Touchstone Flexible Income Fund

Sub-Advised by: Bramshill Investments, LLC

Fund Manager Commentary

As of December 31, 2023

Fund Highlights

- Seeks a high level of income consistent with reasonable risk by investing primarily in income producing securities
- Primarily invests in investment grade corporate bonds, high yield corporate bonds, preferred stocks, U.S. municipal bonds and U.S. Treasuries
- Actively manages the portfolio by rotating among asset classes and tactically hedging during various interest rate and market environments
- Seeks to identify relative value across asset classes and capture opportunities primarily within the corporate, U.S. Treasury, municipal and preferred security markets
- Analyzes and targets the portfolio's level of risk and interest rate sensitivity
- Selects individual positions based on security credit metrics and structures
- Focuses on liquid securities with transparent pricing and actively-traded capital structures

Market Recap

The fourth quarter began with U.S. Treasury yields remaining at 15-year highs and the yield curve steepened as investors were processing conflicting signals from economic data and were digesting the potential increased level of U.S. Treasury debt auctions to fund the growing federal deficit. The U.S. Treasury Department's announcement on November 1 said it will slow the pace of increases in its longer-dated auctions in the November 2023 to January 2024 quarter and expects it will need one more additional quarter of increases to meet its financing needs. U.S. Treasury yields fell after the announcement on relief the increases were not as large as some had feared. The U.S. Treasury has been increasing auction sizes to fund a federal budget deficit, which is increasing due to several factors, including higher government spending, which includes rising federal government borrowing costs stemming from the U.S. Federal Reserve Bank (Fed) interest rate increases and quantitative tightening. Investors were not surprised as the Fed announced its decision to keep the overnight federal funds rate at its range of 5.25% to 5.5%. This was the second consecutive meeting where the central bank has chosen to maintain the status quo in monetary policy. The October Consumer Price Index (CPI) showed U.S. inflation cooled more than expected across all measures. Headline prices increased over the month (+0.3% month-over-month) while core CPI (stripping out volatile food and energy prices) also increased (+0.3% month-over-month). That brought year-over-year figures to +3.4% for headline and +3.9% for core CPI. Fed Chair Jerome Powell's super core measure, which looks at sticky services prices tied to the labor market, rose 0.4% in December and a decline in oil prices alleviated some of the price's consumers paid at the pump. Powered by the benign economic data investors' expectations of a potential soft-landing scenario increased and the expectations of potential rate cuts in 2024 propelled a huge rally in bond prices during the quarter. The 10-year U.S. Treasury Note yield fell 60 basis points in November (4.33%) and another 45 basis points in December (3.88%). The two-month fall is the biggest since 2008 when the Fed was cutting interest rates during the Global Financial Crisis. At its December 12 meeting, the Fed voted unanimously to keep the keep rates steady for a third straight meeting. Chair Powell stated, "inflation has eased from its highs, and this has come without a significant increase in unemployment. That's very good news." Along with holding rates steady the Fed's "dot plot" which was released following the meeting showed participants expect three 25 basis point rate cuts in 2024 compared to more than 150 basis points priced in by markets. U.S. Treasury curve flattened in the fourth quarter of 2023 with the 10-year U.S. Treasury Note yield falling 69 basis points to 3.88% while the 2-year U.S. Treasury Note yield fell 79 basis points to 4.25%. The 2's-10's spread (the difference between the yield of the 10-year U.S. Treasury Note and the 2-year U.S. Treasury Note) ended the fourth

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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.***

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quarter less inverted at -37 basis points from -48 basis points at the end of the third quarter of 2023. One area of concern amidst the euphoria of the bond market rally was in the health of the U.S. Consumer specifically as it pertains to outstanding credit card balances. Outstanding credit card balances in the United States surpassed $1 trillion for the first time. This milestone raises concerns about the health of household finances and the implications for consumer spending going forward. We also saw a significant increase in delinquencies in subprime auto borrowers in the fourth quarter. This category of borrowers (credit scores below 640) is falling behind on car loan payments at the highest rate in 27 years. Fitch Ratings subprime auto Asset Backed Securities 60+ delinquency index rose to 6.11% and remains elevated at 6% as of October. While delinquencies crept up slightly for prime borrowers (credit scores of 680 and above) to 0.27% from 0.25%.

