Fund Manager Commentary

As of March 31, 2022

Fund Highlights

- Primarily invests in income producing securities including corporate debt securities, mortgage-related securities, asset-backed securities, government securities (both U.S. government securities and foreign sovereign debt), public equities and preferred stocks
- Invests at least 50% of the portfolio in investment-grade rated securities
- Expanded opportunity set provides the flexibility to react to market dislocations
- Broadly diversified by sector, resulting in multiple sources of return potential and low correlation to traditional asset classes
- Duration management is used as a risk mitigation tool; seeks to avoid taking large duration positions due to the difficulty in predicting interest rates
- Active management and security selection are focused on building a high conviction portfolio

Market Recap

The first quarter of 2022 saw the fading of pandemic-related economic growth concerns, but persistently high inflation continued to shape the outlook for monetary policy and subsequent risks to the economy and risk assets. Additionally, the Russian invasion of Ukraine introduced a number of short- and long-term concerns, ranging from the direct impacts of higher commodity prices to the geopolitical implications of ongoing military conflict, sanctions and humanitarian concerns.

U.S. economic growth experienced a sharp rebound in the fourth quarter of 2021, growing 6.9%, and is expected to moderate toward trend over the upcoming quarters. The impact of the Omicron COVID-19 variant on economic activity appears to have been limited, evidenced by accelerating monthly job gains over the past several months and consumer spending that was largely unaffected. Along with strong job growth, above average wage growth bodes well for consumer income and the overall outlook for consumer spending. Recent increases in food and fuel prices, partly as a result of the Russian invasion of Ukraine, temper this optimism somewhat as consumers will have to spend more of their income on essential items, reducing demand for other discretionary spending.

Business spending has remained resilient, as the economy has faced a number of challenges over the past several quarters. Strong underlying demand provides a solid foundation, but supply and labor shortages have limited the pace of growth and put upward pressure on input prices. Supply chains are expected to ease somewhat, but new risks from a resurgence of COVID-19 in China and spillover effects of the invasion of Ukraine are likely to keep these issues at the forefront for longer than anticipated.

Along with consumers and businesses, persistently high inflation is top of mind for the U.S. Federal Reserve Board (Fed). Reported inflation is well above the Fed's 2% target and is forecasted to remain elevated for the next several months. High inflation combined with a strong labor market outlook has led the Fed to intensify their hawkish stance further in 2022. In March 2022, the Fed raised rates 25 basis points (bps), indicated further increases were imminent and signaled that balance sheet reduction would commence mid-year. Since then, Fed officials have guided markets to a much faster pace of rate hikes, including the possibility of multiple 50 bps hikes at upcoming meetings.

Interest rates adjusted sharply higher in the quarter to reflect these expectations. Short-term rates were impacted the most, with the 2-year Treasury increasing 155 bps during the quarter. 10- and 30-year Treasury yields were 81 and 54 bps higher, respectively, resulting in a significant flattening of the yield curve. Current market expectations are for the Fed to raise the Fed Funds rate to ~2.50% by the end of 2022. As the yield curve has become increasingly flat and inverted in

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†Fort Washington is a member of Western & Southern Financial Group

some maturities, markets indicate confidence that the Fed will be able to contain inflation, but also concern about the impact of tighter policy on future growth.

Risk assets weakened in the quarter as markets adjusted to expectations of tighter Fed policy and implications of the Russian invasion of Ukraine. Credit spreads entered 2022 near the tightest levels seen since 2000, before widening sharply as Ukraine fell under attack. Spreads recovered somewhat but ended the quarter wider across the spectrum of credit sectors. Certain regions within Emerging Markets Debt were the most impacted as several countries face important first- and second-order effect of the situation in Ukraine. Domestic credit spreads, both investment grade and high yield, ended the first quarter below median historical spread levels, reflecting the expectation that economic growth will be able to weather effects of tighter policy and risks from geopolitical tension.

Portfolio Review

The Touchstone Strategic Income Opportunities Fund (Class A Shares Load-Waived) outperformed its benchmark, the Bloomberg U.S. Aggregate Bond Index, for the quarter ended March 31, 2022.

The Fund's outperformance compared to the benchmark was largely driven by interest rate positioning. The Fund's duration was more than two years shorter than the benchmark. Interest rates rose materially during the quarter, resulting in outperformance as the Fund was positioned with a shorter duration compared to the benchmark.

