

Market Update

The dramatic swings of the stock market over the past nine months have solidified our view that it is nearly impossible to time the market by accurately predicting short-term market movements. It began with a nearly 20% decline from September to December, during which investor sentiment seemed pretty bleak. In 2019, however, we have recovered nearly the entire decline, with almost all categories posting strong returns (see chart). So why the dramatic change? The Federal Reserve (the Fed) had been raising interest rates in 2018 and seemed on a clear path to continue, but investors began to anticipate rates rising too high too fast which would negatively impact the economy. The market decline in the fourth quarter caused the Fed to pause their interest rate increases, shifting investor expectations toward the Fed possibly cutting rates by year-end. The sudden reversal of policy and new hope for lower interest rates (lower rates stimulate the economy) calmed investor concerns, sparking a market recovery. U.S. Large Cap and Mid Cap stocks have again been the best performers with the S&P 500 Index gaining 18.5% and the Russell Mid Cap index gaining over 21%. International and Emerging Markets have gained 14% and 10%, respectively, despite the rising tensions around tariffs on Chinese goods. Lower interest rates are also good for bond returns (as yield goes down, price goes up), resulting in 5-10% returns depending on what type of bonds you own.

Asset Category	YTD Return	YTD
U.S. Large Cap Stocks	18.54	10.42
U.S. Mid Cap Stocks	21.35	7.83
U.S. Small Cap Stocks	16.98	-3.31
Developed International Stocks	14.03	1.08
Emerging Market Stocks	10.58	1.21
U.S. Growth Stocks	21.49	11.56
U.S. Value Stocks	16.24	8.46
Real Estate Investment Trusts	19.27	13.01
Intermediate Term Bonds	4.97	6.93
High Yield Bonds	9.94	7.48

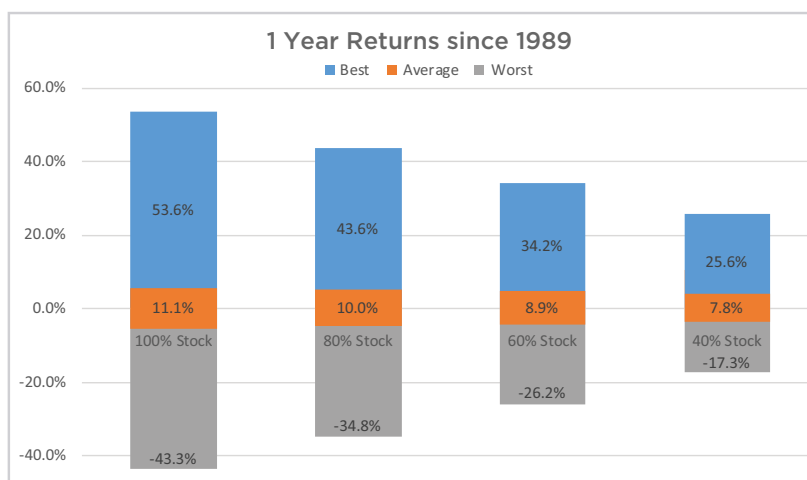
Source: Morningstar Direct. Please see Important Disclosures on page 4 for index definitions.

Portfolio Update

Within the FundAdvisor models, our overweight to Mid-Cap stocks has been a positive, while exposure to Emerging Markets has been a slight drag on performance. Year-to-date, however, the FundAdvisor models ranged in performance from about 9.08% for our Conservative Balanced model (40% stock/60% bond allocation) to almost 16.52% for our Growth model (100% stocks). We have been pleased with the performance and have had several funds that have been performing well. Top performers included the Diamond Hill Large Cap, Hartford Core Equity, Vanguard Mid Cap, and Touchstone Sands Emerging Markets Growth funds. Performance for all of the funds is available on page 3.

