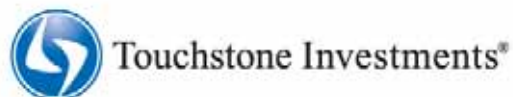


Market-Neutral Investing Opportunities

Gina Moore, CFA, CPA
Portfolio Manager, Touchstone Market Neutral Equity Fund
Aronson Johnson Ortiz

September 27, 2011

*The opinions expressed are current as of the date of this presentation; they are subject to change.
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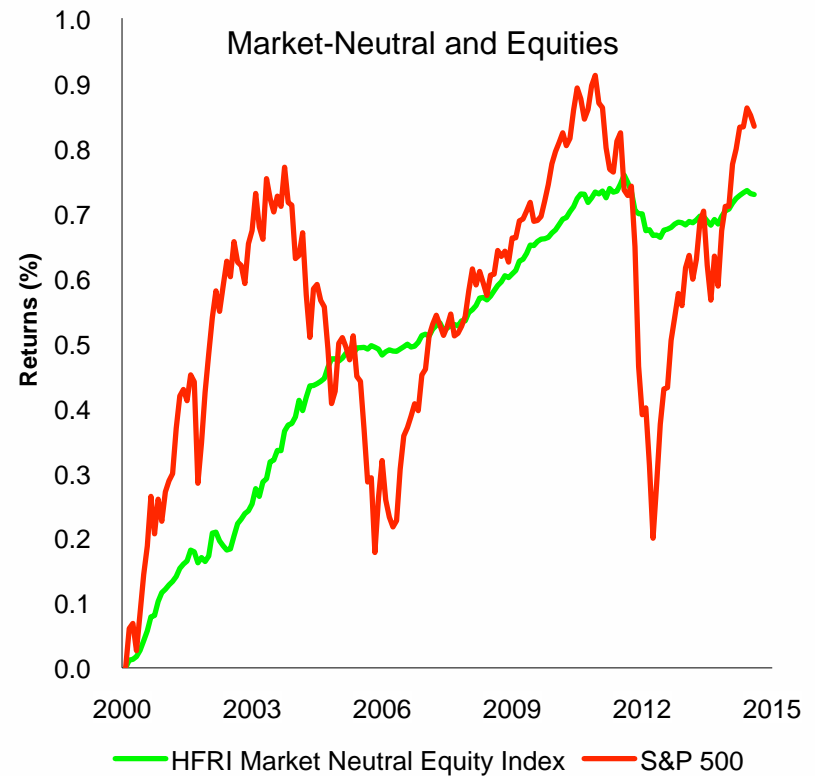
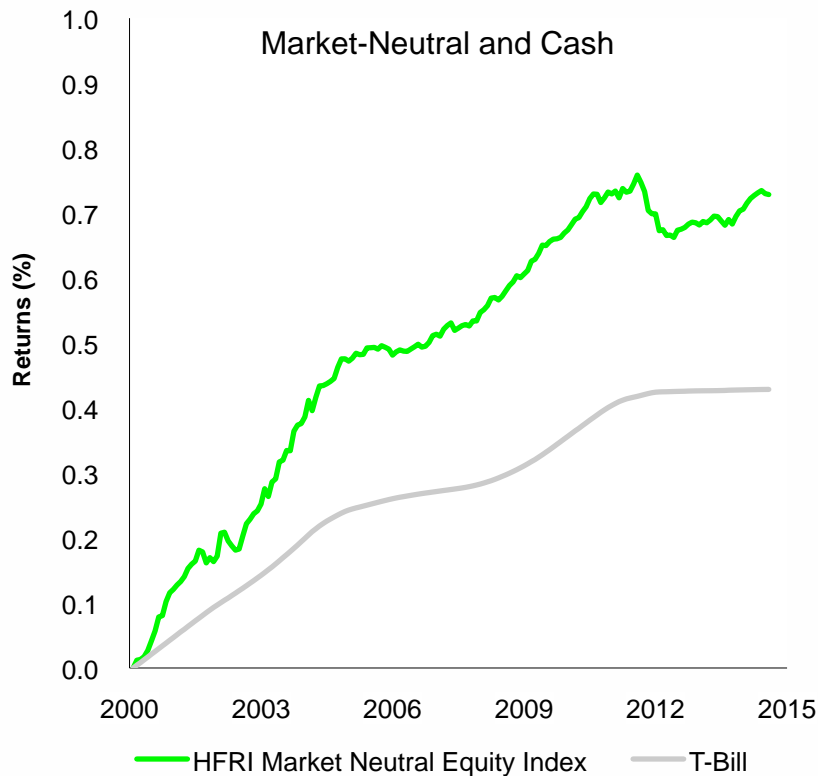
TouchstoneInvestments.com

