

2018 Supplemental Tax Information

Taxable Income Earned by Source - Dividend income paid during 2018 by the Touchstone Funds is taxable as ordinary dividends for federal income tax purposes except when shares are held through a tax-advantaged account, such as a 401(k) plan or an IRA. The distributions are taxable whether you received dividends in cash or reinvested dividends in additional shares of the Funds. The state taxation of regulated investment company dividends, which are derived in whole or in part from interest on federal obligations, varies from state to state. Please consult your tax adviser concerning the taxation of regulated investment company dividends in your state.

The table below shows the portion of dividends derived from interest income from U.S. Treasury and other government securities during 2018.

	Active Bond Fund	Balanced Fund	Controlled Growth With Income Fund	Dynamic Diversified Income Fund	Dynamic Global Allocation Fund	Flexible Income Fund	High Yield Fund	Impact Bond Fund (formerly known as Total Return Bond Fund)	Ultra Short Duration Fixed Income Fund
Income by type during 2018									
US Treasury Obligations	13.81%	9.28%	1.07%	0.70%	0.31%	4.70%	-	4.45%	-
Federal Home Loan Bank	-	-	-	-	-	-	-	-	-
Federal National Mortgage Assoc.	-	-	-	-	-	-	-	-	-
Govt. National Mortgage Assoc.	-	-	-	-	-	-	-	-	-
Federal Deposit Insurance Corp.	-	-	-	-	-	-	-	-	-
Federal Farm Credit Bank	-	-	-	-	-	-	-	-	-
Tennessee Valley Authority	-	-	0.07%	0.09%	0.06%	-	-	0.87%	-
National Credit Union Association	-	-	-	-	-	-	-	-	-
Federal Agricultural Mortgage Corp.	-	-	-	-	-	-	-	-	-
Overseas Private Investment Corp.	-	-	0.02%	0.02%	0.02%	-	-	0.17%	0.53%
Small Business Administration	-	-	-	-	-	-	-	-	-
Other	86.19%	90.72%	98.84%	99.19%	99.61%	95.30%	100.00%	94.51%	99.47%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Alternative Minimum Tax (AMT) - The Ohio Tax-Free Bond Fund's 2018 dividends were not subject to the AMT.

Tax-Exempt Income - The Ohio Tax-Free Bond Fund's federal exemption rate was 99.97% and its dividends were 100% exempt from Ohio personal income taxes.



Touchstone Funds (DRD) – Dividend income paid during 2018 by the Funds listed below are taxable as ordinary dividends for federal income tax purposes except when shares are held through a tax-advantaged account, such as a 401(k) plan or an IRA. For corporations, a portion of each dividend paid is eligible for the dividends received deduction provided by Section 243 of the Internal Revenue code. If a Fund is not listed, it did not have any dividends eligible for the deduction in 2018.

The table below shows the percentage of each dividend eligible for the deduction.

Touchstone Fund Name	Percent eligible	Touchstone Fund Name	Percent eligible
Anti-Benchmark U.S. Equity Fund*	42.17%	Large Cap Focused Fund	100%
Arbitrage Fund	24.56%	Large Company Growth Fund	90.95%
Balanced Fund	86.88%	Merger Arbitrage Fund	37.59%
Controlled Growth with Income Fund	29.17%	Mid Cap Fund	100%
Credit Opportunities Fund	0.09%	Mid Cap Growth Fund	42.24%
Dynamic Diversified Income Fund	10.02%	Mid Cap Value Fund	71.27%
Dynamic Equity Fund	100%	Premium Yield Equity Fund	84.36%
Dynamic Global Allocation Fund	20.74%	Small Cap Fund	100%
Flexible Income Fund	5.34%	Small Cap Growth Fund**	5.58%
Focused Fund	100%	Small Cap Value Fund	64.31%
International Growth Opportunities Fund***	5.14%	Small Cap Value Opportunities Fund****	16.26%
Growth Opportunities Fund	21.84%	Small Company Fund	18.52%
International Small Cap Fund	0.41%	Sustainability & Impact Equity Fund	43.89%
Large Cap Fund	100%	Value Fund	80.86%

*Anti-Benchmark U.S. Equity Fund launched on 11-19-18

**Small Cap Growth Fund merged into Small Company Fund on 9-21-18

***Global Growth Fund name change to International Growth Opportunities Fund on 4-17-18

****Small Cap Value Opportunities Fund merged into Small Cap Value Fund on 9-21-18



Foreign Taxes Paid – Shareholders of the Funds listed below who received 2018 dividends are entitled to receive your choice of either a foreign tax credit or an itemized deduction for foreign taxes paid by the Fund. Your portion of the foreign taxes paid by the Fund in 2018 is reported in Box 7 of your Form 1099-DIV. Although generally, it may be more advantageous to claim a credit for the foreign taxes paid, the ability to claim a credit depends on your individual tax situation. We suggest that you consult your tax adviser to determine your best course of action. Visit TouchstoneInvestments.com in the Resources section under Taxes/Tax Information for the Foreign Tax Factors and the Foreign Source Income percentages for the applicable Touchstone Fund.

Touchstone Fund Name
Emerging Markets Small Cap Fund
International Equity Fund
International Growth Opportunities Fund (formerly known as Global Growth Fund)
International Small Cap Fund
International Value Fund
Dynamic Diversified Income Fund
Dynamic Global Allocation Fund

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