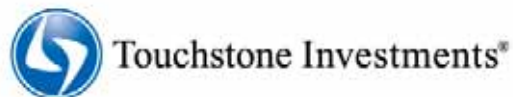


High Yield Fixed Income Credit Outlook

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Fort Washington Investment Advisors, Inc.

September 28, 2011

*The opinions expressed are current as of the date of this presentation; they are subject to change.
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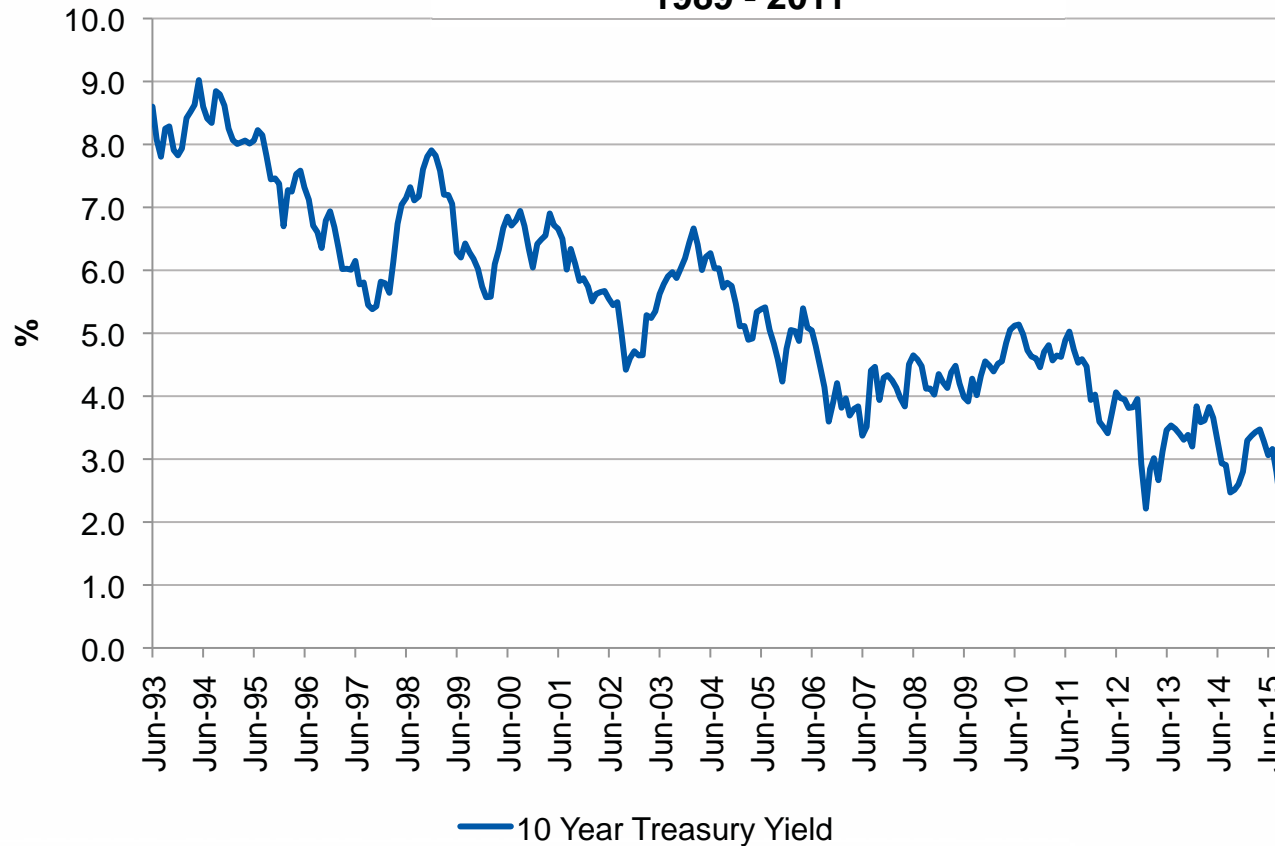
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High Yield Fixed Income Credit Outlook



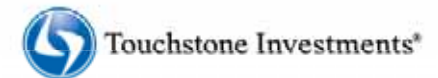
Challenging Investing Environment – Low Yields

10-Year Treasury Yields
1989 - 2011



Past performance is not indicative of future results.

