Fund Manager Commentary

As of June 30, 2021

Fund Highlights

- Employs a process that is focused on long-only, bottom-up value management
- Uses traditional methods of stock selection - research and analysis - to identify securities believed to be undervalued, and searches for companies that have price-to-earnings and price-to-book ratios below the market and that have above-average dividend yields
- Process seeks to identify the reasons for a temporary undervaluation of a company's shares and believes that value can be added through individual stock selection
- Fundamentals of companies are analyzed one at a time rather than on broader market themes
- Utilizes risk management techniques in an effort to keep the Fund's portfolio from becoming overexposed to particular market segments

Market Recap

Equity markets in the U.S. and around the globe continued their climb higher as companies and consumers, awash in liquidity both borrowed and gifted by U.S. federal government, enjoyed the fruits of the continual reopening of the country. Most domestic stock markets hit new highs in the past quarter on the back of the largest monetary and fiscal stimulus experiment in history.

As masks were shed beach-side, pool-side and, most importantly, inside at restaurants, hotels, shopping malls and movie theaters, consumers' willingness to spend was apparent throughout the economy. Flush with extraordinary additional stimulus dollars, still warm from the overheated presses at the Treasury, consumers spent more than the previous year and even more than they did during the same period in 2019. The surge in spending pushed up prices and availability for everything from homes to vehicles to now crowded flights bound for once nearly empty hotels. Companies struggled to meet demand for goods and services, hamstrung not only by scarce raw materials and parts sourced globally, but also by the difficulty of finding willing and able employees. Despite these difficulties, earnings growth surprised significantly to the upside in nearly every industry during the quarter, pushing stocks higher. Broadly speaking, large cap stocks in the U.S. led the way during the second quarter, followed by developed markets. Emerging markets were mostly positive in dollar terms, held back by the continued fight against COVID-19 given the lag in both the infection rate and their ability to find, and fund, vaccinations.

Within the U.S., value stocks continued their multi-quarter run relative to growth stocks through early May. But the seven month value run hit a speed-bump just as many investors, including active large cap fund managers, were beginning to move into value stocks. The bounce-back in growth stocks was largely driven by the fear of a faster than expected slowdown in the economy, despite the fact that the feared slowdown would be due to the lack of supply of both goods and labor, rather than a lack of demand. Also, ignoring the trillions of dollars injected into the economy over the past year, some investors felt that the higher inflation data points were mostly "transitory" in nature and that inflation had peaked. The bond market agreed, and the 10-year Treasury yield fell 50 basis points to around 1.40%, paving the way for investors to justify the still extreme valuations of the most popular tech and internet related stocks that led the last great bull-market to all-time highs in valuations.

The debate around the mix of transient or sustained inflation sources continues to create confusion among both economists and investors. The multiple rounds of fiscal stimulus and excess savings should provide a powerful tailwind of consumer purchasing power and U.S. households are likely ready and willing to spend their excess savings as the economy continues to fully reopen. A trip to a convenience store reveals that even the simplest of goods, snack foods, for example, will have one or two brands that are out of stock. Clearly, demand is rebounding much more quickly than providers can produce the necessary quantity of goods. If something as rudimentary as snack foods are in short supply, then it is highly likely that the shortfalls in complex microchips and technical devices will take more time to correct. Furthermore, employment and spending on the services side of the economy, which make up the largest portion of overall consumer spending, fell more drastically than other areas. As the recovery in the share of spending on services from ultra-low levels (the lowest since the

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financial crisis) reaches normalcy, service-oriented industries will drive the bulk of economic growth and inflation in the months and quarters ahead. Importantly, employment in the most COVID-impacted services, including areas like leisure and hospitality, remains 20% below its January 2020 level. The "transitory" sources of inflation will likely become much more protracted as labor, rather than raw materials, proves to be the primary disruption in the supply chain.

Portfolio Review

The Touchstone Value Fund (Class A Shares Load -Waived) underperformed its benchmark, the Russell 1000® Value Index, for the quarter ended June 30, 2021.

The Fund remains heavily weighted towards sectors that continue to see stronger than expected demand. Industrials and Consumer Discretionary stocks, for example, continue to exhibit the highest earnings growth with the most reasonable valuations. During the quarter, stock selection within Consumer Staples and Health Care sectors contributed, as did the Fund's overweight to the Energy sector. Stock selection and an overweight to Industrials detracted from performance, as did stock selection in the Consumer Discretionary sector.