For Institutional Use Only

Market-Neutral Investing Opportunities

Market-Neutral Cash and Stocks

January 1, 1997–June 30, 2011



The returns are graphed on a logarithmic scale.

Sources: Aronson Johnson Ortiz and FactSet Research Systems.

Market-Neutral Investing Opportunities

Low Correlations, Higher Diversification

January 1, 1997–June 30, 2011

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Russell 1000 (1)	1.00											
Russell 1000 Growth (2)	0.96	1.00										
Russell 1000 Value (3)	0.93	0.78	1.00									
Russell Midcap (4)	0.94	0.89	0.89	1.00								
Russell 2000 (5)	0.83	0.80	0.75	0.93	1.00							
MSCI EAFE Index (6)	0.86	0.80	0.81	0.85	0.76	1.00						
Barclays Capital U.S. Agg Bond (7)	(0.01)	(0.03)	0.01	(0.01)	(0.05)	0.02	1.00					
Barclays Capital Municipal Bond (8)	0.04	0.02	0.04	0.08	0.02	0.06	0.67	1.00				
Barclays Capital U.S. Intermediate Credit (9)	0.18	0.16	0.19	0.21	0.14	0.25	0.87	0.68	1.00			
Citigroup 3-month T-bill (10)	0.00	(0.02)	0.02	(0.04)	(0.05)	(0.04)	0.06	0.01	(0.02)	1.00		
HFRI Equity Market Neutral (11)	0.25	0.22	0.22	0.30	0.29	0.29	0.04	0.07	0.14	0.32	1.00	
S&P 500 (12)	1.00	0.95	0.93	0.92	0.81	0.85	(0.01)	0.03	0.18	0.01	0.23	1.00

Sources: Aronson Johnson Ortiz, Zephyr, and FactSet Research Systems.

Market-Neutral Investing Opportunities

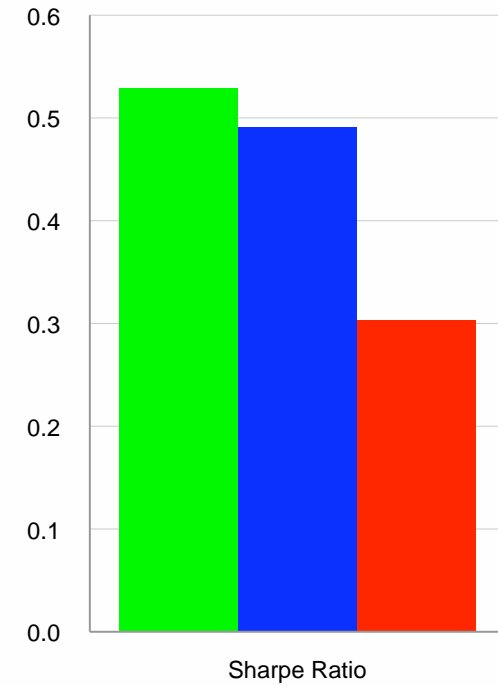
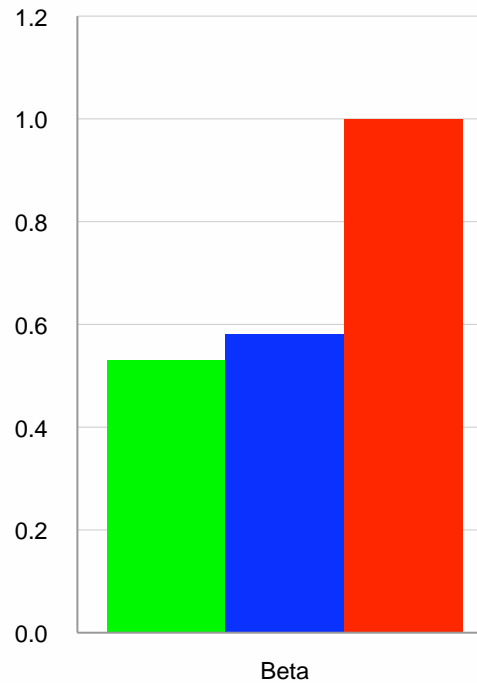
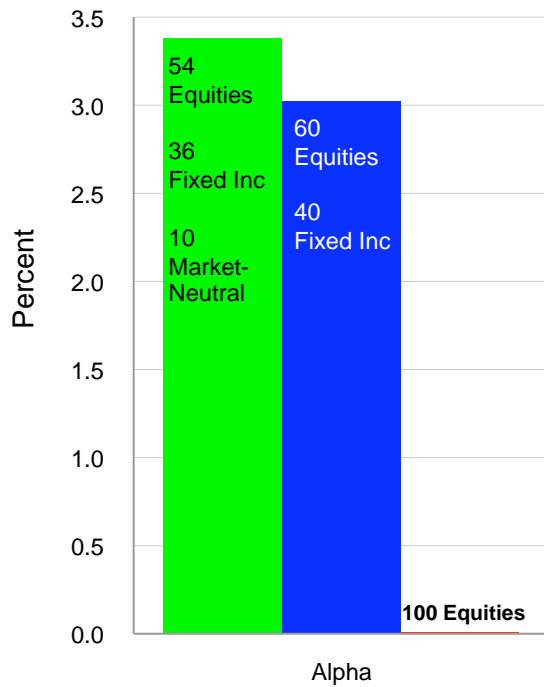
Asset Allocation Illustration