Equity investors went into 2023 worried about persistent inflation even after a year of the Fed's rate hiking campaign began and expecting a potential recession by the second half of the year. Instead, the S&P 500 index finished the year on a high note in December as positive economic data, falling inflation and the possibility of 2024 interest rate cuts improved investor sentiment. After a strong December performance, the index finished the quarter up 12.1%. ChatGPT and other generative AI products and services companies delivered big gains in 2023 as investors flocked into stocks with exposure to the AI theme betting that AI will play an increasingly important role in the future economy. During the quarter the Fed left the federal funds rate unchanged for a third consecutive meeting which also helped bolster positive equity returns as the market priced in no further interest rate hikes.

Job creation showed little signs of slowing in November as payrolls rose by a seasonally adjusted 199,000 for the month higher than the revised October gain of 150,000. The unemployment rate declined to 3.7% compared with the forecast of 3.9%. The unemployment rate has remained below 4% for over 21 months now, which is the longest streak of below 4% unemployment since the 1960s. Average hourly earnings a key inflation indicator increased by 0.4% for the month and 4% from a year ago. The monthly increase was slightly ahead of the 0.3% estimate. The report demonstrated the resilience of the economy in the face of 11 interest rate hikes since March 2022. The Conference Board Consumer Confidence Index increased to 111 vs 101 in November as December's increase in consumer confidence reflected more positive ratings of current business conditions and job availability, as well as less pessimistic views of business, labor market, and personal income prospects over the next six month. The combination of a strong labor market, rising incomes and the pandemic era excess savings along with low debt service have helped the economy avoid recession. Accumulated excess savings totaled $2.1 trillion in August 2021 but since 2022 drawdowns on household savings have accelerated and remained around $100 billion per month on average. The cumulative drawdowns have now totaled $1.9 trillion as of June 2023. This implies there is less than $190 billion of excess savings remaining in the aggregate economy. The U.S. Housing market also continues to show resilience even as mortgage rates touched 8.0% in October. The historically low inventories of housing after a decade of underbuilding and the mortgage rate lock-in effect have kept home prices elevated. U.S. mortgage rates hit a historic low of 2.65% in January 2021 prompting many existing homeowners to refinance into lower rates. Nearly 6 out of 10 borrowers now have a mortgage rate below 4% in this country. The impact of owning a mortgage at favorable terms compared to current market interest rates has had a big impact on the unwillingness of homeowners to sell their houses. The November CoreLogic report showed that year-to-date home price appreciation posted a 5.4% year-over-year increase. The low housing stock and rental supply continues to drive home prices higher.

Annual inflation in the eurozone fell to 2.4% in November from 2.9% in October; The European Central Bank (ECB) had raised interest rates 10 times since July 2022 to 3.75%-4.00% to tackle the continent's stubbornly high inflation. Although the ECB held interest rates steady in December officials noted the threat from wage pressures and energy market volatility could cause a potential resurgence of inflationary pressures. When asked about timing of future interest rate cuts ECB President Christine Lagarde said, that the central bank was "data dependent, not time dependent".

The Chinese economy was expected to recover in 2023 as the country reopened after three years as some of the strictest COVID policies were lifted. Instead, the economy stalled as the country was faced with a real estate property crisis, weak consumer spending and high youth unemployment. Years of accommodative stimulus policies and preferential lending rates helped fuel a large real estate bubble. China's struggling real estate sector, which has amassed significant debt at both the corporate and local government level, forced the government to increase stimulus efforts. Plunging home sales pushed Chinese developers like Country Garden to the brink of collapse. A financial crisis for the world's second largest economy would have a potential impact on U.S. multinational corporations that sell products and services to China.

