

February 1, 2008

Prospectus

Touchstone Funds Group Trust

Touchstone Diversified Small Cap Value Fund

Touchstone Healthcare and Biotechnology Fund

Touchstone International Equity Fund

Touchstone Mid Cap Fund

Touchstone Premium Yield Equity Fund

Touchstone Small Cap Value Opportunities Fund

Touchstone Value Opportunities Fund



The Securities and Exchange Commission has not approved the Funds' shares as an investment or determined whether this Prospectus is accurate or complete. Anyone who tells you otherwise is committing a crime. Multiple Classes of Shares are offered in this Prospectus.

TOUCHSTONE FUNDS GROUP TRUST

TOUCHSTONE VALUE OPPORTUNITIES FUND

SUPPLEMENT TO PROSPECTUS DATED FEBRUARY 1, 2008

NOTICE OF CHANGE TO THE SUB-ADVISORY FEE PAID TO CLOVER CAPITAL MANAGEMENT, INC. FOR THE TOUCHSTONE VALUE OPPORTUNITIES FUND

UNTIL FEBRUARY 21, 2008, PLEASE REPLACE THE SUB-ADVISORY FEE TABLE UNDER THE SECTION TITLED "SUB-ADVISORY FEES" LOCATED ON PAGE 38 OF THE PROSPECTUS WITH THE FOLLOWING:

The fee paid by Touchstone Advisors to each sub-advisor during the Fund's most recent fiscal year, based on the average daily net assets of the Fund at an annualized rate, (and the fee to be paid to Chartwell for the Premium Yield Equity Fund and to JIR for the Small Cap Value Opportunities Fund during the current fiscal year) is shown in the table below:

Name of Fund	Annual Fee Rate
Touchstone Diversified Small Cap Value Fund - Clover Capital	0.45%
Touchstone Healthcare and Biotechnology Fund - TIP	0.50%
Touchstone International Equity Fund - AXA Rosenberg	0.50%
Touchstone Mid Cap Fund - TIP	0.50%
Touchstone Premium Yield Equity Fund - Chartwell	0.35%
Touchstone Small Cap Value Opportunities Fund	
TIP	0.525%
Diamond Hill	0.55%
JIR	0.50%
Touchstone Value Opportunities Fund - Clover Capital	0.37%

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Please retain this Supplement for future reference.

TSF-56A-SUP-0801

PRIVACY PROTECTION POLICY

We Respect Your Privacy

Thank you for your decision to invest with us. Touchstone and its affiliates have always placed a high value on the trust and confidence our clients place in us. We believe that confidence must be earned and validated through time. In today's world, when technology allows the sharing of information at light speeds, trust must be reinforced by our sincere pledge to take the steps necessary to ensure that the information you share with us is treated with respect and confidentiality.

Our Pledge to Our Clients

- We collect only the information we need to service your account and administer our business.
- We are committed to keeping your information confidential and we place strict limits and controls on the use and sharing of your information.
- We make every effort to ensure the accuracy of your information.

We Collect the Following Nonpublic Personal Information About You:

- Information we receive from you on or in applications or other forms, correspondence, or conversations, including, but not limited to, your name, address, phone number, social security number, assets, income and date of birth; and
- Information about your transactions with us, our affiliates, or others, including, but not limited to, your account number and balance, payment history, parties to transactions, cost basis information, and other financial information.

Categories of Information We Disclose and Parties to Whom We Disclose

We do not disclose any nonpublic personal information about our current or former clients to nonaffiliated third parties, except as required or permitted by law.

We Place Strict Limits and Controls on the Use and Sharing of Your Information

- We restrict access to nonpublic personal information about you to authorized employees who need the information to administer your business.
- We maintain physical, electronic and procedural safeguards that comply with federal standards to protect this information.
- We do not disclose any nonpublic personal information about our current or former clients to anyone, except as required or permitted by law or as described in this document.
- We will not sell your personal information to anyone.

We May Provide Information to Service Your Account

Sometimes it is necessary to provide information about you to various companies such as transfer agents, custodians, broker-dealers and marketing service firms to facilitate the servicing of your account. These organizations have a legitimate business need to see some of your personal information in order for us to provide service to you. We may disclose to these various companies the information that we collect as described above. We require that these companies, including our own subsidiaries and affiliates, strictly maintain the confidentiality of this information and abide by all applicable laws. Companies within our corporate family that may receive this information are financial service providers and insurance companies. We do not permit these associated companies to sell the information for their own purposes, and we never sell our customer information.

This policy is applicable to the following affiliated companies: Touchstone Funds Group Trust, Touchstone Investment Trust, Touchstone Strategic Trust, Touchstone Tax-Free Trust, Touchstone Variable Series Trust, Touchstone Institutional Funds Trust, Touchstone Securities, Inc.,* Capital Analysts Incorporated and W&S Brokerage Services, Inc.

* Touchstone Securities, Inc. serves as the underwriter to the Touchstone Funds.

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The Privacy Protection Policy is not part of the Prospectus.

Prospectus

February 1, 2008

Touchstone Investments

Touchstone Diversified Small Cap Value Fund

Touchstone Healthcare and Biotechnology Fund

Touchstone International Equity Fund

Touchstone Mid Cap Fund

Touchstone Premium Yield Equity Fund

Touchstone Small Cap Value Opportunities Fund

Touchstone Value Opportunities Fund

Each fund is a series of Touchstone Funds Group Trust (the “Trust”), a group of bond and equity mutual funds. The Trust is part of the Touchstone® Funds that also includes Touchstone Investment Trust, a group of taxable bond and money market mutual funds, Touchstone Strategic Trust, a group of equity mutual funds, Touchstone Tax-Free Trust, a group of tax-free bond and money market mutual funds, Touchstone Variable Series Trust, a group of variable series funds and Touchstone Institutional Funds Trust (formerly Constellation Institutional Portfolios), a group of institutional equity mutual funds (the “Touchstone Funds”). Each Touchstone Fund has a different investment goal and risk level. For further information about the Touchstone Funds, contact Touchstone at 1.800.543.0407.

The Funds are managed by Touchstone Advisors, Inc. (“Touchstone Advisors” or the “Advisor”). Touchstone Advisors selects a sub-advisor (each a “Sub-Advisor,” collectively the “Sub-Advisors”) to manage each Fund’s investments on a daily basis.

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The Fund's Investment Goal

The Touchstone Diversified Small Cap Value Fund seeks long-term total return.

Its Principal Investment Strategies

The Touchstone Diversified Small Cap Value Fund invests, under normal market conditions, at least 80% of its assets in common stocks of U.S. companies with small market capitalizations that the sub-advisor, Clover Capital Management, Inc. ("Clover Capital"), believes possess attractive long-term return potential because of their lower than average valuations and improving fundamental business outlooks. This is a non-fundamental investment policy that can be changed by the Fund upon 60 days' prior notice to shareholders. For purposes of the Fund, small cap companies are defined as companies with market capitalizations at the time of purchase in the range of those market capitalizations of companies included in the Russell 2000 Value Index. As of December 31, 2007, the Russell 2000 Value Index included companies with capitalizations between \$27 million and \$6 billion. The size of the companies included in the Russell 2000 Value Index will change with market conditions.

The Fund invests in securities of companies operating in a broad range of industries based primarily on Clover Capital's quantitative, fundamental and technical analysis. In looking at company valuations, Clover Capital considers factors such as price-cash flow, price-earnings and price-book value. In selecting specific securities for the Fund, Clover Capital may also consider other factors, such as competitive positioning, earnings outlook and price momentum. Clover Capital generally considers selling a security when it reaches a target price, when it fails to perform as expected, or when other opportunities appear more attractive.

The Key Risks

Since it purchases common stocks, the Fund is subject to the risk that stock prices will fall over short or extended periods of time. The Fund's investment approach is intended to provide long-term total return, which carries with it the potential for price volatility associated with owning equity securities. Historically, the equity markets have moved in cycles. The value of the Fund's equity securities may fluctuate from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by these companies may decline in response to such developments, which could result in a decline in the value of the Fund's shares. These factors contribute to price volatility, which is the principal risk of investing in the Fund. In addition common stocks represent a share of ownership in a company, and rank after bonds and preferred stock in their claim on the company's assets in the event of liquidation.

The Fund is subject to the risk that small capitalization value stocks may underperform other types of stocks or the equity markets as a whole. Moreover, the smaller capitalization companies in which the Fund invests may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, these small companies may have limited product lines, markets and financial resources, and may depend upon a relatively small management group. Therefore, small cap company stocks may be more volatile than stocks of larger companies. In addition, companies with market capitalizations that fall at the lower extreme of the Russell 2000 Value Index's capitalization range (sometimes referred to as "micro-capitalization companies") are substantially riskier than investments in larger, more established companies. The stocks of micro-capitalization companies are less stable in price and less liquid than the stocks of larger companies.

Clover Capital's investment approach may be contrary to general investment opinion at times or otherwise fail to produce the desired results, causing the Fund to underperform funds that also seek long-term total return but use different approaches to the security selection process. The out-of-favor and undervalued companies in

Diversified Small Cap Value Fund (Continued)

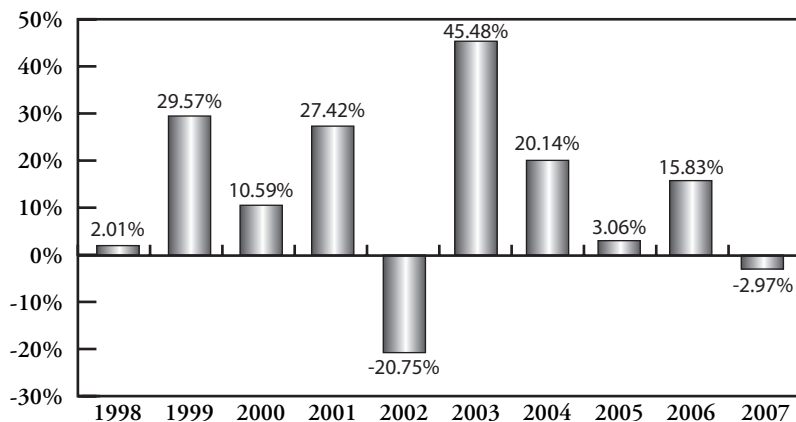
which the Fund invests may be more vulnerable to negative investor sentiment or adverse business or economic events than more growth-oriented companies.

This Fund should only be purchased by investors seeking long-term total return who can withstand the share price volatility of small cap equity investing. As with any mutual fund, there is no guarantee that the Fund will achieve its investment goal. You can find more information about the Fund's investments and risks under the "Investment Strategies and Risks" section of this Prospectus.

The Fund's Performance

The bar chart and performance table below illustrate some indication of the risks and volatility of investing in the Fund. This bar chart shows changes in performance (before taxes) of the Fund's Class A shares for each of the last 10 calendar years.¹ The bar chart does not reflect any sales charges, which would reduce your return. The returns for Class C shares offered by the Fund will be lower than the Class A returns shown in the bar chart since Class C shares have higher 12b-1 distribution fees. The Fund's past performance (before and after taxes) does not necessarily indicate how the Fund will perform in the future.

Touchstone Diversified Small Cap Value Fund – Class A Total Return



Best Quarter	
2nd Quarter 1999	+26.61%
Worst Quarter	
3rd Quarter 2002	-22.37%

¹ The performance information shown above is based on a calendar year. From the Fund's inception on February 28, 1996 until May 1, 2001, the Fund operated as the Clover Small Cap Value Fund and was advised by Clover Capital. On May 1, 2001, the shareholders of the Clover Small Cap Value Fund voted to approve Turner Investment Partners, Inc. as the Fund's investment advisor and Clover Capital as the sub-advisor, and from that date until May 7, 2004, the Fund operated as the Turner Small Cap Value Fund. On May 7, 2004, the Turner Small Cap Value Fund was reorganized into the Constellation Clover Small Cap Value Fund. On November 20, 2006 the Constellation Clover Small Cap Value Fund was renamed the Touchstone Diversified Small Cap Value Fund. Clover Capital remained the sub-advisor after this name change. The return for Class A shares includes performance of the Fund that was achieved prior to the creation of Class A shares on November 20, 2006, which is the same as the performance of Class Z shares offered in a separate prospectus. The returns for periods prior to November 20, 2006 have been restated for fees applicable to Class A shares, which include a 0.25% 12b-1 fee. Performance shown for 2007 reflects the actual returns of the Fund's Class A shares.

Diversified Small Cap Value Fund (Continued)

This table compares the Fund's average annual total returns (before and after taxes) for the period ended December 31, 2007, to those of the Russell 2000 Value Index. After-tax returns are calculated using the highest individual federal income tax rate and do not reflect the impact of state and local taxes. Your after-tax returns may differ from those shown. The returns do not apply to shares held in an IRA, 401(k) or other tax-deferred account. The after-tax returns shown in the table are for Class A shares only. The after-tax returns for other classes of shares offered by the Fund will differ from the Class A after-tax returns.

Average Annual Total Returns For the period ended December 31, 2007

	1 Year	5 Years ¹	10 Years ¹
Touchstone Diversified Small Cap Value Fund – Class A			
Return Before Taxes	-8.53%	13.80%	10.91%
Return After Taxes on Distributions	-14.30%	10.51%	8.83%
Return After Taxes on Distributions and Sale of Fund Shares ²	-2.26%	11.35%	9.08%
Russell 2000 Value Index ³	-9.78%	15.80%	9.06%
Touchstone Diversified Small Cap Value Fund – Class C			
Return Before Taxes	-3.56%	14.34%	10.76%
Russell 2000 Value Index ³	-9.78%	15.80%	9.06%

¹ The 5 year and 10 year returns for Class A and Class C shares include performance of the Fund that was achieved prior to the creation of Class A and Class C shares (November 20, 2006), which is the same as the performance for Class Z shares through November 20, 2006. The return has been restated for sales charges and/or fees applicable to Class A and Class C shares, which includes a 0.25% and a 1.00% 12b-1 fee, respectively.

² When the "Return After Taxes on Distributions and Sale of Fund Shares" is greater than the "Return Before Taxes," it is because of realized losses. If a capital loss occurs upon the redemption of the Fund's shares, the capital loss is recorded as a tax benefit, which increases the return and translates into an assumed tax deduction that benefits the shareholder.

³ The Russell 2000 Value Index measures the performance of companies included in the Russell 2000 Index with lower price-to-book ratios and lower forecasted growth values. The Index reflects no deductions for fees, expenses or taxes. You cannot invest directly in an index.

What is an Index?

An index measures the market price of a specific group of securities in a particular market of securities in a market sector. You cannot invest directly in an index. An index does not have an investment advisor and does not pay any commissions, expenses or taxes. If an index had expenses, its performance would be lower.

The Fund's Fees and Expenses

This table describes the fees and expenses that you may pay if you buy and hold Class A and C shares of the Fund.

Shareholder Fees (fees paid directly from your investment)	Class A	Class C
Maximum Sales Charge Imposed on Purchases (as a percentage of offering price)	5.75% ¹	None
Maximum Deferred Sales Charge (as a percentage of original purchase price or the amount redeemed, whichever is less)	None ²	1.00% ³
Wire Redemption Fee	Up to \$15	Up to \$15

**Annual Fund Operating Expenses
(expenses that are deducted from Fund assets)**

Management Fees	0.85%	0.85%
Distribution and/or Shareholder Services Fees	0.25%	1.00%
Other Expenses	0.26%	0.26%
Total Annual Fund Operating Expenses	1.36%	2.11%
Less Fee Waiver and/or Expense Reimbursement ⁴	-0.09%	-0.09%
Net Expenses ⁵	1.45%	2.20%

¹ You may pay a reduced sales charge on very large purchases. (See "Reduced Class A Sales Charge" in this Prospectus.)

² Purchases of \$1 million or more do not pay a front-end sales charge, but may pay a contingent deferred sales charge ("CDSC") of 1.00% if shares are redeemed within 1 year of their purchase and compensation was paid to an unaffiliated broker-dealer.

³ The 1.00% CDSC is not applicable if shares are held for 1 year or longer and may be waived under other circumstances described in this Prospectus.

⁴ Touchstone Advisors and the Trust have entered into an expense limitation agreement whereby Touchstone Advisors has contractually agreed to waive a portion of its fees and/or reimburse certain Fund expenses in order to limit "Net Expenses" to 1.45% for Class A shares and 2.20% for Class C shares. These expense limitations will remain in effect until at least January 31, 2009. These expense limitations will become effective on March 2, 2008. Prior to March 2, 2008, Touchstone Advisors has contractually agreed to limit "Other Expenses" to 0.35% for Class A shares and Class C shares. Pursuant to its agreement with the Trust, Touchstone Advisors has no ability to recoup any previously waived fees or reimbursed expenses from the Fund. For purposes of these waivers, the cost of "Acquired Fund Fees and Expenses," if any, is excluded from Touchstone Advisors' waiver obligations.

⁵ "Net Expenses" shown above reflect a change in the Fund's operating expenses and will differ from the "Net Expenses" reflected in the Fund's Annual Report for the fiscal year ended September 30, 2007. The actual "Net Expenses" for the Fund's Class A shares and Class C shares for the fiscal year ended September 30, 2007 were 1.28% and 1.86%, respectively.

Example. This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same (except that contractual fee waivers are reflected only for the length of the contractual limit, i.e., the first year in the example). Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	Class A	Class C	Assuming No Redemption Class C
1 Year	\$ 714	\$ 323	\$ 223
3 Years	\$ 989	\$ 670	\$ 670
5 Years	\$ 1,285	\$ 1,142	\$ 1,142
10 Years	\$ 2,123	\$ 2,449	\$ 2,449

The Funds Investment Goal

The Touchstone Healthcare and Biotechnology Fund seeks long-term capital appreciation.

Its Principal Investment Strategies

The Touchstone Healthcare and Biotechnology Fund invests, under normal market conditions, at least 80% of its assets in common stocks of healthcare and biotechnology companies that are traded in the U.S. This is a non-fundamental investment policy that can be changed by the Fund upon 60 days' prior notice to shareholders.

The Fund is non-diversified and may invest a significant percentage of its assets in the securities of a single company.

Healthcare companies include pharmaceutical companies, companies involved in research and development of pharmaceutical products and services, companies involved in the operation of health care facilities, and the companies that support the production, manufacturing, sale and/or distribution of medicines, medical supplies, medical services and other health care-related products and services. Biotechnology companies are those that engage in the research, development, and manufacture of various biotechnological products, services, and processes; manufacture and/or distribute biotechnological and biomedical products, including devices and instruments; provide or benefit significantly from scientific and technological advances in biotechnology; or provide processes or services instead of, or in addition to, products. To determine whether a potential investment is doing business in the healthcare or biotechnology sectors, the sub-advisor, Turner Investment Partners, Inc. ("TIP"), generally considers whether (i) the company earns at least 50% of its gross income from the healthcare or biotechnology sectors; (ii) at least 50% of its assets are devoted to producing revenues from the healthcare or biotechnology sectors; or (iii) the company is listed within the Healthcare Company sector universe maintained by Frank Russell & Co.

While the Fund typically invests in the common stocks of medium to large capitalization companies, it may invest in companies of any size in seeking to achieve its investment goal. These securities may be traded over the counter or listed on an exchange. It is not expected that the Fund will own a substantial amount of securities that pay dividends.

TIP pursues a bottom-up approach that emphasizes fundamental research analysis to find growth companies with superior earnings prospects, reasonable valuations, and favorable trading-volume and price patterns. TIP generally considers selling a security when it detects a deterioration in the company's earnings potential or when other opportunities appear more attractive.

The Fund may engage in frequent and active trading of securities as part of its principal investment strategy.

The Key Risks

Since it purchases common stocks, the Fund is subject to the risk that stock prices will fall over short or extended periods of time. The Fund's investment approach is intended to provide long-term capital appreciation, which carries with it the potential for price volatility associated with owning equity securities. Historically, the equity markets have moved in cycles. The value of the Fund's equity securities may fluctuate from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by these companies may suffer a decline in response to such developments which could result in a decline in the value of the Fund's shares. These factors contribute to price volatility, which is the principal risk of investing in the Fund. In addition, common stocks

represent a share of ownership in a company, and rank after bonds and preferred stock in their claim on the company's assets in the event of liquidation.

Since the Fund's investments are concentrated in the healthcare sector, they are subject to the risk that the healthcare sector will underperform the broader market, as well as the risk that issuers in the sector will be impacted by market conditions, legislative or regulatory changes, or competition. The competitive pressures of advancing technology and the number of companies and product offerings that continue to expand could cause healthcare and biotechnology companies to become increasingly sensitive to short product cycles and aggressive pricing. Furthermore, the types of products that are later alleged to be harmful or unsafe may be substantial, and may have a significant impact on a company's market value and/or share price.