January 1990–June 2011

HFRI Equity Market Neutral Index = Market-Neutral

Barclays Aggregate = Fixed Income

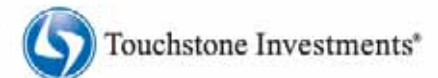
S&P 500 = Equities



Alpha = mean of excess return of strategy / beta times benchmark
 Beta = covariance of strategy and benchmark / variance of benchmark
 Sharpe ratio = annualized excess strategy return minus cash equivalent return / standard deviation of strategy return

Sources: Aronson Johnson Ortiz, Zephyr, and FactSet Research Systems.

The indexes mentioned are unmanaged statistical composites of stock market or bond market performance. Investing in an index is not possible.



TSF-1650-TSEAX-1109

Market-Neutral Investing Opportunities

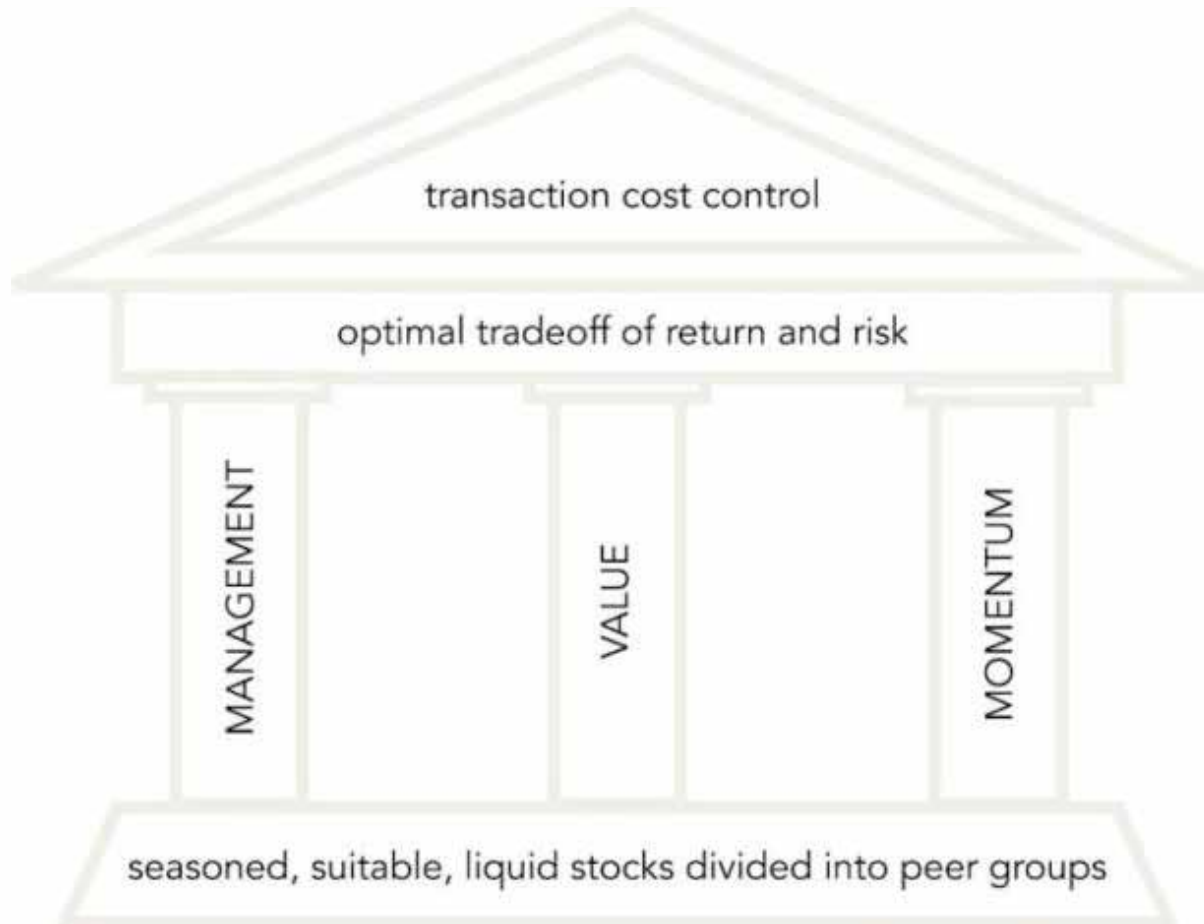
AJO



"You'll love it!" It's computer-driven but people-enhanced."

Market-Neutral Investing Opportunities

Decision-Making Process



Market-Neutral Investing Opportunities

Valuation



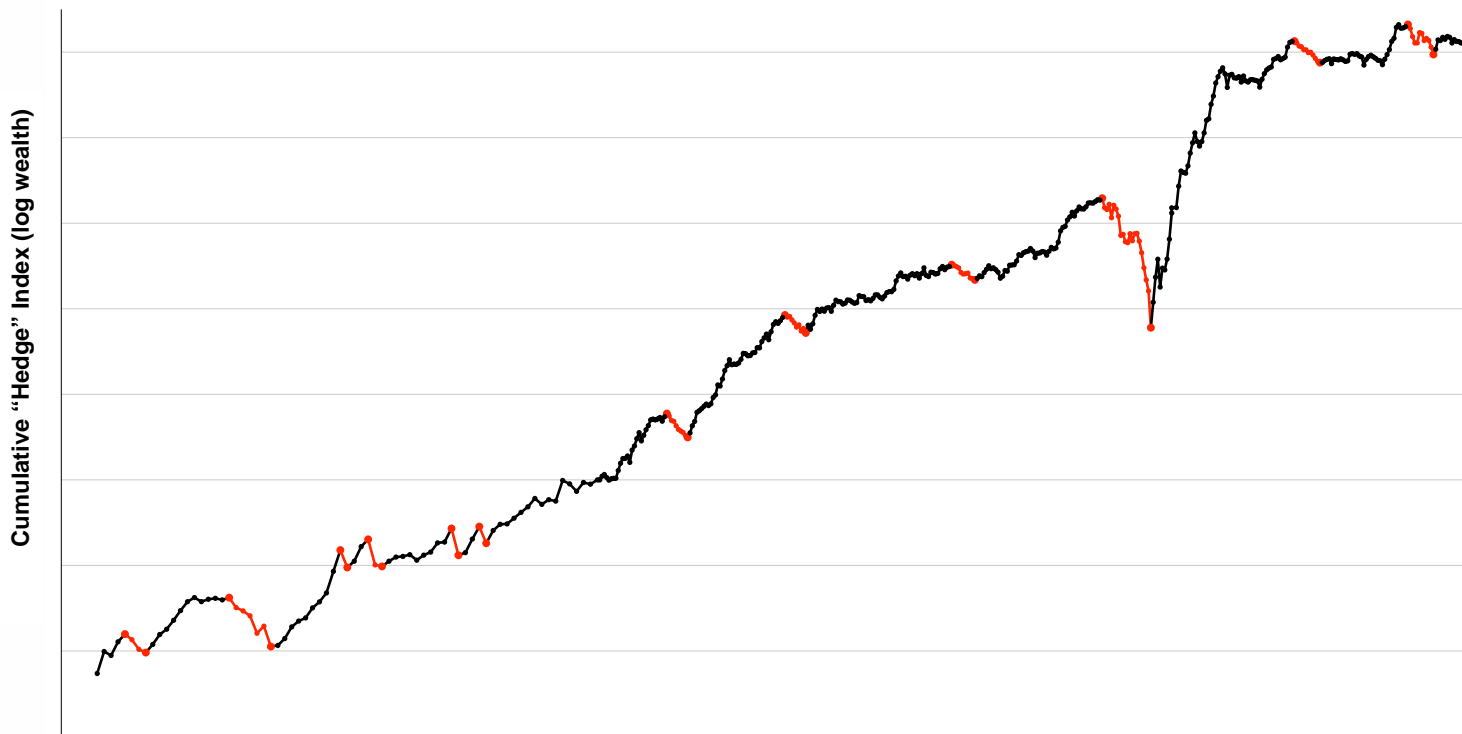
"Look, the numbers don't lie."

