Fund Manager Commentary

As of June 30, 2022

Fund Highlights

- This "fund of funds" primarily invests in a diversified portfolio of underlying equity and fixed income funds. These underlying funds, in turn, invest in a variety of U.S. and foreign equity and fixed income securities
- Under normal circumstances, the Fund (through its investment in underlying funds) will invest at least 40% of its portfolio in securities of issuers outside of the U.S.
- The majority of the underlying funds in which the Fund invests will be affiliated funds
- The Fund's sub-advisor seeks to develop an optimal model allocation among underlying funds that seeks to provide capital appreciation through global exposure to a broad array of asset classes and investment strategies
- Under normal circumstances, the Fund expects to allocate its assets among equity and fixed income funds as follows: Equity Fund Allocation: 45-75%; Fixed Income Fund Allocation: 25-55%

Market Recap

The U.S. stock market was down for the second quarter. The decline was the largest quarterly drop since the global COVID-19 shutdown in early 2020. Every sector was in negative territory, with Consumer Discretionary, Information Technology, and Communication Services representing the worst performing sectors. From a size perspective, both large and small-cap performed similarly during the quarter. Growth stocks underperformed value within both large and small-cap.

Performance results within international equity markets were negative for the second quarter, with developed underperforming emerging markets. High inflation has become a global issue with rates in Europe approaching U.S. levels. In Germany, Europe's largest economy, economic growth is slowing on both inflation and falling exports. While economic indicators in the U.K. are still in the expansion range, measures of new orders have fallen while business confidence levels have slumped. In China, new controls were imposed in some areas, including a lock down of Shanghai, in an attempt to contain a fresh COVID-19 outbreak in April and May. Although most lockdowns have since been lifted, early economic indicators are not yet registering a strong return of growth.

The U.S. Treasury yield curve was up across all maturities during the quarter, most noticeably in the short-end, leading to a flatter curve. The 10-year Treasury yield ended the quarter at 3.02%, up 68 basis points from March. Credit spreads widened during the quarter including an outsized jump in June in the high yield market, which had a spread of 5.69% at quarter-end. The Federal Open Market Committee (FOMC) met twice during the quarter, as scheduled, and increased their overnight rate by 0.50% in May and 0.75% in June; targeting a range of 1.50% to 1.75%. Through the U.S. Federal Reserve Board's (Fed) "dot plot," it is messaging that the current intent is for another 175 basis points in increases before the end of 2022. Such an increase would push the rate above 3% for the first time since before the 2008 credit crisis. Public statements from the Fed grew more pessimistic during the quarter as Fed Chair Jerome Powell stated after the June meeting that controlling inflation at their 2% target, in exchange for a higher unemployment rate, would be a "successful outcome."

Real estate securities were down during the second quarter in both the U.S. and abroad. Commodity results were negative for the quarter, although crude oil was up 5.5% to $105.76 per barrel. Weakness in other areas led to the drop in the broad commodity index, particularly in precious metals. Natural gas prices were spiking dramatically during the quarter (up 44% by the end of May) before falling back down in June. By quarter-end, natural gas was down -5.2%, closing at $5.42 per million BTUs. Gold prices were down -6.8% during the quarter, finishing at approximately $1,807 per troy ounce, as the Fed turned more hawkish toward inflation.

(continued)

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.***

Portfolio Review

The Touchstone Dynamic Global Allocation Fund (Class A Shares Load-Waived) outperformed its first benchmark, the MSCI All Country World Index (ACWI) and underperformed its second benchmark, the Bloomberg U.S. Universal Index for the quarter ended June 30, 2022.

Manager selection detracted during the quarter, while the timing of rebalancing the equities versus fixed income exposure back to target also detracted slightly.

The equity allocation was a detractor from absolute returns during the quarter. Individual manager performance within the equity bucket is estimated to have detracted during the quarter while allocation decisions within the equity bucket contributed, with the overweight to U.S. value equities and an overweight to emerging markets equities boosting relative returns.