The smaller capitalization companies in which the Fund invests may be more vulnerable to adverse business or economic events than larger, more established companies. Many biotechnology companies are relatively small and have thinly traded equity securities, may not yet offer products or offer a simple product and may have persistent losses during a new product's transition from development to production or erratic revenue patterns. Furthermore, these small companies may have limited product lines, markets and financial resources, and may depend upon a relatively small management group. Therefore, small cap company stocks may be more volatile than stocks of larger companies.

The Fund invests in companies that TIP believes have strong earnings growth potential. TIP's investment approach may be contrary to general investment opinion at times or otherwise fail to produce the desired results, causing the Fund to underperform funds that also seek capital appreciation but use different approaches to the security selection process.

Frequent and active trading may result in greater expenses to the Fund and may generate more taxable short-term gains for shareholders, which may lower the Fund's performance.

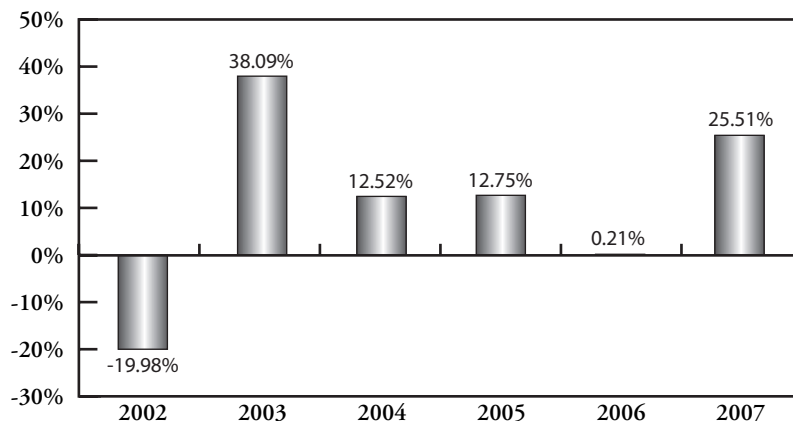
The Fund is non-diversified, which means that it may invest a greater percentage of its assets than other mutual funds in the securities of a limited number of issuers. The use of a non-diversified investment strategy may increase the volatility of the Fund's investment performance, as the Fund may be more susceptible to risks associated with a single economic, political or regulatory event than a diversified fund.

This Fund should only be purchased by investors seeking long-term capital appreciation who can withstand the share price volatility of focused equity investing. As with any mutual fund, there is no guarantee that the Fund will achieve its investment goal. You can find more information about the Fund's investments and risks under the "Investment Strategies and Risks" section of this Prospectus.

The Fund's Performance

The bar chart and performance table below illustrate some indication of the risks of investing in the Fund. This bar chart shows changes in performance (before taxes) of the Fund's Class A shares during each full calendar year of operations.¹ The bar chart does not reflect any sales charges, which would reduce your return. The returns for Class C shares offered by the Fund will be lower than the Class A returns shown in the bar chart since Class C shares have higher 12b-1 distribution fees. The Fund's past performance (before and after taxes) does not necessarily indicate how the Fund will perform in the future.

Touchstone Healthcare and Biotechnology Fund – Class A Total Return



Best Quarter
2nd Quarter 2003 +12.52%

Worst Quarter
2nd Quarter 2002 -14.08%

¹ The performance information shown above is based on a calendar year. From the Fund's inception on February 28, 2001 until May 7, 2004, the Fund operated as the Turner Healthcare & Biotechnology Fund, a portfolio of the Turner Funds and was advised by TIP. On May 7, 2004, the Turner Healthcare & Biotechnology Fund was reorganized into the Constellation TIP Healthcare & Biotechnology Fund. On November 20, 2006 the Constellation TIP Healthcare & Biotechnology Fund was renamed the Touchstone Healthcare and Biotechnology Fund. TIP remained the sub-advisor after this name change.

Healthcare and Biotechnology Fund (Continued)

This table compares the Fund's average annual total returns (before and after taxes) for the period ended December 31, 2007 to those of the S&P 500 Healthcare Index. After-tax returns are calculated using the highest individual federal income tax rate and do not reflect the impact of state and local taxes. Your after-tax returns may differ from those shown. The returns do not apply to shares held in an IRA, 401(k) or other tax-deferred account. The after-tax returns shown in the table are for Class A shares only. The after-tax returns for Class C shares offered by the Fund will differ from Class A after-tax returns.

Average Annual Total Returns For the period ended December 31, 2007

	1 Year	5 Years ¹	Since Inception ¹ (2-28-01)
Touchstone Healthcare and Biotechnology Fund – Class A			
Return Before Taxes	18.28%	15.74%	10.80%
Return After Taxes on Distributions	15.74%	14.81%	10.13%
Return After Taxes on Distributions and Sale of Fund Shares	13.59%	13.56%	9.30%
S & P 500 Healthcare Index ²	7.15%	7.49%	1.59%
Touchstone Healthcare and Biotechnology Fund – Class C			
Return Before Taxes	24.88%	16.31%	10.98%
S & P 500 Healthcare Index ²	7.15%	7.49%	1.59%

¹ The 5 year and since inception return for Class A and Class C shares include performance of the Fund that was achieved prior to the creation of Class A and Class C shares (November 20, 2006), which is the same as the performance for Class II shares through November 20, 2006. The return has been restated for sales charges and/or fees applicable to Class A and Class C shares, which includes a 0.25% and a 1.00% 12b-1 fee, respectively.

² The S&P 500 Healthcare Index is a widely-recognized, equally-weighted performance index, adjusted for capital gains distribution and income dividends, of securities of companies engaged in the healthcare, biotechnology and medical industries. The Index reflects no deductions for fees, expenses or taxes. You cannot invest directly in an index.

What is an Index?

An index measures the market price of a specific group of securities in a particular market of securities in a market sector. You cannot invest directly in an index. An index does not have an investment advisor and does not pay any commissions, expenses or taxes. If an index had expenses, its performance would be lower.

The Fund's Fees and Expenses

This table describes the fees and expenses that you may pay if you buy and hold Class A and C shares of the Fund.

Shareholder Fees (fees paid directly from your investment)	Class A	Class C
	Maximum Sales Charge Imposed on Purchases (as a percentage of offering price)	5.75% ¹
Maximum Deferred Sales Charge (as a percentage of original purchase price or the amount redeemed, whichever is less)	None ²	1.00% ³
Wire Redemption Fee	Up to \$15	Up to \$15

Healthcare and Biotechnology Fund (Continued)

Annual Fund Operating Expenses

(expenses that are deducted from Fund assets)

Management Fees	1.00%	1.00%
Distribution and/or Shareholder Services Fees	0.25%	1.00%
Other Expenses	0.55%	0.82%
Total Annual Fund Operating Expenses	1.80%	2.82%
Less Fee Waiver and/or Expense Reimbursement ⁴	0.25%	0.52%
Net Expenses ⁵	1.55%	2.30%

¹ You may pay a reduced sales charge on very large purchases. (See "Reduced Class A Sales Charge" in this Prospectus.)

² Purchases of \$1 million or more do not pay a front-end sales charge, but may pay a contingent deferred sales charge ("CDSC") of 1.00% if shares are redeemed within 1 year of their purchase and compensation was paid to an unaffiliated broker-dealer.

³ The 1.00% CDSC is not applicable if shares are held for 1 year or longer and may be waived under other circumstances described in this Prospectus.

⁴ Touchstone Advisors and the Trust have entered into an expense limitation agreement whereby Touchstone Advisors has contractually agreed to waive a portion of its fees and/or reimburse certain Fund expenses in order to limit "Net Expenses" to 1.55% for Class A shares and 2.30% for Class C shares. These expense limitations will remain in effect until at least January 31, 2009. These expense limitations will become effective on March 2, 2008. Prior to March 2, 2008, Touchstone Advisors has contractually agreed to limit "Other Expenses" to 0.30% for Class A shares and Class C shares. Pursuant to its agreement with the Trust, Touchstone Advisors has no ability to recoup any previously waived fees or reimbursed expenses from the Fund. For purposes of these waivers, the cost of "Acquired Fund Fees and Expenses," if any, is excluded from Touchstone Advisors' waiver obligations.

⁵ "Net Expenses" shown above reflect a change in the Fund's operating expenses and will differ from the "Net Expenses" reflected in the Fund's Annual Report for the fiscal year ended September 30, 2007. The actual "Net Expenses" for the Fund's Class A shares and Class C shares for the fiscal year ended September 30, 2007 were 1.67% and 2.23%, respectively.

Example. This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same (except that contractual fee waivers are reflected only for the length of the contractual limit, i.e., the first year in the example). Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	Assuming No Redemption		
	Class A	Class C	Class C
1 Year	\$ 724	\$ 333	\$ 233
3 Years	\$ 1,086	\$ 825	\$ 825
5 Years	\$ 1,472	\$ 1,443	\$ 1,443
10 Years	\$ 2,550	\$ 3,110	\$ 3,110

The Fund's Investment Goal

The Touchstone International Equity Fund seeks long-term capital appreciation.

Its Principal Investment Strategies

The Touchstone International Equity Fund invests, under normal market conditions, at least 80% of its assets in equity securities, such as common stocks and American Depositary Receipts and Global Depositary Receipts, of issuers located in a broad array of foreign countries. This is a non-fundamental investment policy that the Fund can change upon 60 days' prior notice to shareholders. The Fund invests primarily in developed countries, but may invest in countries with emerging markets. The Fund may invest in companies of any size in seeking to achieve its investment goal.

As sub-advisor, AXA Rosenberg Investment Management LLC ("AXA Rosenberg") employs an investment approach designed to identify attractively priced companies that it believes have superior future earnings potential. It focuses on evaluating the financial characteristics of individual stocks and a company's fundamental data rather than forecasting the trends in markets, investment styles or sectors. AXA Rosenberg's stock selection process is driven by proprietary technology designed to analyze the fundamentals of the more than 17,500 securities currently in AXA Rosenberg's global universe. AXA Rosenberg uses two proprietary stock selection models to evaluate the relative attractiveness of the stocks in its universe: (1) its Valuation Model estimates the fair value for each company in its database by assessing various fundamental data such as company financial statistics, and (2) its Earnings Forecast Model estimates year-ahead earnings by analyzing fundamental data and investor sentiment data such as analysts' earnings estimates and broker buy/sell recommendations. AXA Rosenberg compares companies operating in similar businesses to identify those believed to be undervalued relative to peers, combining the results from the Valuation and Earnings models to determine an expected return for every stock in its investment universe.

AXA Rosenberg's use of the Valuation and Earnings models creates an integrated buy universe. Using proprietary risk management tools, AXA Rosenberg creates a portfolio of holdings with minimal deviation from the benchmark in terms of industry, country and risk exposures. Stocks are eligible for sale when alternate stocks in its ranked investment universe become more attractive from an expected return and risk perspective.

The Key Risks

Since it purchases common stocks, the Fund is subject to the risk that stock prices will fall over short or extended periods of time. Historically, the equity markets have moved in cycles. The value of the Fund's equity securities may fluctuate from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by these companies may decline in response to such developments, which could result in a decline in the value of the Fund's shares. These factors contribute to price volatility, which is the principal risk of investing in the Fund. The Fund is also subject to the risk that its market segment, foreign equity securities, may underperform other equity market segments or the equity markets as a whole. In addition, common stocks represent a share of ownership in a company, and rank after bonds and preferred stock in their claim on the company's assets in the event of liquidation.

Investing in foreign securities poses additional risks since political and economic events unique in a country or region will affect those markets and their issuers. These events will not necessarily affect the U.S. economy or similar issuers located in the United States. In addition, investments in foreign securities are generally denominated in foreign currency. As a result, changes in the value of those currencies compared to the U.S. dollar may affect (positively or negatively) the value of the Fund's investments. These currency movements may happen separately from, or in response to, events that do not otherwise affect the value of the security in the issuer's home country.

Emerging market countries are countries that the World Bank or the United Nations considers to be emerging or developing. Emerging markets may be more likely to experience political turmoil or rapid changes in market or economic conditions than more developed countries. In addition, the financial stability of issuers (including governments) in emerging market countries may be more precarious than in other countries. As a result, there will tend to be an increased risk of price volatility associated with the Fund's investments in emerging market countries, which may be magnified by currency fluctuations relative to the U.S. dollar.

Frequent and active trading may result in greater expenses to the Fund and may generate more taxable short-term gains for shareholders, which may lower the Fund's performance.

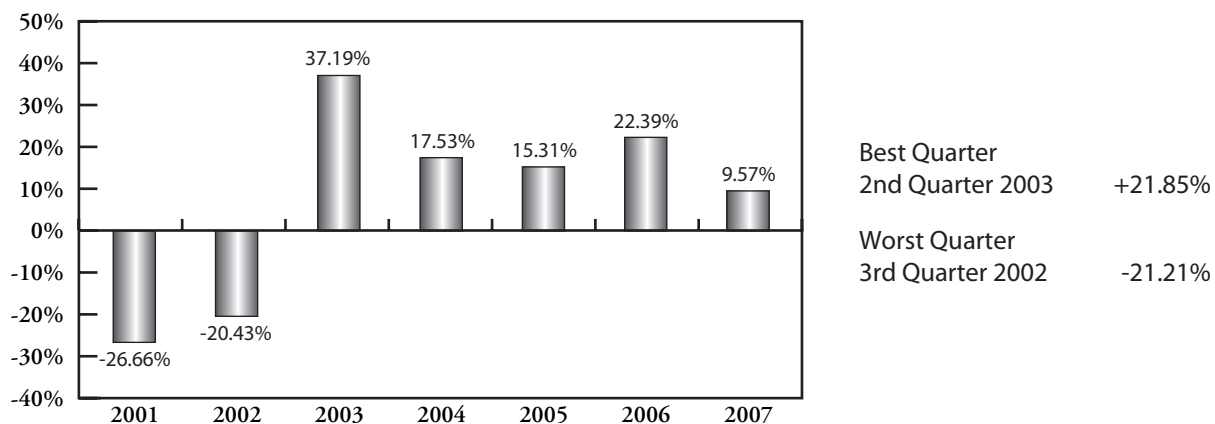
This Fund should only be purchased by investors seeking long-term capital appreciation who can withstand the share price volatility of international equity investing. As with any mutual fund, there is no guarantee that the Fund will achieve its investment goal. You can find more information about the Fund's investments and risks under the "Investment Strategies and Risks" section of this Prospectus.

The Fund's Performance

The bar chart and performance table below illustrate some indication of the risks of investing in the Fund. This bar chart shows changes in performance (before taxes) of the Fund's Class A shares for each of the last 10 calendar years.¹ The bar chart does not reflect any sales charges, which would reduce your return. The returns for Class C shares offered by the Fund will be lower than the Class A returns shown in the bar chart since Class C shares have higher 12b-1 distribution fees. The Fund's past performance (before and after taxes) does not necessarily indicate how the Fund will perform in the future.

AXA Rosenberg became the sole sub-advisor to the Fund as of January 31, 2006. The performance shown below prior to January 31, 2006 represents the performance of the previous sub-advisors.

Touchstone International Equity Fund – Class A Total Returns



¹ The performance information shown above is based on a calendar year. From the Fund's inception on May 31, 1993 until August 4, 2000, the Fund operated as a common trust fund by Pitcairn Trust Company. Performance returns prior to August 4, 2000 are not included in the bar chart above. On August 4, 2000, the Fund's assets were reorganized into the Pitcairn International Equity Fund. On August 1, 2004, the Pitcairn International Equity Fund was reorganized into the Constellation International Equity Fund. On November 20, 2006 the Constellation International Equity Fund was renamed the Touchstone International Equity Fund. AXA Rosenberg remained the sub-advisor after this name change.

International Equity Fund (Continued)

This table compares the Fund's average annual total returns (before and after taxes) for the period ended December 31, 2007, to those of the S&P/Citigroup BMI World ex U.S. Index. After-tax returns are calculated using the highest individual federal income tax rate and do not reflect the impact of state and local taxes. Your after-tax returns may differ from those shown. The returns do not apply to shares held in an IRA, 401(k) or other tax-deferred account. The after-tax returns shown in the table are for Class A shares only. The after-tax returns for Class C shares offered by the Fund will differ from the Class A after-tax returns.

Average Annual Total Returns For the period ended December 31, 2007

	1 Year	5 Years ¹	Since Inception ¹ (8/4/00)
Touchstone International Equity Fund – Class A			
Return Before Taxes	3.24%	18.65%	2.82%
Return After Taxes on Distributions	-0.45%	17.27%	1.91%
Return After Taxes on Distributions and Sale of Fund Shares ²	3.58%	15.90%	2.01%
S&P/Citigroup BMI World ex U.S. Index ³	12.65%	23.65%	9.58%
Touchstone International Equity Fund – Class C			
Return Before Taxes	8.74%	19.16%	2.88%
S&P/Citigroup BMI World ex U.S. Index ³	12.65%	23.65%	9.58%

¹ The 5 year and since inception returns for Class A and Class C shares include performance of the Fund that was achieved prior to the creation of Class A and Class C shares (November 20, 2006), which is the same as the performance for Class II shares through November 20, 2006. The return has been restated for sales charges and/or fees applicable to Class A and Class C shares, which includes a 0.25% and a 1.00% 12b-1 fee, respectively.

² When the "Return After Taxes on Distributions and Sale of Fund Shares" is greater than the "Return Before Taxes," it is because of realized losses. If a capital loss occurs upon the redemption of the Fund's shares, the capital loss is recorded as a tax benefit, which increases the return and translates into an assumed tax deduction that benefits the shareholder.

³ The S&P/Citigroup BMI World ex U.S. Index is an unmanaged index representing equities with a float-adjusted capitalization of greater than \$100M USD and a traded value greater than \$25M USD from 27 of the world's developed markets. The Index reflects no deductions for fees, expenses or taxes. You cannot invest directly in an index.

What is an Index?

An index measures the market price of a specific group of securities in a particular market of securities in a market sector. You cannot invest directly in an index. An index does not have an investment advisor and does not pay any commissions, expenses or taxes. If an index had expenses, its performance would be lower.

The Fund's Fees and Expenses

This table describes the fees and expenses that you may pay if you buy and hold Class A and C shares of the Fund.

Shareholder Fees (fees paid directly from your investment)	Class A	Class C
	Maximum Sales Charge Imposed on Purchases (as a percentage of offering price)	5.75% ¹
Maximum Deferred Sales Charge (as a percentage of original purchase price or the amount redeemed, whichever is less)	None ²	1.00% ³
Wire Redemption Fee	Up to \$15	Up to \$15

**Annual Fund Operating Expenses
(expenses that are deducted from Fund assets)**

Management Fees	0.95%	0.95%
Distribution and/or Shareholder Services Fees	0.25%	1.00%
Other Expenses	0.63%	0.79%
Total Annual Fund Operating Expenses	1.83%	2.74%
Less Fee Waiver and/or Expense Reimbursement ⁴	0.38%	0.54%
Net Expenses ⁵	1.45%	2.20%

¹ You may pay a reduced sales charge on very large purchases. (See "Reduced Class A Sales Charge" in this Prospectus.)

² Purchases of \$1 million or more do not pay a front-end sales charge, but may pay a contingent deferred sales charge ("CDSC") of 1.00% if shares are redeemed within 1 year of their purchase and compensation was paid to an unaffiliated broker-dealer.

³ The 1.00% CDSC is not applicable if shares are held for 1 year or longer and may be waived under other circumstances described in this Prospectus.

⁴ Touchstone Advisors and the Trust have entered into an expense limitation agreement whereby Touchstone Advisors has contractually agreed to waive a portion of its fees and/or reimburse certain Fund expenses in order to limit "Net Expenses" to 1.45% for Class A shares and 2.20% for Class C shares. These expense limitations will remain in effect until at least January 31, 2009. These expense limitations will become effective on March 2, 2008. Prior to March 2, 2008, Touchstone Advisors has contractually agreed to limit "Other Expenses" and "Distribution and/or Shareholder Services Fees" to 0.50% for Class A shares and 1.25% for Class C shares. Pursuant to its agreement with the Trust, Touchstone Advisors has no ability to recoup any previously waived fees or reimbursed expenses from the Fund. For purposes of these waivers, the cost of "Acquired Fund Fees and Expenses," if any, is excluded from Touchstone Advisors' waiver obligations.

⁵ "Net Expenses" for Class C shown above reflect a change in the Fund's operating expenses and will differ from the "Net Expenses" reflected in the Fund's Annual Report for the fiscal year ended September 30, 2007. The actual "Net Expenses" for the Class C shares for the fiscal year ended September 30, 2007 were 2.19%.

Example. This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same (except that contractual fee waivers are reflected only for the length of the contractual limit, i.e., the first year in the example). Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	Class A	Class C	Assuming No Redemption Class C
1 Year	\$ 714	\$ 323	\$ 223
3 Years	\$ 1,083	\$ 799	\$ 799
5 Years	\$ 1,475	\$ 1,402	\$ 1,402
10 Years	\$ 2,570	\$ 3,031	\$ 3,031

The Fund's Investment Goal

The Touchstone Mid Cap Fund seeks long-term capital growth.