Source: Bloomberg, Fort Washington Investment Advisors Inc. and Touchstone Investments

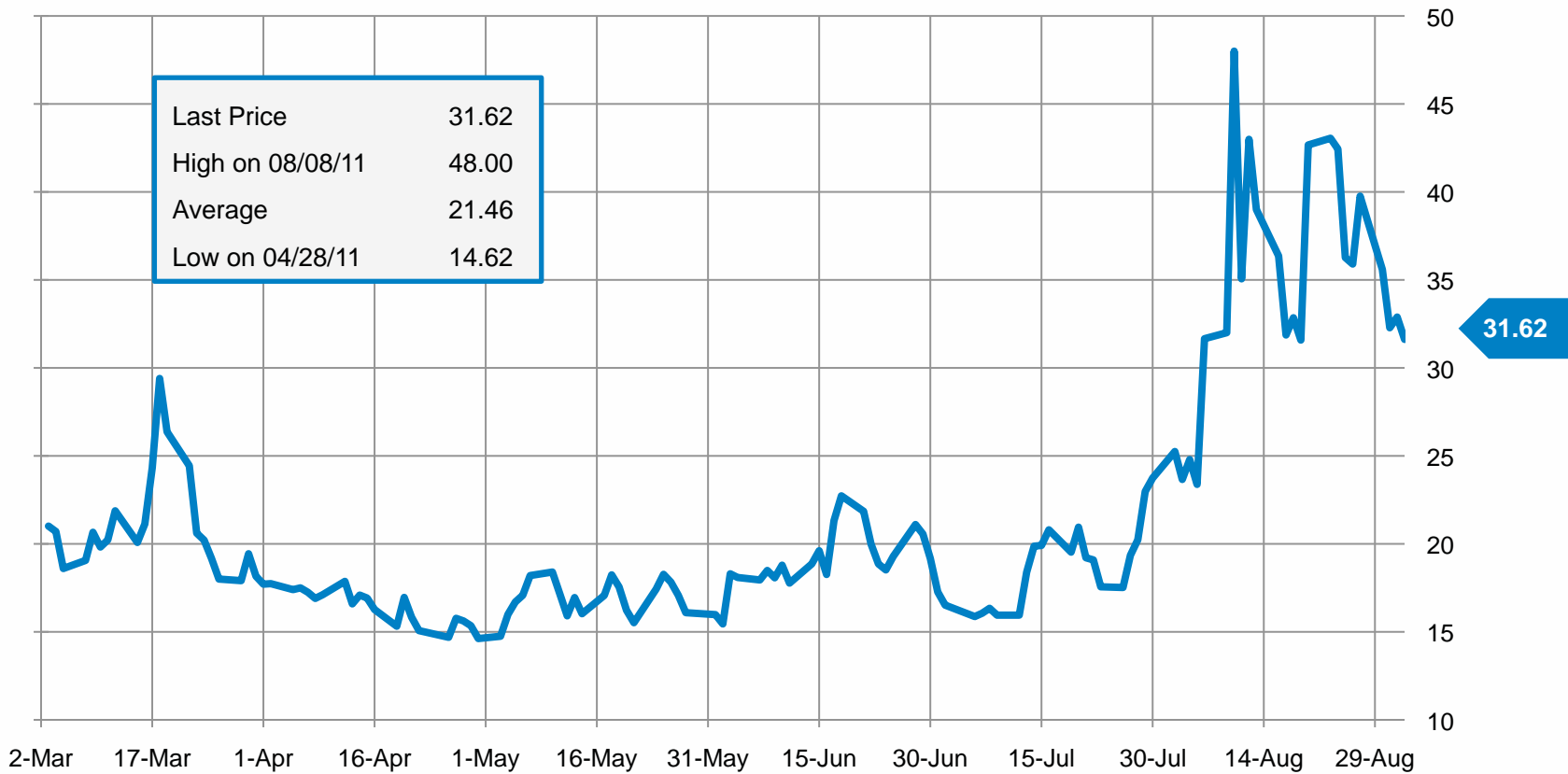


High Yield Fixed Income Credit Outlook

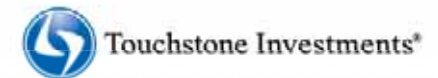


Challenging Investing Environment – Increased Volatility

VIX Index



Source: Bloomberg



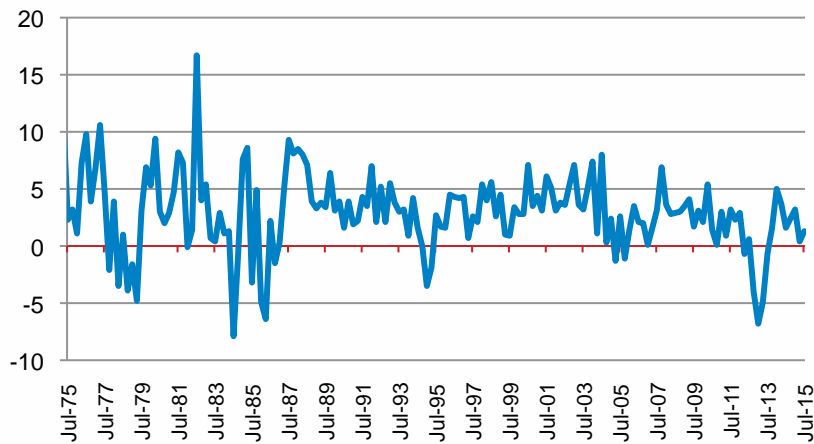
High Yield Fixed Income Credit Outlook



Challenging Investing Environment

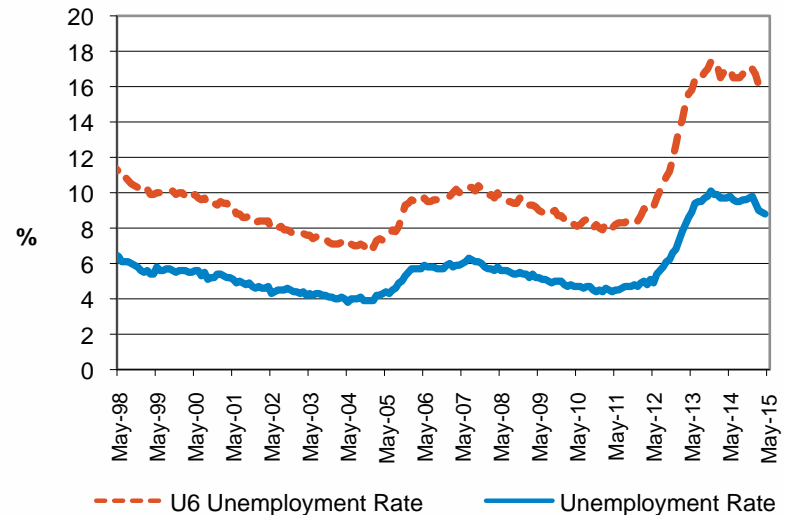
Anticipating a Sub-Par Recovery

Real GDP (% change Annualized)



Source: Bureau of Economic Analysis

Unemployment Remains Near Recent Highs



Source: Bureau of Labor and Statistics, Bloomberg

High Yield Fixed Income Credit Outlook



Challenging Investing Environment

What To Do With Fixed Income Now

- ◆ Reduce Treasuries
- ◆ Shorten Duration
- ◆ **Consider High Yield**
- ◆ Consider Ultra Short
- ◆ Consider selling Core; Buy High Yield / Ultra Short Barbell

¹ As of 12/31/2010.

High Yield Fixed Income Credit Outlook



High Yield Outlook

- ◆ Economic outlook has certainly become more cloudy in recent months with most economists revising their expectations for GDP significantly downward. Projections now generally fall in the 1.5% - 2.0% range, an admittedly unimpressive recovery
- ◆ We do still believe that we will be able to avoid a double dip recession and expect growth to remain positive. Any contraction is expected to be shallow and short lived. The current environment is notably different than 2008 given the strength of the banking sector and improved corporate balance sheets
- ◆ More importantly, default rates continue to decline and are expected to end 2011 below 2%. This level is down from 3.3% at year end 2010 and significantly lower than 2009 peak of 13%. Additionally, while GDP growth expectations have been reduced, the projected default rates have not changed owing to strong corporate earnings, healthy balance sheets and reduced debt amortization