On a stand-alone basis, the Fund's fixed income bucket outpaced the fixed income benchmark. An underweight to duration benefited the Fund during the quarter. Individual manager performance within the fixed income bucket is estimated to have detracted during the quarter, while tilts within fixed income, and mismatch versus the benchmark, contributed.

The Fund's small cash allocation was the only investment to generate a positive absolute return during the quarter. Touchstone Sands Capital Select Growth Fund was the worst performer during the quarter, falling as rising interest rates and a re-rating of high growth stocks weighed on performance. Similar issues impacted Touchstone Growth Opportunities Fund, which fell during the quarter.

In early May, the Fund removed its overweight to bank loans by trimming from Touchstone Ares Credit Opportunities and reallocating to Touchstone High Yield Fund. The Fund also reduced its underweight to duration by trimming from Touchstone Ultra Short Duration Fixed Income Fund and from Touchstone Impact Bond Fund, and initiating a new investment in Touchstone Active Bond Fund. This change also enhanced the Fund's investment diversification. Both the duration underweight and bank loan overweight have worked well, but we no longer expect interest rates to rise rapidly in the coming months.

Within equities, the Fund removed its overweight to foreign equities (relative to U.S. equities) by trimming from Touchstone Anti-Benchmark® International Core Equity Fund and reallocating to Touchstone Sands Capital Select Growth Fund and Touchstone Growth Opportunities Fund. This change was also part of the Fund's migration away from being overweight domestic value equities towards a neutral stance. In conjunction with the reduction in value equity exposure, we trimmed from Touchstone Small Cap Value Fund and reallocated to Touchstone Growth Opportunities Fund. The trim to foreign equities also created a modest (and purposeful) overweight to emerging markets equities, which are currently preferred over foreign developed equities.

Outlook and Conclusion

Although new surges in COVID-19 infections are occurring, COVID-19 has been pushed to the back pages due to persistently high inflation that stands at a 40-year high in many countries, as well as high energy prices and the continued Russian invasion of Ukraine. It remains unclear what the long-term outcome of the war will be, but in the short to intermediate term, there is likely to be continued inflation that remains above trend, due to the impact of sanctions on Russian exports and the destruction of Ukrainian agricultural harvests and the inability to efficiently export what is harvested. In addition, Ukrainian metals exports have been hampered by the Black Sea blockage implemented by Russia.

The impact of high global energy prices (exasperated by a global shortage in oil refining capacity) is slowing global economic growth and may tip some economies into a recession. It remains to be seen if the U.S. and Europe will avoid a recession, but for now, it appears that those areas are poised for slowing growth and perhaps a mild recession. If not for the risk of recession, and associated impact on corporate earnings, the prices of risk assets would be relatively attractive right now. As it stands, risk assets may be fairly valued and could be a strong buying opportunity if economic growth stabilizes and inflation begins to fall.

We anticipated that interest rates would move upwards, and prepared the Fund accordingly, and rates have risen rapidly during 2022. Rates have moved so quickly that we now believe that any additional rise in interest rates is likely to be modest, even as the Fed aggressively increases the Fed Funds rate. So although rates may continue to drift upwards, the outlook for fixed income is improved from earlier this year.

The Fund is positioned relatively neutral overall, with a target to equities that is in line with long-term expectations. Volatility within both the equity and credit markets is likely to remain elevated relative to recent years, though that volatility could lead to interesting investment opportunities for talented active managers. Give that the Fund invests solely in actively managed funds, we are excited for the outlook for the Fund, relative to peers, in the coming quarters.

As of June 30, 2022, Touchstone Sands Capital Select Growth Fund made up 5.44%, Touchstone Growth Opportunities Fund made up 10.55%, Touchstone Ares Credit Opportunities made up 2.06%, Touchstone High Yield Fund made up 4.05%, Touchstone Ultra Short Duration Fixed Income Fund made up 3.18%, Touchstone Impact Bond Fund made up 25.74%, Touchstone Active Bond Fund made up 5.26%, Touchstone Anti-Benchmark® International Core Equity Fund made up 8.16%, and Touchstone Small Cap Value Fund made up 1.02% of the Touchstone Dynamic Allocation Fund. Current and future portfolio holdings are subject to change.