First Quarter 2019 Market Highlights

Many client letters like this one provide a market or economic outlook that is usually broad enough to be both somewhat right and somewhat wrong when you look back on it. We have never believed in making such predictions as we have found very few people who have been able to accurately and consistently predict what will happen over the short-term timeframe. We believe in finding an appropriate allocation that matches your ability and willingness to take on risk and letting it work for you over time. Stocks are the best way to generate returns over the long-term, however they can be quite volatile. Bonds have been proven to be the best diversifier (most uncorrelated) to stocks since their prices usually go up in times of market stress, dampening portfolio volatility. Therefore, in times like these, with dramatic swings in the market, we encourage you to re-evaluate your situation, your willingness to take on risk, and your portfolio makeup. Doing so when the market has had a good runup can help prevent you from over-reacting during more difficult times and may help ensure that you can weather any market volatility that we may experience. We encourage you to contact your Investment Executive to help you in this process. The chart shows the best, worst and average returns for multiple stock-bond allocations over the past 30 years. It shows that adding bonds to your portfolio may significantly reduce the short-term declines but may result in lower average returns over the long term.



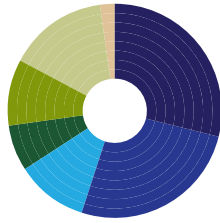
Source: Zephyr Style Advisor. Please see Important Disclosures on page 4 for index definitions.

We provide different portfolios for a variety of risk profiles. For those with a long-term time horizon and a focus on growth we provide portfolios of stocks that will include higher growth Small and Mid-Cap stocks and Emerging Markets stocks. For those with a shorter timeframe or more risk-averse personality, we offer portfolios with 40-60% invested in bonds, which help to reduce the downside risk in a portfolio. The five FundAdvisor portfolios are shown on page 2.

Performance shown is historical and is no guarantee of future results. Please see page 4 for Important Disclosures and Index Definitions.

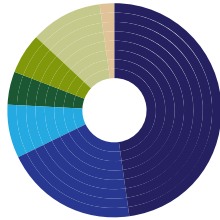
FundAdvisor Portfolio Holdings as of June 30, 2019

MaximumGrowth Portfolio



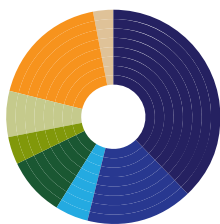
Asset Class	%	Fund
U.S. Large Cap	6%	American Funds AMCAP
	7%	Hartford Core Equity
	7%	Diamond Hill Large Cap
	9%	FMI Large Cap
U.S. Mid Cap	26%	Vanguard Mid Cap Index
U.S. Small Cap	11%	JHancock Small Value
International Large Cap	7%	Dodge & Cox International
International SMID	10%	MFS International New Discovery
Emerging Markets	8%	Touchstone Emerging Markets
	7%	Vanguard Emerging Markets
Cash	2%	Money Market

Growth Portfolio



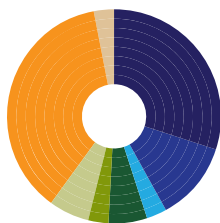
Asset Class	%	Fund
U.S. Large Cap	11%	American Funds AMCAP
	11%	Hartford Core Equity
	11%	Diamond Hill Large Cap
	15%	FMI Large Cap
U.S. Mid Cap	20%	Vanguard Mid Cap Index
U.S. Small Cap	8%	JHancock Small Value
International Large Cap	5%	Dodge & Cox International
International SMID	6%	MFS International New Discovery
Emerging Markets	6%	Touchstone Emerging Markets
	5%	Vanguard Emerging Markets
Cash	2%	Money Market