Market-Neutral Investing Opportunities

Long Value/Short Anti-Value

Trailing P/E: equal-weighted, sector-adjusted returns

March 31, 1962–March 31, 1980, quarterly; March 31, 1980–August 31, 2011, monthly



65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 15

Sources: ARONSON JOHNSON ORTIZ, Compustat, FactSet, Wilshire Associates. (N.B.—These paper-portfolio returns are the result of an academic exercise and are not the results of any strategy or investment recommendations made by AJO. They do not reflect transaction costs.)

Market-Neutral Investing Opportunities

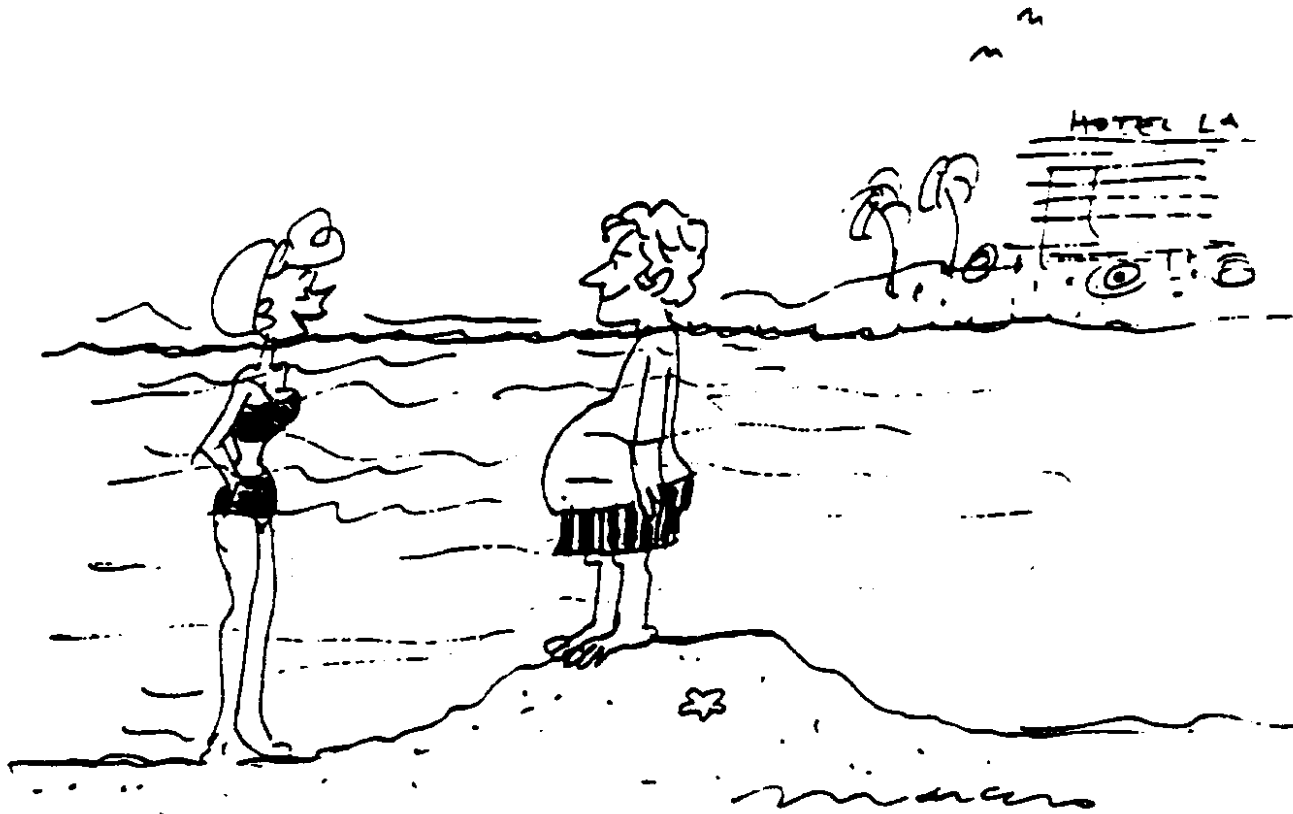
Portfolio Construction



“To hell with a balanced portfolio. I want you to sell my Fenwick Chemical and sell it now.”

Market-Neutral Investing Opportunities

Implementation



"Hello, Handsome!"

Market-Neutral Investing Opportunities

Touchstone



*“Short-term I like cash; mid-term, bonds; long-term,
Touchstone Market Neutral Equity Fund.”*

Touchstone Market Neutral Equity Fund

Class A Shares (TSEAX) Class C Shares (TSECX)

Class Y Shares (TSEYX)



Market-Neutral Investing Opportunities

Important Disclosure

Performance data quoted represents past performance, which is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. The investment return and principal value of an investment in the Funds will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. From time to time, the investment advisor may waive some fees and/or reimburse expenses, which if not waived or reimbursed, may lower performance. Returns are not annualized for periods of less than one year. For performance information current to the most recent month-end, visit www.touchstoneinvestments.com/home/pricingperformance/.

Cash-adjusted Alpha is a measurement of a fund's risk-adjusted performance. Cash adjusted Beta is a measure of systematic risk, or the sensitivity of a manager to movements in the benchmark. A beta of 1 implies that you can expect the movement of a manager's return series to match that of the benchmark used to measure beta. Standard