Fund Facts *(As of 06/30/22)*

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio* Total	Net
A Shares	09/30/04	**TSMAX**	89154Q307	1.46%	1.07%
C Shares	09/30/04	**TSMCX**	89154Q406	2.91%	1.82%
Y Shares	12/09/05	**TSMYX**	89154Q505	1.45%	0.82%
Total Fund Assets	**$66.6 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 0.49% for Class A Shares, 1.24% for Class C Shares and 0.24% for Class Y Shares. These expense limitations will remain in effect until at least 04/29/23.*

Share class availability differs by firm.

Annualized Total Returns** *(As of 06/30/22)*

Class	2Q22	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	-11.50%	-16.89%	-17.44%	1.41%	2.66%	4.85%	4.73%
C Shares	-11.75%	-17.24%	-18.13%	0.64%	1.88%	4.21%	4.38%
Y Shares	-11.55%	-16.83%	-17.28%	1.62%	2.89%	5.09%	4.99%
Benchmark 1^	-15.66%	-20.18%	-15.75%	6.21%	7.00%	8.76%	7.03%
Benchmark 2^^	-5.13%	-10.93%	-10.89%	-0.94%	0.94%	1.83%	3.48%
Including Max Sales Charge							
A Shares	-15.93%	-21.03%	-21.59%	-0.31%	1.45%	4.23%	4.38%
C Shares	-12.62%	-18.05%	-18.90%	0.64%	1.88%	4.21%	4.38%

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 - MSCI All Country World Index[1]

^^Benchmark - Bloomberg Global Aggregate Index[2]

[1]The MSCI All Country World Index measures the equity market performance of developed and emerging markets.

[2]The Bloomberg U.S. Universal Index represents the union of the U.S. Aggregate Index, U.S. Corporate High Yield Index, Investment Grade 144A Index, Eurodollar Index, U.S. Emerging Markets Index, and the non-ERISA eligible portion of the CMBS Index. The index covers USD-denominated, taxable bonds that are rated either investment grade or high-yield.

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.

Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used to create indices or financial products. This report is not approved or produced by MSCI.

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 Y Shares combines the performance of an older class of shares (A Shares) from the Fund's inception, 09/30/04, with the performance since the inception date of each share class.***

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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Touchstone is a member of Western & Southern Financial Group

Not FDIC Insured | No Bank Guarantee | May Lose Value

A Word About Risk

The value of an investment in the Fund is based on the performance of the underlying funds in which it invests and the allocation of its assets among those funds. The underlying funds may change their investment goals, policies or practices and there can be no assurance that the underlying funds will achieve their respective investment goals. Because the Fund invests in mutual funds, shareholders indirectly bear a proportionate share of the expenses charged by the underlying funds in which it invests. The principal risks of an investment in the Fund include the principal risks of investing in the underlying funds. The Fund's ability to achieve its investment goal depends upon the sub-advisor's skill in selecting the best mix of underlying funds. 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. 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. Financial institutions could suffer losses if interest rates rise or economic conditions deteriorate. The principal risks of an investment in the Fund include the principal risks of investing in the underlying funds in addition to those of the Fund. The Fund invests in equities which are subject to market volatility and loss. The Fund invests in foreign securities, foreign depositary receipts, emerging markets and frontier markets securities which carry the associated risks of economic and political instability, market liquidity, currency volatility and differences in accounting standards that differ from those of U.S. markets and offer less protection to investors. The Fund invests in fixed-income 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. 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 derivatives which may expose the Fund to additional risk than directly investing in securities and may lack a liquid market, are subject to counterparty risk and leverage risk which could result in increased volatility of returns as well as losses. Liquidity risk may exist when particular investments are difficult to purchase or sell, which can reduce an underlying fund's return. Leverage can create an interest expense that may lower the Fund's overall returns. There can be no guarantee that a leveraging strategy will be successful. Current and future portfolio holdings are subject to change.

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