

**STATEMENT OF ADDITIONAL INFORMATION**

**APRIL 21, 2021**

**Relating to the Reorganization of the Target Fund and Acquiring Fund (as defined below)**

**TOUCHSTONE DYNAMIC DIVERSIFIED INCOME FUND**

a series of

**TOUCHSTONE STRATEGIC TRUST**

303 Broadway, Suite 1100

Cincinnati, Ohio 45202

(800) 543-0407

**TOUCHSTONE CREDIT OPPORTUNITIES FUND**

a series of

**TOUCHSTONE FUNDS GROUP TRUST**

303 Broadway, Suite 1100

Cincinnati, Ohio 45202

(800) 543-0407

This Statement of Additional Information (“SAI”), which is not a prospectus, supplements and should be read in conjunction with the Proxy Statement/Prospectus dated April 21, 2021, relating specifically to the proposed reorganization of Touchstone Dynamic Diversified Income Fund (the “Target Fund”), a series of Touchstone Strategic Trust (the “Target Trust”), into the Touchstone Credit Opportunities Fund (the “Acquiring Fund”), a series of Touchstone Funds Group Trust (the “Acquiring Trust”).

<b>Target Fund and Share Classes</b>	<b>Acquiring Fund and Share Classes</b>
Touchstone Dynamic Diversified Income Fund, a series of the Target Trust	Touchstone Credit Opportunities Fund, a series of the Acquiring Trust
Class A	Class A
Class C	Class C
Class Y	Class Y

The proposed reorganization is to occur pursuant to an Agreement and Plan of Reorganization, which is discussed in more detail in the Joint Proxy Statement/Prospectus. A copy of the Joint Proxy Statement/Prospectus may be obtained without charge by calling or writing to the Acquiring Trust at the telephone number or address set forth above or by visiting the Touchstone website at [TouchstoneInvestments.com/Resources](http://TouchstoneInvestments.com/Resources).

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## A. General Information

This SAI relates to the proposed reorganization of the Target Fund, which will be accomplished by (i) the transfer of all the assets of the Target Fund to the Acquiring Fund in exchange solely for Class A, Class C and Class Y shares of the Acquiring Fund and the assumption by the Acquiring Fund of all the liabilities of the Target Fund; (ii) the liquidating distribution to the Target Fund's shareholders of the shares of the Acquiring Fund in proportion to their holdings; and (iii) the termination of the Target Fund (the "Reorganization"). The closing of the Reorganization is subject to the satisfaction or waiver of customary closing conditions, including that shareholders of the Target Fund must approve the Reorganization of the Target Fund. If the Target Fund does not obtain the requisite shareholder approval or if other closing conditions are not satisfied or waived, the closing of the Reorganization will not occur. The Reorganization, as set forth in the table below, is expected to be completed on or about June 4, 2021.

Target Fund and Share Classes	Acquiring Fund and Share Classes
Touchstone Dynamic Diversified Income Fund, a series of the Target Trust	Touchstone Credit Opportunities Fund, a series of the Acquiring Trust
Class A	Class A
Class C	Class C
Class Y	Class Y

Further information is included in the Joint Proxy Statement/Prospectus and in the documents listed below, which are incorporated by reference into this SAI. Copies of the Joint Proxy Statement/Prospectus and the documents listed below may be obtained upon request, and without charge, on the EDGAR database on the SEC's Internet site at <http://www.sec.gov>, by writing to Touchstone Funds Group Trust at P.O. Box 9878, Providence, RI 02940, by calling (800) 543-0407 toll-free, or by visiting [TouchstoneInvestments.com/Resources](http://TouchstoneInvestments.com/Resources). Copies are available for a fee by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov).

## B. Incorporation by Reference

This SAI incorporates by reference the following documents:

- (1) [Prospectus, only insofar as it relates to the Touchstone Dynamic Diversified Income Fund \(the "Dynamic Diversified Income Fund"\) dated April 30, 2020, as supplemented through the date of this SAI \(previously filed on EDGAR, File Nos. 002-80859 and 811-03651; Accession No. 0000711080-20-000022\).](#)
- (2) [Prospectus, only insofar as it relates to the Touchstone Credit Opportunities Fund \(the "Credit Opportunities Fund"\) dated January 30, 2021, as supplemented through the date of this SAI \(previously filed on EDGAR, File Nos. 033-70958 and 811-08104; Accession No. 0000914243-21-000008\).](#)
- (3) [Statement of Additional Information, only insofar as it relates to the Dynamic Diversified Income Fund dated April 30, 2020, as supplemented through the date of this Proxy Statement/Prospectus \(File Nos. 002-80859 and 811-03651\).](#)
- (4) [Statement of Additional Information, only insofar as it relates to the Credit Opportunities Fund dated January 30, 2021, as supplemented through the date of this Proxy Statement/Prospectus \(File Nos. 033-70958 and 811-08104\).](#)
- (5) [Annual Report, only insofar as it relates to the Dynamic Diversified Income Fund for the fiscal year ended December 31, 2020. \(File No. 811-03651\).](#)

