

Fund Manager Commentary

As of December 31, 2020

Fund Highlights

- Pursues its objective by seeking to track the net total return, before fees and expenses, of the TOBAM Anti-Benchmark® International Core Equity Index¹ (the Index)
- The Index is a proprietary rules-based index created by the Fund's sub-advisor, TOBAM S.A.S. (TOBAM) which is designed to create a more diversified portfolio of equity securities of non-U.S. issuers relative to traditional market capitalization weighted benchmarks
- The Index is based on TOBAM's proprietary quantitative model, which selects and weights companies to maximize diversification. TOBAM quantitatively selects securities, subject to certain constraints, that maximize the portfolio's Diversification Ratio®, a patented, proprietary mathematical metric based on the volatility of the Index constituents and their correlation to the other Index constituents. Constraints include a minimum and maximum weight for any given stock. TOBAM's Anti-Benchmark® strategy seeks to avoid the concentration risk that exists in traditional market capitalization-weighted indices through its quantitative approach to diversification. The Index will typically hold approximately 100 to 150 securities. The Index typically is reconstituted (i.e. Index constituents are added or deleted and weights are reset) monthly. The Fund will be rebalanced following the same schedule as the Index
- The Fund intends to fully replicate the Index to achieve its investment objective, meaning the Fund will generally invest in all of the component securities of the Index in the same approximate proportions as the Index
- The equity securities that comprise the Index primarily include common and preferred stock of non-U.S. companies that trade on foreign exchanges. TOBAM may replace the common or preferred stock of a foreign issuer with a depositary receipt when it deems the depositary receipt to be more liquid than the corresponding stock. The Index is comprised of securities of issuers located in developed markets

Market Recap

The fourth quarter of 2020 ended a tumultuous year on a high note. Third quarter U.S. gross domestic product (GDP) data released in October indicated the largest growth rate (33.4 percent annualized) ever recorded while U.S. unemployment continued its decline from 7.9 percent in September to 6.7 percent in November. Despite a hotly contested presidential election and a spike in COVID-19 cases leading to a reimplementing of economic lockdowns, U.S. capital markets continued to climb during the quarter as vaccine trial results gave investors reason for optimism. Outside the U.S., economic growth was relatively benign as GDP growth rates in the European Union (EU), Japan and the U.K. rebounded in the third quarter, but not as strongly as in the U.S. Garnering less investor attention was the official British exit from the EU, also known as Brexit, which occurred at midnight on December 31, ending a long saga of negotiation breakdowns and changes in U.K. political leadership.

Equity markets outside the U.S. outperformed the S&P 500 Index. Developed markets, as measured by the MSCI EAFE Index,

produced strong returns led by Australian, Japanese, and French equities. Emerging market equities, outperformed developed markets and U.S. equities led by Mexican, Brazilian, Russian and Indian equities, in addition to the aforementioned positive currency effect of a weaker U.S. dollar.

Portfolio Review

The Touchstone Anti-Benchmark® International Core Equity Fund (Class Y Share) underperformed its benchmark, the MSCI EAFE Index, for the quarter ended December 31, 2020.

As seen in the broader global universe, the Information Technology sector was the best performer in the EAFE universe as well. However, its impact was not as extreme as that seen in the U.S. and Emerging Markets, as the technology bias is much less pronounced outside the U.S and China, one reason why most European markets ended the year in negative territory. Japan, one of the larger countries in the EAFE universe, does have a large bias

(continued)

Performance data quoted represents past performance, which is no guarantee of future results. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than performance data given. **For performance information current to the most recent month-end, visit [TouchstoneInvestments.com/mutual-funds](https://www.TouchstoneInvestments.com/mutual-funds).**



to the Information Technology sector and appeared to have the COVID-19 situation under greater control than its European counterparts.

Over the fourth quarter, the better-than-expected economic data and “whatever it takes” central bank and fiscal policies, resulted in a rebound in the sectors that had been overly punished earlier in the year, specifically Financials and Energy. The Health Care sector performed well through the sell-off due to anticipated revenues for vaccines and health care related products due to the pandemic. However, the Consumer Staples sector lagged as investors’ euphoria over a potential V-shaped recovery and vaccine relief made them rotate out of defensive stocks.

Outlook and Conclusion

TOBAM’s Anti-Benchmark® strategy does not forecast but simply seeks to maximize diversification. Thus, it does not include fundamental analysis of individual stocks, countries, sectors, economic environments or factors. No discretionary tactical or strategic asset allocation decisions are made with respect to specific regions, sectors or industries. TOBAM’s investment process consists of maximizing diversification from a bottom-up perspective. Securities are bought or sold solely in relation to their potential relative diversification benefits within the portfolio. A security will be completely sold when it no longer provides the most marginal diversification among all available stocks in the universe, and others purchased when they begin to provide more marginal diversification. TOBAM’s patented Anti-Benchmark® approach is designed to avoid explicit and implicit biases in terms of sector, style, market cap and other statistical measures. For this reason, we apply as few constraints as possible and do not rely on any given view or forecast, in order to avoid unwanted systematic exposures. The Fund’s portfolio reflects even risk contributions from all independent effective risk factors in the investment universe, which may include sector and country factors.