Its Principal Investment Strategies

The Touchstone Mid Cap Fund invests, under normal market conditions, at least 80% of its assets in common stocks of medium capitalization U.S. companies that the sub-advisor, TIP, believes have the potential for long-term growth and that are attractively priced. This is a non-fundamental investment policy that can be changed by the Fund upon 60 days' prior notice to shareholders. For purposes of the Fund, a medium capitalization company is one that has a market capitalization at the time of purchase that is within the range of market capitalizations represented in the Russell Midcap Index. As of December 31, 2007, the Russell Midcap Index included companies with capitalizations between \$479 million and \$42 billion. The size of the companies in the Russell Midcap Index will change with market conditions.

The Fund invests in securities of companies operating in a broad range of industries based primarily on a fundamental analysis of each company and due consideration of such characteristics as price-cash flow, price-earnings and price-book value ratios. TIP looks for companies with quality management teams that can take advantage of unique product opportunities, with an emphasis on companies that TIP believes can generate and sustain long-term growth. TIP employs a quantitative approach to determine whether a company's share price reflects its perceived value. A security will be sold if TIP believes it has reached its full valuation, the security experiences an unexpected deterioration in fundamentals, to adhere to investment guidelines or risk parameters or if TIP believes another security has a greater risk/reward profile.

The Fund may engage in frequent and active trading of securities as part of its principal investment strategy.

The Key Risks

Since it purchases equity securities, the Fund is subject to the risk that stock prices will fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of the Fund's equity securities may fluctuate from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by these companies may decline in response to such developments, which could result in a decline in the value of the Fund's shares. These factors contribute to price volatility, which is the principal risk of investing in the Fund. In addition, common stocks represent a share of ownership in a company, and rank after bonds and preferred stock on the company's assets in the event of liquidation.

The Fund is subject to the risk that small and medium capitalization stocks may underperform other types of stocks or the equity markets as a whole. Moreover, the medium and smaller capitalization companies in which the Fund invests may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, these medium and small companies may have more limited product lines, markets and financial resources, and may depend upon a relatively small management group. Therefore, medium and small cap company stocks may be more volatile than stocks of larger companies. In addition, companies with market capitalizations that fall at the lower extreme of the Russell Midcap Index's capitalization range generally are not as broadly traded as those of companies with larger capitalizations, and they are often subject to wider and more abrupt fluctuations in market price. Additional reasons for the greater price fluctuations of these securities include the less certain growth prospects of smaller firms and the greater sensitivity of small companies to changing economic conditions.

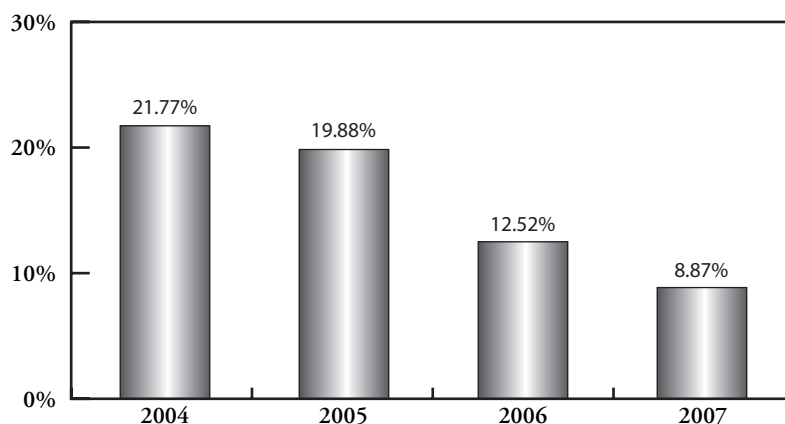
Frequent and active trading may result in greater expenses to the Fund and may generate more taxable short-term gains for shareholders, which may lower the Fund's performance.

This Fund should only be purchased by investors seeking long-term capital growth who can withstand the share price volatility of mid cap investing. As with any mutual fund, there is no guarantee that the Fund will achieve its investment goal. You can find more information about the Fund's investments and risks under the "Investment Strategies and Risks" section of this Prospectus.

The Fund's Performance

The bar chart and performance table below illustrate some indication of the risks of investing in the Fund. Since the Fund's Class A and Class C shares have not operated for a full calendar year, the bar chart shows changes in performance (before taxes) of the Fund's Class Y shares during each full calendar year of operations.^{1,2} The bar chart does not reflect any sales charges, which would reduce your return. The Fund's past performance (before and after taxes) does not necessarily indicate how the Fund will perform in the future.

Touchstone Mid Cap Fund – Class Y Total Returns



Best Quarter:
1st Quarter 2006 +14.48%

Worst Quarter:
2nd Quarter 2006 -7.20%

¹ From the Fund's inception on January 2, 2003 until April 14, 2005, the Fund operated as the Midcap Core Portfolio, a separate series of Constellation Institutional Portfolios. TIP served as the Midcap Core Portfolio's investment advisor from January 2, 2003 until March 1, 2004, and as the Midcap Core Portfolio's investment sub-advisor with day-to-day portfolio management responsibility from March 1, 2004 until April 14, 2005. On April 14, 2005, the Midcap Core Portfolio was reorganized into the Constellation TIP Mid Cap Fund. On November 20, 2006, the Constellation TIP Mid Cap Fund was renamed the Touchstone Mid Cap Fund and the Fund's Class I shares were renamed Class Y shares. TIP remained the sub-advisor after these changes.

² These returns are for a class of shares that are not offered in this Prospectus, but that would have substantially similar annual returns because the shares are invested in the same portfolio of securities and the annual returns would differ only to the extent that the classes do not have the same expenses. Class A shares are subject to 12b-1 distribution fees and a front-end sales charge and Class C shares are subject to 12b-1 distribution fees. Class Y shares are not subject to any distribution fees or sales charges, and so the performance of the Class A and Class C shares will be reduced to the extent of these fees and charges.

This table compares the Fund's average annual total returns (before and after taxes) for the period ended December 31, 2007, to those of the Russell Midcap Index. After-tax returns are calculated using the highest individual federal income tax rate and do not reflect the impact of state and local taxes. Your after-tax returns may differ from those shown. The returns do not apply to shares held in an IRA, 401(k) or other tax-deferred account. The returns for Class A and Class C shares offered by the Fund will differ from the Class Y total returns.

**Average Annual Total Returns
For the period ended December 31, 2007**

	1 Year	Since Inception (1-02-03)
Touchstone Mid Cap Fund – Class Y		
Return Before Taxes	8.87%	20.21%
Return After Taxes on Distributions	8.51%	17.80%
Return After Taxes on Distributions and Sale of Fund Shares	5.76%	16.44%
Russell Midcap Index ¹	5.60%	18.23%

¹ The Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index based on total market capitalization. The Index reflects no deductions for fees, expenses or taxes. You cannot invest directly in an index.

What is an Index?

An index measures the market price of a specific group of securities in a particular market of securities in a market sector. You cannot invest directly in an index. An index does not have an investment advisor and does not pay any commissions, expenses or taxes. If an index had expenses, its performance would be lower.

The Fund's Fees and Expenses

This table describes the fees and expenses that you may pay if you buy and hold Class A and C shares of the Fund.

Shareholder Fees (fees paid directly from your investment)	Class A	Class C
Maximum Sales Charge Imposed on Purchases (as a percentage of offering price)	5.75% ¹	None
Maximum Deferred Sales Charge (as a percentage of original purchase price or the amount redeemed, whichever is less)	None ²	1.00% ³
Wire Redemption Fee	Up to \$15	Up to \$15

Annual Fund Operating Expenses
(expenses that are deducted from Fund assets)

Management Fees	0.80%	0.80%
Distribution and/or Shareholder Services Fees	0.25%	1.00%
Other Expenses ⁴	0.96%	0.96%
Total Annual Fund Operating Expenses	2.01%	2.76%
Less Fee Waiver and/or Expense Reimbursement ⁵	0.86%	0.86%
Net Expenses ⁶	1.15%	1.90%

¹ You may pay a reduced sales charge on very large purchases. (See "Reduced Class A Sales Charge" in this Prospectus.)

² Purchases of \$1 million or more do not pay a front-end sales charge, but may pay a contingent deferred sales charge ("CDSC") of 1.00% if shares are redeemed within 1 year of their purchase and compensation was paid to an unaffiliated broker-dealer.

³ The 1.00% CDSC is not applicable if shares are held for 1 year or longer and may be waived under other circumstances described in this Prospectus.

⁴ "Other Expenses" are based on estimated amounts for the current fiscal year.

⁵ Touchstone Advisors and the Trust have entered into an expense limitation agreement whereby Touchstone Advisors has contractually agreed to waive a portion of its fees and/or reimburse certain Fund expenses in order to limit "Net Expenses" to 1.15% for Class A shares and 1.90% for Class C shares. These expense limitations will remain in effect until at least January 31, 2009. These expense limitations will become effective on March 2, 2008. Prior to March 2, 2008, Touchstone Advisors has contractually agreed to limit "Other Expenses" to 0.35% for Class A shares and Class C shares. Pursuant to its agreement with the Trust, Touchstone Advisors has no ability to recoup any previously waived fees or reimbursed expenses from the Fund. For purposes of these waivers, the cost of "Acquired Fund Fees and Expenses," if any, is excluded from Touchstone Advisors' waiver obligations.

⁶ "Net Expenses" shown above reflect a change in the Fund's operating expenses and will differ from the "Net Expenses" reflected in the Fund's Annual Report for the fiscal year ended September 30, 2007. The actual "Net Expenses" for the Fund's Class A shares and Class C shares for the fiscal year ended September 30, 2007 were 1.13% and 1.52%, respectively.

Example. This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same (except that contractual fee waivers are reflected only for the length of the contractual limit, i.e., the first year in the example). Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	Class A	Class C	Assuming No Redemption Class C
1 Year	\$ 685	\$ 293	\$ 193
3 Years	\$ 1,091	\$ 775	\$ 775
5 Years	\$ 1,521	\$ 1,383	\$ 1,383
10 Years	\$ 2,713	\$ 3,027	\$ 3,027

The Fund's Investment Goal

The Touchstone Premium Yield Equity Fund seeks long-term growth of capital and high current income.

Its Principal Investment Strategies

The Touchstone Premium Yield Equity Fund invests, under normal market conditions, at least 80% of its assets in equity securities. Shareholders will be provided with at least 60 days' prior notice of any change in this policy. The Fund focuses on dividend-paying equity securities of U.S. companies that the sub-advisor, Chartwell Investment Partners LP ("Chartwell"), believes possess attractive long-term return potential primarily due to lower than average valuations and an improving business outlook.

The Fund invests in securities of companies operating in a broad range of industries, as well as securities of real estate investment trusts ("REITs"), based primarily on Chartwell's fundamental analysis of dividend-paying companies and a desire to achieve adequate diversification. At the core of Chartwell's investment philosophy is the belief that a combination of high dividend yield and low valuation will deliver superior investment returns over a complete market cycle. Chartwell seeks long-term growth of capital by investing in stocks in the top 40% of the market ranked by dividend yield which it believes to be undervalued and therefore have significant potential for capital appreciation. In addition, a significant number of these investments will be in companies that Chartwell believes are capable of consistent dividend growth which is expected to provide some long-term inflation protection. The Fund will invest in companies of any size greater than \$500 million in market capitalization in seeking to achieve its investment goal. Chartwell generally considers selling a security when the dividend yield declines below the top 40 percent of the market ranked by yield; the target price is achieved; the current dividend payment is deemed to be at risk; company, industry or sector fundamentals deteriorate; or when an alternative investment opportunity offers the potential for a greater total return or improved risk management.

The Key Risks

Since it purchases common stocks, the Fund is subject to the risk that stock prices will fall over short or extended periods of time. The Fund's investment approach is intended to provide long-term capital growth, which carries with it the potential for price volatility associated with owning equity securities. Historically, the equity markets have moved in cycles. The value of the Fund's equity securities may fluctuate from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by these companies may decline in response to such developments, which could result in a decline in the value of the Fund's shares. These factors contribute to price volatility, which is the principal risk of investing in the Fund. In addition, common stocks represent a share of ownership in a company, and rank after bonds and preferred stock in their claim on the company's assets in the event of bankruptcy.

Preferred stock represents an equity or ownership interest in an issuer that pays dividends at a specified rate and that has precedence over common stock in the payment of dividends. In the event an issuer is liquidated or declares bankruptcy, the claims of owners of bonds take precedence over the claims of those who own preferred and common stock. If interest rates rise, the fixed dividend on preferred stocks may be less attractive, causing the price of preferred stocks to decline. Preferred stock may have mandatory sinking fund provisions, as well as provisions allowing the stock to be called or redeemed prior to its maturity, which can have a negative impact on the stock's price when interest rates decline.

REITs are pooled investment vehicles that own, and usually operate, income-producing real estate. REITs are susceptible to the risks associated with direct ownership of real estate, such as declines in property values, increases in property taxes, operating expenses, rising interest rates or competition overbuilding, zoning changes, and losses from casualty or condemnation. REITs typically incur fees that are separate from those of

the Fund. Accordingly, the Fund's investments in REITs will result in the layering of expenses, such that shareholders will indirectly bear a proportionate share of the REITs' operating expenses, in addition to paying Fund expenses.

The Fund is subject to the risk that small and medium capitalization value stocks may underperform other types of stocks or the equity markets as a whole. Moreover, the smaller capitalization companies in which the Fund invests may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, these small companies may have limited product lines, markets and financial resources, and may depend upon a relatively small management group. Therefore, small cap company stocks may be more volatile than stocks of larger companies.

This Fund should only be purchased by investors seeking long-term capital growth who can withstand the share price volatility of equity investing. As with any mutual fund, there is no guarantee that the Fund will achieve its investment goal. You can find more information about the Fund's investments and risks under the "Investment Strategies and Risks" section of this Prospectus.

The Fund's Performance

The Fund's performance information is only shown when the Fund has had a full calendar year of operations. Since the Fund began operations in December 2007, there is no performance information included in this Prospectus.

The Fund's Fees and Expenses

This table describes the fees and expenses that you may pay if you buy and hold Class A and Class C shares of the Fund.

Shareholder Fees (fees paid directly from your investment)	Class A	Class C
Maximum Sales Charge Imposed on Purchases (as a percentage of offering price)	5.75% ¹	None
Maximum Deferred Sales Charge (as a percentage of original purchase price or the amount redeemed, whichever is less)	None ²	1.00% ³
Wire Redemption Fee	Up to \$15	Up to \$15

**Annual Fund Operating Expenses
(expenses that are deducted from Fund assets)**

Management Fees	0.70%	0.70%
Distribution and/or Shareholder Service Fees	0.25%	1.00%
Other Expenses ⁴	0.34%	0.34%
Total Annual Fund Operating Expenses	1.29%	2.04%
Less Fee Waiver and/or Expense Reimbursement ⁵	0.09%	0.09%
Net Expenses	1.20%	1.95%

¹ You may pay a reduced sales charge on very large purchases. (See "Reduced Class A Sales Charge" in this Prospectus.)

² Purchases of \$1 million or more do not pay a front-end sales charge, but may pay a contingent deferred sales charge ("CDSC") of 1.00% if shares are redeemed within 1 year of their purchase and compensation was paid to an unaffiliated broker-dealer.

³ The 1.00% CDSC is not applicable if shares are held for 1 year or longer and may be waived under other circumstances described in this Prospectus.

⁴ "Other Expenses" are based on estimated amounts for the current fiscal year.

⁵ Touchstone Advisors and the Trust have entered into an Expense Limitation Agreement whereby Touchstone Advisors has contractually agreed to waive a portion of its advisory fee and/or reimburse certain Fund expenses in order to limit "Net Expenses" to 1.20% for Class A shares and 1.95% for Class C shares. These expense limitations will remain in effect until at least January 31, 2009. Pursuant to its agreement with the Trust, Touchstone Advisors has no ability to recoup any previously waived fees or reimbursed expenses from the Fund. For purposes of these waivers, the cost of "Acquired Fund Fees and Expenses," if any, is excluded from Touchstone Advisors' waiver obligations.

Example. This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same (except that contractual fee waivers are reflected only for the length of the contractual limit, i.e., the first year in the example). Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	Class A	Class C	Assuming No Redemption Class C
1 Year	\$ 690	\$ 298	\$ 198
3 Years	\$ 952	\$ 631	\$ 631

The Fund's Investment Goal

The Touchstone Small Cap Value Opportunities Fund seeks long-term capital growth.

Its Principal Investment Strategies

The Touchstone Small Cap Value Opportunities Fund invests, under normal market conditions, at least 80% of its assets in common stocks of companies with small market capitalizations that the sub-advisors, TIP, Diamond Hill Capital Management, Inc. ("Diamond Hill") and James Investment Research, Inc. ("JIR"), believe have the potential for growth and that appear to be trading below their perceived value. This is a non-fundamental investment policy that can be changed by the Fund upon 60 days' prior notice to shareholders. For purposes of the Fund, a small capitalization company is one that has a market capitalization at the time of purchase that is no larger than the largest stock in the Russell 2000 Value Index. As of December 31, 2007, the Russell 2000 Value Index included companies with capitalizations up to \$6 billion. The size of the companies included in the Russell 2000 Value Index will change with market conditions.

The Fund invests in securities of companies operating in a broad range of industries. Most of these companies are based in the U.S., but in some instances may be headquartered in or doing a substantial portion of their business overseas.

TIP selects securities based primarily on its fundamental analysis of each company and due consideration of such characteristics as price-cash flow, price-earnings and price-book value ratios. TIP looks for companies with quality management teams that can take advantage of unique product opportunities, with an emphasis on companies that TIP believes are undervalued by the market. TIP also employs a quantitative approach to determine whether a company's share price reflects its perceived value. TIP generally considers selling a security when it reaches a target price, when it fails to perform as expected, or when other opportunities appear more attractive.

Diamond Hill's investment process is designed to identify well managed companies whose market prices are at a discount to the intrinsic value of the business. Diamond Hill employs a two part process to select securities. It performs fundamental research to find companies that it believes have solid growth prospects. Diamond Hill also uses a proprietary valuation model to build an intrinsic value for each company under consideration. As part of fundamental research, Diamond Hill may evaluate a company's corporate and financial history and strength of management. It may also analyze the company's relative pricing power, long term cash flow, return on equity and other financial metrics. Diamond Hill may sell a security if it fully appreciates to its estimate of intrinsic value, if it believes that the company's fundamentals are deteriorating or if it identifies a more attractive investment opportunity.

JIR does much of its own research using quantitative databases and statistical expertise. It uses a number of elements to help predict future stock and bond price movements. JIR will use a proprietary investment model to select stocks for the Fund that it believes are undervalued and more likely to appreciate. JIR focuses on value, neglect or stocks which are underrepresented by institutional investors, as well as on management commitment. JIR also assesses a number of fundamental factors such as earnings, earnings trend, price earning multiples, return on assets and balance sheet data as well as other proprietary calculations. The model evaluates over 8,500 companies of all capitalization ranges. For the Fund, JIR refines the model by using a capitalization screen and evaluates thousands of companies within the appropriate capitalization range. JIR will invest primarily in common stocks of those companies with market capitalizations of \$1.5 billion or less at the time of purchase. JIR will usually sell a security when the market capitalization exceeds \$2 billion, or when the company no longer meets JIR's investment criteria.

The Fund may engage in frequent and active trading of securities as part of its principal investment strategy.

The Key Risks

Since it purchases common stocks, the Fund is subject to the risk that stock prices will fall over short or extended periods of time. The Fund's investment approach is intended to provide long-term capital growth, which carries with it the potential for price volatility associated with owning equity securities. Historically, the equity markets have moved in cycles. The value of the Fund's equity securities may fluctuate from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by these companies may decline in response to such developments, which could result in a decline in the value of the Fund's shares. These factors contribute to price volatility, which is the principal risk of investing in the Fund. In addition, common stocks represent a share of ownership in a company, and rank after bonds and preferred stock in their claim on the company's assets in the event of bankruptcy.

The Fund is subject to the risk that small and medium capitalization value stocks may underperform other types of stocks or the equity markets as a whole. Moreover, the smaller capitalization companies in which the Fund invests may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, these small companies may have limited product lines, markets and financial resources, and may depend upon a relatively small management group. Therefore, small cap company stocks may be more volatile than stocks of larger companies. In addition, companies with market capitalizations that fall at the lower extreme of the Russell 2000 Value Index's capitalization range (sometimes referred to as "micro-capitalization companies") are substantially riskier than investments in larger, more established companies. The stocks of micro-capitalization companies are less stable in price and less liquid than the stocks of larger companies.

