



2023 Supplemental Tax Information *(please see the other side of this document for Capital Gain information)*

For the following supplemental tax information, please visit [TouchstoneInvestments.com](https://www.TouchstoneInvestments.com) in the Resources section under Taxes/Tax Information *(see TSF-227)*

- **Taxable Income Earned by Source** - Dividend income paid during 2023 by the Touchstone Funds is taxable as ordinary dividends for federal income tax purposes except when shares are held through a tax-advantaged account, such as a 401(k) plan or an IRA. The distributions are taxable whether you received dividends in cash or reinvested dividends in additional shares of the Funds. The state taxation of regulated investment company dividends, which are derived wholly or in part from interest on federal obligations, varies from state to state. The table provided on the Touchstone website shows the portion of dividends derived from interest income from U.S. Treasury and other government securities during 2023.
- **Alternative Minimum Tax (AMT)** - For those shareholders whose income is subject to the Alternative Minimum Tax, a portion of the exempt-interest dividends paid during 2023 by the Touchstone Core Municipal Bond Fund may have been derived from investments subject to the AMT. The AMT percentage is provided on the Touchstone website.
- **Dividends Received Deduction** - Dividend income paid during 2023 by certain Touchstone Funds are taxable as ordinary dividends for federal income tax purposes. For corporations, a portion of each dividend paid is eligible for the dividends received deduction provided by Section 243 of the Internal Revenue code. The list of Funds eligible for the dividends received deduction is available on the Touchstone website. If a Fund is not listed, it did not have any dividends eligible for the deduction in 2023.
- **Tax-Exempt Income** - All or a portion of your dividends from the Touchstone Core Municipal Bond Fund may be exempt from federal and state income tax. The table provided on the Touchstone website shows the portion of dividends derived from interest income on state and local obligations on a state-by-state basis during 2023.
- **Foreign Taxes Paid** – Shareholders of certain Touchstone Funds who received 2023 dividends are entitled to receive a choice of either a foreign tax credit or an itemized deduction for foreign taxes paid by the Fund. Your portion of the foreign taxes paid by the Fund in 2023 is reported in Box 7 of your Form 1099-DIV. Although generally, it may be more advantageous to claim a credit for the foreign taxes paid, the ability to claim a credit depends on your individual tax situation. The Touchstone Funds that paid foreign taxes are listed on the Touchstone website.

*****Please consult with your tax advisor concerning the taxation of regulated investment company distributions*****

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2023 Tax Reporting and Capital Gain Information

What is a capital gain?

When a fund sells securities at a profit, the sale generates a capital gain. Two types of capital gains may be realized by a fund — short-term and long-term. Short-term capital gains are distributed to shareholders as income dividends and are taxed at ordinary income tax rates. Long-term capital gains are distributed when a security held for one year or longer is sold at a higher price than what was paid. Long-term capital gains are usually taxed at lower rates than ordinary income.

Why did the Fund pay a capital gain distribution?

Mutual funds are required by law to distribute virtually all gains to their shareholders in capital gain distributions. Typically, such distributions are made near the end of the year; they may also be made at other times during the year generally due to fund reorganizations or strategy changes.

Why did the Fund price drop when the capital gain distribution was paid?

When Fund securities are sold, those securities will be sold at a profit, loss or breakeven. If a Touchstone fund distributed a capital gain, the profits outweighed the losses and contributed to the rise of the Fund's NAV (net asset value or share price) during the year. When that profit was paid out to the Fund's shareholders, its NAV was reduced by the amount of the distribution. However, if a shareholder reinvested the distribution, the number of shares in that shareholder's account would increase so that the total value of the account would not be affected by the distribution.

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