With growing optimism, the Fed was likely finished with its aggressive rate hiking and potentially even cutting rates in 2024, Agency Mortgage-Backed Securities (MBS) saw spreads tighten significantly on the prospects of lower rates and lower volatility. Agency MBS current-coupon spreads had widened to +181 basis points through the year in part driven by technicals, FDIC sales from Silicon Valley Bank and Signature Bank, and overall reduced bank demand from an inverted yield curve and interest rate volatility. At current valuations Agency MBS still looks cheap with coupons trading slightly below par offering attractive carry without sacrificing too much convexity. As discussed earlier higher home prices driven by mortgage lock-in effect, low housing inventory and low defaults contributed to Non-Agency Residential Mortgage-Backed Securities (RMBS) outperformance in the quarter. We believe that the RMBS

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sector offers strong total return potential across the capital structure. New issue AAA Non-Qualified Mortgage (NQM) bonds are yielding approximately 6% and BBB bonds are yielding close to 8%. Seasoned Credit-Risk Transfer (CRT) bonds also look attractive due to structural deleveraging, limited issuance, and the resilient housing market. The Non-Agency Commercial Mortgage-Backed Securities (CMBS) sector continues to be weighed down by higher borrowing costs and lower property valuations particularly in the office space, which remains, challenged post-pandemic. An increase in delinquencies and strategic defaults, where the borrower stops repaying his mortgage obligation due to the value of a property falling below the amount due on the mortgage, has contributed to the volatility in the sector with lower rated CMBS trading at historically wide nominal spreads (+1200 basis points). Investors are still highly sensitive to extension risk and high office concentrations in deals. We remain cautious on the CMBS sector as reduced property valuations and higher debt service costs combined with maturing loans secured by office collateral will contribute to the volatility in the sector. We remain focused on asset classes that we still view as being relatively cheap from historical standards, yet fundamentally solid given our current and projected macroeconomic view as well as by our security-by-security probability of default analysis. We continue to focus on shorter, more senior securities, as well as short-dated U.S. Treasuries for income at current yields and their ability to preserve capital with global volatility rising and cash as we look to maintain optimal liquidity to be better positioned to take advantage of any opportunities that present themselves as measured on a risk-adjusted basis.

Portfolio Review

The Touchstone Flexible Income Fund (Class A Shares Load Waived) underperformed its benchmark, the Bloomberg U.S. Aggregate Bond Index, for the quarter ended December 31, 2023.

Our main tenets have been to focus on investment opportunities with high current income, relatively short duration (generally inside 5 years of duration) combined with high confidence of a very low probability of default (we continue to be extremely focused on underlying fundamentals and credit quality).

At the end of the fourth quarter of 2023, the fund was invested across Preferred Securities (PFD), Agency Commercial Mortgage-Backed Securities (ACMBS) and Seasoned RMBS backed by Single Family Rental Homes (SFR). Our PFD holdings in less rate sensitive, fixed-to-reset structures have outperformed the index. We continue to favor these structures over long duration fixed for life structures. Furthermore, we target securities in quality credits with high backend resets. This significantly mitigates the volatility and risk in a scenario where the Fed is forced to reverse course and take rates lower. Furthermore, if rates stay at these levels, these securities shorten in duration as the likelihood of a call increases. The ACMBS positions are backed by loans on multi-family residential housing properties originated by U.S. government agencies (Freddie Mac). These assets have solid credit metrics (60% loan-to-value/1.3x debt service coverage ratio) with low effective durations and have historically performed very well due to low delinquencies and defaults by the borrowers. We also added assets backed by Single Family Rental Homes in the private label market. These seasoned deals offer significant hard credit enhancement via the deal structure and years of home price appreciation, which would mitigate any potential losses. In addition, with 10-year U.S. Treasuries hovering near 5%, we allocated capital to several long duration investment grade credits that were issued during the COVID-era low-rate environment and were trading down 30-40% below issuance price. We targeted several names, which had been in our bullpen that were trading in the $60/ price range, yielding approximately 6.50 to 6.75% on average. These positions rallied significantly at the end of the fourth quarter.