Fund Facts (As of 12/31/20)

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio*	
				Total	Net
Y Shares	11/19/18	TYBAX	89155T573	9.11%	0.69%
INST Shares	11/19/18	TIABX	89155T565	0.96%	0.59%
Total Fund Assets	\$40.2 Million				

*Expense ratio is annualized. Data as of the current prospectus. Touchstone Advisors has contractually agreed to waive a portion of its fees and/or reimburse certain Fund expenses in order to limit certain annual fund operating expenses (excluding Acquired Fund Fees and Expenses "AFFE," and other expenses, if any) to 0.69% for Class Y Shares and 0.59% for Class INST Shares. These expense limitations will remain in effect until at least 01/29/22.

Share class availability differs by firm.

Annualized Total Returns** (As of 12/31/20)

Class	4Q20	YTD	1 Year	Inception
Excluding Max Sales Charge				
Y Shares	10.70%	12.46%	12.46%	10.24%
INST Shares	10.71%	12.68%	12.68%	10.38%
Benchmark [^]	16.05%	7.82%	7.82%	11.11%

[^]Benchmark - MSCI EAFE Index¹

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TOBAM's quantitative investment process is supported by extensive proprietary computer code. TOBAM's researchers, software developers, and IT teams follow a structured design, development, testing, change control, and review processes during the development of its systems and the implementation within TOBAM's investment process. However, despite these extensive controls it is possible that errors may occur in coding and within the investment process, as is the case with any complex software or data-driven model, and no guarantee or warranty can be provided that any quantitative investment model is completely free of errors. Any such errors could have a negative impact on investment results.

Touchstone Anti-Benchmark® International Core Equity Fund is distributed by Touchstone Securities, Inc., a registered broker-dealer and member FINRA and SIPC, and advised by Touchstone Advisors, Inc., a registered investment advisor. TOBAM S.A.S. is sub-advisor of the Fund and Solactive AG is a third party calculation agent of the TOBAM Anti-Benchmark® International Core Equity Index. Both TOBAM S.A.S. and Solactive AG are independent of Touchstone Securities, Inc. and Touchstone Advisors, Inc.

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

Not FDIC Insured | No Bank Guarantee | May Lose Value

¹The MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure developed market equity performance excluding the U.S. and Canada.

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The indexes mentioned are unmanaged statistical composites of stock market or bond market performance. Investing in an index is not possible. Unmanaged index returns do not reflect any fees, expenses or sales charges.

A Word About Risk

The Fund invests in equities which are subject to market volatility and loss. The Fund invests in preferred stocks which are relegated below bonds for payment should the issuer be liquidated. If interest rates rise, the fixed dividend on preferred stocks may be less attractive, causing their price to decline. The Fund invests in foreign securities which carry the associated risks of economic and political instability, market liquidity, currency volatility and accounting standards that differ from those of U.S. markets and may offer less protection to investors. Foreign receipts, which include American Depositary Receipts, Global Depositary Receipts, and European Depositary Receipts, are securities that evidence ownership interests in a security or a pool of securities issued by a foreign issuer. The risks of depositary receipts include many risks associated with investing directly in foreign securities. As the Fund is intended to track the Index, portfolio managers do not attempt to take defensive positions under any market conditions, including during declining markets. TOBAM uses proprietary statistical analyses and models to construct the Index, which the Fund seeks to track. A securities portfolio selected using TOBAM's proprietary models can perform differently than the market as a whole as a result of the correlation factors used in the analysis to construct the models, the weight placed on each factor, and changes in the factors' historical trends. As a result, the Fund may be more or less exposed to a risk factor than its individual holdings. Quantitative models are subject to technical issues including programming and data inaccuracies, are based on assumptions, and rely on data that is subject to limitations (e.g., inaccuracies, staleness), any of which could adversely affect their effectiveness or predictive value. The performance of the Fund and its Index may differ from each other for a variety of reasons. The Advisor engages a sub-advisor to make investment decisions for the Fund's portfolio; it may be unable to identify and retain a sub-advisor who achieves superior investment returns relative to other similar sub-advisors. Events affecting the financial markets, such as a health crisis, may at times result in unusually high market volatility, which could negatively impact Fund performance and cause it to experience illiquidity, shareholder redemptions, or other potentially adverse effects.

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