Touchstone International Equity Fund

Sub-Advised by: Fort Washington Investment Advisors, Inc.◊

International Equity – Large-Cap Core 3Q/2023

Fund Manager Commentary

As of September 30, 2023

Fund Highlights

- Invests primarily in common stocks of established companies across the capitalization spectrum, located in or that conduct their business mainly in one or more foreign countries
- Focuses on quality at a reasonable price, beginning with a regular quantitative screening in order to narrow the investable universe
- Analyzes companies based on the following five fundamental factors: business quality, valuation, growth, management and balance sheet strength
- Manages risk through portfolio diversification, by individual issuer, sector and country
- Index-agnostic portfolio construction approach typically results in a concentrated, high-conviction portfolio

Market Recap

The third quarter of 2023 started strong, continuing the bullish momentum from the first half of the year. Investors entered the quarter with the view that interest rates were peaking and that a soft economic landing was increasingly in the cards. However, this optimism started to fade through the summer as concerns over rising U.S. debt issuance weighed on the Treasury market with real rates reaching multi-year highs. The announcement that Saudi Arabia and Russia plan to extend voluntary oil output cuts through the rest of 2023 also spooked the market. By the middle of the quarter, investors' sentiment turned quickly from a soft landing to a higher rates for longer narrative, dragging global equities lower. Overall, most global equity markets finished the third quarter in the red.

International equities outperformed the U.S. stock market while still registering a loss for the quarter. Within international equities, emerging markets slightly edged out their developed market counterparts, although the Japanese and United Kingdom (UK) markets performed relatively well. Japanese equities were helped by continued accommodation by the Bank of Japan and the UK market outperformed due to its relatively large weightings in Energy and Financials, which outperformed in the quarter. In emerging markets, renewed concerns over China's precarious property sector weighed on sentiment, despite a number of new stimulus measures announced over the last several months.

In terms of style, value names fared better than their more expensive growth counterparts did as longer-duration stocks hit by rising interest rates. Cyclicals outperformed defensives in the quarter with Energy and Financials being among the top performers. Energy was the best performing sector and one of the few bright spots in the quarter on surging oil prices, and Financials benefitted from expectations of rising net interest. On the other hand, concerns over the knock-on effects of higher interest rates, lower savings and rising energy prices on consumers' disposable income hit both the Consumer Discretionary and Consumer Staples sectors hard. The Information Technology sector was also under pressure, reversing the frenzy around artificial intelligence during the first half of this year.

U.S. Treasuries declined in the quarter, with yields rising as concerns over a flood of planned government-debt issuance weighed on the market. The U.S. dollar strengthened against major currencies as investors moved into the greenback in search of yield and a safe haven in the face of rising market volatility. Commodities fared well in the quarter, with energy surging amid the extension of oil production cuts from Saudi Arabia and Russia. Industrial metals returned a modest gain but precious metals performed poorly on the back of higher real interest rates.

Portfolio Review

The Touchstone International Equity Fund (Class A Shares) underperformed its benchmark, the MSCI EAFE Index, for the quarter ended September 30, 2023.

From a sector perspective, detractors from relative performance included being underweight the Financials sector, holdings in Industrials, as well as the Fund's gold mining exposure. Energy and Financials sector were the only two sectors to end the quarter higher, with bank stocks particularly well bid thanks to rising net interest margins. Positive contribution to relative performance came from holdings in Consumer Discretionary and Heath Care sectors. Looking at the Fund broken down by geography, the Fund's underweight exposure to the outperforming Japanese market as well as holdings in Ireland and Canada detracted from

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◊ *Fort Washington is a member of Western & Southern Financial Group*

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.***

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relative performance, while holdings in Germany, France and the Netherlands contributed positively. Finally, the Fund's cash position was a positive factor in a down market. As always, given the Fund's concentration and bottom-up approach, it is more meaningful to discuss the drivers of performance attribution from the perspective of individual holdings.

The main detractors from relative performance were Barrick Gold and Agnico Eagle Mines (Canada, Materials sector), Fanuc Corporation (Japan, Industrials sector), Pernod Ricard SA (France, Consumer Staples sector), JCDecaux SE (France, Communication Services sector) and Helios Towers Plc (UK, Communication Services sector).