Conservative Growth Portfolio



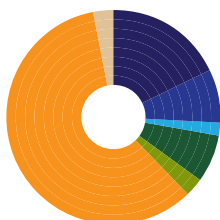
Asset Class	%	Fund
U.S. Large Cap	9%	American Funds AMCAP
	9%	Hartford Core Equity
	9%	Diamond Hill Large Cap
	11%	FMI Large Cap
U.S. Mid Cap	16%	Vanguard Mid Cap Index
U.S. Small Cap	5%	JHancock Small Value
International Large Cap	4%	FMI International
	5%	Dodge & Cox International
International SMID	4%	MFS International New Discovery
Emerging Markets	4%	Touchstone Emerging Markets
	3%	Vanguard Emerging Markets
Investment Grade Bonds	6%	Vanguard Intermediate Term
	6%	Vanguard Short Term
	6%	Lord Abbett Short Duration Income
Cash	3%	Money Market

Balanced Portfolio



Asset Class	%	Fund
U.S. Large Cap	7%	American Funds AMCAP
	7%	Hartford Core Equity
	7%	Diamond Hill Large Cap
	9%	FMI Large Cap
U.S. Mid Cap	12%	Vanguard Mid Cap Index
U.S. Small Cap	3%	JHancock Small Value
International Large Cap	3%	FMI International
	3%	Dodge & Cox International
International SMID	3%	MFS International New Discovery
Emerging Markets	3%	Touchstone Emerging Markets
	3%	Vanguard Emerging Markets
Investment Grade Bonds	12%	Vanguard Intermediate Term
	13%	Vanguard Short Term
	12%	Lord Abbett Short Duration Income
Cash	3%	Money Market

Conservative Balanced Portfolio



Asset Class	%	Fund
U.S. Large Cap	4%	American Funds AMCAP
	4%	Hartford Core Equity
	4%	Diamond Hill Large Cap
	6%	FMI Large Cap
U.S. Mid Cap	8%	Vanguard Mid Cap Index
U.S. Small Cap	2%	JHancock Small Value
International Large Cap	4%	FMI International
	3%	Dodge & Cox International
International SMID	3%	MFS International New Discovery
Investment Grade Bonds	19%	Vanguard Intermediate Term
	20%	Vanguard Short Term
	20%	Lord Abbett Short Duration Income
Cash	3%	Money Market

Returns Net of Fees as of June 30, 2019

Fund / Index Name	Fund / Index Performance at Net Asset Value**					Up Capture	Down Capture	Expense Ratio	
	YTD	1 Year	3 Years*	5 Years*	10 Years*			Gross	Net ³
Large Cap									
American Funds AMCAP F3	16.34	5.49	14.38	9.68	14.47	99.00	99.56	0.37	0.37
Diamond Hill Large Cap I	21.02	12.57	13.82	9.33	13.68	97.01	101.32	0.67	0.67
FMI Large Cap Institutional	16.69	9.90	13.13	9.05	13.34	89.58	88.04	0.66	0.66
Benchmark: S&P 500 Index	18.54	10.42	14.19	10.71	14.70	100.00	100.00	-	-
Mid Cap and Small Cap									
Vanguard Mid Cap Index Admiral	21.86	7.83	12.32	8.82	15.21	91.78	81.06	0.05	0.05
JHancock Small Cap Value I	15.62	-2.04	7.12	5.97	12.97	95.32	99.66	1.23	1.22
Benchmark: Russell 2500 Index	19.25	1.77	12.34	7.66	14.44	100.00	100.00	-	-
International									
FMI International Institutional	11.42	1.87	7.57	5.62	-	-	-	0.76	0.76
Dodge & Cox International Stock	12.87	-0.31	9.31	0.42	7.41	108.65	108.84	0.63	0.63
MFS International New Discovery I	13.47	0.83	10.41	5.10	10.96	90.42	65.40	1.05	1.05
Benchmark: MSCI EAFE Index	14.03	1.08	9.11	2.25	6.90	100.00	100.00	-	-
Emerging Markets									
Touchstone Sands Cptl Emerg Mkts Gr Y ¹	16.17	-0.38	10.71	4.11	-	-	-	1.35	1.35
Vanguard Emerging Mkts Stock Idx Adm	12.36	3.45	9.33	2.31	5.57	100.84	102.11	0.14	0.14
Benchmark: MSCI EM Index	10.58	1.21	10.66	2.49	5.81	100.00	100.00	-	-
Intermediate Gov't/Credit									
Eaton Vance Gbl Macr Absolute Return I ²	4.38	2.36	2.55	2.79	2.93	48.75	-24.73	0.78	0.78
Vanguard Interm-Term Investment-Grade Adm	7.74	9.62	3.07	3.64	5.77	161.14	133.90	0.10	0.10
Benchmark: BBgBarc US Govt/Credit Index	4.97	6.93	1.99	2.39	3.24	100.00	100.00	-	-
Short-Term Bond									
Vanguard Short-Term Investment-Grade Adm	4.14	5.48	2.31	2.26	3.15	186.04	132.49	0.10	0.10
Benchmark: FTSE USBIG Govt/Corp 1-3 Yr	2.69	4.20	1.57	1.42	1.55	100.00	100.00	-	-