Credit spreads tightened during the fourth quarter of 2023 as the rally in the bond market saw risk assets participate in the rally. However, corporate investment-grade and high-yield credit spreads are hovering around 20-year averages. While all-in yields are at some of the highest levels in investment grade and high-yield bonds the composition of that yield comes from the higher base case U.S. Treasury rate whereas in securitized markets investors are being compensated with wider credit spreads for taking risk over U.S. Treasuries.

Finally, we remained wary of investments in lower credits and/or with longer durations and focused on 1) rotating into shorter, higher quality investments or 2) building our cash and cash equivalents instead. From a credit standpoint, we are closely watching the resumption of the student loan payments beginning in the fourth quarter of 2023 that could potentially negatively affect subprime borrower performance in recent deals.

The Fund’s PFD allocation remained the largest asset class, decreased during the quarter. We continue to like our PFD holdings versus the total preferred universe as we are focused on shorter in duration securities due to their high back-end resets (+375 to +500) and short call dates (’24-’25). We moderately reduced our exposure in securities we felt outperformed and/or had potential to be dragged down further with the market. Specifically, we reduced our holdings in some of our PFDs that contained backend resets in the lower end of our target range.

The Fund’s Investment Grades Securities (IG) allocation increased during the quarter. This overall IG allocation increase was driven by IG Corporates, which increased significantly. We continue to like the positions we hold for their credit and carry and were able to add some exposure in the front end considering the sell-off in U.S. Treasuries and widening of spreads. We began to take positions in low dollar price IG bonds, which had been in our bullpen for several months. With U.S. Treasuries hovering near 5%, we allocated capital to several long duration investment grade credits that were issued during the COVID-19 low-rate environment and were trading down 30-40% below issuance price. We targeted several names, which had been in our

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bullpen that were trading in the $60 price range, yielding approximately 6.50 to 6.75% on average. We will continue to monitor price action and look to put more capital to work as they reach our downside price targets. We will look to add to this asset class on a tactical basis. However, the IG Securitized allocation within the Fund's portfolio decreased during the quarter. We are converting our cash and monthly distributions from our shorter duration and/or amortizing Investment Grade Structured or Securitized Products into cash and short-dated U.S. Treasury Bills in order to optimize liquidity.

The Fund's High Yield Securities (HY) allocation in the Fund increased slightly during the quarter. High Yield Corporate Securities allocation in the Fund increased. As the Fed continues to signal that fighting inflation is their primary objective, we have subsequently reduced our HY corporate exposure. The HY index yielding close to 8% does screen somewhat attractive on a yield basis; however, spreads are just fair value, especially in an economic environment where we feel earnings will reset lower along with a continued slowdown in GDP and economic activity. We see some pockets of opportunities in High Yield starting to develop, either via short term tactical trades via liquid products or longer-term opportunities up the cap structure in select BB's with strong credit metrics trading in the mid-7% yield area. However, the Fund's High Yield Securitized allocation decreased. In securitized products, we continue to capture high quality credit spreads in bonds backed by strong housing and consumer fundamentals. IG and HY corporate spreads compressing to the 24 and 17 percentiles are at best fair value. On the prospects of three interest rate cuts in 2024 and the broader market rally in risk assets RMBS spreads were 20-35 basis points tighter across senior AAA tranches. The combination of resilient housing fundamentals and limited new issue supply helped the sector tighten across the capital structure. Homeowners have nearly $30 trillion in home equity after the fifteen-year run up in home prices which supports the strong underlying credit fundamentals in the sector, and it continues to look cheap versus other asset classes.

