

Touchstone Arbitrage Fund

Sub-Advised by: Longfellow Investment Management Co., LLC

Specialty

3Q/2018

Fund Facts (As of 09/30/18)

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio*	
				Total	Net
A Shares	09/30/13	TMARX	89155T631	2.93%	2.72%
C Shares	09/30/13	TMAXX	89155T623	3.62%	3.47%
Y Shares	09/30/13	TMAXX	89155T615	2.41%	2.41%
INST Shares	09/30/13	TARBX	89155T599	2.37%	2.32%
Total Fund Assets	\$207.7 Million				

*Expense ratio is annualized. Data as of the current prospectus. Touchstone Advisors, Inc. and the Funds Trust have entered into a contractual expense limitation agreement whereby Touchstone Advisors will waive a portion of its fees or reimburse certain Fund expenses (excluding dividend and interest expenses relating to short sales; interest; taxes; brokerage commissions and other transaction costs; portfolio transactions and investment related expenses; other expenditures which are capitalized in accordance with U.S. generally accepted accounting principles; the costs of "Acquired Fund Fees and Expenses," if any; and other extraordinary expenses not incurred in the ordinary course of business) in order to limit certain annual Fund operating expenses to 1.68% for Class A Shares, 2.43% for Class C Shares, 1.43% for Class Y Shares and 1.28% for Class INST Shares. This contractual expense limitation is effective through 01/29/19.

Annualized Total Returns (As of 09/30/18)

Class	3Q18	YTD	1 Year	3 Year	5 Year	Inception
Including Max Sales Charge						
A Shares	-6.56%	-6.29%	-6.82%	0.16%	0.00%	0.00%
C Shares	-2.05%	-2.26%	-2.88%	1.36%	0.44%	0.44%
Excluding Max Sales Charge						
A Shares	-0.82%	-0.62%	-1.18%	2.17%	1.19%	1.19%
C Shares	-1.06%	-1.27%	-1.95%	1.36%	0.44%	0.44%
Y Shares	-0.81%	-0.41%	-0.87%	2.47%	1.48%	1.48%
INST Shares	-0.80%	-0.30%	-0.87%	2.57%	1.58%	1.58%
Benchmark ¹	0.49%	1.30%	1.59%	0.84%	0.52%	0.52%

Max 5.00% sales charge for Class A Shares and 1% Contingent Deferred Sales Charge for Class C Shares held less than 1 year.

Calendar Year Returns

Class	2017	2016	2015	2014
A Shares	0.12%	4.75%	2.53%	-1.04%
Benchmark ¹	0.86%	0.33%	0.05%	0.03%

¹Benchmark - ICE BofA Merrill Lynch 3-Month U.S. Treasury Bill Index¹

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/pricing-performance.** 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 sales charges and class expenses. Calendar year returns of the Fund and the Benchmark do not include the effects of the applicable sales charge which would lower returns. Returns assume reinvestment of all distributions. Returns are not annualized for periods less than one year.

Morningstar Ratings (As of 09/30/18)

	Overall	3 Year	5 Year
A Shares	★★★★	★★★★	★★★★
C Shares	★★★★	★★★★	★★★★
Y Shares	★★★★	★★★★	★★★★
INST Shares	★★★★	★★★★	★★★★
Funds in Market Neutral Category	—	129	92

The Morningstar Rating™ for funds, or "star rating," is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds and separate accounts) with at least a 3-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive five stars, the next 22.5% receive four stars, the next 35% receive three stars, the next 22.5% receive two stars, and the bottom 10% receive one star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% 3-year rating for 36-59 months of total returns, 60% 5-year rating/40% 3-year rating for 60-119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent 3-year period actually has the greatest impact because it is included in all three rating periods.

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Class A Shares star ratings do not include any front-end sales load and are intended for those investors who have access to such purchase terms.

Objective

The Fund seeks to achieve positive absolute returns regardless of market conditions over the long-term by investing primarily in securities of companies that are involved in publicly announced mergers, takeovers, tender offers, debt restructurings, minority purchases, leveraged buyouts, spin-offs, liquidations, and other corporate reorganizations.