High Yield Fixed Income Credit Outlook



High Yield Outlook - Continued

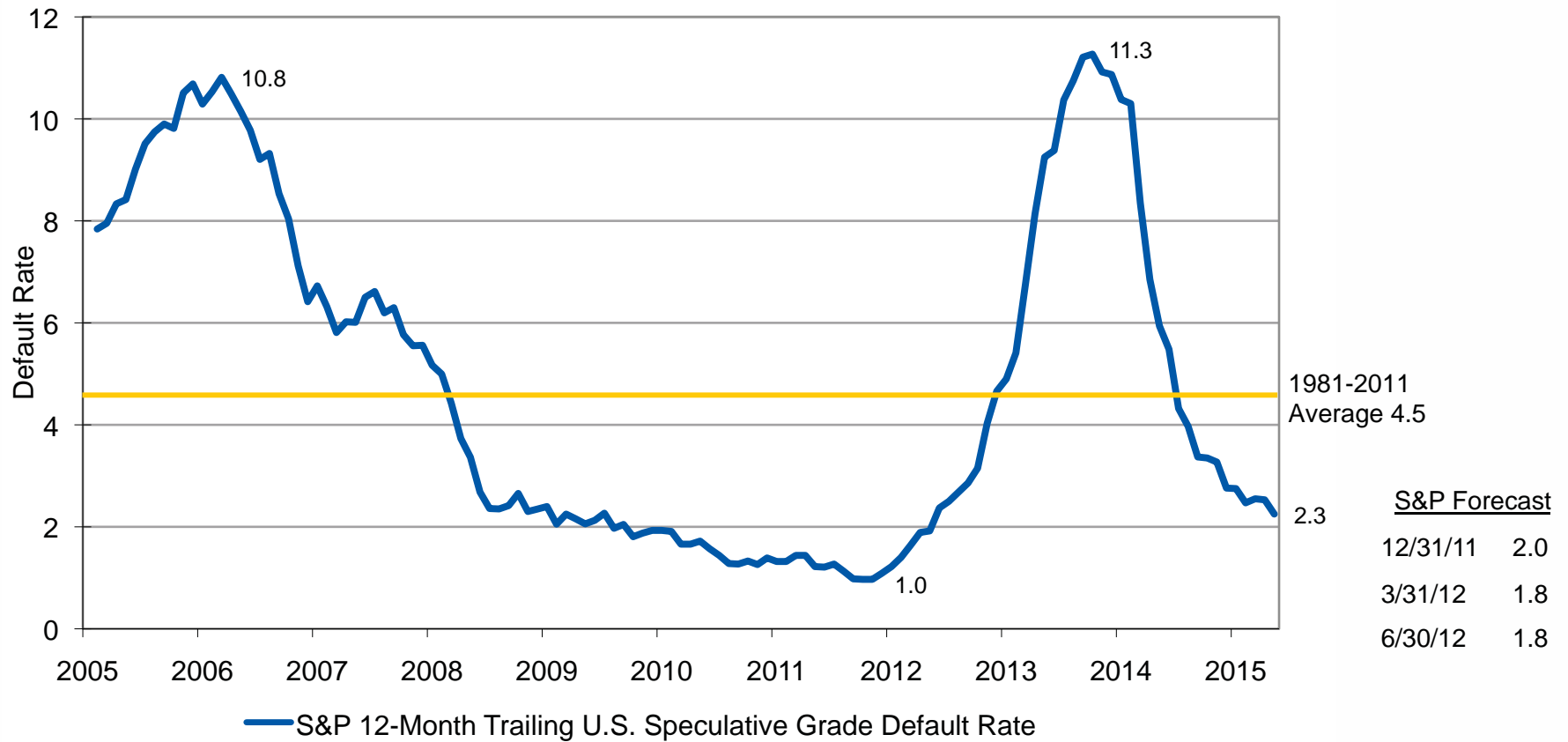
- ◆ Valuations are currently attractive in High Yield with spreads of approximately +730. This level is comfortably wide of the long term average of about +550. Additionally, current spreads are pricing in a default rate of 6% - 7%, a level that we don't believe is in the cards
- ◆ Prospects for High Yield returns compare favorably to Core Fixed Income given the rather low yields available in investment grade rated bonds. While equities may offer attractive return potential, such returns will also include significant volatility. We believe High Yield can offer competitive returns but with materially less volatility than equities
- ◆ In a low growth, low return environment, income producing assets such as High Yield should have particular appeal