Performance shown is historical and is no guarantee of future results. Current performance may be lower or higher than the data quoted. To obtain performance data current to the most recent month end, please call (800) 846-6666. *Returns greater than one year are annualized.

**Mutual funds are offered in the FundAdvisor program at net asset value, but are subject to an annual investment advisory fee of up to 1.25%. The Davenport wrap fee includes investment advice and brokerage execution. In addition to the FundAdvisor fee, clients will bear a proportionate share of each mutual fund's management and administrative expenses, including advisory fees paid to the mutual fund's investment advisors. The performance shows the actual performance of the shares at net asset value, and does not represent individual account performance. Past performance is no guarantee of future results. Current performance may be lower or higher than the data quoted. To obtain performance data current to the most recent month-end, please visit the following web sites: www.americanfunds.com, www.touchstoneinvestments.com, www.diamond-hill.com, www.dodgeandcox.com, www.eatonvance.com, www.fiduciarymgt.com, www.jhinvestments.com, www.mfs.com, www.vanguard.com. The investment and principal value of an investment will fluctuate. An investor's shares, when redeemed, may be worth more or less than their original cost. Mutual Fund and Index returns are provided by Morningstar and Zephyr StyleADVISOR.

You should consider each mutual fund's investment objectives, risks, charges and expenses carefully before investing. Each mutual fund's prospectus contains this and other important information, should be read carefully before investing or sending money, and can be obtained by contacting your Investment Executive, or by calling (800) 846-6666. The investment return and principal value of an investment will fluctuate. An investor's shares, when redeemed, may be worth more or less than their original cost. Investing in securities carries risk including the possible loss of principal.

Important Disclosures

[±] The Investment Policy Committee consists of 7 of the firm's most experienced Investment Executives.

¹ Touchstone Advisors, Inc. (the "Advisor" or "Touchstone Advisors") and Touchstone Strategic Trust (the "Trust") have entered into a contractual expense limitation agreement whereby Touchstone Advisors will waive a portion of its fees or reimburse certain Fund expenses (excluding dividend and interest expenses relating to short sales; interest; taxes; brokerage commissions and other transaction costs; portfolio transaction and investment related expenses, including expenses associated with the Fund's liquidity providers; other expenditures which are capitalized in accordance with U.S. generally accepted accounting principles; the cost of "Acquired Fund Fees and Expenses," if any; and other extraordinary expenses not incurred in the ordinary course of business) in order to limit annual Fund operating expenses to 1.04%, 1.79%, 0.79%, and 0.69% of average daily net assets for Classes A, C, Y, and Institutional Class shares, respectively. This contractual expense limitation is effective through October 26, 2019, but can be terminated by a vote of the Board of Trustees of the Trust (the "Board") if it deems the termination to be beneficial to the Fund's shareholders. The terms of the contractual expense limitation agreement provide that Touchstone Advisors is entitled to recoup, subject to approval by the Board, such amounts waived or reimbursed for a period of up to three years from the date on which the Advisor reduced its compensation or assumed expenses for the Fund. The Fund will make repayments to the Advisor only if such repayment does not cause the annual Fund operating expenses (after the repayment is taken into account) to exceed both (1) the expense cap in place when such amounts were waived or reimbursed and (2) the Fund's current expense limitation. Investors pay the net expense ratio of the fund. Please refer to the fund's prospectus for more information.