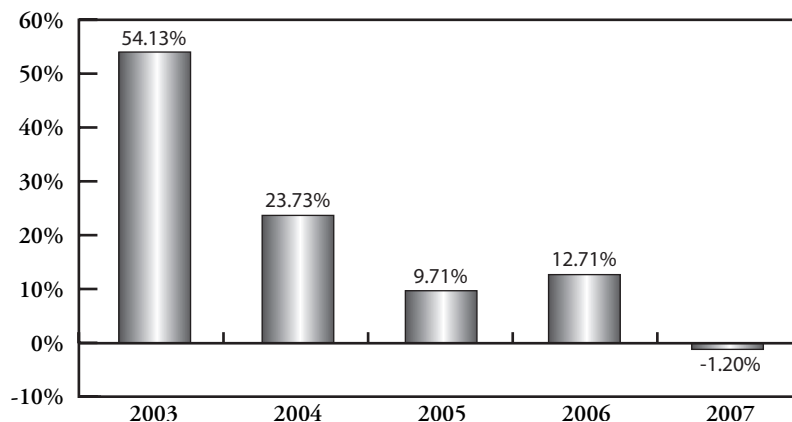
Frequent and active trading may result in greater expenses to the Fund and may generate more taxable short-term gains for shareholders, which may lower the Fund's performance.

This Fund should only be purchased by investors seeking long-term capital growth who can withstand the share price volatility of small cap investing. As with any mutual fund, there is no guarantee that the Fund will achieve its investment goal. You can find more information about the Fund's investments and risks under the "Investment Strategies and Risks" section of this Prospectus.

The Fund's Performance

The bar chart and performance table below illustrate some indication of the risks of investing in the Fund. Since the Fund's Class A and Class C shares have not operated for a full calendar year, the bar chart shows changes in performance (before taxes) of the Fund's Class Z shares during each full calendar year of operations.^{1,2} The bar chart does not reflect any sales charges, which would reduce your return. The Fund's past performance (before and after taxes) does not necessarily indicate how the Fund will perform in the future.

Touchstone Small Cap Value Opportunities Fund – Class Z Total Return



Best Quarter:
2nd Quarter 2003 +18.97%

Worst Quarter:
1st Quarter 2003 -4.60%

¹ From the Fund's inception on March 4, 2002 until May 7, 2004, the Fund operated as the Turner Small Cap Value Opportunities Fund, a portfolio of the Turner Funds and was advised by Turner Investment Management, LLC, a majority-owned subsidiary of TIP. On May 7, 2004, the Turner Small Cap Value Opportunities Fund was reorganized into the Constellation TIP Small Cap Value Opportunities Fund. Effective December 22, 2005, the Fund's name was changed to Constellation Small Cap Value Opportunities Fund. On November 20, 2006, the Constellation Small Cap Value Opportunities Fund was renamed the Touchstone Small Cap Value Opportunities Fund and the Fund's Class II shares were renamed Class Z shares. TIP and Diamond Hill remained the sub-advisors after the change. Diamond Hill became a sub-advisor to the Fund on January 17, 2006. JIR became a sub-advisor to the Fund on June 20, 2007.

² These returns are for a class of shares that are not offered in this Prospectus, but that would have substantially similar annual returns because the shares are invested in the same portfolio of securities and the annual returns would differ only to the extent that the classes do not have the same expenses. Class A shares are subject to 12b-1 distribution fees and a front-end sales charge and Class C shares are subject to 12b-1 distribution fees. Class Z shares are not subject to any sales charges, and so the performance of the Class A and Class C shares will be reduced to the extent of these charges.

Small Cap Value Opportunities Fund (Continued)

This table compares the Fund's average annual total returns (before and after taxes) for the period ended December 31, 2007, to those of the Russell 2000 Value Index. After-tax returns are calculated using the highest individual federal income tax rate and do not reflect the impact of state and local taxes. Your after-tax returns may differ from those shown. The returns do not apply to shares held in an IRA, 401(k) or other tax-deferred account. The returns for Class A and Class C shares offered by the Fund will differ from the Class Z total returns.

Average Annual Total Returns For the period ended December 31, 2007

	1 Year	5 Years	Since Inception ¹ (3/4/02)
Touchstone Small Cap Value Opportunities Fund – Class Z			
Return Before Taxes	-1.20%	18.43%	15.19%
Return After Taxes on Distributions	-3.05%	16.97%	13.97%
Return After Taxes on Distributions and Sale of Fund Shares ²	0.56%	15.61%	12.86%
Russell 2000 Value Index ³	-9.78%	15.80%	10.40%

¹ The performance information shown above reflects performance for the Fund as managed solely by TIP through 2005. Diamond Hill became a sub-advisor to the Fund on January 17, 2006 and JIR became a sub-advisor to the Fund on June 20, 2007.

² When the "Return After Taxes on Distributions and Sale of Fund Shares" is greater than the "Return Before Taxes," it is because of realized losses. If a capital loss occurs upon the redemption of the Fund's shares, the capital loss is recorded as a tax benefit, which increases the return and translates into an assumed tax deduction that benefits the shareholder.

³ The Russell 2000 Value Index measures the performance of companies included in the Russell 2000 Index with lower price-to-book ratios and lower forecasted growth values. The Index reflects no deduction for fees, expenses or taxes. You cannot invest directly in an Index.

What is an Index?

An index measures the market price of a specific group of securities in a particular market of securities in a market sector. You cannot invest directly in an index. An index does not have an investment advisor and does not pay any commissions, expenses or taxes. If an index had expenses, its performance would be lower.

The Fund's Fees and Expenses

This table describes the fees and expenses that you may pay if you buy and hold Class A and C shares of the Fund.

Shareholder Fees (fees paid directly from your investment)	Class A	Class C
	Maximum Sales Charge Imposed on Purchases (as a percentage of offering price)	5.75% ¹
Maximum Deferred Sales Charge (as a percentage of original purchase price or the amount redeemed, whichever is less)	None ²	1.00% ³
Wire Redemption Fee	Up to \$15	Up to \$15

Small Cap Value Opportunities Fund (Continued)

Annual Fund Operating Expenses

(expenses that are deducted from Fund assets)

Management Fees	0.95%	0.95%
Distribution and/or Shareholder Services Fees	0.25%	1.00%
Other Expenses ⁴	0.45%	0.45%
Total Annual Fund Operating Expenses	1.65%	2.40%
Less Fee Waiver and/or Expense Reimbursement ⁵	0.15%	0.15%
Net Expenses ⁶	1.50%	2.25%

¹ You may pay a reduced sales charge on very large purchases. (See "Reduced Class A Sales Charge" in this Prospectus.)

² Purchases of \$1 million or more do not pay a front-end sales charge, but may pay a contingent deferred sales charge ("CDSC") of 1.00% if shares are redeemed within 1 year of their purchase and compensation was paid to an unaffiliated broker-dealer.

³ The 1.00% CDSC is not applicable if shares are held for 1 year or longer and may be waived under other circumstances described in this Prospectus.

⁴ "Other Expenses" are based on estimated amounts for the current fiscal year.

⁵ Touchstone Advisors and the Trust have entered into an expense limitation agreement whereby Touchstone Advisors has contractually agreed to waive a portion of its fees and/or reimburse certain Fund expenses in order to limit "Net Expenses" to 1.50% for Class A shares and 2.25% for Class C shares. These expense limitations will remain in effect until at least January 31, 2009. These expense limitations will become effective on March 2, 2008. Prior to March 2, 2008, Touchstone Advisors has contractually agreed to limit "Other Expenses" to 0.30% for Class A shares and Class C shares. Pursuant to its agreement with the Trust, Touchstone Advisors has no ability to recoup any previously waived fees or reimbursed expenses from the Fund. For purposes of these waivers, the cost of "Acquired Fund Fees and Expenses," if any, is excluded from Touchstone Advisors' waiver obligations.

⁶ "Net Expenses" shown above reflect a change in the Fund's operating expenses and will differ from the "Net Expenses" reflected in the Fund's Annual Report for the fiscal year ended September 30, 2007. The actual "Net Expenses" for the Fund's Class A shares and Class C shares for the fiscal year ended September 30, 2007 were 1.49% and 2.09%, respectively.

Example. This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same (except that contractual fee waivers are reflected only for the length of the contractual limit, i.e., the first year in the example). Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	Class A	Class C	Assuming No Redemption Class C
1 Year	\$ 719	\$ 328	\$ 228
3 Years	\$ 1,052	\$ 734	\$ 734
5 Years	\$ 1,407	\$ 1,267	\$ 1,267
10 Years	\$ 2,405	\$ 2,725	\$ 2,725

The Fund's Investment Goal

The Touchstone Value Opportunities Fund seeks long-term total return.

Its Principal Investment Strategies

The Touchstone Value Opportunities Fund invests, under normal market conditions, at least 80% of its assets in common stocks of U.S. companies that the sub-advisor, Clover Capital, believes possess attractive long-term return potential because of their lower than average valuations and improving business outlooks. This is a non-fundamental investment policy that can be changed by the Fund upon 60 days' prior notice to shareholders.

The Fund invests in securities of companies operating in a broad range of industries based primarily on Clover Capital's quantitative, fundamental and technical analysis. In looking at company valuations, Clover Capital considers factors such as price-cash flow, price-earnings and price-book value. In selecting specific securities for the Fund, Clover Capital may also consider other factors, such as competitive positioning, earnings outlook and price momentum. The Fund may invest in companies of any size in seeking to achieve its investment goal. Clover Capital generally considers selling a security when it reaches a target price, when it fails to perform as expected, or when other opportunities appear more attractive.

The Key Risks

Since it purchases common stocks, the Fund is subject to the risk that stock prices will fall over short or extended periods of time. The Fund's investment approach is intended to provide long-term total return, which carries with it the potential for price volatility associated with owning equity securities. Historically, the equity markets have moved in cycles. The value of the Fund's equity securities may fluctuate from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by these companies may decline in response to such developments, which could result in a decline in the value of the Fund's shares. These factors contribute to price volatility, which is the principal risk of investing in the Fund. In addition, common stocks represent a share of ownership in a company, and rank after bonds and preferred stock in their claim on the company's assets in the event of liquidation.

The Fund is subject to the risk that small and medium capitalization value stocks may underperform other types of stocks or the equity markets as a whole. Moreover, the smaller capitalization companies in which the Fund invests may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, these small companies may have limited product lines, markets and financial resources, and may depend upon a relatively small management group. Therefore, small cap company stocks may be more volatile than stocks of larger companies. In addition, companies with market capitalizations that fall at the lower extreme of the market capitalization range (sometimes referred to as "micro-capitalization companies") are substantially riskier than investments in larger, more established companies. The stocks of micro-capitalization companies are less stable in price and less liquid than the stocks of larger companies.

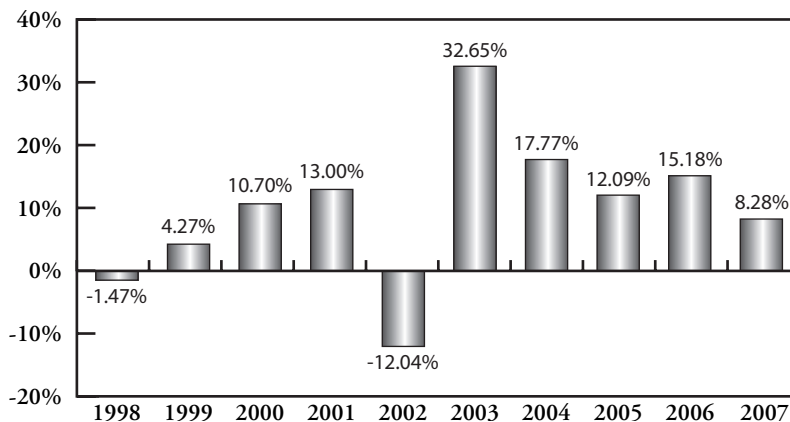
Clover Capital's investment approach may be contrary to general investment opinion at times or otherwise fail to produce the desired results, causing the Fund to underperform funds that also seek long-term total return but use different approaches to the security selection process. The out-of-favor and undervalued companies in which the Fund invests may be more vulnerable to negative investor sentiment or adverse business or economic events than more growth-oriented companies.

This Fund should only be purchased by investors seeking long-term total return who can withstand the share price volatility of equity investing. As with any mutual fund, there is no guarantee that the Fund will achieve its investment goal. You can find more information about the Fund's investments and risks under the "Investment Strategies and Risks" section of this Prospectus.

The Fund's Performance

The bar chart and performance table below illustrate some indication of the risks of investing in the Fund. This bar chart shows changes in performance (before taxes) of the Fund's Class A shares for each of the last 10 calendar years.¹ The bar chart does not reflect any sales charges, which would reduce your return. The returns for Class C shares offered by the Fund will be lower than the Class A returns shown in the bar chart since Class C shares have higher 12b-1 distribution fees. The Fund's past performance (before and after taxes) does not necessarily indicate how the Fund will perform in the future.

Touchstone Value Opportunities Fund – Class A Total Return



Best Quarter	
2nd Quarter 2003	+19.20%
Worst Quarter	
3rd Quarter 2002	-16.07%

¹ The performance information shown above is based on a calendar year. From the Fund's inception on December 6, 1991 until May 1, 2001, the Fund operated as the Clover Midcap Value Fund and was advised by Clover Capital. On May 1, 2001, the shareholders of the Clover Midcap Value Fund voted to approve Turner Investment Partners, Inc. as the Fund's investment advisor and Clover Capital as the sub-advisor, and from that date until May 7, 2004 the Fund operated as the Turner Core Value Fund. On May 7, 2004, the Turner Core Value Fund was reorganized into the Constellation Clover Core Value Fund. On November 20, 2006 the Constellation Clover Core Value Fund was renamed the Touchstone Value Opportunities Fund. Clover remained the sub-advisor after this name change. The return for Class A shares includes performance of the Fund that was achieved prior to the creation of Class A shares on November 20, 2006, which is the same as the performance of Class Z shares offered in a separate prospectus. The returns for periods prior to November 20, 2006 have been restated for fees applicable to Class A shares, which include a 0.25% 12b-1 fee. Performance shown for 2007 reflects the actual returns of the Fund's Class A shares.

Value Opportunities Fund (Continued)

This table compares the Fund's average annual total returns (before and after taxes) for the period ended December 31, 2007, to those of the Russell 3000 Value Index. After-tax returns are calculated using the highest individual federal income tax rate and do not reflect the impact of state and local taxes. Your after-tax returns may differ from those shown. The returns do not apply to shares held in an IRA, 401(k) or other tax-deferred account. The after-tax returns shown in the table are for Class A shares only. The after-tax returns for other classes of shares offered by the Fund will differ from the Class A after-tax returns.

Average Annual Total Returns For the period ended December 31, 2007

	1 Year	5 Years ¹	10 Years ¹
Touchstone Value Opportunities Fund – Class A			
Return Before Taxes	2.04%	15.54%	8.82%
Return After Taxes on Distributions	0.46%	13.50%	6.75%
Return After Taxes on Distributions and Sales of Fund Shares ²	2.93%	13.05%	6.80%
Russell 3000 Value Index ³	-1.01%	14.69%	7.73%
Touchstone Value Opportunities Fund – Class C			
Return Before Taxes	7.73%	16.11%	8.68%
Russell 3000 Value Index ³	-1.01%	14.69%	7.73%

¹ The 5 year and 10 year returns for Class A and Class C shares includes performance of the Fund that was achieved prior to the creation of Class A and Class C shares (November 20, 2006), which is the same as the performance for Class Z shares through November 20, 2006. The return has been restated for sales charges and/or fees applicable to Class A and Class C shares, which includes a 0.25% and a 1.00% 12b-1 fee, respectively.

² When the "Return After Taxes on Distributions and Sale of Fund Shares" is greater than the "Return Before Taxes," it is because of realized losses. If a capital loss occurs upon the redemption of the Fund's shares, the capital loss is recorded as a tax benefit, which increases the return and translates into an assumed tax deduction that benefits the shareholder.

³ The Russell 3000 Value Index measures the performance of those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values. The Index reflects no deductions for fees, expenses or taxes. You cannot invest directly in an index.

What is an Index?

An index measures the market price of a specific group of securities in a particular market of securities in a market sector. You cannot invest directly in an index. An index does not have an investment advisor and does not pay any commissions, expenses or taxes. If an index had expenses, its performance would be lower.

The Fund's Fees and Expenses

This table describes the fees and expenses that you may pay if you buy and hold Class A and C shares of the Fund.

Shareholder Fees (fees paid directly from your investment)	Class A	Class C
	Maximum Sales Charge Imposed on Purchases (as a percentage of offering price)	5.75% ¹
Maximum Deferred Sales Charge (as a percentage of original purchase price or the amount redeemed, whichever is less)	None ²	1.00% ³
Wire Redemption Fee	Up to \$15	Up to \$15

Value Opportunities Fund (Continued)

Annual Fund Operating Expenses (expenses that are deducted from Fund assets)

Management Fees	0.74%	0.74%
Distribution and/or Shareholder Services Fees	0.25%	1.00%
Other Expenses	0.32%	0.37%
Total Annual Fund Operating Expenses	1.31%	2.11%
Less Fee Waiver and/or Expense Reimbursement ⁴	0.12%	0.17%
Net Expenses ⁵	1.19%	1.94%

¹ You may pay a reduced sales charge on very large purchases. (See "Reduced Class A Sales Charge" in this Prospectus.)

² Purchases of \$1 million or more do not pay a front-end sales charge, but may pay a contingent deferred sales charge ("CDSC") of 1.00% if shares are redeemed within 1 year of their purchase and compensation was paid to an unaffiliated broker-dealer.

³ The 1.00% CDSC is not applicable if shares are held for 1 year or longer and may be waived under other circumstances described in this Prospectus.

⁴ Touchstone Advisors and the Trust have entered into an expense limitation agreement whereby Touchstone Advisors has contractually agreed to waive a portion of its fees and/or reimburse certain Fund expenses in order to limit "Net Expenses" to 1.19% for Class A shares and 1.94% for Class C shares. These expense limitations will remain in effect until at least January 31, 2009. These expense limitations will become effective on February 1, 2008. Prior to February 1, 2008, Touchstone Advisors has contractually agreed to limit "Other Expenses" to 0.35% for Class A shares and Class C shares, which resulted in "Net Expenses" of 1.34% for Class A shares and 2.09% for Class C shares. Pursuant to its agreement with the Trust, Touchstone Advisors has no ability to recoup any previously waived fees or reimbursed expenses from the Fund. For purposes of these waivers, the cost of "Acquired Fund Fees and Expenses," if any, is excluded from Touchstone Advisors' waiver obligations.

⁵ "Net Expenses" shown above reflect a change in the Fund's operating expenses and will differ from the "Net Expenses" reflected in the Fund's Annual Report for the fiscal year ended September 30, 2007. The actual "Net Expenses" for the Fund's Class A shares and Class C shares for the fiscal year ended September 30, 2007 were 1.31% and 1.86%, respectively.

Example. This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same (except that contractual fee waivers are reflected only for the length of the contractual limit, i.e., the first year in the example). Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	Assuming No Redemption		
	Class A	Class C	Class C
1 Year	\$ 689	\$ 297	\$ 197
3 Years	\$ 956	\$ 645	\$ 645
5 Years	\$ 1,241	\$ 1,118	\$ 1,118
10 Years	\$ 2,053	\$ 2,428	\$ 2,428

Can a Fund Depart From its Normal Investment Strategies?

In addition to the investments and strategies described in this prospectus, each Fund also may invest in other securities, use other strategies and engage in other investment practices. These investments and strategies are described in detail in our Statement of Additional Information (“SAI”).

Each Fund’s investment goal is non-fundamental, and may be changed by the Trust’s Board of Trustees. The investments and strategies described throughout this prospectus are those that the Funds use under normal conditions. During unusual economic or market conditions, or for temporary defensive or liquidity purposes, each Fund may invest up to 100% of its assets in cash, repurchase agreements and short-term obligations (i.e., fixed and variable rate securities and high quality debt securities of corporate and government issuers) that would not ordinarily be consistent with the Funds’ goals. This defensive investing may increase a Fund’s taxable income. A Fund will do so only if the Advisor or the Fund’s sub-advisor believes that the risk of loss in using the Fund’s normal strategies and investments outweighs the opportunity for gains. Of course, there can be no guarantee that any Fund will achieve its investment goal.

Portfolio Composition

Certain of the Funds have adopted policies to invest, under normal circumstances, at least 80% of the value of the Fund’s “assets” in certain types of investments suggested by its name (the “80% Policy”). For purposes of these 80% Policies, the term “assets” means net assets plus the amount of borrowings for investment purposes. A Fund must comply with its 80% Policy at the time the Fund invests its assets. Accordingly, when a Fund no longer meets the 80% requirement as a result of circumstances beyond its control, such as changes in the value of portfolio holdings, it would not have to sell its holdings but would have to make any new investments in such a way as to comply with the 80% Policy.

What are the Principal Risks of Investing in the Funds?

Equity Risk (Equity Funds). Investments in equity securities and equity derivatives in general are subject to market risks that may cause their prices to fluctuate over time. The value of securities of individual companies may fluctuate based upon performance of the company and industry as well as economic trends and developments. Fluctuations in the value of equity securities in which a Fund invests will cause the Fund’s net asset value to fluctuate. An investment in an equity fund may be more suitable for long-term investors who can bear the risk of these share price fluctuations.