High Yield Fixed Income Credit Outlook

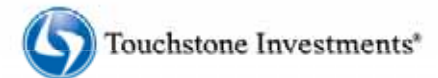


Historical Default Rate

as of 6/30/11



Source: Bank of America

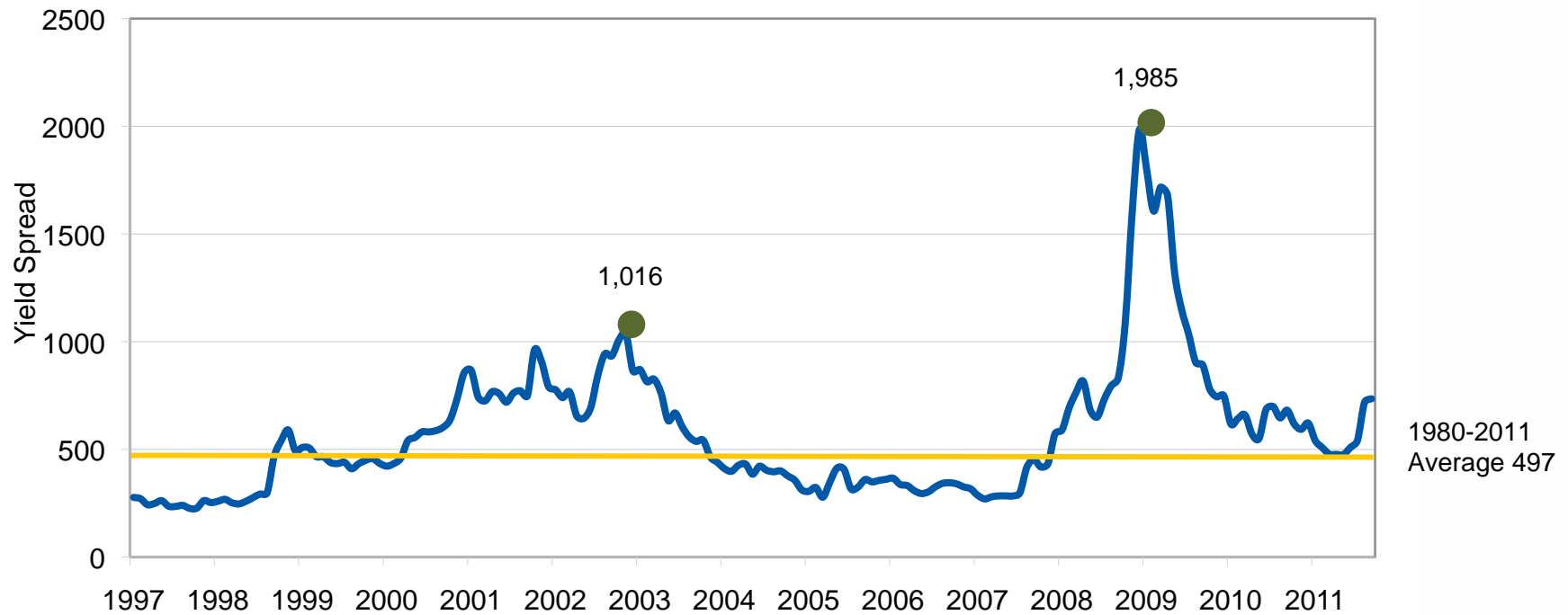


High Yield Fixed Income Credit Outlook



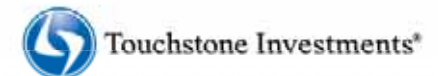
BofA Merrill Lynch U.S. High Yield Cash Pay Spread History

Option Adjusted Spread
12/31/96 – 9/15/11



Source: Bloomberg
Past performance is not indicative of future results.

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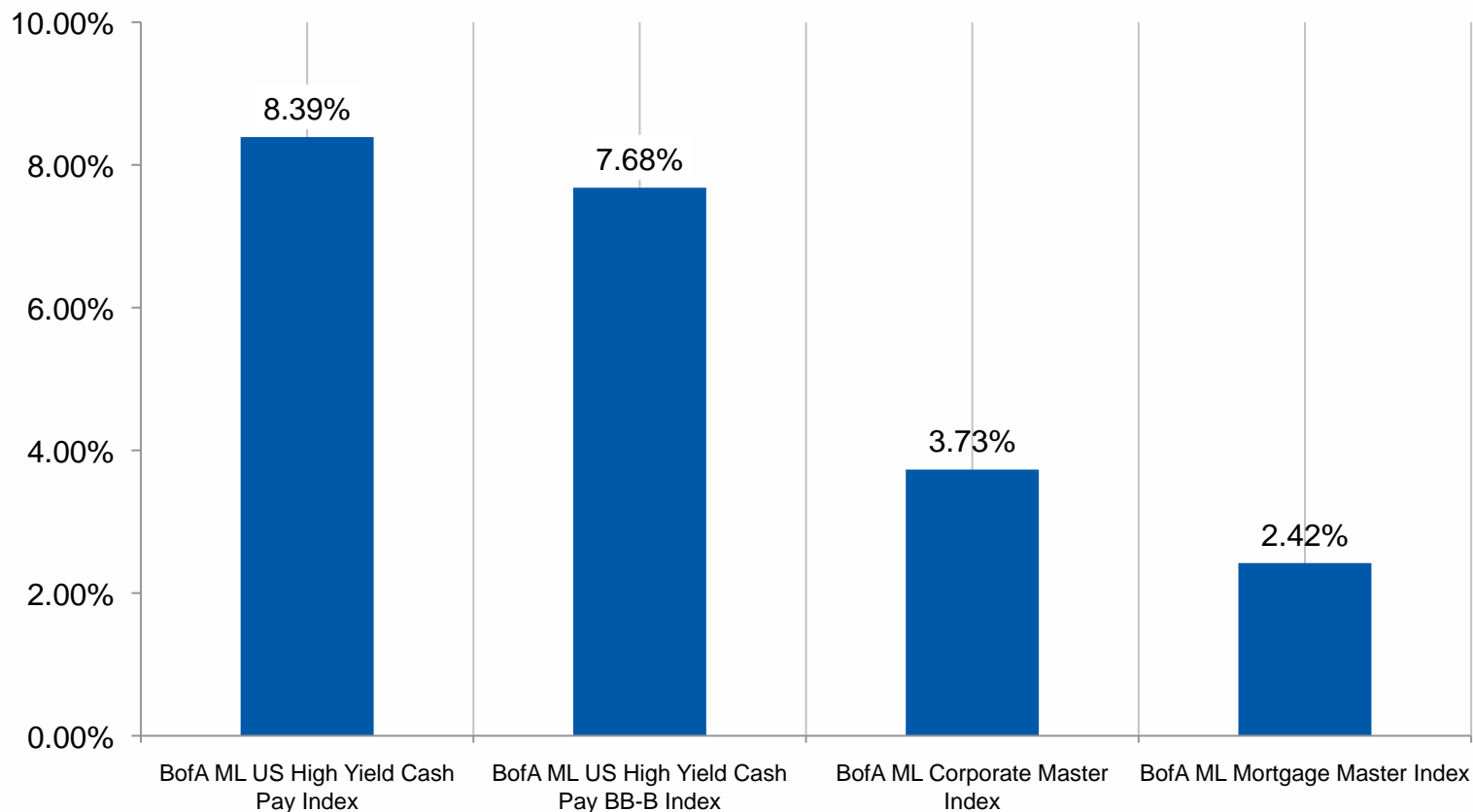
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High Yield Fixed Income Credit Outlook



Comparative Current Yields

Current Yields as of 8/31/11



Source: BofA Merrill Lynch and Fort Washington. Past performance is not indicative of future results.

