Fund Manager Commentary

As of June 30, 2023

Fund Highlights

- Invests primarily in U.S. equity securities of large capitalization companies believed to offer the best opportunity for reliable growth at attractive stock valuations.
- Utilizes a bottom-up idea-driven growth style with a long-term investment horizon, coupled with a distinct valuation discipline
- Seeks to identify companies which are believed to exhibit certain quality characteristics, including:
  - Predictable growth
  - Solid fundamentals
  - Attractive profitability
  - Successful managements

Market Recap

Capital markets produced mixed results in the second quarter. Better than expected U.S. economic data lifted interest rate expectations, which led to interest-rate sensitive bonds declining while non-investment grade bonds gained, and mega-cap U.S. stocks rallied. Investors entered the second quarter with heightened recessionary fears, expecting the U.S. Federal Reserve Board (Fed) to reduce interest rates later in the year. However, by the end of the quarter, there were no signs of a recession despite inflation remaining above the Fed's stated target of two percent, and the Fed was expected to maintain elevated rates for an extended period. In the second quarter the Fed continued with another 25 basis point federal funds rate hike in May though held steady in its June meeting stating that various factors were showing progress in the fight against inflation. However, the Fed Chairman Jerome Powell said, "Looking ahead, nearly all Committee participants view it as likely that some further rate increases will be appropriate this year to bring inflation down to two percent over time."

U.S markets were characterized by significant divergences in performance. In the S&P 500 Index, the so-called "Magnificent Seven" stocks - Apple Inc., Microsoft Corp., NVIDIA Corp. (all Information Technology sector), Amazon.com Inc., Tesla Inc. (both Consumer Discretionary sector), Alphabet Inc., and Meta Platforms Inc. (both Communication Services sector) - led the way, while the rest of the market was relatively flat. Regardless, the S&P 500 Index gained 8.7% during the second quarter following a 7.5% gain in the first quarter. U.S. equities may have entered a new bull market in June, up more than 20% since the October 2022 low. The Information Technology, Consumer Discretionary, and Communication Services sectors were the best performing sectors in the S&P 500 Index, each posting double-digit gains during the quarter. All other sectors underperformed during the quarter though Utilities and Energy were the only declining sectors. Stylistically, growth stocks outperformed value and core across all market caps for a second consecutive quarter.

Portfolio Review

The Touchstone Large Company Growth Fund (Class A Shares Load-Waived) underperformed its benchmark, the Russell 1000® Growth Index, for the quarter ended June 30, 2023.

The Fund's underperformance in the second quarter versus the benchmark was primarily the result of our selections in Information Technology. Our selections and underweight of the Consumer Staples sector versus the benchmark benefitted performance.

Among the top contributors to performance in the quarter were Microsoft, NVIDIA, Amazon.com, Adobe Inc. (Information Technology sector) and Alphabet. Among the holdings that contributed the least to performance were EPAM Systems Inc. (Information Technology sector), PayPal Holdings Inc. (Financials sector), Burlington Stores Inc. (Consumer Discretionary sector), SolarEdge Technologies Inc. (Information Technology sector) and Neurocrine Biosciences Inc. (Health Care sector).

Apple and Tesla have both significantly contributed to the Fund's underperformance year-to-date, as the Fund's portfolio holds neither stock. We continue to believe that Apple, with a 10% earnings per share growth rate, is overvalued at nearly 30x earnings. Similarly, we believe Tesla, which faces ever-increasing

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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.***

competition from several strong competitors, is also priced with considerable risk at 60x earnings. In comparison, most global automakers sell for roughly 10x earnings.

Many believe that generative AI will prove to be a historically transformative event, much as the rollout of the internet was almost three decades ago. Should that prove to be the case, AI could have a very positive, direct and sustained impact on the portfolio. In the second quarter, the portfolio's top contributors, all highly levered to the rollout of AI across the global economy, have clearly benefitted from this association. For Microsoft, while a lot of the initial focus was around the ChatGPT opportunity for Bing, we think there is an even larger opportunity for them to deploy this technology into their business productivity offerings, including Office. Unlike in the search market, Microsoft has a dominant market presence in this space and can essentially determine how and when these new capabilities will be monetized. Microsoft will also benefit from its investment in OpenAI.