Deviation is a measurement of dispersion of a set of data from its mean. The Sharpe Ratio of a manager series is the quotient of the annualized excess return of the manager over the cash equivalent and the annualized standard deviation of the manager return. Tracking Error is a measure of the volatility of excess returns relative to a benchmark. The indexes mentioned are unmanaged statistical composites of stock market or bond market performance. Investing in an index is not possible.

The information provided is obtained from sources generally considered to be reliable, but the accuracy, completeness, and interpretation cannot be guaranteed. Touchstone is not responsible for the accuracy of the performance analysis provided.

The indexes mentioned are unmanaged statistical composites of stock market or bond market performance. Investing in an index is not possible. Returns for the period reported reflect initial index reports and may not be final.

Market neutral is represented by the HFRI Equity Market Neutral Index, a benchmark designed to reflect the performance of hedge funds using an equity market neutral strategy, which seeks to profit by exploiting pricing inefficiencies between related equity securities, neutralizing exposure to market risk by combining long and short positions. The index is an equally weighted composite of constituent funds, as reported by the hedge fund managers listed within the Hedge Fund Research, Inc. database.

Methodology: The HFRI Monthly Indices (HFRI) are equally weighted performance indexes, utilized by numerous hedge fund managers as a benchmark for their own hedge funds. The HFRI are broken down into 4 main strategies, each with multiple substrategies. All single-manager HFRI Index constituents are included in the HFRI Fund Weighted Composite, which accounts for over 2000 funds listed on the internal HFR Database. Due to mutual agreements with the hedge fund managers listed in the HFR Database, HFRI is not at liberty to disclose the particular funds behind any index to non-database subscribers.