High Yield Fixed Income Credit Outlook



High Yield Has Done Well When Interest Rates Rise

Worst performing Years for 10 Year Treasuries since 1980

Year	High Yield Bonds ¹	10 Year Treasuries
2009	56.28	-9.71
1994	-1.16	-8.29
1999	1.57	-8.25
1987	4.67	-0.74
1980	-1.34	-0.41
1996	11.06	0.04
2003	27.22	1.32
2006	11.64	1.36

Past performance is not indicative of future results.

¹Represented by the BofA Merrill Lynch U.S. High Yield Cash Pay Index except for 1980, which uses the BofA Merrill Lynch U.S. High Yield 100 Index.

High Yield Fixed Income Credit Outlook



Correlation Matrix

Portfolio Construction:
High Yield is not tightly correlated with any other asset class

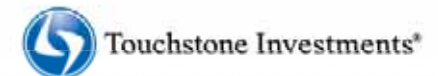
January 1, 1993 – June 30, 2011

		1	2	3	4	5	6	7
1	BofA Merrill Lynch U.S. High Yield Cash Pay Index	1.00						
2	BofA Merrill Lynch U.S. Mortgage Master Index	0.13	1.00					
3	BofA Merrill Lynch Current 10-Year U.S. Treasury Index	-0.06	0.83	1.00				
4	BofA Merrill Lynch U.S. 3-Month Treasury Index	-0.13	0.17	0.12	1.00			
5	BofA Merrill Lynch U.S. Corporate Index	0.56	0.71	0.68	0.01	1.00		
6	S&P 500 Index	0.60	0.02	-0.13	0.04	0.27	1.00	
7	Russell 2000® Index	0.60	-0.09	-0.20	-0.05	0.18	0.79	1.00

Negative correlation sectors.

Past performance is not indicative of future results.

Source: BofA Merrill Lynch Global Research

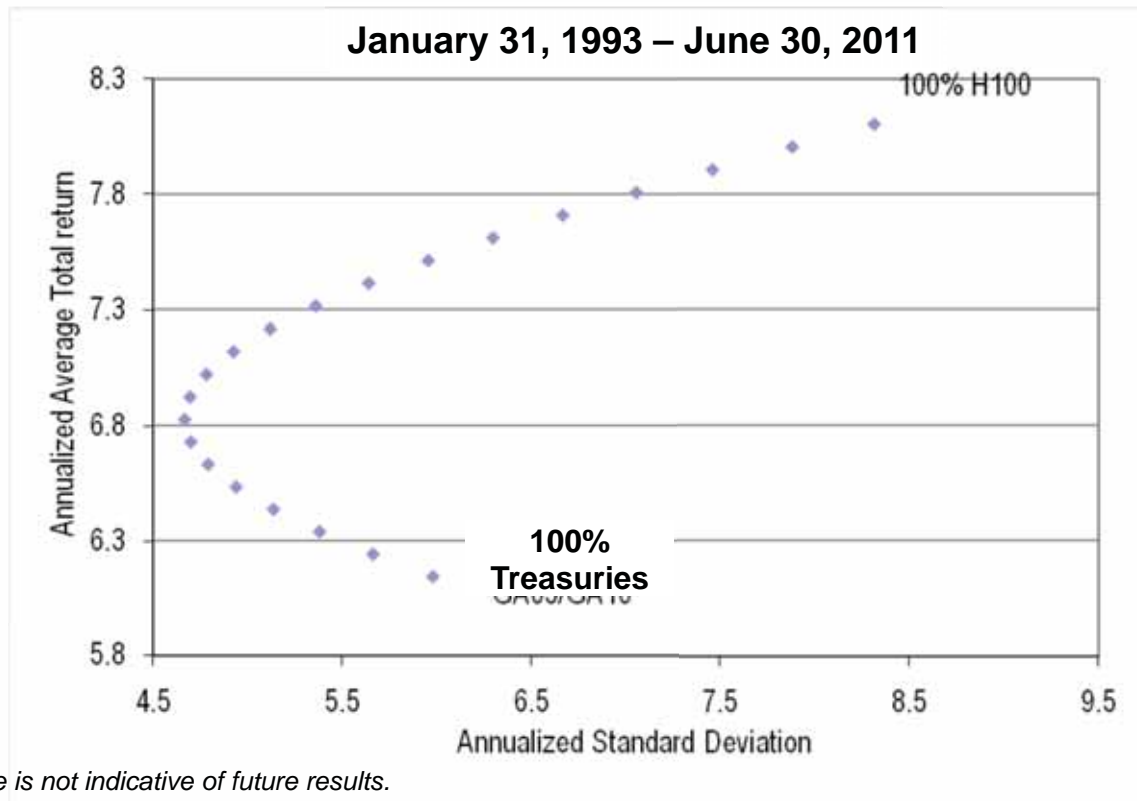


High Yield Fixed Income Credit Outlook



High Yield Bonds

Portfolio Construction: The addition of High Yield to a higher quality portfolio may increase return and reduce risk



Past performance is not indicative of future results.