NVIDIA's GPU chip is the key enabler of AI workloads, and NVIDIA's suite of software and tools makes their offering unparalleled. There is no alternative to NVIDIA's chip and ecosystem in the near future given they have been investing in their platform for almost two decades. In addition to being the key enabler for AI, NVIDIA continues to build out their product stack to offer not only chips but also systems and software level offerings, and more recently have talked about assisting customers in building out generative AI models in-house.

Adobe reported solid quarterly earnings and raised guidance for the full year in part due to the company's ability to show how quickly they can work generative AI into their products and the path to monetization down the road. Over the next several years, we believe AI will help Adobe improve user acquisition, retention value and prices, supporting the long-term growth profile of the business.

During the quarter, EPAM Systems lowered its outlook for second quarter and full year results due to continued negative trends from project deferrals, pipeline deterioration and some cancellations. In addition, because of the war in Ukraine the company had to move to different geographies, which increased their costs. This made their pricing and cost competitiveness somewhat less than in the past, which may have hurt them at the margin on bidding for new projects. We believe EPAM Systems will gradually recover and should ultimately benefit as they assist clients in designing and implementing AI into their business and technology processes.

Burlington Stores reported a disappointing first quarter, and guided lower for the second quarter as their lower income consumer was hit by a combination of inflation, reduced tax refunds and reduced SNAP benefits, which thus reduced discretionary purchases. While we see the company maturing with much cyclical and structural margin upside, we felt there were better investment opportunities and recently sold the shares.

A disappointing report by competitor Enphase Energy Inc. (Information Technology sector) due to weaker U.S. residential solar demand hurt SolarEdge Technologies despite their much smaller domestic market share. SolarEdge generates roughly 75% of revenues internationally, with most of these markets continuing to grow strongly, reasonably insulated from the rising costs of solar being seen in the U.S.

At the end of the quarter, the Fund's portfolio was invested in the Communication Services, Consumer Discretionary, Consumer Staples, Financials, Health Care, Industrials, Information Technology and Materials sectors.

"Blue chip" is the common theme across our purchases over the past 13 months. Our focus has been on transforming the portfolio into what we believe is an ever-higher quality, predictable group of stellar growth companies that we anticipate holding for many years. We continue to lean heavily into digital transformation themes and the stocks that leverage or benefit from it. AI, machine learning, and most recently generative AI are having a profound impact on all businesses across all industries. The demand for software, networking equipment, specialized chips, semiconductor production, cloud infrastructure, and IT services will only continue to grow as nearly every company becomes increasingly focused on technology to improve its operations within its respective industry.

Outlook and Conclusion

In our view, the economic outlook in the United States and Europe will be determined by how quickly inflation declines because of U.S. Federal Reserve Board and ECB tightening. The more rapidly inflation falls, the lower the pressure on both central banks to raise rates, thereby enhancing the potential for a "soft landing" or "muddle through" economic outcome. Despite higher interest rates, moderately slower consumer spending, and pressure in the financial sector, estimates for U.S. GDP growth in 2023 have steadily risen since reaching a low last December. While 1.3% annual GDP growth is hardly robust, it may suggest a muddle through scenario rather than the recession that many economists and market observers have predicted since last summer. Certainly, the outlook for U.S. economic growth has thus far defied recession expectations. That said, economists generally agree that tightened monetary policy works with a twelve-to-eighteen-month lag, indicating that a recession might occur in late 2023 or early 2024.

Europe's macroeconomic outlook remains more tenuous than the U.S., but the European economy may also muddle through. It seems that the ECB's much tighter money supply growth has resulted in sharply lower producer prices over the past couple of months. Lower inflation is supporting profits in Europe's critical manufacturing sector, as are much lower natural gas prices, which are also helping consumers and businesses recover some of their spending power. Unfortunately, retail sales in Germany have been disappointing and manufacturing PMIs have sunk into the low to mid-40's range for many countries. The Bank of England, the UK's central bank - where inflation remains stubbornly high, and the European Central Bank persist on paths to higher interest rates, the impact of which will not be fully reflected until well into 2024.

The outlook for China continues to disappoint relative to expectations for robust growth earlier this year when the government terminated its zero-tolerance COVID program. After underwhelming data was released for April and May, numerous economists lowered their 2023 GDP forecasts for China by up to

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half a percent. In addition, U.S. and EU policies continue to hamper China's technological and economic progress via intensifying export restrictions, tariffs on imports, and opposition to American corporate investment in the country. Outside of travel and some healthcare subsectors, the feedback from international companies operating in China is that the recovery is not as strong as initially projected.