Sector allocation was a neutral factor to relative performance during the quarter. An overweight allocation to Emerging Markets Debt detracted from performance but was offset by a modest overweight to high quality, income producing public equities. The Fund also benefited from being underweight Investment Grade Credit as the sector underperformed due to wider credit spreads.

Security selection was also a neutral factor to relative performance. Outperformance within High Yield, Investment Grade Credit and Securitized Debt contributed to performance, but was offset by underperformance within Emerging Markets Debt.

Portfolio activity increased in the first quarter amid heightened volatility in the market. Spreads widened as fears over tighter financial conditions and the Russian invasion of Ukraine hit investors. The Fund took advantage of this volatility and opportunistically added to spread sectors as valuations became more compelling. Specifically, the strategy increased its exposure to Investment Grade Credit, High Yield and Preferred Stocks.

The yield curve flattened materially throughout the quarter as short rates rose much faster than long-end rates. The Fund's aforementioned shorter duration positioning resulted in positive returns from yield curve positioning.

Outlook and Conclusion

We believe the macro environment remains supportive of risk assets. The Fund is positioned to benefit from potential outperformance of risk assets, as well as security selection opportunities identified by the portfolio management team.

In terms of the Fund's risk budget, we are targeting an overweight to spread risk supported by a positive view of the U.S. economy and fair valuations generally near median historical levels. The U.S. economy has considerable momentum, leaving many pandemic-related risks behind, leading to one of the strongest labor markets in history and increasing expectations of solid growth over the next several quarters. Credit spreads experienced volatility in the quarter, but generally reflect the expectation that the economy will remain resilient in spite of emerging risks. Risks include the impact of Fed tightening on growth and inflation, as well as ongoing risks from the Russian invasion of Ukraine. The effects of tighter monetary policy represent a risk to growth, but we believe underlying momentum is strong and overall growth can remain solid as the Fed begins to raise rates and reduce the balance sheet. The Fed's goal will be to reduce inflation to target and generate a "soft landing" for growth. As monetary policy changes, we will adjust positioning as these risks evolve. The impact of the situation in Ukraine has been sharply higher prices in certain commodities and downside risk to growth, focused in Europe. At this point, we judge these risks as manageable for the U.S. economy unless there is a significant escalation in the conflict.

In terms of positioning for the Fund, sector allocation reflects our overall positive outlook on valuations, attractive relative value, and opportunities within each sector. We continue to favor non-agency exposure within the sector, and the Fund is positioned appropriately with overweight exposure to Asset-Backed Securities, Collateralized Loan Obligations and Commercial Mortgage-Backed Securities. The Fund continues to maintain an exposure to Emerging Markets Debt. Valuations remain attractive relative to domestic credit, especially in the high yield portion of the market. Latin America remains the largest exposure within the sector.

In terms of interest rate risk and Fund positioning, portfolio duration increased modestly during the quarter to 4.5 years and the Fund has a steepening bias. A significant amount of Fed tightening has been priced into short maturities and yields generally represent fair value. Long-term rates are at risk to rise if economic growth remains resilient amid the expected policy tightening and potential for faster balance sheet reduction.

Our economic outlook supports credit spreads at current to tighter levels and a steady move higher in rates, particularly in the long-end. We believe the Fund is well positioned to take advantage of this outlook through its overweight to credit spread risk and underweight to duration. The Fund has generated an above average yield through a high conviction multi-sector approach. We believe the Fund's yield advantage has the potential to help offset losses

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resulting from higher interest rates and that it is positioned well in today's low yield and high interest rate risk environment.

Fund Facts *(As of 03/31/22)*

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio* Total	Net
A Shares	11/01/93	**TQPAX**	89154M306	1.08%	1.00%
C Shares	04/01/94	**TQPCX**	89154M405	1.84%	1.71%
Y Shares	01/29/15	**TQPYX**	89154M504	0.83%	0.75%
INST Shares	07/19/21	**TQPIX**	89154M603	0.71%	0.65%
Total Fund Assets	**$326.9 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 1.00% for Class A Shares, 1.71% for Class C Shares, 0.75% for Class Y Shares and 0.65% 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 03/31/22)*

