time and pull forward its timelines for both tapering bond-purchases and raising interest rates.

As of June 30, 2021, Lumentum Holdings, Inc. made up 1.95%, NVIDIA Corporation made up 2.33%, Union Pacific Corporation made up 2.05%, National Vision Holdings, Inc. made up 1.70%, Morgan Stanley made up 1.46%, Apple, Inc. and Walmart Inc. made up 0.00% of the Touchstone Growth Opportunities Fund. Current and future portfolio holdings are subject to change.

Dividend-paying investments may not experience the same price appreciation as non-dividend paying instruments, dividend-issuing companies may choose not to pay a dividend, or the dividend may be less than what is anticipated.



Fund Facts (As of 06/30/21)

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio*	
				Total	Net
A Shares	09/29/95	TGVFX	89154X708	1.34%	1.24%
C Shares	08/02/99	TGVCX	89154X807	2.70%	1.99%
Y Shares	02/02/09	TGVYX	89154X559	1.13%	0.99%
INST Shares	02/02/09	TGVVX	89154X542	1.03%	0.89%
Total Fund Assets	\$174.3 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 1.24% for Class A Shares, 1.99% for Class C Shares, 0.99% for Class Y Shares and 0.89% for Class INST Shares. These expense limitations will remain in effect until at least 07/29/22. Share class availability differs by firm.

Annualized Total Returns** (As of 06/30/21)

Class	2Q21	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	10.57%	13.55%	41.29%	24.19%	22.68%	15.59%	10.79%
C Shares	10.36%	13.12%	40.22%	23.26%	21.75%	14.91%	10.44%
Y Shares	10.63%	13.69%	41.63%	24.51%	22.98%	15.89%	10.92%
INST Shares	10.64%	13.75%	41.80%	24.63%	23.10%	16.00%	10.98%
Benchmark ¹	11.38%	12.71%	42.99%	24.47%	23.31%	17.54%	10.38%
Including Max Sales Charge							
A Shares	5.04%	7.89%	34.23%	21.76%	21.24%	14.91%	10.53%
C Shares	9.36%	12.12%	39.22%	23.26%	21.75%	14.91%	10.44%

Max 5.00% sales charge for Class A Shares and 1% Contingent Deferred Sales Charge for Class C Shares held less than 1 year.

¹Benchmark - Russell 3000[®] Growth Index¹

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**The performance presented for Class C, Y, and INST Shares combines the performance of an older class of shares (A Shares) from the Fund's inception, 09/29/95, with the performance since the inception date of each share class.

¹The 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.

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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 growth stocks which may be more volatile than investing in other stocks and may underperform when value investing is in favor. 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. 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 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. 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 change. 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.

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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