Fund Manager Commentary

As of June 30, 2023

Fund Highlights

- Believes that mid cap 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 company 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

During the second quarter, market capitalization weighted broad market indices such as the S&P 500 and NASDAQ surged, driven predominantly by robust gains from a select group of mega cap tech stocks aptly named the 'Magnificent 7'. Although earnings from the first quarter of 2023 came in better than expected, the strong gains were attributable almost entirely to multiple expansion resulting from increased expectations of a soft landing, falling inflation readings, and hype surrounding the emergence and impact of broadly accessible generative AI applications. Despite these gains, concerns loomed regarding a policy mistake from an overly aggressive U.S. Federal Reserve Board and the delayed impact of broad-based and rapid global monetary tightening. However, offsetting some of these concerns were bullish narratives supported by a tight labor market, resilient consumer spending, and improvements in the housing market despite higher interest rates. We believe large cap, profitable growth stocks were the clear winners for the quarter as they drove indexes higher while the average stock largely traded sideways during the period.

For the quarter, among the sectors with the best total return in the index were Communication Services, Information Technology, and Industrials. Among the worst performing sectors were Energy, Utilities, and Health Care.

Portfolio Review

The Touchstone Mid Cap Growth Fund (Class A Shares Load-Waived) outperformed its benchmark, the Russell Midcap® Growth Index, for the quarter ended June 30, 2023.

The relative outperformance during the quarter was due to a combination of stock specific strength and a factor tailwind. Size was the best performing factor during the quarter and the portfolio had a tailwind from being overweight size, but this was offset from the headwind experienced from being underweight volatility.

The Materials sector was among the top relative contributors over the period. Vulcan Materials Co., one of the largest producers of construction aggregates, was among the top contributing names within the segment over the period. Shares of Vulcan traded higher as investors shifted their expectations around the housing market as housing starts have significantly improved. Additionally, pricing remains robust and 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 Information Technology sector also contributed to relative results. Palo Alto Networks Inc., a provider of network security solutions to enterprises and government entities, was among the top contributing stocks within the segment over the period. The company reported a strong first quarter result and raised their full-year guide, which investors viewed favorably and lifted the share price. Additionally, Palo Alto is consolidating their security expenses which we think will aid future profitability and the company's margin profile while still allowing them to sustainably grow. General purpose database platform, MongoDB Inc., also contributed to relative results during the quarter. Shares of MongoDB outperformed after the company reported better than expected quarterly results and raised their full-year guidance. We continue to believe that MongoDB is one of the most compelling secular growth stories in software.

Investments within the Financials sector detracted from relative results. MSCI Inc., an analytics and investment decision tools provider, was among the top detracting stocks within the segment

(continued)

despite investor consensus estimates for the company remaining unchanged. The multiple re-rating lower was a result of management comments acknowledging a slowdown in sales within their ESG businesses, driven partly by regulatory uncertainty in Europe and political tensions in the U.S. We believe these comments received an outsized amount of attention relative to its contribution to MSCI's overall business, and the slowdown should only last a few quarters.

The Consumer Discretionary sector also detracted from relative results over the quarter. Leading online marketplace of unique handmade products, Etsy Inc. weighed on relative results. Etsy suffered from fears of slower growth in the face of a more challenging macro environment, with their products tending to be very discretionary. Despite the recent short-term weakness, we maintain conviction in the name as management is focused on improving key metrics related to consumer behavior, i.e. limiting churn, increasing purchase occasions, etc. Etsy will face easier comparisons in the second half of the year, and we continue to believe the company can sustain growth in-line or better than broader e-commerce demand over time.

The Fund's largest sector change was in the Consumer Discretionary sector, where we reduced exposure during the quarter. While we did not have any wholesale trades during the quarter, we reduced exposure through trims to existing holdings on strength as we rotated capital to names within other areas which we believed had better risk/rewards. For example, we trimmed our position in Chipotle Mexican Grill Inc. on strength and used the capital to add to Builders FirstSource Inc., which we believe is in an advantageous position if we head into a recession and should capitalize on growth with an inflection in residential real estate sales and construction.