Manager of Managers Risk (All Funds). The Advisor engages one or more sub-advisors to make investment decisions on its behalf for a portion or all of each Fund. There is a risk that the Advisor may be unable to identify and retain sub-advisors who achieve superior investment returns relative to other similar sub-advisors.

Foreign Investing Risk (International Equity Fund). A Fund that invests in foreign securities may experience more rapid and extreme changes in value than a Fund that invests exclusively in securities of U.S. companies. The securities markets of many foreign countries are relatively small, with a limited number of companies representing a small number of industries. Additionally, issuers of foreign securities are usually not subject to the same degree of regulation as U.S. issuers. Reporting, accounting and auditing standards of foreign countries differ, in some cases significantly, from U.S. standards. Also, nationalization, expropriation or confiscatory taxation, currency blockage, political changes or diplomatic developments could adversely affect a Fund’s investments in a foreign country. In the event of nationalization, expropriation or other confiscation, a Fund could lose its entire investment in foreign securities. Adverse conditions in a certain region can adversely affect securities of other countries whose economies appear to be unrelated. To the extent that a Fund invests a

significant portion of its assets in a focused geographic area like Eastern Europe or Asia, the Fund will generally have more exposure to regional economic risks associated with foreign investments.

Currency Risk (International Equity Fund). A Fund that invests directly in foreign currencies or in securities that trade and receive revenues in foreign (non-U.S.) currencies is subject to the risk that those currencies will decline in value relative to the U.S. dollar. (In the case of hedging positions, the U.S. dollar will decline in value relative to the currency being hedged.) Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention (or the failure to intervene) by U.S. or foreign governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments in the U.S. or abroad. As a result, a Fund's investments in foreign currency-denominated securities may reduce its returns.

Change in Market Capitalization (Diversified Small Cap Value, Mid Cap and Small Cap Value Opportunities Funds). A Fund may specify in its principal investment strategy a market capitalization range for acquiring portfolio securities. If a security that is within the range for a Fund at the time of purchase later falls outside the range, which is most likely to happen because of market growth, the Fund may continue to hold the security if, in the sub-advisor's judgment, the security remains otherwise consistent with the Fund's investment goal and strategies. However, this change could affect the Fund's flexibility in making new investments.

Portfolio Turnover (All Funds). Each Fund may sell its portfolio securities, regardless of the length of time that they have been held, if the Advisor and/or sub-advisor determines that it would be in the Fund's best interest to do so. It may be appropriate to buy or sell portfolio securities due to economic, market, or other factors that are not within the Advisor's or sub-advisor's control. These transactions will increase a Fund's "portfolio turnover." A 100% portfolio turnover rate would occur if all of the securities in a Fund were replaced during a given period. High turnover rates generally result in higher brokerage costs to the Fund and in higher net taxable gain for shareholders, and may reduce the Fund's returns.

REITs Risk (Premium Yield Equity Fund). REITs are trusts that invest primarily in commercial real estate or real estate-related loans. The Fund may be subject to certain risks associated with the direct investments of the REITs. REITs may be affected by changes in the value of their underlying properties and by defaults by borrowers or tenants. Mortgage REITs may be affected by the quality of the credit extended. Furthermore, REITs are dependent on specialized management skills. Some REITs may have limited diversification and may be subject to risks inherent in financing a limited number of properties. REITs depend generally on their ability to generate cash flow to make distributions to shareholders or unitholders, and may be subject to defaults by borrowers and to self-liquidations. In addition, a REIT may be affected by its failure to qualify for tax-free pass-through of income under the Internal Revenue Code or its failure to maintain exemption from registration under the Investment Company Act of 1940.

New Fund Risk (Premium Yield Equity Fund). A new Fund may not grow to a size that is viable for continued operation and may be liquidated due to certain size constraints. A liquidation of the Fund could be done without shareholder consent and could cause a taxable event for the shareholder.

What are Some of the Other Risks of Investing in the Funds?

Derivatives (All Funds). Each Fund may, but is not required to, use derivative instruments for any of the following purposes:

- To hedge against adverse changes – caused by changing interest rates, stock market prices or currency exchange rates – in the market value of securities held by or to be bought for a Fund;
- As a substitute for purchasing or selling securities;
- To shorten or lengthen the effective portfolio maturity or duration of tax-exempt bonds;
- To enhance a Fund's potential gain in non-hedging or speculative situations; or
- To lock in a substantial portion of the unrealized appreciation in a stock without selling it.

A derivative instrument will obligate or entitle a Fund to deliver or receive an asset or a cash payment that is based on the change in value of a designated security, currency or index. Even a small investment in derivative instruments can have a large impact on a portfolio's yield, stock prices and currency exposure. Therefore, using derivatives can disproportionately increase losses and reduce opportunities for gains when interest rates, stock prices or currency rates are changing. A Fund may not fully benefit from or may lose money on derivatives if changes in their value do not correspond accurately to changes in the value of the Fund's holdings.

Counterparties to over-the-counter derivative contracts present the same types of credit risk as issuers of fixed income securities. Derivatives can also make a Fund's holdings less liquid and harder to value, especially in declining markets. In addition, much of the income and gains generated by derivatives will be taxed as ordinary income.

Exchange-Traded Funds (All Funds). The Funds may invest in shares of exchange-traded funds (ETFs). An ETF is a registered investment company that seeks to track the performance of a particular market index. Investing in an ETF generally offers instant exposure to an index or a broad range of markets, sectors, geographic regions or industries.

When investing in ETFs, shareholders bear their proportionate share of the Fund's expenses and their proportionate share of ETF expenses which are similar to the Fund's expenses. Also, although ETFs seek to provide investment results that correspond generally to the price and yield performance of a particular market index, the price movement of an ETF may not track the underlying index.

Lending of Portfolio Securities (All Funds). The Funds may lend their portfolio securities to brokers, dealers and financial institutions under guidelines adopted by the Board of Trustees, including a requirement that the Fund must receive collateral equal to no less than 100% of the market value of the securities loaned. The risk in lending portfolio securities, as with other extensions of credit, consists of possible loss of rights in the collateral should the borrower fail financially. In determining whether to lend securities, a Fund's sub-advisor will consider all relevant facts and circumstances, including the creditworthiness of the borrower. Lending portfolio securities results in additional income, which serves to reduce the amount that would otherwise be payable by the Advisor to the Fund under the Advisor's contractual expense limitation arrangement (see "Contractual Fee Waiver Agreement").

Where Can I Find Information About the Funds' Portfolio Holdings Disclosure Policies?

A description of the Funds' policies and procedures for disclosing portfolio securities to any person is available in the SAI and can also be found on the Funds' website at www.touchstoneinvestments.com.

Investment Advisor

Touchstone Advisors, Inc. ("Touchstone Advisors" or the "Advisor")
303 Broadway, Suite 1100, Cincinnati, OH 45202

Touchstone Advisors has been a registered investment advisor since 1994. As of December 31, 2007, Touchstone Advisors had approximately \$8.3 billion in assets under management. As the Funds' Advisor, Touchstone Advisors continuously reviews, supervises and administers the Funds' investment programs and also ensures compliance with the Funds' investment policies and guidelines.

Touchstone Advisors is responsible for selecting each Fund's sub-advisor(s), subject to approval by the Board of Trustees. Touchstone Advisors selects a sub-advisor that has shown good investment performance in its areas of expertise. Touchstone Advisors considers various factors in evaluating a sub-advisor, including:

- Level of knowledge and skill
- Performance as compared to its peers or benchmark
- Consistency of performance over 5 years or more
- Level of compliance with investment rules and strategies
- Employees facilities and financial strength
- Quality of service

Touchstone Advisors will also continually monitor each sub-advisor's performance through various analyses and through in-person, telephone and written consultations with the Sub-Advisor. Touchstone Advisors discusses its expectations for performance with each sub-advisor and provides evaluations and recommendations to the Board of Trustees, including whether or not a sub-advisor's contract should be renewed, modified or terminated.

The Securities and Exchange Commission (the "SEC") has granted an exemptive order that permits the Trust or Touchstone Advisors, under certain conditions, to select or change unaffiliated sub-advisors, enter into new sub-advisory agreements or amend existing sub-advisory agreements without first obtaining shareholder approval. The Funds must still obtain shareholder approval of any sub-advisory agreement with a sub-advisor affiliated with the Trust or Touchstone Advisors other than by reason of serving as a sub-advisor to one or more Funds. Shareholders of a Fund will be notified of any changes in its Sub-Advisory arrangements.

Two or more sub-advisors may manage a Fund, with each managing a portion of the Fund's assets. If a Fund has more than one sub-advisor, Touchstone Advisors allocates how much of a Fund's assets are managed by each sub-advisor. Touchstone Advisors may change these allocations from time to time, often based upon the results of its evaluations of the Sub-Advisors.

For its services, Touchstone Advisors is entitled to receive a base investment advisory fee from each Fund at an annualized rate, based on the average daily net assets of the Fund, as set forth below. Touchstone Advisors pays

The Funds' Management (Continued)

sub-advisory fees to each sub-advisor from its advisory fee (the fee to be paid by the Premium Yield Equity Fund during the current fiscal year is shown in the table below):

Name of Fund	Annual Fee Rate
Touchstone Diversified Small Cap Value Fund	0.85%
Touchstone Healthcare and Biotechnology Fund	1.00%
Touchstone International Equity Fund	0.95%
Touchstone Mid Cap Fund	0.80%
Touchstone Premium Yield Equity Fund	0.70%
Touchstone Small Cap Value Opportunities Fund	0.95%
Touchstone Value Opportunities Fund	0.74%

Contractual Fee Waiver Agreement

Touchstone Advisors has contractually agreed to waive fees and reimburse expenses in order to keep certain Funds' "Net Expenses" in the aggregate from exceeding the levels set forth below. However, for purposes of these waivers, the cost of "Acquired Fund Fees and Expenses," if any, is excluded from Touchstone Advisors' waiver obligations. Fee waivers and/or expense reimbursements are calculated and applied monthly, based on each Fund's average net assets during such month. These fee waivers and expense reimbursements will become effective on March 2, 2008, except the Value Opportunities Fund which will become effective on February 1, 2008. These fee waivers and expense reimbursements will remain in effect until January 31, 2009. For contractual fee waiver agreement information prior to March 2, 2008 (and February 1, 2008 for the Value Opportunities Fund), see the expense tables for each Fund located in the front part of this prospectus.

Fund	Contractual Limit on "Net Expenses"
Touchstone Diversified Small Cap Value Fund Class A	1.45%
Touchstone Diversified Small Cap Value Fund Class C	2.20%
Touchstone Healthcare and Biotechnology Fund Class A	1.55%
Touchstone Healthcare and Biotechnology Fund Class C	2.30%
Touchstone International Equity Fund Class A	1.45%
Touchstone International Equity Fund Class C	2.20%
Touchstone Mid Cap Fund Class A	1.15%
Touchstone Mid Cap Fund Class C	1.90%
Touchstone Premium Yield Equity Fund Class A	1.20%
Touchstone Premium Yield Equity Fund Class C	1.95%
Touchstone Small Cap Value Opportunities Fund Class A	1.50%
Touchstone Small Cap Value Opportunities Fund Class C	2.25%
Touchstone Value Opportunities Fund Class A	1.19%
Touchstone Value Opportunities Fund Class C	1.94%

Sub-Advisors

Clover Capital Management, Inc., ("Clover Capital") an SEC-registered advisor located at 400 Meridian Centre, Ste 200, Rochester, NY 14618, serves as sub-advisor to the Touchstone Diversified Small Cap Value and the Touchstone Value Opportunities Funds (the "Touchstone Clover Funds"). From May 1, 2001 to May 7, 2004, Clover Capital served as the Sub-Advisor to the Turner Small Cap Value and Core Value Funds. Prior to May 1, 2001, Clover Capital served as these Funds' investment advisor. As sub-advisor, Clover Capital makes investment decisions for the Touchstone Clover Funds and also ensures compliance with the Touchstone Clover Funds' investment policies and guidelines. As of December 31, 2007, Clover Capital had approximately \$2.5 billion in assets under management.

Turner Investment Partners, Inc. ("TIP"), an SEC-registered advisor located at 1205 Westlakes Drive, Suite 100, Berwyn, PA 19312, serves as sub-advisor to the Touchstone Healthcare and Biotechnology Fund, the Touchstone Mid Cap Fund and one of the three sub-advisors to the Touchstone Small Cap Value Opportunities Fund (the "Touchstone TIP Funds"). Prior to May 7, 2004, TIP served as the investment advisor to the Turner Healthcare and Biotechnology Fund and Turner Investment Management, LLC, a majority-owned subsidiary of TIP, served as investment advisor to the Turner Small Cap Value Opportunities Fund. As sub-advisor, TIP makes investment decisions for the Touchstone TIP Funds and also ensures compliance with the Funds' investment policies and guidelines. As of December 31, 2007, TIP had approximately \$29 billion in assets under management.

Diamond Hill Capital Management, Inc. ("Diamond Hill"), an SEC-registered advisor located at 325 John H. McConnell Blvd., Suite 200, Columbus, OH 43215, began serving as one of the three sub-advisors to the Touchstone Small Cap Value Opportunities Fund effective January 17, 2006. Diamond Hill is a wholly-owned subsidiary of Diamond Hill Investment Group, Inc. As sub-advisor, Diamond Hill makes investment decisions for that portion of the Touchstone Small Cap Value Opportunities Fund's investment portfolio for which it is responsible. Diamond Hill also ensures compliance with the Touchstone Small Cap Value Opportunities Fund's investment policies and guidelines with respect to those assets for which it is responsible. As of December 31, 2007, Diamond Hill had approximately \$4.4 billion in assets under management.

James Investment Research, Inc., ("JIR"), an SEC-registered advisor located at 1349 Fairground Road, Xenia, OH 45385, began serving as one of the three sub-advisors to the Touchstone Small Cap Value Opportunities Fund effective June 20, 2007. As a sub-advisor, JIR makes investment decisions for that portion of the Fund's investment portfolio for which it is responsible. JIR also ensures compliance with the Fund's investment policies and guidelines with respect to those assets for which it is responsible. As of December 31, 2007, JIR had approximately \$2.2 billion in assets under management.

AXA Rosenberg Investment Management LLC ("AXA Rosenberg"), located at 4 Orinda Way, Building E, Orinda, CA 94563, serves as sub-advisor to the Touchstone International Equity Fund. As sub-advisor, AXA Rosenberg makes investment decisions for the Fund and also ensures compliance with the Fund's investment policies and guidelines. As of December 31, 2007, AXA Rosenberg had approximately \$135.3 billion in assets under management.

Chartwell Investment Partners LP ("Chartwell"), an SEC-registered advisor located at 1235 Westlakes Drive, Suite 400, Berwyn, PA 19312, serves as sub-advisor to the Touchstone Premium Yield Equity Fund. As sub-advisor, Chartwell makes investment decisions for the Fund and also ensures compliance with the Fund's investment policies and guidelines. As of December 31, 2007, Chartwell had approximately \$6.1 billion in assets under management.

Prior Performance of Chartwell's Substantially Similar Private Account

Chartwell has been managing premium yield equity stocks since 2002. Chartwell began managing one account using this strategy on July 1, 2002. This account and the Fund have substantially similar investment objectives, policies and strategies. The information for the account is provided to show the past performance of Chartwell in managing the account, as measured against specified market indexes. The performance of the account managed by Chartwell does not represent the historical performance of the Fund and should not be considered indicative of future performance of the Fund. Results may differ because of, among other things, differences in brokerage commissions, account expenses, including management fees, the size of positions taken in relation to account size and diversification of securities, timing of purchases and sales, and availability of cash for new investments. In addition, the managed account is not subject to certain investment limitations, diversification or other restrictions imposed by the Investment Company Act of 1940 (the "1940 Act") and the Internal Revenue Code which, if applicable, may have adversely affected the performance results of the managed account. The results for different periods may vary. All of Chartwell's substantially similar accounts and investment companies are included in this presentation.

The account's rate of return includes realized and unrealized gains plus income, including accrued income. Returns from cash and cash equivalents in the account are included in the performance calculations, and the cash and cash equivalents are included in the total assets on which the performance is calculated. The managed account is valued at least quarterly, and periodic returns are mathematically linked. The performance is shown both gross and net of the estimated sales load of 5.75%, which is the maximum sales load for the Class A shares of the Fund, and expenses of 1.20%, which are the expenses estimated for the first year of the operation of the Class A shares of the Fund. Results include the reinvestment of dividends and capital gains.

This method of calculating performance of the managed account differs from the SEC's standardized methodology to calculate performance and results in a total return different from that derived from the standardized methodology.

	07/01/02 – 12/31/02	01/01/03 – 12/31/03	01/01/04 – 12/31/04	01/01/05 – 12/31/05	01/01/06 – 12/31/06	01/01/07 – 12/31/07
Chartwell's Substantially Similar Style Account ¹ (including estimated expenses and sales load)	-17.09%	18.56%	7.41%	-4.17%	14.64%	-8.74%
Chartwell's Substantially Similar Style Account ¹ (excluding estimated expenses and sales load)	-11.39%	27.07%	15.24%	2.95%	22.91%	-1.90%
Russell 3000 Value Index ³	-15.18%	31.14%	16.94%	6.85%	22.34%	-1.01%
Dow Jones U.S. Select Dividend Index ⁴	-9.40%	30.16%	18.14%	3.79%	19.54%	-5.96%

The Funds' Management (Continued)

	1 Year ²	3 Year ²	5 Year ²
Chartwell's Substantially Similar Style Account ¹ (including estimated expenses and sales load)	-5.16%	4.11%	4.05%
Chartwell's Substantially Similar Style Account ¹ (excluding estimated expenses and sales load)	-1.90%	7.47%	12.69%
Russell 3000 Value Index ³	-1.01%	8.97%	14.69%
Dow Jones U.S. Select Dividend Index ⁴	-5.96%	5.57%	12.59%

¹ On July 1, 2002, Chartwell began managing this style with one account totaling \$28 million. As of December 31, 2007, the account totaled approximately \$132 million. The growth of the account is due to asset appreciation and an influx of assets from investors.

² Returns as of December 31, 2007.

³ The Russell 3000 Value Index measures the performance of those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values. The Russell 3000 Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization. The Indexes reflect no deductions for fees, expenses or taxes. You cannot invest directly in an index.

⁴ The Dow Jones U.S. Select Dividend Index measures the performance of the 100 leading U.S. dividend-paying companies. It is derived from the Dow Jones U.S. Total Market Index, which covers approximately 95% of U.S. market capitalization. The Indexes reflect no deductions for fees, expenses or taxes. You cannot invest directly in an index.

Sub-Advisory Fees

The fee paid by Touchstone Advisors to each sub-advisor during the Fund's most recent fiscal year, based on the average daily net assets of the Fund at an annualized rate, (and the fee to be paid to Chartwell for the Premium Yield Equity Fund and to JIR for the Small Cap Value Opportunities Fund during the current fiscal year) is shown in the table below:

Name of Fund	Annual Fee Rate
Touchstone Diversified Small Cap Value Fund – Clover Capital	0.45%
Touchstone Healthcare and Biotechnology Fund – TIP	0.50%
Touchstone International Equity Fund – AXA Rosenberg	0.50%
Touchstone Mid Cap Fund – TIP	0.50%
Touchstone Premium Yield Equity Fund – Chartwell	0.35%
Touchstone Small Cap Value Opportunities Fund	
TIP	0.525%
Diamond Hill	0.55%
JIR	0.50%
Touchstone Value Opportunities Fund – Clover Capital*	0.37%

* The Board of Trustees approved a change to the Fund's sub-advisory fee schedule, effective February 21, 2008. Under the previous schedule Touchstone Advisors paid Clover Capital a fee of 0.37% of the Fund's average daily net assets. Under the new schedule Touchstone Advisors pays Clover Capital a fee of 0.37% on the first \$105 million of the Fund's average daily net assets and 0.35% on assets in excess of \$105 million.

A discussion of the basis for the Board of Trustees' approval of the Funds' advisory and sub-advisory agreements can be found in the Trust's March 31, 2008 Semiannual Report.

Portfolio Managers

The Touchstone Diversified Small Cap Value Fund is managed by Michael Jones, Lawrence Creatura and Stephen Gutch. The Touchstone Healthcare and Biotechnology Fund is managed by Frank Sustersic, Heather McMeekin and Vijay Shankaran. The Touchstone International Equity Fund is managed by Dr. William Ricks. The Touchstone Mid Cap Fund is managed by Thomas DiBella and Steven Gold. The Touchstone Premium Yield Equity Fund is managed by Richard M. Behler, Kevin A. Melich, Matthew S. Levitties, Douglas W. Kugler and Ryan M. Nelson. The Touchstone Small Cap Value Opportunities Fund is managed by Thomas DiBella and Steven Gold for TIP, Ric Dillon and Thomas Schindler for Diamond Hill and an investment committee of JIR, which consists of seven people. The Touchstone Value Opportunities Fund is managed by Michael Jones, Matthew Kaufler and Paul Spindler. The background of each portfolio manager is set forth below. Additional information related to each portfolio manager may be found in the SAI.