Among the contributors to performance during the quarter was Coca-Cola Europacific Partners plc, (Consumer Staples sector) the largest Cola-Cola bottler by revenues and is the exclusive Coca-Cola bottler for the UK, France, Germany, Spain, Portugal, Belgium, Netherlands, Luxembourg, Norway, Sweden, and Iceland. Coca-Cola EP contributed to relative performance during the quarter as earnings continued to show volume recovery as economies reopen across Europe. Also during the quarter, the company closed the acquisition of Amatil, adding Australia, New Zealand, Indonesia, and Papua New Guinea to its coke bottling territory. In addition, Coca-Cola EP held an investor day to highlight the value-creation potential of the Amatil deal. Australia and Indonesia have been mismanaged and Amatil's overall cost structure is much too high for the relatively small operations. Merck & Co. (Health Care sector) also contributed to performance in the quarter. Merck is a healthcare company that derives roughly 60% of its value from pharmaceuticals, 30% from vaccines, and 10% from animal health. While there is unlikely much debate in the quality and value of Merck's vaccine and animal health franchises, the pharmaceutical business is underappreciated. We believe Merck's combination of a wide lineup of high-margin drugs and a pipeline of new drugs should ensure strong returns on invested capital over the long term. Another contributor to relative returns during the quarter was Hess Corp. (Energy sector), a premier exploration and production company with a unique portfolio of assets. The company has the potential to create significant shareholder value with the development of new oil and gas resources in Guyana, while generating stable production and cash flow from its existing assets in the Bakken, the Gulf of Mexico, and Malaysia. During the quarter, the company benefited from higher oil prices and new exploration well results in Guyana, adding to the overall oil and gas resources.

Among the detractors to relative performance during the quarter was Las Vegas Sands Corp. (Consumer Discretionary sector) that engages in the development of destination properties. Las Vegas Sands detracted from relative performance during the quarter as the recovery in Macau continues to remain slower than expected due to government enforced travel restrictions. China has been overly conservative managing the COVID-19 virus and has been slow to ease travel restrictions to Hong Kong and Macau. As soon as policies ease, we expect a meaningful rebound in visitation, similar to the pent-up demand seen in the U.S., and importantly we do not believe there have been any long-term impairments to the Macau market as a result of COVID-19. Deere & Co.'s (Industrials sector) fundamentals continue to improve and exceed expectations. The stock underperformed after a period of outperformance, likely due to a pullback in crop prices. We continue to believe that replacing an aged fleet and roll-out of tech-driven precision agriculture products will underpin double digit earnings growth in the future.

Outlook and Conclusion

We believe the market continues to over-react to short-term, less investable information like "transitory inflation" and under-react to the most critical factors that will influence returns over the next several years. One of the essential factors we remain focused on is the massive earnings growth potential of many neglected areas of the market and the substantially discounted valuations of these companies. Additionally, we continue to focus on companies that have the potential to pay shareholders a reasonable and growing portion of their profits in the form of dividends.

As of June 30, 2021, Coca-Cola Europacific Partners plc, made up 2.40% , Merck & Co., Inc. made up 2.64%, Hess Corp. made up 2.94%, Las Vegas Sands Corp. made up 1.53%, Deere & Co. made up 2.90% of the Touchstone Value Fund. Current and future portfolio holdings are subject to change.

Dividend paying investments may not experience the same price appreciation as non-dividend paying instruments, dividend-issuing companies may choose not to pay a dividend or the dividend may be less than what is anticipated.

Fund Facts (As of 06/30/21)

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio* Total	Net
A Shares	07/31/03	**TVLAX**	89154X468	1.27%	1.09%
C Shares	04/12/12	**TVLCX**	89154X450	2.44%	1.84%
Y Shares	09/10/98	**TVLYX**	89154X443	0.97%	0.84%
INST Shares	12/20/06	**TVLIX**	89154X435	0.91%	0.69%
Total Fund Assets	**$424.4 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 1.08% for Class A Shares, 1.83% for Class C Shares, 0.83% for Class Y Shares and 0.68% for Class INST Shares. These expense limitations will remain in effect until at least 10/29/21.

Share class availability differs by firm.

Annualized Total Returns** (As of 06/30/21)

Class	2Q21	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	4.19%	18.08%	47.49%	13.01%	12.53%	11.41%	8.91%
C Shares	4.02%	17.64%	46.40%	12.18%	11.70%	10.86%	8.21%
Y Shares	4.24%	18.13%	47.93%	13.30%	12.83%	11.72%	9.19%
INST Shares	4.29%	18.38%	48.12%	13.49%	12.99%	11.86%	9.27%
Benchmark^	5.21%	17.05%	43.68%	12.42%	11.87%	11.61%	8.28%
Including Max Sales Charge							
A Shares	-1.04%	12.18%	40.09%	10.79%	11.20%	10.75%	8.63%
C Shares	3.02%	16.64%	45.40%	12.18%	11.70%	10.86%	8.21%

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® Value 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.*

The performance presented for Class A, C, and INST Shares combines the performance of an older class of shares (Y Shares) from the Fund's inception, 09/10/98, with the performance since the inception date of each share class.

Not FDIC Insured | No Bank Guarantee | May Lose Value

[1]The Russell 1000® Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower expected 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 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 value stocks which may not appreciate in value as anticipated or may experience a decline in value. 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, 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. Banks and financial services companies could suffer losses if interest rates rise or economic conditions deteriorate. Events affecting the financial markets, such as a health crisis, 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. Current and future portfolio holdings are subject to change. 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.

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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