Though we have not typically called out India we feel it is worth noting due to the country's very strong GDP growth and impressive consumer, industrial, and banking activity, which is about the best in the world for a large developing economy. As India's economy seems generally driven by internal dynamics and not as buffeted by world events and macro conditions, it seems worthwhile to look for companies that may benefit from this solid growth. Of note, we do continue to hold some Indian banks in the portfolio and they have reported robust results.

We believe our concentrated portfolio built on a foundation of reasonable valuations and a focus on quality/growth companies is as relevant as ever. There is a simple reason why. Businesses appreciate as earnings grow and, in our view, this portfolio has the substantial earnings growth necessary to drive market values upward. Earnings are what drive businesses and together with valuation are overwhelmingly important "factors" to consider when investing. In time we expect that the steadfastness of our investment process will be amply rewarded, however we do understand that perhaps the most difficult facet of investing is patience.

Given the economic resilience of the Fund's portfolio along with its reasonable valuation and a normalized mid-to-high teens earnings growth rate going forward, we believe this portfolio of premier quality growth businesses is well positioned for the intermediate and longer-term investor willing to look through potential near-term volatility. As the economy continues to grow, albeit slowly, and inflation continues to fall, the probability of a significant recession declines. A "muddle through" scenario has become more possible, but is certainly not assured. Now, we continue to expect that global markets will trend higher despite well-publicized macro and geopolitical risks. However, as we have said repeatedly over the years, "bull markets climb a wall of worry" and in our view the market's direction remains upward.

Fund Facts *(As of 06/30/23)*

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio* Total	Net
A Shares	08/15/16	**TSAGX**	89154Q414	1.58%	1.07%
C Shares	08/15/16	**TCGLX**	89154Q398	4.24%	1.82%
Y Shares	08/15/16	**TLGYX**	89154Q380	0.97%	0.82%
INST Shares	08/28/09	**DSMLX**	89154Q372	0.84%	0.72%
Total Fund Assets	**$146.6 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 1.04% 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 10/29/23.*

Share class availability differs by firm.

Annualized Total Returns** *(As of 06/30/23)*

	2Q23	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	7.75%	17.38%	16.89%	7.18%	10.29%	12.89%	13.36%
C Shares	7.54%	16.95%	16.01%	6.37%	9.46%	12.04%	12.51%
Y Shares	7.83%	17.53%	17.17%	7.44%	10.57%	13.16%	13.61%
INST Shares	7.84%	17.59%	17.30%	7.55%	10.67%	13.25%	13.68%
Benchmark^	12.81%	29.02%	27.11%	13.73%	15.14%	15.74%	15.61%
Including Max Sales Charge							
A Shares	2.35%	11.52%	11.05%	5.37%	9.00%	12.22%	12.87%
C Shares	6.54%	15.95%	15.01%	6.37%	9.46%	12.04%	12.51%

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 1000® Growth Index[1]

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*****The performance presented for Class A, C and Y Shares combines the performance of an older class of shares (INST Shares) from the Fund's inception, 08/28/09, with the performance since the inception date of each share class.***

Top 10 Equity Holdings of Fund *(As of 06/30/23)*

		(% of Portfolio)
1	Microsoft Corp.	13.3
2	Amazon.com Inc.	7.3
3	NVIDIA Corp.	7.0
4	Alphabet Inc.	5.7
5	Adobe Inc.	5.7
6	Visa Inc.	5.3
7	Accenture PLC	4.7
8	Intuit, Inc.	4.6
9	ASML Holding NV	4.2
10	Arista Networks Inc.	4.0

Source: BNY Mellon Asset Servicing

Not FDIC Insured | No Bank Guarantee | May Lose Value

[1]The Russell 1000® Growth Index measures the performance of those Russell 1000 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 growth stocks which may be more volatile than investing in other stocks and may underperform when value investing is in favor. The Fund invests in convertible securities which are subject to the risks of both debt securities and equity securities. 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 and emerging markets 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 may focus its investments in specific sectors and therefore is subject to the risk that adverse circumstances will have greater impact on the fund than on the fund that does not do so. 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 than a diversified fund and may be subject to greater risks. 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. Current and future portfolio holdings are subject to change. 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.

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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