Clover Capital Management, Inc.

Lawrence R. Creatura, CFA, joined Clover Capital in 1994 and is a Vice President of Investments. He has investment experience dating back to 1994.

Stephen K. Gutch, CFA, Portfolio Manager, joined Clover Capital in 2003. Previously he was an analyst for Continental Advisors, LLC (July 2002 to August 2003) and portfolio manager with Fulcrum Investment Group, LLC (1997 to June 2002). He has investment experience dating back to 1995.

Michael E. Jones, CFA, co-founded Clover Capital in 1984, and is Clover Capital's Chief Executive Officer. He has investment experience dating back to 1979.

Matthew P. Kaufler, CFA, Senior Vice President and Portfolio Manager, joined Clover Capital in 1991. He has investment experience dating back to 1986.

Paul W. Spindler, CFA, Portfolio Manager, joined Clover Capital in 1988. He has investment experience dating back to 1988.

Turner Investment Partners, Inc.

Heather F. McMeekin, Security Analyst, joined TIP in March 2001. From February 1998 until February 2001 she was an Associate Equity Research Analyst with UBS Warburg LLC. She has investment experience dating back to 1995.

Frank L. Sustersic, CFA, Senior Portfolio Manager/Security Analyst, joined TIP in 1994. He has investment experience dating back to 1989.

Vijay Shankaran, MD, PhD, Portfolio Manager/Security Analyst, joined TIP in 2006. Prior to joining TIP, he was employed by Caxton Associates, MedImmune, Inc., and RiverVest Ventures. He has investment experience dating back to 2000.

Thomas J. DiBella, CFA, CPA, Senior Portfolio Manager/Security Analyst, joined TIP in March 2002 as a founding member of Turner Investment Management, LLC, a subsidiary of TIP. From July 1991 until March 2002, he was Vice President and Portfolio Manager with Aeltus Investment Management. Mr. DiBella has investment experience dating back to 1983 and has managed the Fund since its inception in March 2002.

Steven L. Gold, CFA, Senior Portfolio Manager/Security Analyst, joined Turner Investment Management LLC, a subsidiary of TIP, in 2004. Previously he was employed with Standish Mellon Equity and Aetna Life & Casualty. Mr. Gold has investment experience dating back to 1985 and has managed the Fund since 2007.

Diamond Hill Capital Management, Inc.

Ric Dillon, CFA, President and Chief Investment Officer, joined Diamond Hill in 2000. He has investment experience dating back to 1978.

Thomas Schindler, CFA, Portfolio Manager & Analyst, joined Diamond Hill in 2000. He has investment experience dating back to 1997.

James Investment Research, Inc.

The Small Cap Value Opportunities Fund will be managed by an investment committee of JIR, which consists of seven members. The investment committee makes the investment decisions, and is primarily responsible for the day-to-day management of the portfolio. Portfolio managers rotate through various positions to ensure depth of skills and familiarity with the product. The members of the Investment Committee are:

Dr. Frank James, Ph.D., is the Founder and Chairman of JIR and team leader of the investment committee. Dr. James earned his Ph.D. from Rensselaer Polytechnic Institute in 1967. Dr. James was formerly in charge of the graduate management program and a professor of Management and Statistics at the Air Force Institute of Technology. His current responsibilities include overseeing JIR's investment management and research.

Barry R. James, CFA, CIC, is President of JIR and a portfolio manager. He is a principal officer of the James Advantage Funds. He received his undergraduate degree from The United States Air Force Academy and his Master's Degree from Boston University. He joined JIR in its beginning years before a tour of duty as an officer with the United States Air Force. He returned to JIR in 1986. Mr. James currently oversees the management of JIR.

Ann M. Shaw, CFP, joined JIR in 1978 and is the Chief Operating Officer and a portfolio manager. She is involved in security analysis and client service. Ms. Shaw received her Bachelor's Degree from Capital University.

Thomas L. Mangan joined JIR in 1994 and is a Senior Vice President and a portfolio manager. Mr. Mangan is also a principal officer of the James Advantage Funds. He is a graduate of The Ohio State University and earned his MBA from The University of Notre Dame in 1974. Mr. Mangan has over 30 years of experience in trading and portfolio management, including positions in New York, London and Chicago. He is a CMFC and has been an adjunct professor in the Finance Department at Wright State University since 2000.

David W. James, CFA, joined JIR in 1981 and is a Senior Vice President of Research and a portfolio manager. His responsibilities include research projects and statistical analysis. Mr. James studied computer science and statistics at Florida State University and Wright State University.

R. Brian Culpepper joined JIR in 1995 and is a portfolio manager. Mr. Culpepper is involved in equity research. He is a graduate of Wright State University in Dayton, Ohio, where he earned a double Bachelor of Science degree in Management Information Systems and Management in 1995 and an MBA in 2005 and is a CMFC.

Brian Shepardson, CFA, CIC, joined JIR in 1999. He is a portfolio manager and is involved in equity and fixed income research. Mr. Shepardson obtained his BBA from the University of Cincinnati in 1996, holds a CFA charter and is a CMFC.

AXA Rosenberg Investment Management LLC

Dr. William Ricks, Chief Executive Officer and Chief Investment Officer, joined AXA Rosenberg in 1989. He has investment experience dating back to 1989.

Chartwell Investment Partners LP

Richard M. Behler, Ph.D. joined Chartwell Investment Partners in 2003. He is a Managing Partner and Senior Portfolio Manager with 21 years of industry experience. Prior to joining Chartwell, Dr. Behler was a Managing Director at Morgan Stanley Investment Management (Miller Anderson & Sherrerd) serving as Portfolio Manager, where his group was responsible for over \$12 billion in value equity assets. Prior to joining Morgan Stanley, he was a Portfolio Manager at Moore Capital Management from 1992 to 1995. Previous employment included Merrill Lynch & Company and Chase Econometrics. Dr. Behler earned a Bachelor's degree in Economics from Villanova University and a Masters Degree and Ph.D. in Economics from the University of Notre Dame.

Kevin A. Melich, CFA joined Chartwell Investment Partners in 1997. He is a Managing Partner and Senior Portfolio Manager with 43 years of industry experience. Prior to joining Chartwell, Mr. Melich was a Senior Portfolio Manager at Delaware Investment Advisers from 1983 to 1997. There, he managed over \$1.6 billion for institutional accounts in the equity income, value style. From 1979 to 1983, Mr. Melich was a Partner with the economics consulting firm, A.B. Laffer Associates. From 1964 to 1979, he was the Senior Investment Officer and Manager of the Trust and Investment Division of Security Trust Company. Mr. Melich earned a Bachelor of Science degree in Economics from St. John Fisher College and holds the Chartered Financial Analyst designation.

Matthew S. Levitties joined Chartwell Investment Partners in 2003. He is a Principal and Senior Portfolio Manager. From 2001 to 2003, he was a Vice President and Portfolio Manager at Morgan Stanley Investment Management (Miller Anderson & Sherrerd), where his group was responsible for over \$12 billion in value equity assets. Prior to joining Morgan Stanley, he was an Assistant Vice President and Analyst at Wellington Management Company, LLP. Previous employment included Safeguard Scientifics and The Services Group. Mr. Levitties earned a Bachelor's degree in Economics and a Masters Degree in International Economics and American Foreign Policy from The Johns Hopkins University and an MBA from the University of Pennsylvania's Wharton School.

Douglas W. Kugler, CFA, joined Chartwell Investment Partners in 2003. He is a Principal and Portfolio Manager. From 1993 to 2003, he held several positions at Morgan Stanley Investment Management (Miller Anderson & Sherrerd) including Head of Mutual Fund Administration and Vice President and Treasurer of the MAS Funds, Junior Associate in the Equity Department, and his last position held prior to joining Chartwell was Senior Associate and Analyst for the Large Cap Value team. Prior to joining Morgan Stanley, he was an Assistant Vice President and Senior Accounting Officer at Provident Financial Processing Corporation. Mr. Kugler is a member of the CFA Institute and the CFA Society of Philadelphia. Mr. Kugler earned a Bachelor's degree in Accounting from the University of Delaware and holds the Chartered Financial Analyst designation.

Ryan M. Nelson joined Chartwell Investment Partners in 2006. He is an Equity Portfolio Analyst. Prior to joining Chartwell, he was employed at Liberty Ridge Capital as a Research Analyst with their Large Cap Growth and Small Cap Growth Investment products. Mr. Nelson earned a Bachelor's degree in Economics from Northwestern University and an MBA in Finance from the University of Pennsylvania's Wharton School. He has passed all three levels of the CFA examination.

Choosing a Class of Shares

Share Class Offerings. Each Fund currently offers the following classes of shares. The Funds' Class Y and Class Z shares are offered in a separate prospectus. For information about the Class Y shares and Class Z shares or to obtain a copy of the prospectus, call Touchstone Securities, Inc. ("Touchstone") at 1.800.543.0407 or call your financial advisor.

	Class A	Class C	Class Y	Class Z
Diversified Small Cap Value Fund	X	X		X
Healthcare and Biotechnology Fund	X	X		
International Equity Fund	X	X		
Mid Cap Fund	X	X	X	X
Premium Yield Equity Fund	X	X		
Small Cap Value Opportunities Fund	X	X		X
Value Opportunities Fund	X	X		X

Each class of shares has different sales charges and distribution fees. The amount of sales charges and distribution fees you pay will depend on which class of shares you decide to purchase.

Class A Shares

The offering price of Class A shares of each Fund is equal to its net asset value ("NAV") plus a front-end sales charge that you pay when you buy your shares. The front-end sales charge is generally deducted from the amount of your investment. Class A shares are subject to a 12b-1 fee.

Class A Sales Charge-Equity Funds. The following table shows the amount of front-end sales charge you will pay on purchases of Class A shares for the Touchstone Equity Funds. The amount of front-end sales charge is shown as a percentage of (1) offering price and (2) the net amount invested after the charge has been subtracted. Note that the front-end sales charge gets lower as your investment amount gets larger.

Amount of Your Investment	Sales Charge as % of Offering Price	Sales Charge as % of Net Amount Invested
Under \$50,000	5.75%	6.10%
\$50,000 but less than \$100,000	4.50%	4.71%
\$100,000 but less than \$250,000	3.50%	3.63%
\$250,000 but less than \$500,000	2.95%	3.04%
\$500,000 but less than \$1 million	2.25%	2.30%
\$1 million or more	0.00%	0.00%

Waiver of Class A Sales Charge. There is no front-end sales charge if you invest \$1 million or more in Class A shares of a Fund. If you redeem shares that were part of the \$1 million breakpoint purchase within one year, you may pay a contingent deferred sales charge ("CDSC") of 1% on the shares redeemed, if a commission was paid by Touchstone Securities, Inc. ("Touchstone") to a participating unaffiliated broker dealer. There is no front-end sales charge on exchanges between Funds or dividends reinvested in a Fund. In addition, there is no front-end sales charge on the following purchases:

- Purchases by registered representatives or other employees (and their immediate family members*) of broker-dealers, banks, or other financial institutions having agreements with Touchstone.

- Purchases in accounts as to which a broker-dealer or other financial intermediary charges an asset management fee economically comparable to a sales charge, provided the broker-dealer or other financial intermediary has an agreement with Touchstone.
 - Purchases by a trust department of any financial institution in its capacity as trustee to any trust.
 - Purchases through processing organizations described in this Prospectus.
 - Purchases by an employee benefit plan having more than 25 eligible employees or a minimum of \$250,000 invested in the Touchstone Funds.
 - Purchases by an employee benefit plan that is provided administrative services by a third party administrator that has entered into a special service arrangement with Touchstone.
 - Purchases by shareholders who owned shares of Touchstone Funds Group Trust as of November 17, 2006 who are investing additional shares for their account or opening new accounts in any Touchstone Fund. If you are purchasing shares through a financial intermediary, you must notify the intermediary at the time of purchase that a purchase qualifies for a sales load waiver and you may be required to provide copies of account statements verifying your qualification.
 - Reinvestment of redemption proceeds from Class A shares of any Touchstone Fund if the reinvestment occurs within 90 days of redemption.
- * Immediate family members are defined as the spouse, parents, siblings, domestic partner, natural or adopted children, mother-in-law, father-in-law, brother-in-law and sister-in-law of a registered representative or employee. The term “employee” is deemed to include current and retired employees.

Sales charge waivers must be qualified in advance by Touchstone by marking the appropriate section on the investment application and completing the “Eligibility for Exemption from Sales Charge” form. You can obtain the application and form by calling Touchstone at 1.800.543.0407 or by visiting the touchstoneinvestments.com website. Purchases at NAV may be made for investment only, and the shares may not be resold except through redemption by or on behalf of the Fund. At the option of the Fund, the front-end sales charge may be included on future purchases.

Reduced Class A Sales Charge. You may also purchase Class A shares of a Fund at the reduced sales charges shown in the table above through the Rights of Accumulation Program or by signing a Letter of Intent. The following purchasers (“Qualified Purchasers”) may qualify for a reduced sales charge under the Rights of Accumulation Program or Letter of Intent:

- an individual, an individual’s spouse, an individual’s children under the age of 21; or
- a trustee or other fiduciary purchasing shares for a single fiduciary account although more than one beneficiary is involved; or
- employees of a common employer, provided that economies of scale are realized through remittances from a single source and quarterly confirmation of such purchases are provided; or
- an organized group, provided that the purchases are made through a central administrator, a single dealer or other means which result in economy of sales effort or expense.

The following accounts (“Qualified Accounts”) held in Class A shares of any Touchstone Fund sold with a front-end sales charge may be grouped together to qualify for the reduced sales charge under the Rights of Accumulation Program or Letter of Intent:

- Individual accounts
- Joint tenant with rights of survivorship accounts
- Uniform gift to minor accounts (“UGTMA”)
- Trust accounts
- Estate accounts
- Guardian/Conservator accounts
- IRA accounts, including Traditional, Roth, SEP, SIMPLE and 403(b)(7) custodial accounts
- Coverdell Education Savings Accounts

Rights of Accumulation Program. Under the Rights of Accumulation Program, you may qualify for a reduced sales charge by aggregating all of your investments held in a Qualified Account. You or your dealer must notify Touchstone at the time of purchase that a purchase qualifies for a reduced sales charge under the Rights of Accumulation Program and must provide either a list of account numbers or copies of account statements verifying your qualification. If your shares are held directly in a Touchstone Fund or through a dealer, you may combine the historical cost or current NAV (whichever is higher) of your existing Class A shares of any Touchstone Fund sold with a front-end sales charge with the amount of your current purchase in order to take advantage of the reduced sales charge. Historical cost is the price you actually paid for the shares you own, plus your reinvested dividends and capital gains. If you are using historical cost to qualify for a reduced sales charge, you should retain any records to substantiate your historical costs since the Fund, its transfer agent or your broker-dealer may not maintain this information.

If your shares are held through financial intermediaries and/or in a retirement account (such as a 401(k) or employee benefit plan), you may combine the current NAV of your existing Class A shares of any Touchstone Fund sold with a front-end sales charge with the amount of your current purchase in order to take advantage of the reduced sales charge. You or your financial intermediary must notify Touchstone at the time of purchase that a purchase qualifies for a reduced sales charge under the Rights of Accumulation Program and must provide copies of account statements dated within three months of your current purchase verifying your qualification.

Upon receipt of the above referenced supporting documentation, Touchstone will calculate the combined value of all of the Qualified Purchaser’s Qualified Accounts to determine if the current purchase is eligible for a reduced sales charge. Purchases made for nominee or street name accounts (securities held in the name of a dealer or another nominee such as a bank trust department instead of the customer) may not be aggregated with purchases for other accounts and may not be aggregated with other nominee or street name accounts unless otherwise qualified as described above.

Letter of Intent. If you plan to invest at least \$50,000 (excluding any reinvestment of dividends and capital gains distributions) during the next 13 months in Class A shares of any Touchstone Fund sold with a front-end sales charge, you may qualify for a reduced sales charge by completing the Letter of Intent section of your account application. A Letter of Intent indicates your intent to purchase at least \$50,000 in Class A shares of any Touchstone Fund sold with a front-end sales charge over the next 13 months in exchange for a reduced

sales charge indicated on the above chart. The minimum initial investment under a Letter of Intent is \$10,000. You are not obligated to purchase additional shares if you complete a Letter of Intent. However, if you do not buy enough shares to qualify for the projected level of sales charge by the end of the 13-month period (or when you sell your shares, if earlier), your sales charge will be recalculated to reflect your actual purchase level. During the term of the Letter of Intent, shares representing 5% of your intended purchase will be held in escrow. If you do not purchase enough shares during the 13-month period to qualify for the projected reduced sales charge, the additional sales charge will be deducted from your escrow account. If you have purchased Class A shares of any Touchstone Fund sold with a front-end sales charge within 90 days prior to signing a Letter of Intent, they may be included as part of your intended purchase. You must provide either a list of account numbers or copies of account statements verifying your purchases within the past 90 days.

Other Information. Information about sales charges and breakpoints is also available in a clear and prominent format on the touchstoneinvestments.com website. You can access this information by selecting “Sales Charges and Breakpoints” under the “Pricing and Performance” link. For more information about qualifying for a reduced or waived sales charge, contact your financial advisor or contact Touchstone at 1.800.543.0407.

Class C Shares

Because in most cases it is more advantageous to purchase Class A shares for amounts of \$1 million or more, a request to purchase Class C shares for \$1 million or more will be considered as a purchase request for Class A shares or declined. Class C shares of the Funds are sold at NAV without an initial sales charge so that the full amount of your purchase payment may be immediately invested in the Funds. Class C shares are subject to a 12b-1 fee. A CDSC of 1.00% will be charged on Class C shares redeemed within 1 year after you purchased them.

12b-1 Distribution Plans. Each Fund offering Class A and Class C shares has adopted a distribution plan under Rule 12b-1 of the 1940 Act. The plans allow each Fund to pay distribution and other fees for the sale and distribution of its shares and for services provided to shareholders. Under the Class A plan, the Funds pay an annual fee of up to 0.25% of average daily net assets that are attributable to Class A shares. Under the Class C plan, the Funds pay an annual fee of up to 1.00% of average daily net assets that are attributable to Class C shares (of which up to 0.75% is a distribution fee and up to 0.25% is a shareholder servicing fee). Because these fees are paid out of a Fund's assets on an ongoing basis, they will increase the cost of your investment and over time may cost you more than paying other types of sales charges.

Dealer Compensation. Touchstone, the Trust's principal underwriter, at its expense (from a designated percentage of its income) currently provides additional compensation to certain dealers. Touchstone pursues a focused distribution strategy with a limited number of dealers who have sold shares of a Fund or other Touchstone Funds. Touchstone reviews and makes changes to the focused distribution strategy on a continual basis. These payments are generally based on a pro rata share of a dealer's sales. Touchstone may also provide compensation in connection with conferences, sales or training programs for employees, seminars for the public, advertising and other dealer-sponsored programs. Touchstone Advisors, at its expense, may also provide additional compensation to certain affiliated and unaffiliated dealers, financial intermediaries or service providers for distribution, administrative and/or shareholder servicing activities. Touchstone Advisors may also reimburse Touchstone for making these payments.

Choosing the Appropriate Investments to Match Your Goals. Investing well requires a plan. We recommend that you meet with your financial advisor to plan a strategy that will best meet your financial goals.

Purchasing Your Shares

Please read this Prospectus carefully and then determine how much you want to invest. You may purchase shares of the Funds directly from Touchstone or through your financial advisor. In any event, you must complete an investment application. You can obtain an investment application from Touchstone, your financial advisor, or by visiting our website at touchstoneinvestments.com. Check below to find the minimum investment requirements and ways to purchase shares in the Funds.

For more information about how to purchase shares, call Touchstone at 1.800.543.0407.

⚠ Investor Alert: Each Touchstone Fund reserves the right to restrict or reject any purchase request, including exchanges from other Touchstone Funds, that it regards as disruptive to efficient portfolio management. For example, a purchase request could be rejected because of the timing of the investment or because of a history of excessive trading by the investor. (See “Market Timing Policy” in this Prospectus.)

Minimum Investment Requirements

	Initial Investment	Additional Investment
Regular Account	\$ 2,500	\$ 50
Retirement Account or Custodial Account under the Uniform Gifts/Transfers to Minors Act (“UGTMA”)	\$ 1,000	\$ 50
Investments through the Automatic Investment Plan	\$ 100	\$ 50

⚠ Investor Alert: Touchstone may change these initial and additional investment minimums at any time.

