Touchstone Mid Cap Growth Fund

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

U.S. Equity – Mid-Cap Growth 3Q/2023

Fund Manager Commentary

As of September 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

The third quarter provided mixed results for U.S. equity markets, with indices initially surpassing the highs of the year before reversing course to end the quarter lower. The U.S. Federal Reserve's (Fed) policy trajectory was a central focus during the period as investors broadly expected a pause in rate hikes that was confirmed in September. Over the course of the quarter, there was also a growing acceptance of the Fed's higher-for-longer mantra leading to the swift rise in longer-dated yields. Questions also began to percolate about the health of the consumer and the durability of their spending power given the rise in oil, planned resumption of student loan payments, dramatically higher borrowing costs, and the exhaustion of COVID-era savings. Consequently, cracks began to emerge in the key pillars of the argument supporting a soft-landing, which drove a shift in risk tolerances towards quality, shorter duration equities.

For the quarter, the three sectors with the best total return in the index were Energy, Financials, and Information Technology. The three worst performing sectors were Materials, Utilities, and Health Care.

Portfolio Review

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

Common factors provided a tailwind to relative performance during the quarter. The Fund's overweight to size, overweight to value and underweight to volatility provided a relative tailwind during the period. The Fund faced stock specific weakness during the quarter, which was primarily driven by investments within Energy and Consumer Discretionary sectors.

Relative strength in Financials and Information Technology sector outweighed the relative weakness in Energy and Consumer Discretionary sectors.

The Financials sector was the top relative sector contributor over the quarter. Payments technology company, Global Payments Inc., was the top contributing stock within the space over the period. Investors applauded another strong result and the company modestly beat expectations on both the top and bottom line while also raising the bottom end of their full-year guidance. Their new CEO's conservative style appears to be winning over skeptical investors to their growth and multiple expansion potential, one in which we have believed in for some time. Additionally, articles outlining Visa and Mastercard preparing to raise fees also provided a tailwind over the quarter, as final-mile acquirers like Global Payments Inc. stand to benefit.

Information Technology sector holdings also contributed to relative results. Splunk Inc., a software platform provider to help organizations gain real-time operational intelligence, was the top contributing stock to relative returns within the sector. During the quarter, the stock price initially jumped higher on better-than-expected earnings. This was quickly overshadowed; however, as Cisco announced shortly thereafter that they would be acquiring Splunk for a 30%+ premium, combining two established leaders in the security and observability area utilizing artificial intelligence.

The Energy sector was the biggest detractor from relative results. The underperformance was entirely due to the portfolio's underweight positioning, as Energy was the top performing sector during the period given the strong run in Crude prices. We continue to be selective with our Energy holdings given the level of macro uncertainty in the sector.

(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.***

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The Fund's Consumer Discretionary sector exposure also detracted from relative performance over the period. Provider of luxury accessories and lifestyle brands, Tapestry Inc., was the top detractor from relative returns within the sector over the quarter. Investors placed substantial downward pressure on shares after the company announced plans to acquire one of its larger competitors, Capri Holdings, a dominant player in the aspirational luxury handbag/fashion segment. The pending transaction has the potential to be a transformational deal for Tapestry, however in the interim, deteriorating macro conditions and the pending nature of the deal drove the relative underperformance over the period.

The Fund's largest sector change was in Consumer Discretionary where we reduced exposure during the quarter. During the quarter, we had two sales within the sector. We sold our position in Etsy, Inc., an online marketplace of unique handmade products, based on uncertainty around the company's growth rate moving forward. We also sold our position in Vail Resorts, Inc., an operator of resorts and ski mountains, due to what we viewed as deteriorating fundamentals and a lack of acquisition targets. Within the sector, we are focused on "things/goods" companies with strong brand momentum and above average pricing power as well as "experiences" companies with visible room for additional demand recovery and favorable cash flow dynamics. We are also looking for names that could benefit from strong value offerings and potential "trade down" in a tougher macro environment.

Additionally, we added exposure to the Industrials sector during the quarter with the purchase of Axon Enterprise Inc., which manufactures Tasers and other personal defense weapons. Our positioning within the sector is skewed towards markets that are bottoming or recovering while also maintaining exposure to areas that may be decelerating but have idiosyncratic stories or reasons to own.

Outlook and Conclusion

Looking ahead, we are incrementally more cautious today than we were three months ago as the evolving macro backdrop increasingly warrants a more balanced posture between growth and durability. Historical precedents suggest a low likelihood of a so-called soft landing, with the more likely outcome being a period of slowing economic growth, both in the U.S. and around the globe. Disinflationary trends, once pointed to as evidence of the soft-landing scenario playing out, are being offset by rising borrowing costs, the exhaustion of surplus consumer savings, and a restrictive lending posture by U.S. banks. All the while, we remain encouraged by the quality of the businesses in which we invest on behalf of our clients and will remain focused on allocating capital prudently in this turbulent market environment.

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 09/30/23)*

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	**$1.1 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 09/30/23)*

	3Q23	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	-5.32%	9.32%	16.75%	3.78%	7.30%	10.33%	11.27%
C Shares	-5.52%	8.65%	15.76%	2.93%	6.41%	9.64%	10.88%
Y Shares	-5.25%	9.53%	17.03%	4.02%	7.55%	10.60%	11.42%
INST Shares	-5.21%	9.65%	17.19%	4.15%	7.66%	10.70%	11.43%
R6 Shares	-5.17%	9.76%	17.33%	4.24%	7.73%	10.73%	11.45%
Benchmark^	-5.22%	9.88%	17.47%	2.61%	6.97%	9.94%	9.79%
Including Max Sales Charge							
A Shares	-10.05%	3.87%	10.90%	2.02%	6.21%	9.67%	11.04%
C Shares	-6.46%	7.65%	14.76%	2.93%	6.41%	9.64%	10.88%

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]

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*****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 09/30/23)*

		(% of Portfolio)
1	TransDigm Group Inc.	3.3
2	Splunk Inc.	2.9
3	Constellation Brands, Inc.	2.7
4	Dexcom, Inc.	2.7
5	Rockwell Automation, Inc.	2.7
6	Copart, Inc.	2.4
7	Ares Management Corp.	2.3
8	Msci Inc.	2.3
9	Fair Isaac Corp	2.2
10	Ascendis Pharma A/S	2.2

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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