The Standard Deviation is a measure of how far a portfolio's return moves above or below its average.

A 50%-50% mix of the BofA Merrill Lynch Current 5-Year U.S. Treasury Index and BofA Merrill Lynch Current 10-Year Treasury Index were used to represent 100% Treasuries and the BofA Merrill Lynch High Yield 100 Index was used to represent the 100% High Yield.

Source: BofA Merrill Lynch Global Research

High Yield Fixed Income Credit Outlook



Returns and Standard Deviations

01/01/93 – 6/30/11

	BofA ML BBB Index	BofA ML BB Index	BofA ML B Index	BofA ML CCC/ CC/C	BofA ML U.S. High Yield Cash Pay Index	S&P 500 Index	Russell 2000® Index
Average Monthly Return (%)	0.60	0.69	0.64	0.71	0.69	0.60	0.76
Standard Deviation	1.71	2.12	2.55	4.04	2.51	4.37	5.63
Sharpe Ratio ¹	0.75	0.76	0.56	0.42	0.64	0.29	0.34

Source: Bank of America Merrill Lynch Global Research. Past performance is not indicative of future results.

¹Sharpe ratio is shown in annualized terms and is equal to (Total Return minus Return on 3 Month T-Bills) / Standard Deviation of Total Return. Sharpe ratio is a standard convention for assessing how much return is provided for a given level of risk. Higher ratios indicate a better risk-return relationship.

High Yield Fixed Income Credit Outlook



High Yield Bonds

High Yield Credit Quality Returns As of 06/30/11

Index Name	1 Year	3 Year	5 Year	10 Year
Merrill Lynch High Yield BB-Rated	14.30%	12.37%	9.38%	7.84%
Merrill Lynch High Yield B-Rated	15.24%	8.79%	7.16%	8.07%
Merrill Lynch High Yield CCC-Rated	18.71%	15.71%	10.67%	11.71%
Merrill Lynch High Yield Cash Pay Index	15.31%	12.17%	9.07%	8.72%