Additionally, we added exposure to the Financials sector during the quarter with the purchase of Ares Management Corp. and American International Group Inc. Our positioning within the Financials sector is balanced with exposure to quality, defensive growth companies within Insurance, select value-oriented financials within Capital Markets, and more secular growth investments within Financial Services. We continue to focus on idiosyncratic risk in names that operate in niche markets that we believe are poised to do well looking forward.

Outlook and Conclusion

Looking ahead, concerns about the current market include historical precedents where yield curve inversions and collapsing money growth have typically preceded recessions by 12 to 18 months - and although rallies can occur after inversions, they have historically been overshadowed by the subsequent recession and drawdown that follows. Additionally, tightening bank-lending standards, rising unemployment claims, and other leading economic indicators suggest caution is warranted. However, on the bullish side, inflation appears to have peaked and is declining, market strength is broadening with potential for a major catch-up trade in small caps and cyclicals, overall employment is robust, housing is strong, and household wealth is favorable. Cash levels are also near all-time highs, which has previously occurred near market bottoms rather than tops. Given the crosscurrents, we continue to feel a focus on high quality, durable businesses with valuation support and robust cash flows is paramount while also balancing attractive secular growth opportunities.

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.

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

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio* Total	Net
A Shares	10/03/94	**TEGAX**	89154X880	1.26%	1.26%
C Shares	10/03/94	**TOECX**	89154X872	2.10%	2.10%
Y Shares	02/02/09	**TEGYX**	89154X534	1.03%	1.03%
INST Shares	04/01/11	**TEGIX**	89154X526	0.96%	0.88%
R6 Shares	02/10/20	**TFGRX**	89154X112	0.91%	0.79%
Total Fund Assets	**$1.2 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 1.39% for Class A Shares, 2.14% for Class C Shares, 1.14% for Class Y Shares, 0.86% for Class INST Shares and 0.77% for Class R6 Shares. These expense limitations will remain in effect until at least 07/29/24.*

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	7.10%	15.47%	19.49%	8.27%	9.68%	11.80%	11.58%
C Shares	6.86%	14.99%	18.51%	7.36%	8.77%	11.12%	11.20%
Y Shares	7.17%	15.60%	19.75%	8.51%	9.93%	12.08%	11.73%
INST Shares	7.20%	15.68%	19.93%	8.64%	10.04%	12.18%	11.75%
R6 Shares	7.21%	15.74%	20.02%	8.71%	10.10%	12.21%	11.76%
Benchmark^	6.23%	15.94%	23.13%	7.63%	9.71%	11.53%	10.09%
Including Max Sales Charge							
A Shares	1.76%	9.70%	13.52%	6.43%	8.39%	11.14%	11.35%
C Shares	5.86%	13.99%	17.51%	7.36%	8.77%	11.12%	11.20%

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 Midcap® Growth 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 Y, INST and R6 Shares combines the performance of an older class of shares (Class A Shares) from the Fund's inception, 10/03/94, 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	ICON PLC	3.3
2	TransDigm Group Inc.	3.2
3	Rockwell Automation, Inc.	2.9
4	Fortinet, Inc.	2.9
5	Palo Alto Networks Inc.	2.6
6	Chipotle Mexican Grill, Inc.	2.6
7	Constellation Brands, Inc.	2.5
8	MSCI Inc.	2.4
9	Dexcom, Inc.	2.4
10	Ametek, Inc.	2.1

Source: BNY Mellon Asset Servicing

Not FDIC Insured | No Bank Guarantee | May Lose Value

[1] The Russell Midcap® Growth Index measures the performance of those Russell Midcap 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 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 invests in foreign securities 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 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 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. 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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