² Total annual Fund operating expense ratio for the Eaton Vance Global Macro Absolute Return Fund is as stated in the Fund's most recent prospectus. Net expense ratio is not a result of a fee waiver or expense reimbursement. Net expense ratio excludes interest expense associated with certain investment transactions.

³ Investors pay the net expense ratio of the fund.

Diversification and Asset Allocation does not ensure a profit or guarantee protection against a loss. It is important to note that short-term and trailing performance will fluctuate. We expect all of the funds at some point to experience underperformance versus their benchmarks and peer groups. However, we believe that our research process has helped us identify funds that are likely to perform well over the long term. Our decision to remove a fund is not based on short-term performance, but on in-depth analysis using our Monitoring Criteria. The mutual fund categories are determined by Davenport using a combination of Morningstar categories and a returns-based style analysis provided by Zephyr StyleADVISOR.

Any opinions expressed here are statements of judgment on this date and are subject to future change without notice. This information may contain forward looking predictions that are subject to certain risks and uncertainties which could cause actual results to differ materially from those currently anticipated or projected. The information contained herein has been compiled from sources believed to be reliable; however, there is no guarantee of its accuracy or completeness. There is no guarantee that a company will continue to pay a dividend. The investment return and principal value of an investment will fluctuate. Small and mid cap company stocks may be more volatile than stocks of larger, more established companies. The portfolios may invest in foreign securities which are subject to additional risks such as currency fluctuations, political instability, differing financial standards and the potential for illiquid markets.

Index Definitions: U.S. Large Caps represented by the S&P 500 Index. U.S. Mid Caps represented by the Russell Midcap Index. U.S. Small Caps represented by the Russell 2000 Index. U.S. Growth Stocks represented by the Russell 1000 Growth Index. U.S. Value Stocks represented by the Russell 1000 Value Index. International Stocks represented by the MSCI EAFE Index. Emerging Market Stocks represented by the MSCI EM Index. Int'l Small Stocks represented by the MSCI ACWI ex USA Small Index. Intermediate Term Bonds represented by the Bloomberg Barclays Intermediate Government/Credit Index. Bank Loans represented by the S&P/LSTA Leveraged Loan index definition Index. High Yield Bonds represented by the Bloomberg Barclays U.S. Corporate High Yield Index. Corporate Bonds are represented by the Bloomberg Barclays U.S. Corporate Bond Index. Government Bonds represented by the Bloomberg Barclays U.S. Government Index. Cash represented by the FTSE 3-Month T-bill Index. Real Estate Investment Trusts represented by the FTSE Nareit All Equity REITs Index

Performance shown is historical and is no guarantee of future results. Investing in securities carries risk including the possible loss of principal.