- (6) [Annual Report, only insofar as it relates to Credit Opportunities Fund for the fiscal year ended September 30, 2020 \(File No. 811-08104\).](#)
- (7) [Semi-Annual Report, only insofar as it relates to the Dynamic Diversified Income Fund for the six months ended June 30, 2020 \(File No. 811-03651\).](#)
- (8) [Semi-Annual Report, only insofar as it relates to the Credit Opportunities Fund for the six months ended March 31, 2020 \(File No. 811-08104\).](#)

**C. Supplemental Financial Information (Unaudited)**

A table showing the fees of the Target Fund and the Acquiring Fund, and the fees and expenses of the Acquiring Fund on a *pro forma* basis after giving effect to the proposed Reorganization, is included in the “Summary—Reorganization—How do the Funds’ fees and expenses compare?” section of the Proxy Statement/Prospectus.

The Reorganization will result in a material change to the Target Fund’s investment portfolio due to the investment restrictions of the Acquiring Fund. Following the Reorganization, it is expected that the Acquiring Fund will sell approximately 99% of the securities acquired from the Target Fund. A schedule of investments of the Target Fund as of December 31, 2020 is included below, and reflects the anticipated sale of a portion of the Target Fund’s portfolio holdings in connection with the Reorganization.

There are no material differences in the accounting policies of the Target Fund as compared to those of the Acquiring Fund.

**Touchstone Strategic Trust**  
**Touchstone Dynamic Diversified Income Fund**  
**Portfolio of Investments**  
**As Of December 31, 2020**

	<b>Touchstone Dynamic Diversified Income Fund</b>	
	Shares	Market Value
<b>Affiliated Mutual Funds~^∞ - 70.6%</b>		
<b>Fixed Income Funds - 60.0%</b>		
Touchstone Credit Opportunities Fund	856,662	\$ 8,592,320 <sup>(A)</sup>
Touchstone Flexible Income Fund	602,231	6,775,101 <sup>(A)</sup>
Touchstone High Yield Fund	671,847	5,703,977 <sup>(A)</sup>
Touchstone Impact Bond Fund	1,196,070	12,929,520 <sup>(A)</sup>
<b>Fixed Income Funds Total</b>		<b>34,000,918</b>
<b>Equity Funds - 10.6%</b>		
Touchstone Value Fund	622,593	6,045,381 <sup>(A)</sup>
<b>Equity Funds Total</b>		<b>6,045,381</b>
<b>Affiliated Mutual Funds Total</b>		<b>\$ 40,046,299</b>
<b>Exchange Traded Funds~ - 28.4%</b>		
iShares International Select Dividend ETF	98,286	\$ 2,896,488 <sup>(A)</sup>
iShares MSCI EAFE Value ETF†	48,169	2,273,577 <sup>(A)</sup>
VanEck Vectors J.P. Morgan EM Local Currency Bond ETF	35,295	1,174,265 <sup>(A)</sup>
Vanguard Emerging Markets Government Bond ETF†	14,025	1,154,258 <sup>(A)</sup>
Vanguard Global ex-U.S. Real Estate ETF	31,936	1,734,444 <sup>(A)</sup>
Vanguard High Dividend Yield ETF	56,148	5,138,103 <sup>(A)</sup>
Vanguard REIT ETF	20,033	1,701,403 <sup>(A)</sup>
<b>Exchange Traded Funds Total</b>		<b>16,072,538</b>
<b>Short-Term Investment Funds - 5.0%</b>		
Dreyfus Government Cash Management, Institutional Shares, 0.03%∞Ω	535,591	\$ 535,591
Invesco Government & Agency Portfolio, Institutional Class, 0.03%**∞Ω	2,288,940	2,288,940
<b>Short-Term Investment Funds Total</b>		<b>2,824,531</b>
<b>Total Investment Securities - 104.0% (Cost \$58,046,933)</b>		<b>\$ 58,943,368</b>
<b>Liabilities in Excess of Other Assets – (4.0%)</b>		<b>(2,254,689)</b>
<b>Net Assets - 100.0%</b>		<b>\$ 56,688,679</b>

<sup>(A)</sup> Following the Reorganization, all or a portion of this security may be sold. It is expected that the Touchstone Credit Opportunities Fund will sell approximately 99% of the securities acquired from the Target Funds

\*\* Represents collateral for securities loaned.

^ All affiliated funds are invested in the Institutional Class, unless otherwise indicated.

~ The financial statements of the underlying funds can be found on the SEC website.

† All or a portion of the security is on loan. The total market value of the securities on loan as of December 31, 2020 was \$2,217,190.

∞ Open-End Fund.

Ω Represents the 7-day SEC yield as of December 31, 2020.

**Portfolio Abbreviations:**

ETF - Exchange-Traded Fund

REIT - Real Estate Investment Trust

TSF-2636-SAI-2104