Investment Style

- Primarily buys securities of companies being acquired in publicly announced transactions where the terms of the transaction have been defined and disclosed
- Seeks to capture the arbitrage spread represented by the difference of the market price of the securities of the target company and the value that is offered for these securities by the acquiring company
- Analyzes a number of factors when selecting securities including proposed financing terms, the size of the transaction, anti-trust concerns, regulatory approvals, and shareholder voting requirements
- May invest in a variety of fixed-income securities dependent upon the level of corporate restructuring activity, the market or other conditions

Sub-Advisor

Longfellow Investment Management Co., LLC

Managed Fund since 09/2013

Portfolio Managers

Barbara J. McKenna, CFA

- Investment Experience: Since 1985

David C. Stuehr, CFA

- Investment Experience: Since 1986

Andrew G. Bail

- Investment Experience: Since 2006

Alexander R. Graham

- Investment Experience: Since 1993

Not FDIC Insured | No Bank Guarantee | May Lose Value



Touchstone Investments®
DISTINCTIVELY ACTIVE®

Investment Type (As of 09/30/18)

	(% of Portfolio)
Merger Arbitrage	97.6
Corporate Bonds	1.8
Pairs Trades	0.3
ETFs	0.2
Preferred Stock	0.0
Cash Equivalent	0.1
Closed End Funds	0.0

Source: Longfellow Investment Management Co, LLC

Fund Characteristics (As of 09/30/18)

New deals for the quarter	18
Closed deals for the quarter	15
Number of Long Positions	110
Number of Short Positions	22
Market capitalization (Long Equity)	
\$5 billion and over	28.4%
\$1 billion to <\$5 billion	16.6%
\$500 million to <\$1 billion	13.1%
less than \$500 million	41.9%
Median market cap (\$ millions)	\$481.5

Source: Longfellow Investment Management Co, LLC

Top 10 Deals (As of 09/30/18)

Target/Acquirer	(% of Portfolio)
1 Twenty-First Century Fox, Inc. / Walt Disney Co.	4.1
2 Andeavor / Marathon Petroleum Corp.	3.9
3 NXP Semiconductors NV / Qualcomm Inc.	3.8
4 Forest City Realty Trust Inc. / Brookfield Property Partners LP	3.4
5 Tribune Media Co. / Sinclair Broadcast Group Inc.	3.4
6 Rockwell Collins, Inc. / United Technologies Corp.	3.1
7 Aenta Inc. / CVS Health Corp.	3.1
8 KapStone Paper and Packaging / WestRock Co.	2.9
9 Mosaic Acquisition Corp.	2.8
10 Spartan Acquisition Corp.	2.3

Source: Longfellow Investment Management Co, LLC

There is no guarantee that the Fund will continue to hold any one particular security or stay invested in any one particular sector. Holdings are subject to change. Data may not total due to rounding.

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 advisor or download and/or request one at TouchstoneInvestments.com/literature-center or call Touchstone at 800.638.8194. Please read the prospectus and/or summary prospectus carefully before investing.

The indexes mentioned are unmanaged statistical composites of stock market or bond market performance. Investing in an index is not possible.

¹The ICE BofA Merrill Lynch 3-Month U.S. Treasury Bill Index is an unmanaged index of Treasury securities maturing in 90 days that assumes reinvestment of all income.

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 foreign securities, including depositary receipts, such as ADRs, GDRs and EDRs, which carry the associated risks of economic and political instability, market liquidity, currency volatility and differences in accounting standards. The Fund invests in companies that are or expected to be the subject of a publicly announced transaction that may not be completed or may be completed on less favorable terms than originally expected. The Fund invests in preferred stocks which are relegated below bonds for payment should the issuer be liquidated. The fixed dividend may be less attractive in a rising interest rate market. The Fund invests in convertible securities which are subject to the risks of both debt securities and equity securities. The Fund invests in debt securities which can 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 other investment companies such as closed-end funds and ETFs which are subject to substantially the same risks as those associated with the direct ownership of the securities comprising the portfolios; however, the price movements of the investment companies may not track the underlying securities or market index; the value of their shares may be lower than the value of the portfolio securities, and may be illiquid and shareholders will bear, indirectly, the additional expenses of investing in other investment companies. The Fund is involved in short selling which may result in additional costs associated with covering short positions and a possibility of unlimited loss. 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 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. Current and future portfolio holdings are subject to risk. The advisor engages the sub-advisor to manage the Fund's portfolio; the sub-advisor's judgment may impact the Fund's performance.

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