Funds included in the HFRI Monthly Indices must:

- Report monthly returns
- Report Net of All Fees Returns
- Report assets in USD

Market-Neutral Investing Opportunities

Important Disclosure

The Barclays Capital Aggregate Bond Index is comprised of U.S. fixed rate debt issues, having a maturity of at least one year, rated investment grade or higher. Investing in an index is not possible.

The Barclays Capital 1-3 Year U.S. Treasury Index measures the performance of short term government bonds issued by the U.S. Treasury. The index includes 2-year and 3-year notes. Investing in an index is not possible.

The Barclays Capital Municipal Bond Index is a widely recognized unmanaged index of municipal bonds with maturities of at least one year. Investing in an index is not possible.

The Barclays Capital Intermediate US Government/Credit Index is the combination of the U.S. Treasury, U.S. Government- Related, and U.S. Corporates Indices and is equivalent to the union of the U.S. Government and U.S. Credit Indices.

The index is calculated monthly on price-only and total-return basis. All returns are market value-weighted and inclusive of accrued interest. Investing in an index is not possible.

The Citigroup World Government Bond Index ex-US measures the performance of the most significant and liquid government bond markets globally that carry at least an investment grade rating. Currently, the index includes bonds issued by the governments of 21 developed countries. Investing in an index is not possible.

The Citigroup 3-Month U.S. Treasury Bill Index tracks the performance of U.S. Treasury bills with a remaining maturity of three months. Investing in an index is not possible.

The Dow Jones Industrial Average Index is a price-weighted average of 30 actively traded blue chip stocks, primarily industrials. Investing in an index is not possible.

The Merrill Lynch 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. Investing in an index is not possible.

The MSCI All Country World Index measures the equity market performance of developed and emerging markets. The MSCI World Index measures the equity market performance of developed markets. Investing in an index is not possible.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. Investing in an index is not possible.

The FTSE EPRA/NAREIT Developed Index measures the general trends in eligible real estate equities worldwide. Relevant real estate activities are defined as the ownership, disposal and development of income-producing real estate.

Investing in an index is not possible.

NASDAQ Composite PR Index measures all NASDAQ domestic and international based common type stocks listed on the NASDAQ Stock Market. Investing in an index is not possible.

The S&P 500 Index is a group of 500 widely held stocks and is commonly regarded to be representative of the large capitalization stock universe. Investing in an index is not possible.

The Russell 1000® Index measures the performance of the 1,000 largest companies in the Russell 3000 Index. Investing in an index is not possible.

The Russell 1000® Value Index measures those Russell 1000 companies with lower price-to-book ratios and lower expected growth values. Investing in an index is not possible.

The Russell 2000® Growth Index measures the performance of those Russell 2000® companies with higher price-to-book ratios and higher forecasted growth values. Investing in an index is not possible.

The Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. Investing in an index is not possible.

The Russell 2000® Value Index measures the performance of those Russell 2000® companies with lower price-to-book ratios and lower forecasted growth values. Investing in an index is not possible.

The Russell 3000® Growth Index measures the performance of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values. Investing in an index is not possible.

The Russell 3000® Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization. Investing in an index is not possible.

The Russell 3000® Value Index measures the performance of those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values. Investing in an index is not possible.

Market-Neutral Investing Opportunities

Important Disclosure

A Word About Risk

There is no guarantee that the use of long and short positions will succeed in limiting the Fund's exposure to stock market movements, capitalization, sector swings or other risk factors. Investment in a Fund involved in long and short selling may have higher portfolio turnover rates. Short selling involves certain risks, including additional costs associated with covering short positions and a possibility of unlimited loss on certain short sale positions. Diversification does not guarantee a profit or protect against loss. Current and future portfolio holdings are subject to risk.

Performance data quoted represents past performance, which is no guarantee of future results. Current performance may be higher or lower than the performance data quoted. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Returns are not annualized for periods of less than one year. Assumes reinvestment of all dividends and capital gains.

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 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.

Investment products offered are not FDIC insured, may lose value and have no bank guarantee.

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