Opening an Account

Important Information About Procedures for Opening an Account

Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, residential address, date of birth, government identification number and other information that will allow us to identify you. We may also ask to see your driver’s license or other identifying documents. If we do not receive these required pieces of information, there may be a delay in processing your investment request, which could subject your investment to market risk. If we are unable to immediately verify your identity, the Fund may restrict further investment until your identity is verified. However, if we are unable to verify your identity, the Fund reserves the right to close your account without notice and return your investment to you at the price determined at the end of business (usually 4:00 p.m. eastern time (“ET”)), on the day that your account is closed. If we close your account because we are unable to verify your identity, your investment will be subject to market fluctuation, which could result in a loss of a portion of your principal investment.

Investing in the Funds

By mail or through your financial advisor

- Please make your check (drawn on a U.S. bank and payable in U.S. dollars) payable to the Touchstone Funds. We do not accept third party checks for initial investments.
- Send your check with the completed investment application by regular mail to Touchstone, P.O. Box 5354, Cincinnati, Ohio 45201-5354, or by overnight mail to Touchstone, c/o JPMorgan Chase Bank, N.A., 303 Broadway, Suite 900, Cincinnati, Ohio 45202-4203.

- Your application will be processed subject to your check clearing. If your check is returned for insufficient funds or uncollected funds, you may be charged a fee and you will be responsible for any resulting loss to the Fund.
- You may also open an account through your financial advisor.

By exchange

- Class A shares may be exchanged into any other Touchstone Class A Fund at NAV and may be exchanged into any Touchstone money market fund, except the Institutional Money Market Fund and the Ohio Tax-Free Money Market Fund Institutional Class.
- Class C shares may be exchanged into any other Touchstone Class C Funds and may be exchanged into any Touchstone money market fund, except the Institutional Money Market Fund and the Ohio Tax-Free Money Market Fund Institutional Class.
- You do not have to pay any exchange fee for your exchange.
- Shares otherwise subject to a CDSC will not be charged a CDSC in an exchange. However, when you redeem the shares acquired through the exchange, the shares you redeem may be subject to a CDSC, depending on when you originally purchased the exchanged shares. For purposes of computing the CDSC, the length of time you have owned your shares will be measured from the date of original purchase and will not be affected by any exchange.
- If you exchange Class C shares for Class A shares of any Touchstone money market fund, the amount of time you hold shares of the money market fund will not be added to the holding period of your original shares for the purpose of calculating the CDSC, if you later redeem the exchanged shares. However, if you exchange back into your original Class C shares, the prior holding period of your Class C shares will be added to your current holding period of Class C shares in calculating the CDSC.
- If you purchased Class A shares for \$1 million or more at NAV and compensation was paid to an unaffiliated dealer and you exchange all or a portion of the shares into any Touchstone money market fund within 12 months of the original purchase, the amount of time you hold shares of the money market fund will not be added to the holding period of your original shares for the purpose of calculating the CDSC, if you later redeem the exchanged shares. However if you exchange back into Class A shares, the prior holding period of your Class A shares will be added to your current holding period of Class A shares in calculating the CDSC.
- You should carefully review the disclosure provided in the Prospectus relating to the exchanged-for shares before making an exchange of your Fund shares.

Through retirement plans

You may invest in the Funds through various retirement plans. These include individual retirement plans and employer sponsored retirement plans.

Individual Retirement Plans

- Traditional Individual Retirement Accounts (“IRAs”)
- Savings Incentive Match Plan for Employees (“SIMPLE IRAs”)
- Spousal IRAs
- Roth Individual Retirement Accounts (“Roth IRAs”)

- Coverdell Education Savings Accounts (“Education IRAs”)
- Simplified Employee Pension Plans (“SEP IRAs”)
- 403(b)(7) Custodial Accounts

Employer Sponsored Retirement Plans

- Defined benefit plans
- Defined contribution plans (including 401(k) plans, profit sharing plans and money purchase plans)
- 457 plans

☛ Special Tax Consideration

To determine which type of retirement plan is appropriate for you, please contact your tax advisor.

For further information about any of the plans, agreements, applications and annual fees, contact Touchstone at 1.800.543.0407 or contact your financial advisor.

Through a processing organization

You may also purchase shares of the Funds through a “processing organization,” (e.g., a mutual fund supermarket) which is a broker-dealer, bank or other financial institution that purchases shares for its customers. Some of the Touchstone Funds have authorized certain processing organizations (“Authorized Processing Organizations”) to receive purchase and sales orders on their behalf. Before investing in the Funds through a processing organization, you should read any materials provided by the processing organization together with this Prospectus. You should also ask the processing organization if they are authorized by Touchstone to receive purchase and sales orders on their behalf. If the processing organization is not authorized, then there could be a delay as to when the purchase or sales order is received for processing. When shares are purchased this way, there may be various differences. The Authorized Processing Organization may:

- Charge a fee for its services
 - Act as the shareholder of record of the shares
 - Set different minimum initial and additional investment requirements
 - Impose other charges and restrictions
 - Designate intermediaries to accept purchase and sales orders on the Funds’ behalf
- Touchstone considers a purchase or sales order as received when an authorized processing organization, or its authorized designee, receives the order in proper form. These orders will be priced based on the Fund’s NAV (or offering price, if applicable) next computed after such order is received in proper form. A purchase or sales order transmitted through an entity that is not an Authorized Processing Organization may affect the effective date of your transaction.
 - Shares held through a processing organization may be transferred into your name following procedures established by your processing organization and Touchstone. Certain processing organizations may receive compensation from the Funds, Touchstone, Touchstone Advisors or their affiliates.
 - It is the responsibility of the processing organization to transmit properly completed orders so that they will be received by Touchstone in a timely manner.

Pricing of Purchases

We price direct purchases in the Funds based upon the next determined public offering price (NAV plus any applicable sales charge) after your order is received. Direct purchase orders received by Touchstone, or an Authorized Processing Organization, by the close of the regular session of trading on the New York Stock Exchange (“NYSE”), generally 4:00 p.m. ET, are processed at that day’s public offering price. Direct purchase orders received by Touchstone, or an Authorized Processing Organization, after the close of the regular session of trading on the NYSE, generally 4:00 p.m. ET, are processed at the public offering price next determined on the following business day. It is the responsibility of Touchstone’s Authorized Processing Organization to transmit orders that will be received by Touchstone in proper form and in a timely manner.

Adding to Your Account

By check

- Complete the investment form provided at the bottom of a recent account statement.
- Make your check (drawn on a U.S. bank and payable in U.S. dollars) payable to the Touchstone Funds
- Write your account number on the check.
- Either: (1) Mail the check with the investment form to Touchstone; or (2) Mail the check directly to your financial advisor at the address printed on your account statement. Your financial advisor is responsible for forwarding payment promptly to Touchstone.
- If your check is returned for insufficient funds or uncollected funds, you may be charged a fee and you will be responsible for any resulting loss to the Fund.

By wire

- Contact Touchstone or your financial advisor for further instructions.
- Contact your bank and ask it to wire federal funds to Touchstone. Specify your name and account number when remitting the funds.
- Your bank may charge a fee for handling wire transfers.
- Purchases in the Funds will be processed at that day’s NAV (or public offering price, if applicable) if Touchstone receives a properly executed wire by the close of the regular session of trading on the NYSE, generally 4:00 p.m. ET, on a day when the NYSE is open for regular trading.

By exchange

- You may add to your account by exchanging shares from another Touchstone Fund.
- For information about how to exchange shares among the Touchstone Funds, see “Opening an Account – By exchange” in this Prospectus.

Purchases with Securities

- Shares may be purchased by tendering payment in-kind in the form of marketable securities, including but not limited to, shares of common stock, provided the acquisition of such securities is consistent with the applicable Fund’s investment goal and is otherwise acceptable to Touchstone Advisors.

Automatic Investment Options

The various ways that you can automatically invest in the Funds are outlined below. Touchstone does not charge any fees for these services. For further details about these services, call Touchstone at 1.800.543.0407.

Automatic Investment Plan. You can pre-authorize monthly investments in a Fund of \$50 or more to be processed electronically from a checking or savings account. You will need to complete the appropriate section in the investment application to do this. Amounts that are automatically invested in a Fund will not be available for redemption until three business days after the automatic reinvestment.

Reinvestment/Cross Reinvestment. Dividends and capital gains can be automatically reinvested in the Fund that pays them or in another Touchstone Fund within the same class of shares without a fee or sales charge. Dividends and capital gains will be reinvested in the Fund that pays them, unless you indicate otherwise on your investment application. You may also choose to have your dividends or capital gains paid to you in cash. If you elect to receive dividends and distributions in cash and the payment (1) is returned and marked as “undeliverable” or (2) is not cashed for six months, your cash election will be changed automatically and future dividends will be reinvested in the Fund at the per share net asset value determined as of the date of payment. In addition, any undeliverable checks or checks that are not cashed for six months will be cancelled and then reinvested in the Fund at the per share net asset value determined as of the date of cancellation.

Direct Deposit Purchase Plan. You may automatically invest Social Security checks, private payroll checks, pension pay outs or any other pre-authorized government or private recurring payments in our Funds.

Dollar Cost Averaging. Our dollar cost averaging program allows you to diversify your investments by investing the same amount on a regular basis. You can set up periodic automatic exchanges of at least \$50 from one Touchstone Fund to any other. The applicable sales charge, if any, will be assessed.

Selling Your Shares

You may sell some or all of your shares on any day that the Fund calculates its NAV. If your request is received by Touchstone, or an Authorized Processing Organization, in proper form by the close of regular trading on the NYSE (usually 4:00 p.m. ET), you will receive a price based on that day's NAV for the shares you sell. Otherwise, the price you receive will be based on the NAV that is next calculated.

By telephone

- You can sell or exchange your shares over the telephone, unless you have specifically declined this option. If you do not wish to have this ability, you must mark the appropriate section of the investment application. You may only sell shares over the telephone if the amount is less than \$100,000.
- To sell your Fund shares by telephone, call Touchstone at 1.800.543.0407.
- Shares held in IRA accounts and qualified retirement plans cannot be sold by telephone.
- If we receive your sale request by the close of the regular session of trading on the NYSE, generally 4:00 p.m. ET, on a day when the NYSE is open for regular trading, the sale of your shares will be processed at the next determined NAV on that day. Otherwise it will occur on the next business day.
- Interruptions in telephone service could prevent you from selling your shares by telephone when you want to. When you have difficulty making telephone sales, you should mail to Touchstone (or send by overnight delivery), a written request for the sale of your shares.

- In order to protect your investment assets, Touchstone will only follow instructions received by telephone that it reasonably believes to be genuine. However, there is no guarantee that the instructions relied upon will always be genuine and Touchstone will not be liable, in those cases. Touchstone has certain procedures to confirm that telephone instructions are genuine. If it does not follow such procedures in a particular case, it may be liable for any losses due to unauthorized or fraudulent instructions. Some of these procedures may include:
 - Requiring personal identification
 - Making checks payable only to the owner(s) of the account shown on Touchstone's records
 - Mailing checks only to the account address shown on Touchstone's records
 - Directing wires only to the bank account shown on Touchstone's records
 - Providing written confirmation for transactions requested by telephone
 - Digitally recording instructions received by telephone

By mail

- Write to Touchstone.
- Indicate the number of shares or dollar amount to be sold.
- Include your name and account number.
- Sign your request exactly as your name appears on your investment application.
- You may be required to have your signature guaranteed (See "Signature Guarantees" in this Prospectus for more information).

By wire

- Complete the appropriate information on the investment application.
- You may be charged a fee by the Fund or Fund's Authorized Processing Organization for wiring redemption proceeds. You may also be charged a fee by your bank.
- Redemption proceeds will only be wired to a commercial bank or brokerage firm in the United States.
- Your redemption proceeds may be deposited without a charge directly into your bank account through an ACH transaction. Contact Touchstone for more information.

Through a systematic withdrawal plan

- You may elect to receive, or send to a third party, withdrawals of \$50 or more if your account value is at least \$5,000.
- Withdrawals can be made monthly, quarterly, semiannually or annually.
- There is no fee for this service.
- There is no minimum account balance required for retirement plans.

☛ Special Tax Consideration

Systematic withdrawals may result in the sale of your shares at a loss or may result in taxable investment gains.

Through your financial advisor or processing organization

- You may also sell shares by contacting your financial advisor or processing organization, which may charge you a fee for this service. Shares held in street name must be sold through your financial advisor or, if applicable, the processing organization.
- Your financial advisor or processing organization is responsible for making sure that sale requests are transmitted to Touchstone in proper form and in a timely manner.

☛ Special Tax Consideration

Selling your shares may cause you to incur a taxable gain or loss.

⚠ **Investor Alert:** Unless otherwise specified, proceeds will be sent to the record owner at the address shown on Touchstone's records.

Contingent Deferred Sales Charge ("CDSC")

If you purchase \$1 million or more Class A shares at NAV, a CDSC of 1.00% may be charged on redemptions made within 1 year of your purchase. If you redeem Class C shares within 1 year of your purchase, a CDSC of 1.00% will be charged.

The CDSC will not apply to redemptions of shares you received through reinvested dividends or capital gains distributions and may be waived under certain circumstances described below. The CDSC will be assessed on the lesser of your shares' NAV at the time of redemption or the time of purchase. The CDSC is paid to Touchstone to reimburse expenses incurred in providing distribution-related services to the Funds.

No CDSC is applied if:

- The redemption is due to the death or post-purchase disability of a shareholder
- The redemption is from a systematic withdrawal plan and represents no more than 10% of your annual account value
- The redemption is a benefit payment made from a qualified retirement plan, unless the redemption is due to termination of the plan or transfer of the plan to another financial institution
- The redemption is for a mandatory withdrawal from a traditional IRA account after age 70 1/2

When we determine whether a CDSC is payable on a redemption, we assume that:

- The redemption is made first from amounts not subject to a CDSC; then
- From the earliest purchase payment(s) that remain invested in the Fund

The above mentioned CDSC waivers do not apply to redemptions made within one year for purchases of \$1 million or more in Class A shares of the Touchstone Funds where a commission was paid by Touchstone to a participating unaffiliated broker dealer.

The SAI contains further details about the CDSC and the conditions for waiving the CDSC.

Signature Guarantees

Some circumstances require that your request to sell shares be made in writing accompanied by an original Medallion Signature Guarantee. A Medallion Signature Guarantee helps protect you against fraud. You can obtain one from most banks or securities dealers, but not from a notary public. Some circumstances that may require an original Medallion Signature Guarantee include:

- Proceeds from the sale of shares of \$100,000 or more
- Proceeds to be paid when information on your account has been changed within the last 30 days (including a change in your name or your address, or the name or address of a payee)
- Proceeds are being sent to an address other than the address of record
- Proceeds or shares are being sent/transferred from unlike registrations such as a joint account to an individual's account
- Sending proceeds via wire or ACH when bank instructions have been added or changed within 30 days of your redemption request
- Proceeds or shares are being sent/transferred between accounts with different account registrations

Market Timing Policy

Market timing or excessive trading in accounts that you own or control may disrupt portfolio investment strategies, may increase brokerage and administrative costs, and may negatively impact investment returns for all shareholders, including long-term shareholders who do not generate these costs. The Funds will take reasonable steps to discourage excessive short-term trading and will not knowingly accommodate frequent purchases and redemptions of Fund shares by shareholders. The Board of Trustees has adopted the following policies and procedures with respect to market timing of the Funds by shareholders. The Funds will monitor selected trades on a daily basis in an effort to deter excessive short-term trading. If a Fund has reason to believe that a shareholder has engaged in excessive short-term trading, the Fund may ask the shareholder to stop such activities or restrict or refuse to process purchases or exchanges in the shareholder's accounts. While a Fund cannot assure the prevention of all excessive trading and market timing, by making these judgments the Fund believes it is acting in a manner that is in the best interests of its shareholders. However, because the Funds cannot prevent all market timing, shareholders may be subject to the risks described above.

Generally, a shareholder may be considered a market timer if he or she has (i) requested an exchange or redemption out of any of the Touchstone Funds within 2 weeks of an earlier purchase or exchange request out of any Touchstone Fund, or (ii) made more than 2 "round-trip" exchanges within a rolling 90 day period. A "round-trip" exchange occurs when a shareholder exchanges from one Touchstone Fund to another Touchstone Fund and back to the original Touchstone Fund. If a shareholder exceeds these limits, the Funds may restrict or suspend that shareholder's exchange privileges and subsequent exchange requests during the suspension will not be processed. The Funds may also restrict or refuse to process purchases by the shareholder. These policies and procedures generally do not apply to purchases and redemptions of Money Market Funds (except in the case of an exchange request into a Touchstone non-money market fund), exchanges between Money Market Funds and systematic purchases and redemptions.

Financial intermediaries (such as investment advisors and broker-dealers) often establish omnibus accounts in the Funds for their customers through which transactions are placed. In accordance with Rule 22c-2 under the Investment Company Act of 1940, the Funds have entered into information sharing agreements with certain

financial intermediaries. Under these agreements, a financial intermediary is obligated to: (1) enforce during the term of the agreement, the Funds' market-timing policy; (2) furnish the Funds, upon their request, with information regarding customer trading activities in shares of the Funds; and (3) enforce the Funds' market-timing policy with respect to customers identified by the Funds as having engaged in market timing. When information regarding transactions in the Funds' shares is requested by a Fund and such information is in the possession of a person that is itself a financial intermediary to a financial intermediary (an "indirect intermediary"), any financial intermediary with whom the Funds have an information sharing agreement is obligated to obtain transaction information from the indirect intermediary or, if directed by the Funds, to restrict or prohibit the indirect intermediary from purchasing shares of the Funds on behalf of other persons.

The Funds apply these policies and procedures uniformly to all shareholders believed to be engaged in market timing or excessive trading. The Funds have no arrangements to permit any investor to trade frequently in shares of the Funds, nor will they enter into any such arrangements in the future.

Householding Policy

The Funds will send one copy of prospectuses and shareholder reports to households containing multiple shareholders with the same last name. This process, known as "householding," reduces costs and provides a convenience to shareholders. If you share the same last name and address with another shareholder and you prefer to receive separate prospectuses and shareholder reports, call Touchstone at 1.800.543.0407 and we will begin separate mailings to you within 30 days of your request. If you or others in your household invest in the Funds through a broker or other financial institution, you may receive separate prospectuses and shareholder reports, regardless of whether or not you have consented to householding on your investment application.

Receiving Sale Proceeds

Touchstone will forward the proceeds of your sale to you (or to your financial advisor or processing organization) within 7 days (normally within 3 business days) after receipt of a proper request.

Proceeds Sent to Financial Advisors or Processing Organizations. Proceeds that are sent to your financial advisor or processing organization will not usually be reinvested for you unless you provide specific instructions to do so. Therefore, the financial advisor or processing organization may benefit from the use of your money.

Fund Shares Purchased by Check. We may delay mailing your redemption proceeds for shares you recently purchased by check until your check clears, which may take up to 15 days. If you need your money sooner, you should purchase shares by bank wire.

Reinstatement Privilege. You may, within 90 days of redemption, reinvest all or part of your sale proceeds by sending a written request and a check to Touchstone. If the redemption proceeds were from the sale of your Class A shares, you can reinvest into Class A shares of any Touchstone Fund at NAV. Reinvestment will be at the NAV next calculated after Touchstone receives your request. If the proceeds were from the sale of your Class C shares, you can reinvest those proceeds into Class C shares of any Touchstone Fund. If you paid a CDSC on the reinstated amount, that CDSC will be reimbursed to you upon reinvestment.

☛ Special Tax Consideration

You should contact your tax advisor if you use the Reinstatement Privilege.

Low Account Balances. If your balance falls below the minimum amount required for your account, based on actual amounts you have invested (as opposed to a reduction from market changes), your account may be subject to an annual account maintenance fee or Touchstone may sell your shares and send the proceeds to you.

This involuntary sale does not apply to retirement accounts or custodian accounts under the Uniform Gifts/Transfers to Minors Act (“UGTMA”). Touchstone will notify you if your shares are about to be sold and you will have 30 days to increase your account balance to the minimum amount.

Delay of Payment. It is possible that the payment of your sale proceeds could be postponed or your right to sell your shares could be suspended during certain circumstances. These circumstances can occur:

- When the NYSE is closed on days other than customary weekends and holidays
- When trading on the NYSE is restricted
- When an emergency situation causes a Sub-Advisor to not be reasonably able to dispose of certain securities or to fairly determine the value of a Fund’s net assets
- During any other time when the SEC, by order, permits.

Redemption in Kind. Under unusual circumstances, when the Board of Trustees deems it appropriate, a Fund may make payment for shares redeemed in portfolio securities of the Fund taken at current value. Shareholders may also incur transaction and brokerage costs when they sell the securities.

Pricing of Fund Shares

Each Fund’s share price (also called “NAV”) and offering price (NAV plus a sales charge, if applicable) is determined as of the close of trading (normally 4:00 p.m. ET) every day the NYSE is open. Each Fund calculates its NAV per share, generally using market prices, by dividing the total value of its net assets by the number of shares outstanding. Shares are purchased or sold at the next offering price determined after your purchase or sale order is received in proper form by Touchstone or an Authorized Processing Organization.