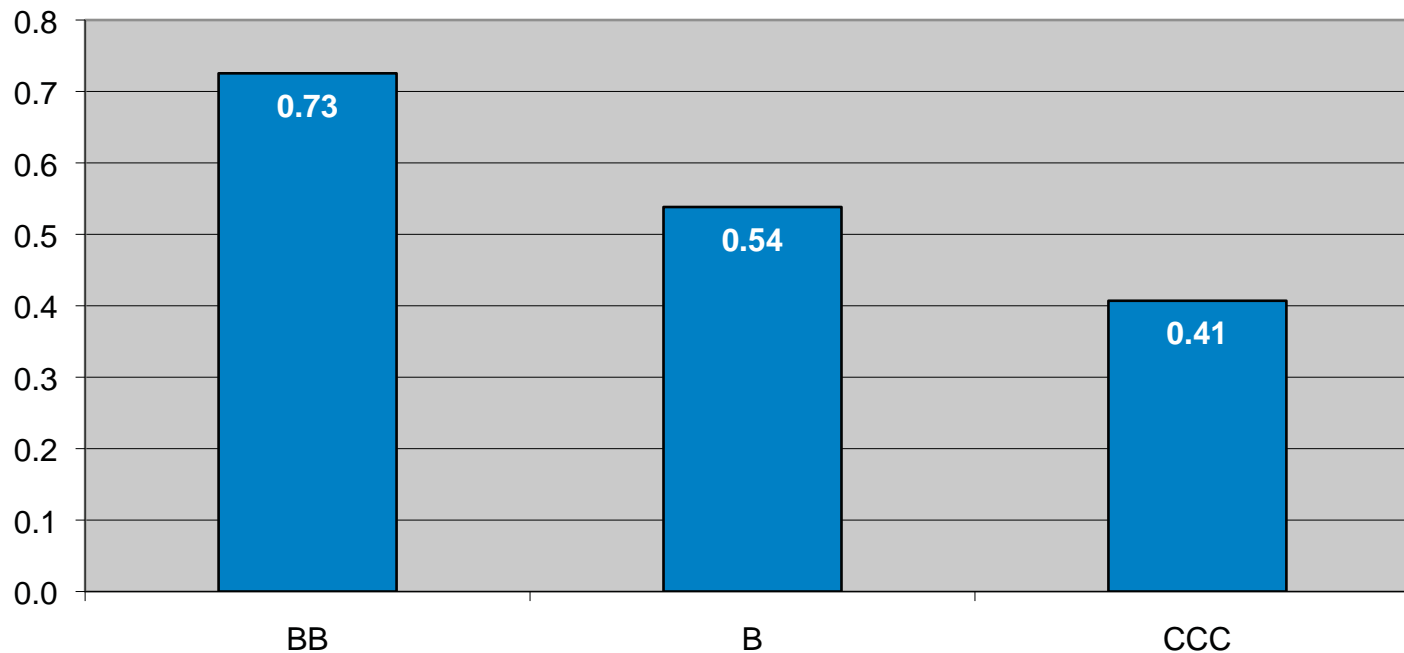
Source: Bank of America Merrill Lynch

High Yield Fixed Income Credit Outlook



High Yield Bonds

Sharpe Ratio of High Yield Rating Categories 10/01/89 - 6/30/11



Source: Bank of America Merrill Lynch

The Sharpe Ratio is a standard convention for assessing how much return is provided for a given level of risk. Higher ratios indicate a better risk-return relationship.

High Yield Fixed Income Credit Outlook



Benefits of the High Yield Asset Class

- ◆ Provides attractive yields in a low interest rate environment
- ◆ Overall portfolio volatility can be reduced due to a lack of correlation with other asset classes
- ◆ Provides equity-like return potential with historically less volatility
- ◆ Tends to be less sensitive to interest rates than other fixed income asset classes

Touchstone High Yield Fund

Class A Share (THYAX)

Class C Share (THYCX)

Class Y Share (THYYX)



High Yield Fixed Income Credit Outlook

Important Disclosure

The BofA Merrill Lynch U.S. High Yield Cash Pay Index is an unmanaged index used as a general measure of market performance consisting of fixed rate, coupon bearing bonds with an outstanding par which is greater than or equal to \$50 million, a maturity range greater than or equal to one year and must be less than BBB/Baa3 rated but not in default.

The BofA Merrill Lynch U.S. High Yield 100 Index is designed to emulate, as closely as possible, the risk characteristics of the BofA Merrill Lynch U.S. High Yield Constrained Index with a comparatively small basket of securities. Rebalancing rules are geared toward selecting the most liquid constituents while minimizing turnover.

The BofA Merrill Lynch Current 10-Year Treasury Index is an unmanaged Index which includes U.S. Treasury securities with maturities of greater than 10 years.

The BofA Merrill Lynch U.S. 3-Month Treasury Bill Index measures monthly return equivalents of yield averages that are not marked to the market. The 3-month Treasury Bill Indexes consist of the last 3-month Treasury Bill issues.

The BofA Merrill Lynch Current 5-Year Treasury Index is a one-security Index comprised of the most recently issued 5-year U.S. Treasury note.

The BofA Merrill Lynch Mortgage Master Index tracks the performance of U.S. dollar-denominated 30-year, 15-year, and balloon pass-through mortgage-backed securities having at least \$150 million outstanding per generic production year. A generic production year is defined as the aggregation of all mortgage pools having a common issuer, type, coupon, and a production year the underlying mortgages were issued.

The BofA Merrill Lynch U.S. High Yield Cash Pay BB-B Rated Index is an unmanaged index of high yield bonds. The index is subject to a 2% cap on allocation to any one issuer. The 2% cap is intended to provide broad diversification and better reflect the overall character of the high yield market. The index reflects reinvestment of all distributions and changes in market prices.

The BofA Merrill Lynch U.S. Corporate Master Index tracks the performance of U.S. dollar denominated investment grade corporate debt publicly issued in the U.S. domestic market. Qualifying securities must have an investment grade rating and an investment grade rated country of risk. In addition, qualifying securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$250 million.

S&P 500 Index is a group of widely held stocks which is commonly regarded to be representative of the large capitalization stock universe.

Russell 2000® Index measures the performance of 2,000 smallest companies in the Russell 3000® Index.

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Performance data quoted represents past performance, which is no guarantee of future results.

High Yield Fixed Income Credit Outlook

Important Disclosure

The indexes mentioned are unmanaged statistical composites of stock market or bond market performance. Investing in an index is not possible. The investment results depicted herein represent historical gross performance with no deduction for investment management fees or transaction costs.

A Word About Risk

High yield bond funds carry the risks associated with investing in high yield, lower rated bonds because issuers of non-investment grade debt securities are more likely to be unable to make timely payments of interest or principal, particularly during an economic downturn or recession. Bond funds invest in bonds which can lose their value as interest rates rise and an investor can lose principal. Diversification does not guarantee a profit or protect against loss. Current and future portfolio holdings are subject to risk.

Please consider the investment objectives, risks, charges and expenses of a fund carefully before investing. The prospectus and the summary prospectus contain this and other information about bond funds. To obtain a prospectus or a summary prospectus, contact your financial advisor or download and/or request one at TouchstoneInvestments.com/home/formslit/ or call Touchstone at 800.638.8194. Please read the prospectus and/or summary prospectus carefully before investing.

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