The Fund's Municipal Bonds allocation increased during the quarter. As an asset class susceptible to an increase in long-term rates, Municipals were under pressure again towards the end of the third quarter of 2023. We increased our exposure as we saw relative value opportunities in closed end funds, which were trading at double-digit discounts to NAV. This proved beneficial as many of these funds rallied between 10-15% heading into the end of the year. At this point, we hold more of a neutral stance on the asset class.

The Fund's U.S. Treasury allocation decreased significantly during the quarter, providing a source of capital to increase the aforementioned IG and HY Corporate allocations. The majority of our U.S. Treasury exposure is in short duration U.S. Treasury Bills yielding north of 5%. We continue to remain patient and look to further aggregate cash flows generated from the securities held by the Fund and may continue to reinvest any cash flows received into short-dated U.S. Treasuries and/or other short duration investments to prepare for any corrections and/or better entry points.

The Fund's duration at the end of the fourth quarter of 2023 was approximately 3.3 years vs. the Bloomberg U.S. Aggregate Bond Index of approximately 6.2 years. The Fund is positioned with a lower duration than the benchmark purposefully as we wanted to stay in shorter solid credits to protect from any spread volatility and/or large moves up in benchmark interest rates. This has allowed us to experience less negative performance during periods of selloffs in U.S. Treasuries.

The Fund's lower duration versus the benchmark was to take advantage of the severely inverted yield curve that now have short duration strategies much more attractive on a risk adjusted return basis. The shape of the yield curve, as defined by the 2's-10's spread (the difference between the yield of the 10-year U.S. Treasury Note and the 2-year U.S. Treasury Note) was -37 basis points at the end of the fourth quarter. The shape of the yield curve, as defined by the 5's-30's spread (the difference between the yield of the 30-year U.S. Treasury Note and the 5-year U.S. Treasury Note) was approximately 18 basis points at the end of the fourth quarter 2023. Our decreased position in Cash and short-dated U.S. Treasuries during the fourth quarter of 2023 was a result of finding mispriced assets that were cheap on a risk-adjusted basis. As a result, the Fund added incremental exposure to the inverted front-end of the yield curve, which was overweight versus the benchmark index, which had a higher exposure to the belly of the curve. The overweighting to the front-end helped performance as the belly of the Treasury curve steepened during the fourth quarter of 2023.

Outlook and Conclusion

In general, the greatest headwind to the Fund is the same thing that is protecting us from inflation, rising U.S. Treasury yields, credit deterioration, etc.; it is a fact that we are running lower duration and more cash than our peers. We would likely underperform in the short term, a modest amount, if there were a large move lower in yields without a commensurate widening of spreads, although we have a high yielding portfolio, we are underweight risk and duration.

We are likely at the end of the Fed's interest rate hiking cycle, but do not anticipate rate cuts until the second half of 2024. The shape of the yield curve (bull steepener vs bear steepener) and trajectory of growth will be the key drivers of returns in 2024. With COVID stimulus payments and associated excess savings waning and U.S. consumers building up higher credit card balances, coupled with the Fed holding rates "higher for longer" in expectation of a higher unemployment rate and shrinking wage growth to combat inflation, we are monitoring the health of the consumer into the new year.

We continue to be weary and avoid credit sensitive asset classes (i.e., generic High Yield), although they are currently much more fairly priced on a risk-adjusted basis than they have been in a few years. However, while nominal yields have

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reached more attractive levels, credit spreads have yet to widen to levels we find worthy of investment. In our view, we will remain tentative to rotate into such investments as they have a meaningfully higher probability of default. We will look to take advantage of investment opportunities in this space on a tactical basis.

As always, we remain diligent and patient as we are focused on avoiding any positions that have the potential to suffer from extreme illiquidity, which could be caused by an unforeseen event.

The main driver of our returns in the fourth quarter of 2023 was generated from our high current income of the Fund in addition to total return opportunities that we will capitalize on via portfolio rotation, asset allocation, opportunistic investing, etc.