The Funds’ equity investments are valued based on market value or, if no market value is available, based on fair value as determined by the Board of Trustees (or under their direction). The Funds may use pricing services to determine market value for investments. Some specific pricing strategies follow:

- All short-term dollar-denominated investments that mature in 60 days or less are valued on the basis of amortized cost.
- Securities mainly traded on a U.S. exchange are valued at the last sale price on that exchange or, if no sales occurred during the day, at the current quoted bid price.

Although investing in foreign securities is not a principal investment strategy of the Funds (except for the International Equity Fund), any foreign securities held by a Fund will be priced as follows:

- All assets and liabilities initially expressed in foreign currency values will be converted into U.S. dollar values.
- Securities mainly traded on a non-U.S. exchange are generally valued according to the preceding closing values on that exchange. However, if an event that may change the value of a security occurs after the time that the closing value on the non-U.S. exchange was determined, the security may be priced based on fair value. This may cause the value of the security on the books of the Fund to be significantly different from the closing value on the non-U.S. exchange and may affect the calculation of the NAV.
- Because portfolio securities that are primarily listed on a non-U.S. exchange may trade on weekends or other days when a Fund does not price its shares, a Fund’s NAV may change on days when shareholders will not be able to buy or sell shares.

Securities held by a Fund that do not have readily available market quotations, or securities for which the available market quotation is not reliable, are priced at their fair value using procedures approved by the Board of Trustees. Any debt securities held by a Fund for which market quotations are not readily available are generally priced at their most recent bid prices as obtained from one or more of the major market makers for such securities. The Funds may use fair value pricing under the following circumstances, among others:

- If the value of a security has been materially affected by events occurring before the Fund's pricing time but after the close of the primary markets on which the security is traded.
- If a security, such as a small cap or micro cap security, is so thinly traded that reliable market quotations are unavailable due to infrequent trading.
- If the exchange on which a portfolio security is principally traded closes early or if trading in a particular portfolio security was halted during the day and did not resume prior to the Fund's NAV calculation.

The use of fair value pricing has the effect of valuing a security based upon the price a Fund might reasonably expect to receive if it sold that security but does not guarantee that the security can be sold at the fair value price. With respect to any portion of a Fund's assets that is invested in other mutual funds, that portion of the Fund's NAV is calculated based on the NAV of that mutual fund. The prospectus for the other mutual fund explains the circumstances and effects of fair value pricing for that fund.

☛ **Special Tax Consideration**

You should consult your tax advisor to address your own tax situation.

Each Fund intends to distribute to its shareholders substantially all of its income and capital gains. The Value Opportunities Fund and the Diversified Small Cap Value Fund distribute their income, if any, quarterly as a dividend to shareholders. The Premium Yield Equity Fund distributes its income monthly as a dividend to shareholders. The Healthcare and Biotechnology Fund, the Mid Cap Fund, the Small Cap Value Opportunities Fund and the International Equity Fund distribute their income annually, if any, as a dividend to shareholders.

The Funds make distributions of capital gains, if any, at least annually. If you own shares on a Fund's record date, you will be entitled to receive the distribution.

You will receive dividends and distributions in the form of additional Fund shares unless you elect to receive payment in cash. To elect cash payment, you must notify the Funds in writing or by phone prior to the date of distribution. Your election will be effective for dividends and distributions paid after we receive your notice. To cancel your election, simply send written notice to Touchstone, P.O. Box 5354, Cincinnati, Ohio 45201-5354, or by overnight mail to Touchstone, c/o JPMorgan Chase Bank, N.A., 303 Broadway, Suite 900, Cincinnati, Ohio 45202-4203, or call Touchstone at 1.800.543.0407.

Tax Information

Distributions. The Funds may make distributions of dividends that may be taxed at different rates depending on the length of time a Fund holds its assets. The dividends and distributions you receive may be subject to federal, state and local taxation, depending upon your tax situation. If so, they are taxable whether or not you reinvest such dividends in additional shares of the Fund or choose to receive cash.

Ordinary Income. Income distributions are generally taxable at ordinary income tax rates except to the extent they are designated as qualified dividend income. Dividends that are qualified dividend income are eligible for the reduced maximum rate to individuals of 15% (0% for individuals in lower tax brackets) to the extent that a Fund receives qualified dividend income. Short-term capital gains that are distributed to you are taxable as ordinary income for federal income tax purposes regardless of how long you have held your Fund shares.

Long-Term Capital Gains. Long-term capital gains distributed to you are taxable as long-term capital gains for federal income tax purposes regardless of how long you have held your Fund shares. The maximum individual tax rate on net long-term capital gains is 15%.

☛ **Special Tax Consideration**

For federal income tax purposes, an exchange of shares is treated as a sale of the shares and a purchase of the shares you receive in exchange. Therefore, you may incur a taxable gain or loss in connection with the exchange.

Backup Withholding. A Fund may be required to withhold U.S. federal income tax on all taxable distributions and sales payable to shareholders who fail to provide their correct taxpayer identification number or to make required certifications, or who have been notified by the Internal Revenue Service that they are subject to backup withholding. The current backup withholding rate is 28%.

Statements and Notices. You will receive an annual statement outlining the tax status of your distributions. You will also receive written notices of certain foreign taxes and distributions paid by the Funds during the prior taxable year.

The financial highlights tables are intended to help you understand each Fund's financial performance for the past 5 years, or if shorter, the period of each Fund's operation. Some of this information reflects financial information for a single Fund share. The total returns in the table represent the rate that you would have earned (or lost) on an investment in a Fund, assuming you reinvested all of your dividends and distributions. The financial highlights for each Fund for the years ended September 30, 2007 and 2006; and for the year ended September 30, 2003 for the Touchstone Healthcare and Biotechnology Fund, were audited by Ernst and Young LLP, an independent registered public accounting firm. The financial highlights for all other periods presented were audited by other independent registered public accountants. The report of Ernst & Young LLP, along with each Fund's financial statements and related notes, appears in the 2007 Annual Report for the Funds. You can obtain the Annual Report, which contains more performance information, at no charge by calling 1.800.543.0407. The Annual Report has been incorporated by reference into our SAI. Financial highlights for the Premium Yield Equity Fund are not included because the Fund had not commenced operations prior to September 30, 2007.

Diversified Small Cap Value Fund – Class A

Per Share Data for a Share Outstanding Throughout the Period

	Period Ended September 30, 2007 ^(A)
Net asset value at beginning of period	\$ 26.95
Income from investment operations:	
Net investment income	0.02
Net realized and unrealized gains on investments	0.38
Total from investment operations	0.40
Distributions from net realized gains	(7.79)
Net asset value at end of period	\$ 19.56
Total return ^(B)	1.68% ^(C)
Net assets at end of period (000s)	\$ 205
Ratio of net expenses to average net assets	1.28% ^(D)
Ratio of gross expenses to average net assets	1.81% ^(D)
Ratio of net investment income to average net assets	0.23% ^(D)
Portfolio turnover rate	79%

^(A) Represents the period from commencement of operations (November 20, 2006) through September 30, 2007.

^(B) Total return shown excludes the effect of applicable sales loads.

^(C) Not annualized.

^(D) Annualized.

Financial Highlights (Continued)

Diversified Small Cap Value Fund – Class C

Per Share Data for a Share Outstanding Throughout the Period

	Period Ended September 30, 2007 ^(A)
Net asset value at beginning of period	\$ 26.95
Income (loss) from investment operations:	
Net investment loss	(0.04)
Net realized and unrealized gains on investments	0.36
Total from investment operations	0.32
Distributions from net realized gains	(7.79)
Net asset value at end of period	\$ 19.48
Total return ^(B)	1.26% ^(C)
Net assets at end of period (000s)	\$ 79
Ratio of net expenses to average net assets	1.86% ^(D)
Ratio of gross expenses to average net assets	1.86% ^(D)
Ratio of net investment loss to average net assets	(0.38%) ^(D)
Portfolio turnover rate	79%

^(A) Represents the period from commencement of operations (November 20, 2006) through September 30, 2007.

^(B) Total return shown excludes the effect of applicable sales loads.

^(C) Not annualized.

^(D) Annualized.

Healthcare and Biotechnology Fund – Class A

Per Share Data for a Share Outstanding Throughout Each Year

	Year Ended September 30,				
	2007	2006	2005	2004	2003
Net asset value at beginning of year	\$ 15.91	\$ 16.13	\$ 13.79	\$ 12.31	\$ 9.83
Income (loss) from investment operations:					
Net investment loss	(0.14)	(0.18)	(0.16)	(0.06)	(0.11)
Net realized and unrealized gains on investments	3.10	0.40	3.02	1.55	2.59
Total from investment operations	2.96	0.22	2.86	1.49	2.48
Distributions from net realized gains	(0.59)	(0.44)	(0.52)	(0.01)	—
Net asset value at end of year	\$ 18.28	\$ 15.91	\$ 16.13	\$ 13.79	\$ 12.31
Total return ^(A)	19.25%	1.37%	21.10%	12.12%	25.23%
Net assets at end of year (000's)	\$ 53,295	\$ 55,120	\$ 59,742	\$ 35,371	\$ 14,853
Ratio of net expenses to average net assets	1.67%	1.85% ^(B)	1.88%	1.61%	1.47%
Ratio of gross expenses to average net assets	1.80%	1.85%	1.88%	1.84%	1.63%
Ratio of net investment loss to average net assets	(0.63%)	(0.99%)	(1.35%)	(1.10%)	(1.16%)
Portfolio turnover rate	156%	158%	169%	163%	274%

^(A) Total returns shown exclude the effect of applicable sales loads.

^(B) The ratio of net expenses to average net assets excludes the effect of fees paid indirectly. If these expense offsets were included, the ratio would have been 1.84%.

Healthcare and Biotechnology Fund – Class C

Per Share Data for a Share Outstanding Throughout the Period

	Period Ended September 30, 2007 ^(A)
Net asset value at beginning of period	\$ 15.98
Income (loss) from investment operations:	
Net investment loss	(0.03)
Net realized and unrealized gains on investments	2.83
Total from investment operations	2.80
Distributions from net realized gains	(0.59)
Net asset value at end of period	\$ 18.19
Total return ^(B)	18.15% ^(C)
Net assets at end of period (000s)	\$ 1,396
Ratio of net expenses to average net assets	2.23% ^(D)
Ratio of gross expenses to average net assets	2.28% ^(D)
Ratio of net investment loss to average net assets	(1.27%) ^(D)
Portfolio turnover rate	156%

^(A) Represents the period from commencement of operations (November 20, 2006) through September 30, 2007.

^(B) Total return shown excludes the effect of applicable sales loads.

^(C) Not annualized.

^(D) Annualized.

Financial Highlights (Continued)

International Equity Fund – Class A

Per Share Data for a Share Outstanding Throughout Each Period

	Year Ended September 30,				Year Ended October 31,	
	2007	2006	2005	2004 ^(A)	2003	2002
Net asset value at beginning of period	\$ 10.14	\$ 8.75	\$ 7.06	\$ 6.47	\$ 5.23	\$ 6.19
Income (loss) from investment operations:						
Net investment income	0.12	0.10 ^(B)	0.07	0.05	0.06	0.04
Net realized and unrealized gains (losses) on investments	2.45	1.41 ^(B)	1.64	0.71	1.21	(0.94)
Total from investment operations	2.57	1.51	1.71	0.76	1.27	(0.90)
Less distributions:						
Dividends from net investment income	(0.13)	(0.12)	(0.02)	(0.17)	(0.03)	(0.06)
Distributions from net realized gains	(0.45)	—	—	—	—	—
Total distributions	(0.58)	(0.12)	(0.02)	(0.17)	(0.03)	(0.06)
Net asset value at end of period	\$ 12.13	\$ 10.14	\$ 8.75	\$ 7.06	\$ 6.47	\$ 5.23
Total return ^(C)	26.22%	17.42%	24.19%	11.97% ^(D)	24.40%	(14.68%)
Net assets at end of period (000's)	\$ 154,623	\$ 151,336	\$ 127,929	\$ 107,001	\$ 97,817	\$ 83,513
Ratio of net expenses to average net assets	1.45%	1.41%	1.44%	1.35% ^(E)	1.30%	1.32%
Ratio of gross expenses to average net assets	1.83%	1.64%	1.64%	1.60% ^(E)	1.60%	1.48%
Ratio of net investment income to average net assets	1.11%	1.09%	0.80%	0.90% ^(E)	1.15%	0.63%
Portfolio turnover rate	61%	140%	53%	62% ^(E)	128%	69%

^(A) For the eleven-month period ended September 30, 2004, The Fund changed its fiscal year end from October 31 to September 30.

^(B) Per share data calculated using average shares method.

^(C) Total returns shown exclude the effect of applicable sales loads.

^(D) Not annualized.

^(E) Annualized.

International Equity Fund – Class C

Per Share Data for a Share Outstanding Throughout the Period

	Period Ended September 30, 2007 ^(A)
Net asset value at beginning of period	\$ 10.56
Income from investment operations:	
Net investment income	0.17
Net realized and unrealized gains on investments	1.92
Total from investment operations	2.09
Less distributions:	
Dividends from net investment income	(0.13)
Distributions from net realized gains	(0.45)
Total distributions	(0.58)
Net asset value at end of period	\$ 12.07
Total return ^(B)	20.54% ^(C)
Net assets at end of period (000s)	\$ 740
Ratio of net expenses to average net assets	2.19% ^(D)
Ratio of gross expenses to average net assets	2.49% ^(D)
Ratio of net investment income to average net assets	0.89% ^(D)
Portfolio turnover rate	61%

^(A) Represents the period from commencement of operations (November 20, 2006) through September 30, 2007.

^(B) Total return shown excludes the effect of applicable sales loads.

^(C) Not annualized.

^(D) Annualized.

Mid Cap Fund – Class A

Per Share Data for a Share Outstanding Throughout the Period

	Period Ended September 30, 2007 ^(A)
Net asset value at beginning of period	\$ 18.14
Loss from investment operations:	
Net investment loss	(0.00) ^(B)
Net realized and unrealized losses on investments	(0.28)
Total from investment operations	(0.28)
Net asset value at end of period	\$ 17.86
Total return ^(C)	(1.54%) ^(D)
Net assets at end of period (000s)	\$ 210
Ratio of net expenses to average net assets	0.94% ^(E)
Ratio of gross expenses to average net assets	14.21% ^(E)
Ratio of net investment loss to average net assets	(0.09%) ^(E)
Portfolio turnover rate	193%

^(A) Represents the period from commencement of operations (May 14, 2007) through September 30, 2007.

^(B) Amount rounds to less than \$0.01 per share.

^(C) Total return shown excludes the effect of applicable sales loads.

^(D) Not annualized.

^(E) Annualized.

Financial Highlights (Continued)

Mid Cap Fund – Class C

Per Share Data for a Share Outstanding Throughout the Period

	Period Ended September 30, 2007 ^(A)
Net asset value at beginning of period	\$ 18.14
Loss from investment operations:	
Net investment loss	(0.02)
Net realized and unrealized losses on investments	(0.28)
Total from investment operations	(0.30)
Net asset value at end of period	\$ 17.84
Total return ^(B)	(1.65%) ^(C)
Net assets at end of period (000s)	\$ 36
Ratio of net expenses to average net assets	1.35% ^(D)
Ratio of gross expenses to average net assets	28.68% ^(D)
Ratio of net investment loss to average net assets	(0.51%) ^(D)
Portfolio turnover rate	193%

^(A) Represents the period from commencement of operations (May 14, 2007) through September 30, 2007.

^(B) Total return shown excludes the effect of applicable sales loads.

^(C) Not annualized.

^(D) Annualized.

Small Cap Value Opportunities Fund – Class A

Per Share Data for a Share Outstanding Throughout the Period

	Period Ended September 30, 2007 ^(A)
Net asset value at beginning of period	\$ 21.55
Loss from investment operations:	
Net investment loss	(0.00) ^(B)
Net realized and unrealized losses on investments	(1.07)
Total from investment operations	(1.07)
Net asset value at end of period	\$ 20.48
Total return ^(C)	(4.97%) ^(D)
Net assets at end of period (000s)	\$ 8
Ratio of net expenses to average net assets	1.49% ^(E)
Ratio of gross expenses to average net assets	72.28% ^(E)
Ratio of net investment loss to average net assets	(0.11%) ^(E)
Portfolio turnover rate	127%

^(A) Represents the period from commencement of operations (July 23, 2007) through September 30, 2007.

^(B) Amount rounds to less than \$0.01 per share.

^(C) Total return shown excludes the effect of applicable sales loads.

^(D) Not annualized.

^(E) Annualized.

Small Cap Value Opportunities Fund – Class C

Per Share Data for a Share Outstanding Throughout the Period

	Period Ended September 30, 2007 ^(A)
Net asset value at beginning of period	\$ 21.55
Loss from investment operations:	
Net investment loss	(0.02)
Net realized and unrealized losses on investments	(1.06)
Total from investment operations	(1.08)
Net asset value at end of period	\$ 20.47
Total return ^(B)	(5.01%) ^(C)
Net assets at end of period (000s)	\$ 81
Ratio of net expenses to average net assets	2.09% ^(D)
Ratio of gross expenses to average net assets	2.37% ^(D)
Ratio of net investment loss to average net assets	(0.69%) ^(D)
Portfolio turnover rate	127%

^(A) Represents the period from commencement of operations (July 23, 2007) through September 30, 2007.

^(B) Total return shown excludes the effect of applicable sales loads.

^(C) Not annualized.

^(D) Annualized.

Value Opportunities Fund – Class A

Per Share Data for a Share Outstanding Throughout the Period

	Period Ended September 30, 2007 ^(A)
Net asset value at beginning of period	\$ 19.51
Income from investment operations:	
Net investment income	0.09
Net realized and unrealized gains on investments	1.95
Total from investment operations	2.04
Less distributions:	
Dividends from net investment income	(0.12)
Distributions from net realized gains	(3.58)
Total distributions	(3.70)
Net asset value at end of period	\$ 17.85
Total return ^(B)	11.90% ^(C)
Net assets at end of period (000s)	\$ 472
Ratio of net expenses to average net assets	1.31% ^(D)
Ratio of gross expenses to average net assets	1.31% ^(D)
Ratio of net investment income to average net assets	0.77% ^(D)
Portfolio turnover rate	62%

^(A) Represents the period from commencement of operations (November 20, 2006) through September 30, 2007.

^(B) Total return shown excludes the effect of applicable sales loads.

^(C) Not annualized.

^(D) Annualized

Value Opportunities Fund – Class C

Per Share Data for a Share Outstanding Throughout the Period

	Period Ended September 30, 2007 ^(A)
Net asset value at beginning of period	\$ 19.51
Income from investment operations:	
Net investment income	0.05
Net realized and unrealized gains on investments	1.93
Total from investment operations	1.98
Less distributions:	
Dividends from net investment income	(0.10)
Distributions from net realized gains	(3.58)
Total distributions	(3.68)
Net asset value at end of period	\$ 17.81
Total return ^(B)	11.52% ^(C)
Net assets at end of period (000s)	\$ 423
Ratio of net expenses to average net assets	1.86% ^(D)
Ratio of gross expenses to average net assets	1.86% ^(D)
Ratio of net investment income to average net assets	0.20% ^(D)
Portfolio turnover rate	62%

^(A) Represents the period from commencement of operations (November 20, 2006) through September 30, 2007.

^(B) Total return shown excludes the effect of applicable sales loads.

^(C) Not annualized.

^(D) Annualized

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For investors who want more information about the Funds, the following documents are available free upon request:

Statement of Additional Information (“SAI”): The SAI provides more detailed information about the Funds and is legally a part of this Prospectus.

Annual/Semiannual Reports (“Financial Reports”): The Funds’ Financial Reports provide additional information about the Funds’ investments. In the annual report, you will find a discussion of the market conditions and investment strategies that significantly affected a Fund’s performance during its last fiscal year.

You can get free copies of the SAI, the Financial Reports, other information and answers to your questions about the Funds by contacting your financial advisor, or the Funds at:

Touchstone Investments
P.O. Box 5354
Cincinnati, Ohio 45201-5354
1.800.543.0407

The SAI and Financial Reports are also available on the Touchstone Investments website at <http://www.touchstoneinvestments.com>.

Information about the Funds (including the SAI) can be reviewed and copied at the Securities and Exchange Commission’s public reference room in Washington, D.C. You can receive information about the operation of the public reference room by calling the SEC at 1.202.551.8090.

Reports and other information about the Funds are available on the EDGAR database of the SEC’s internet site at <http://www.sec.gov>. For a fee, you can get text-only copies of reports and other information by writing to the Public Reference Section of the SEC, Washington, D.C. 20549-0102, or by sending an e-mail request to: publicinfo@sec.gov.

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