Touchstone Growth Opportunities Fund

Sub-Advised by: Westfield Capital Management Company, L.P.

U.S. Equity – Multi-Cap Growth 4Q/2022

Fund Manager Commentary

As of December 31, 2022

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 closed out the year much the way they started with a series of lower highs and lower lows amidst high volatility. Inflation fears and the U.S. Federal Reserve's (Fed) reaction was the central storyline all year as policy transitioned from highly accommodative to tight across the globe. As was experienced all year long, this shift in monetary policy drove the repricing of risk assets of all types as the "everything bubble" burst in private equity, unicorn companies, meme stocks, and crypto currency. Importantly, there were few places to hide in 2022, as the correlation across asset classes was far higher than in recent memory. In fact, the calendar marked the worst year for the traditional 60/40 stock and bond portfolio that nearly all investors have experienced in their careers as both declined materially for the year.

For the quarter, the three sectors within the index that performed were Industrials, Energy, and Health Care. The three worst performing sectors were Consumer Discretionary, Communication Services, and Information Technology.

Portfolio Review

The Touchstone Growth Opportunities Fund (Class A Shares Load-Waived) underperformed its benchmark, the Russell 3000® Growth Index, for the quarter ended December 31, 2022.

The relative underperformance during the quarter was due to a combination of stock specific weakness and a factor headwind. From a factor standpoint, the Fund faced a headwind from being overweight Growth and Volatility, which offset a tailwind from being underweight Momentum and overweight Value. Given our growth-at-a-reasonable-price investment philosophy, the Fund is typically overweight both Value and Growth and underweight Momentum.

Communication Services was the biggest detractor from relative performance in the quarter. Cloud-based sales and marketing information, leadership and development provider, ZoomInfo Technologies, was the top detracting stock within the sector over the period. The company underperformed after missing third quarter billings and reducing their full-year 2022 guidance, citing a worsening macro environment. Shortly following its quarterly report, the company then guided down its 2023 estimates at a conference, putting substantial downward pressure on the stock price. We exited the position following these events based on deteriorating conviction in our original thesis.

Investments within Industrials also restrained relative results. Manufacturer of water drainage solutions Advanced Drainage Systems Inc. was the largest detractor from relative performance within the sector over the period. The stock traded lower after the company reported weaker than expected quarterly results as a result of a distributor destocking one of its product lines and, to a lesser extent, a plant shutdown from Hurricane Ian. Additionally, investors were expecting management to increase full-year guidance, which was left unchanged. Following this news, we trimmed the position as our conviction weakened, however the

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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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Fund remains invested in Advanced Drainage. The company has pricing power and its commercial and construction end markets remain robust, enabling it to enhance margin durability moving forward.

Consumer Discretionary was the top contributor during the quarter. The largest global electric vehicle (EV) manufacturer and growing energy generation and storage provider, Tesla Inc., was the largest relative contributor within the segment over the quarter due to the Fund's underweight position versus the benchmark. The Fund benefitted as the stock significantly underperformed due to a combination of weakening global demand signals for the company's EVs, primarily in China, as well as Tesla founder Elon Musk's perceived distraction from the company and substantial stock sales related to his recent Twitter acquisition. Despite the short-term decline, Tesla remains a dominant player in the growing EV market with significant competitive advantages and vertical integration capabilities new entrants have had notable difficulty emulating.

The Fund's largest sector change was in Health Care where we added exposure during the quarter through the purchase of Alkermes plc and multiple additions to existing high-conviction holdings. Alkermes is a commercial stage biopharma company focused on neuropsychology assets with a novel Alzheimer's drug. Alkermes is separating its base business of neuropsychology assets from an oncology company comprised of its research/pipeline efforts. We believe this can provide additional benefit as we think the standalone base business is worth more on its own. We continue to think that Health Care has a great secular backdrop and that the innovation in the sector, especially within biopharma and medical devices, should be rewarded. In terms of positioning, the Fund is overweight life science tools and contact research organizations, which we think are some of the highest quality businesses within Health Care. It remains underweight high beta[1] biotech that is furthest out on the risk curve and other pockets of value Health Care given extended multiples and lack of growth.

Outlook and Conclusion

Despite a challenging 2022 and a tough outlook as we start the new year, the turn of the calendar brings fresh optimism to the markets. While high inflation, high rates, and an all-but-guaranteed growth slowdown are present, investors are cognizant of these dynamics and are positioned accordingly, leaving open the possibility for an overly negative outcome. Combine that with few historical analogs of back-to-back equity market down years and you may justifiably believe that another large drawdown in equities is less likely. As speculative pockets of the market are repriced and mega-cap tech leadership fades, the backdrop for active stock picking continues to improve. We believe the growth-at-any-price investment mentality can no longer work, and a disciplined approach with a focus on high-quality operators trading at reasonable valuations is the best way to navigate this market.

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 foreseeable 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 consistency over time and market environments.

As of December 31, 2022, Advanced Drainage Systems Inc. made up 1.15%, Tesla Inc. made up 1.07%, and Alkermes plc made up 1.80% of the Touchstone Growth Opportunities Fund. Current and future portfolio holdings are subject to change.

[1]Beta is a measure of the volatility of a fund relative to its benchmark.

Fund Facts *(As of 12/31/22)*

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	**$106.6 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 12/31/22)*

	4Q22	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	0.67%	-28.60%	-28.60%	5.26%	9.60%	11.89%	9.12%
C Shares	0.47%	-29.13%	-29.13%	4.48%	8.78%	11.22%	8.80%
Y Shares	0.74%	-28.41%	-28.41%	5.53%	9.88%	12.18%	9.26%
INST Shares	0.79%	-28.34%	-28.34%	5.65%	9.99%	12.29%	9.33%
Benchmark^	2.31%	-28.97%	-28.97%	7.32%	10.45%	13.75%	8.85%
Including Max Sales Charge							
A Shares	-4.36%	-32.17%	-32.17%	3.48%	8.31%	11.23%	8.88%
C Shares	-0.51%	-29.83%	-29.83%	4.48%	8.78%	11.22%	8.80%

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® Growth Index[1]

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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.***

Not FDIC Insured | No Bank Guarantee | May Lose Value

[1]The 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.

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 or call Touchstone at 800.638.8194. Please read the prospectus and/or summary prospectus carefully before investing.

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