If the Fed is near the end of its interest rate hiking campaign and rates stabilize for the near future or the possibility of interest rate cuts we believe that fixed income investments are well positioned to deliver compelling risk adjusted returns.

We do not see any obvious fundamental issues in any of the asset classes/sectors that we are currently invested in as higher risk-free starting rates provides a cushion to any potential sell-off in treasuries. Nominal spreads are fair in IG and HY with potential downside if a hard landing is realized. Spreads in Securitized Products have tightened throughout the fourth quarter of 2023, but certain sub-sectors are still cheap with higher all-in yields. We feel that we are conservatively positioned for further downside with a large amount of cash and cash equivalents at the end of the fourth quarter of 2023. We anticipate allocating our liquidity (cash and cash equivalents) into more optimal risk-adjusted returns on a tactical basis. We believe that our active portfolio management methodologies will be important to add to returns and reduce risk.

While we put capital to work when U.S. Treasuries sold off (yields higher) to levels not seen in years, we still remain conservatively positioned for further downside via credit spread widening with a large amount of cash equivalents at the end of the fourth quarter of 2023. We anticipate allocating our liquidity into more optimal risk-adjusted returns on a tactical basis. We believe that our active portfolio management methodologies will be important to add to returns and mitigate risk.

Fund Facts *(As of 12/31/23)*

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio Total	Net
A Shares	04/01/04	**FFSAX**	89154Q620	1.27%	1.22%
C Shares	10/29/01	**FRACX**	89154Q612	2.04%	1.97%
Y Shares	09/01/98	**MXIIX**	89154Q596	1.01%	0.97%
INST Shares	09/10/12	**TFSLX**	89154Q588	0.99%	0.87%
Total Fund Assets	**$1.1 Billion**				

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 1.04% for Class A Shares, 1.79% for Class C Shares, 0.79% for Class Y Shares and 0.69% for Class INST Shares. These expense limitations will remain in effect until at least 07/29/24.

Share class availability differs by firm.

Fifth Third Strategic Income Fund Class I Shares became Touchstone Flexible Income Fund Class Y Shares on 09/10/12.

Annualized Total Returns *(As of 12/31/23)*

	4Q23	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	4.74%	7.72%	7.72%	0.49%	3.52%	3.50%	5.75%
C Shares	4.63%	6.96%	6.96%	-0.22%	2.75%	2.88%	5.27%
Y Shares	4.90%	7.96%	7.96%	0.77%	3.77%	3.77%	6.09%
INST Shares	4.92%	8.07%	8.07%	0.87%	3.87%	3.87%	6.19%
Benchmark	6.82%	5.53%	5.53%	-3.31%	1.10%	1.81%	6.03%
Including Max Sales Charge							
A Shares	1.33%	4.22%	4.22%	-0.62%	3.11%	2.89%	5.58%
C Shares	3.63%	5.96%	5.96%	-0.22%	2.75%	2.88%	5.27%

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

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.

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Class A, Class C and Class Y shares performance was calculated using the historical performance of the Fifth Third/Maxus Income Fund Investor shares, with an inception date of March 10, 1985, for periods prior to April 1, 2004, October 29, 2001, and September 1, 1998, respectively. Institutional Class shares performance information was calculated using the historical performance of Class Y shares for the periods prior to September 10, 2012. The returns have been restated to reflect sales charges and fees applicable to Class A, Class C, Class Y and Institutional Class shares.

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 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 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 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 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'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 or ETFs. The Adviser engages a sub-adviser to make investment decisions for the Fund's portfolio; it may be unable to identify and retain a sub-adviser who achieves superior investment returns relative to other similar sub-advisers. The Fund invests in convertible securities which are subject to the risks of both debt securities and equity securities. 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. 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 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 municipal securities which may be affected by uncertainties in the municipal market related to legislation or litigation involving the taxation of municipal securities or the rights of municipal security holders in the event of bankruptcy and may not be able to meet their obligations. 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. 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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