**Source: Morningstar Direct. Data as of 6/30/2019. ©2019 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

The **S&P 500 Index** is comprised of 500 U.S. stocks and is an indicator of the performance of the overall U.S. stock market. The **Russell 2000® Index** measures the performance of the 2000 smallest companies in the Russell 3000 Index. The **Russell Top 200® Index** is a market capitalization weighted index of the largest 200 companies in the Russell 3000. The **Russell 1000® Growth Index** measures the performance of the Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The **Russell 1000® Value Index** measures the performance of the Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. The **Russell Midcap® Index** measures the performance of the 800 smallest companies in the Russell 1000. The Russell 2000® Index, Russell Top 200® Index, Russell 1000® Growth Index, Russell 1000® Value Index and Russell Midcap® Index are trademark/service marks of the Frank Russell Co. Russell® is a trademark of the Frank Russell Co. The **S&P/LSTA Leveraged Loan Index** provides an overview of the Senior Secured, Floating Rate Leveraged Loan market as well as an expansive review of the S&P Leveraged Loan Index (LLI) and sub-indices. The **MSCI Europe, Australia and Far East (MSCI EAFE) Index** is an unmanaged index composed of the stocks of approximately 1,000 companies from around the world, excluding the U.S., Canada, and Latin America. The **MSCI ACWI ex USA SMID Index** represents the performance of small-cap and mid-cap stocks in developed and emerging markets, excluding the U.S. The index is computed using the net return, which withholds applicable taxes for non-resident investors. The **MSCI Emerging Markets (MSCI EM) Index** is a capitalization-weighted index of stocks from emerging markets that only includes issues that may be traded by foreign investors. The reported returns reflect equities priced in U.S. dollars and do not include the effects of reinvested dividends. The **Russell 2500® Index** is a market cap-weighted index that includes the smallest 2,500 companies covered in the Russell 3000 universe of United States-based listed equities. The **Bloomberg Barclays U.S. Corporate High Yield Index** measures the U.S. dollar-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. The **Bloomberg Barclays Intermediate Government/Credit Index** is an unmanaged index composed of debt securities with maturities from one to ten years issued or guaranteed by the U.S. Treasury, U.S. Government agencies, quasi-federal corporations and fixed rate dollar denominated SEC-registered corporate debt that are rated investment grade or higher by Moody's Investors Service and Standard and Poor's Corporation or Fitch Investor's Service, in that order. It includes investment grade, U.S. dollar-denominated, fixed-rate Treasuries, government-related and corporate securities. The **FTSE U.S. BIG Government/Corporate 1-3 Year Index** measures the performance of bonds issued in the U.S. investment-grade bond market. The **Bloomberg Barclays U.S. Aggregate Bond Index** is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS (agency and non-agency). The **Bloomberg Barclays U.S. Corporate Bond Index** measures the investment grade, U.S. dollar-denominated, fixed-rate, taxable corporate bond market. The **Bloomberg Barclays U.S. Government Index** includes U.S. dollar-denominated, fixed-rate, nominal U.S. Treasuries and U.S. agency debentures (securities issued by U.S. government owned or government sponsored entities, and debt explicitly guaranteed by the U.S. Government. The **FTSE 3-Month T-bill Index** is an unmanaged index representing monthly return equivalents of yield averages of the last 3 month Treasury Bill issues. The **FTSE Nareit All Equity REITs Index** is a free-float adjusted, market capitalization-weighted index of U.S. equity REITs. Constituents of the index include all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property.

An index is not available for direct investment; therefore its performance does not reflect the expenses, fees and taxes generally paid with the active management of an actual portfolio.

Risk Considerations: International funds invest primarily in equity securities of issuers outside the United States. International investments are subject to additional risks such as currency fluctuations, political instability, and the potential for illiquid markets. Funds that invest in foreign securities may involve greater risks, including political and economic uncertainties, as well as risk of currency fluctuations. Investments in emerging markets come with much greater risk due to political instability, domestic infrastructure problems, currency volatility and limited equity opportunities, as many large companies may still be "state-run" or private. Small and mid cap company stocks may be more volatile than stocks of larger, more established companies. Investments in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, while their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes. An issuer suffering an adverse change in its financial condition could see the credit quality of its securities deteriorate, leading to greater price volatility of the security. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

Upside Capture Ratio measures a manager's performance in up markets relative to the market (benchmark) itself over the preceding 10-year period. **Downside Capture Ratio** measures a manager's performance in down markets relative to the market (benchmark) itself over the preceding 10-year period. **Gross Expense Ratio** is the total annual operating expenses of a fund divided by its average net assets. **Net Expense Ratio** is the total annual operating expenses of a fund, less any fee waivers, divided by its average net assets. This is the expense ratio actually charged by the fund for the previous fiscal year.

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