Class	1Q22	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	-4.59%	-4.59%	-3.22%	2.82%	2.74%	3.21%	5.64%
C Shares	-5.02%	-5.02%	-4.03%	2.07%	2.03%	2.49%	5.22%
Y Shares	-4.82%	-4.82%	-2.97%	2.95%	2.98%	—	2.90%
INST Shares	-4.52%	-4.52%	—	—	—	—	-4.94%
Benchmark^	-5.93%	-5.93%	-4.15%	1.69%	2.14%	2.24%	—
Including Max Sales Charge							
A Shares	-7.79%	-7.79%	-7.75%	1.12%	1.75%	2.71%	5.46%
C Shares	-5.97%	-5.97%	-4.97%	2.07%	2.03%	2.49%	5.22%

Max 3.25% sales charge for Class A Shares and 1% Contingent Deferred Sales Charge for Class C Shares held less than 1 year.

^Benchmark - Bloomberg U.S. Aggregate Bond 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 advisor 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.*

◇Effective July 19, 2021 the AIG Strategic Bond Fund and the AIG Flexible Credit Fund merged into the newly created Touchstone Strategic Income Opportunities Fund. The Touchstone Strategic Income Opportunities Fund adopted the performance and accounting history of the AIG Strategic Bond Fund; however, the Touchstone Strategic Income Opportunities Fund has a new, separate and distinct investment strategy and sub-advisor. Prior to July 19, 2021 the Fund's performance history is that of the AIG Strategic Bond Fund.

AIG Funds Class W Shares became Touchstone Class Y Shares on 7/19/2021.

[1]The Bloomberg U.S. Aggregate Bond Index is an unmanaged index comprised of U.S. investment grade, fixed rate bond market securities, including government, government agency, corporate and mortgage-backed securities between one and ten years.

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 fixed-income securities which can experience reduced liquidity during certain market events, lose their value as interest rates rise and are subject to credit risk which is the risk of deterioration in the financial condition of an issuer and/or general economic conditions that can cause the issuer to not make timely payments of principal and interest also causing the securities to decline in value and an investor can lose principal. When interest rates rise, the price of debt securities generally falls. Longer term securities are generally more volatile. The Fund invests in non-investment grade debt securities which are considered speculative with respect to the issuers' ability to make timely payments of interest and principal, may lack liquidity and has had more frequent and larger price changes than other debt securities. The Fund invests in mortgage-backed securities and asset-backed securities which are subject to the risks of prepayment, defaults, changing interest rates and at times, the financial condition of the issuer. The Fund invests in investment grade debt securities which may be downgraded by a Nationally Recognized Statistical Rating Organization (NRSRO) to below investment grade status. The Fund invests in U.S. government agency securities which are neither issued nor guaranteed by the U.S. Treasury and are not guaranteed against price movements due to changing interest rates. The Advisor engages a sub-advisor to make investment decisions for the Fund's portfolio; it may be unable to identify and retain a sub-advisor who achieves superior investment returns relative to other similar sub-advisors. 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 equities which are subject to market volatility and loss. 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 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 invests in emerging markets securities which are more likely to experience turmoil or rapid changes in market or economic conditions than developed countries. The Fund invests in sovereign debt securities which are issued by foreign governments whose respective economies could have an important effect on their ability or willingness to service their debt which could affect the value of the securities. The Fund invests in mortgage dollar rolls which involve increased risk and volatility, as the securities the Fund is required to repurchase may be worth less than the securities that the Fund originally held. The Fund invests in derivatives such as futures contracts. Derivatives can be highly volatile, illiquid and difficult to value, subject to counterparty and leverage risks and there is risk that changes in the value of a derivative held by the Fund will not correlate with the Fund's other investments. Gains or losses from speculative positions in a derivative may be much greater than the original cost and potential losses may be substantial. The Fund's investments in other investment companies will be subject to substantially the same risks as those associated with the direct ownership of the securities comprising the portfolios of such investment companies, and the value of the Fund's investment will fluctuate in response to the performance of such portfolios. In addition, if the Fund acquires shares of investment companies, shareholders of the Fund will bear their proportionate share of the fees and expenses of the Fund and, indirectly, the fees and expenses of the investment companies. 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 invests in repurchase agreements which are considered loans by the Fund and may suffer a loss of principal and interest in the event of counterparty defaults. 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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