

Fund Manager Commentary

As of March 31, 2023

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

Equities finished the quarter higher despite multiple double-digit percentage point swings in the indexes throughout the period. After stocks surged in January on the hopes of more dovish U.S. Federal Reserve (Fed) policy and a soft-landing coming to pass, indexes reversed course in February as data showed persistent inflation and hawkish Fed commentary. Then, almost 12 months into the tightening cycle, cracks emerged in the banking system, which ultimately led to the collapse of Silicon Valley Bank. Investors flocked to perceived safe-haven segments of the market, most notably into mega-cap Technology, among others. Despite trading in tandem for much of the quarter, large caps diverged rather dramatically in March, outperforming small caps by a wide margin.

For the quarter, the three sectors with the best total return in the benchmark were Communication Services, Information Technology, and Consumer Discretionary. Among the worst performing sectors were Energy, Utilities, Financials, and Health Care.

Portfolio Review

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

The relative outperformance during the quarter was due to a combination of stock specific strength and a growth factor tailwind. From a factor standpoint, the Fund benefited from being

overweight growth and volatility, which offset a headwind from being overweight value. Given our growth-at-a-reasonable-price (GARP) investment philosophy, we are typically overweight both value and growth. Relative strength in Information Technology and Consumer Staples sectors outweighed relative weakness in Materials and Health Care sectors.

The Information Technology sector was the largest positive contributor over the period. Salesforce Inc., a provider of enterprise cloud computing solutions, was the top contributing name within the sector. Shares rose after the company announced cost-cutting measures and reported significantly better than expected quarterly results. Moving forward, we believe Salesforce has significant room for continued margin expansion and is attractively valued for a top-tier asset.

The Consumer Staples sector also added to relative results over the period. The relative outperformance in the sector was primarily driven by our underweight positioning and secondarily from good stock performance. We continue to have a structural underweight to this segment of the market, as we feel there are more compelling investment opportunities with more attractive growth profiles in other sectors. We believe inflationary costs could pressure consumer staple profitability and we are seeing increasing signs of consumer pushback against the aggressive price increases food and beverage companies have taken.

The Materials sector was the top detracting sector from relative results over the quarter. Vulcan Materials Company, one of the largest producers of construction aggregates, was a detracting name

(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.**



within the segment over the period. Macro concerns about the residential and non-residential construction landscape coupled with a conservative full year guide from the company weighed on the stock price over the quarter. Despite this short-term drawdown, we believe that estimates have corrected and the residential cycle will likely turn into a tailwind when infrastructure spending picks up. Additionally, Vulcan has shown an ability to push price increases, which can drive margin expansion in the future as cost pressures wane, creating an opportunity for the company to drive future earnings growth.

The Fund's largest sector change was in the Financials sector following the GICS rebalance of the Financial Services industry group to the Financials sector from the Information Technology sector. We reduced exposure to traditional Financials during the quarter with the sale of First Interstate BancSystem Inc. and Brookfield Corporation and are underweight Financials as we continue to find what we view as attractive GARP investment opportunities within this area.

We also reduced exposure to Industrials during the quarter through two sales within Commercial Construction (Advanced Drainage Systems Inc. and WESCO International Inc.) which we no longer believed were best uses of capital. Within the sector, our positioning is balanced with exposure to traditional quality cyclicals and commercial aerospace. We are trying to avoid expensive industrial stocks and focus on more quality GARP names.

Outlook and Conclusion

Amidst slowing growth and persistent volatility over the last 12 months, embracing quality has yielded strong results and we expect that backdrop to continue over the balance of the year as it did in the first quarter. Market headwinds remain and we expect turbulence to continue throughout 2023. We remain focused on what we can control: sticking to evaluating fundamentals with a bias towards quality growth. We favor cash flows and durable earnings over long-duration assets and leverage, all else equal. We are also looking across the market for opportunities where beaten down stocks with fantastic growth prospects now trade at compelling prices. We have positioned the Fund to both endure the volatility, but also participate in improving conditions should that occur. As always, our portfolio positioning will evolve alongside our market expectations as we move forward throughout the year.

We believe that companies with strong underlying earnings growth that trade at reasonable valuations will be favored at the expense of high multiple momentum growth stocks. If the market environment plays out like we think it will, with rising interest rates and rising inflation, earnings multiples are likely to compress with the most pronounced impact being felt by those companies with the longest duration assets most heavily influenced by discount rates. In addition, falling correlations are increasing the importance and impact of good stock picking. With persistent inflation likely for the near future, our focus will remain on high-quality operators with pricing power, which are positioned advantageously for uncertain input costs and continued supply

chain disruptions. We believe having a balanced portfolio of secular and cyclical growth will lead to results that are more consistent over time and market environments.

As of March 31, 2023, Salesforce Inc. made up 2.18%, Vulcan Materials Company made up 1.54%, and Silicon Valley Bank made up 0.00%. 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	09/29/95	TGVFX	89154X708	1.31%	1.25%
C Shares	08/02/99	TGVCX	89154X807	2.64%	2.00%
Y Shares	02/02/09	TGVYX	89154X559	1.10%	1.00%
INST Shares	02/02/09	TGVVX	89154X542	1.02%	0.90%
Total Fund Assets	\$126.2 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 07/29/23. 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	14.78%	14.78%	-11.34%	16.77%	12.08%	12.26%	9.58%
C Shares	14.58%	14.58%	-11.99%	15.89%	11.24%	11.59%	9.26%
Y Shares	14.83%	14.83%	-11.13%	17.05%	12.36%	12.55%	9.73%
INST Shares	14.86%	14.86%	-11.02%	17.18%	12.48%	12.66%	9.79%
Benchmark ¹	13.85%	13.85%	-10.88%	18.23%	13.02%	14.16%	9.28%
Including Max Sales Charge							
A Shares	9.06%	9.06%	-15.77%	14.79%	10.76%	11.60%	9.35%
C Shares	13.58%	13.58%	-12.85%	15.89%	11.24%	11.59%	9.26%

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[®] Growth Index measures the performance of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values.

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 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. 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 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. 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](https://www.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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