The Fund's Canada-based gold mining stocks experienced a pullback as gold prices fell for a second quarter in a row. The yellow metal was negatively impacted by rising U.S. bond yields that sent the U.S. dollar higher. Barrick Gold is the Fund's core gold mining exposure and is one of the world's largest gold producers, operating mines in North America, South America, Africa and Australia/Pacific, being a product of the merger with Randgold Resources in 2018. Led by its well-regarded CEO Mark Bristow, the company has among the strongest track records of value creation in the industry. The Fund also holds gold miner Agnico Eagle Mines Limited. Following its merger with Kirkland Lake Gold in early 2022, Agnico Eagle Mines has production in Canada, Australia, Finland and Mexico. We like the company's emphasis on growing per share reserves and production and the lower risk geographical exposure of its assets. Both Barrick Gold and Agnico Eagle Mines have solid balance sheets and a track record of returning cash to shareholders. We continue to think that having exposure to gold makes sense as a hedge against geopolitical risks and a potential financial accident.

Fanuc is the world's leading producer of factory automation equipment and industrial robots. Its share price came under pressure after the Japan-based company reported quarterly results below expectations due to the slowdown in capex in China and an ongoing inventory correction. We believe the structural demand for automation will continue due to rising labor costs and the drive for continual increases in industrial productivity. Having among the highest exposures to the secular growth of automation demand, Fanuc's research and development focused corporate culture has enabled it to consistently maintain leading-edge technologies and earn among the highest margins that we have ever seen from a capital goods company. We also like management's increased focus on returning cash to shareholders.

The economic slump in China also negatively affected the share prices of Pernod Ricard SA and JCDecaux SE, which both have meaningful exposure to the world's second largest economy. Pernod Ricard is one of the largest spirits manufacturers in the world, with a diversified portfolio across spirits categories and a broad regional exposure. Its flagship brands include Martell, Chivas Regal, Absolute, Ballantine's, Jameson and Havana Club, along with many others. The company has a solid balance sheet, leaving room for attractive merger and acquisition opportunities and further shareholder returns. Longer term, we like Pernod's general exposure to the spirits market as it offers some of the highest medium-term growth within the Consumer Staples sector given its strong pricing power and the opportunity for deeper penetration in emerging markets. JCDecaux is the global leader in the highly fragmented outdoor advertising market, with more than 1.1 million advertising panels in over seventy-five countries. The outdoor signs of the French advertising group can be seen across big cities and at transport hubs around the world. Despite the current challenges, JCDecaux has the strongest financial position among its peers and is well positioned to benefit from further consolidation opportunities in its industry. The increasing digitization of the company's advertising panels will help drive top-line growth and improve financial returns over time. Nonetheless, the shares have faded this year following a strong bounce in late 2022 in anticipation of reopening in Europe and China.

The UK-headquartered Helios Towers is a leading independent mobile communications tower company operating across sub-Saharan African markets. The company has significant growth opportunities in the fastest-growing mobile markets in the world, with substantial secular opportunities as mobile penetration increases. The independent tower industry has attractive unit economics, solid operational leverage and long-term contracts providing revenue visibility. While Helios has continued to deliver steady improvement in executing its growth opportunity, its share price underperformed over the past quarter as the communications tower industry and frontier markets exposure, in general, are particularly levered to the higher-for-longer interest rates narrative.

The biggest contributors to relative performance in the quarter were TotalEnergies SE (France, Energy sector), Fresenius SE & Co (Germany, Health Care sector), Scout24 SE (Germany, Communication Services sector), Howden Joinery Group plc (UK, Consumer Discretionary sector) and Michelin SA (France, Consumer Discretionary sector).

TotalEnergies is one of the world's largest integrated energy companies, with upstream oil and gas exploration and production, as well as the low-carbon energy business, plus oil refining, marketing, and chemicals across more than 130 countries. Energy was the top performing sector during the third quarter as oil prices surged sharply. In addition, the French-based company reiterated its balanced strategy between legacy oil and gas and renewables/low-carbon growth. It also raised its shareholder returns policy and cash flow growth targets. As a result, the share price of TotalEnergies outperformed its integrated energy peers on both sides of the Atlantic.

Fresenius is a German-based diversified global healthcare provider with businesses in kidney dialysis, hospital construction and operation, as well as technologies and products for infusion, transfusion and clinical nutrition. Fresenius has a dominant position in most of its respective markets and its core businesses are well positioned to grow, supported by demographics and growing per capita healthcare consumption. Its share price was well supported during the quarter after the company delivered operational performance improvement and provided signs of stabilization in its business following weakness in the dialysis operation over the last couple of years due to Covid-related mortality in their customer base. Furthermore, management is making progress in the divestment process of selective non-core businesses.

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Scout24 operates Immoscout24, Germany's leading online platform for buying, selling and renting residential and commercial real estate in Germany. Its share price outperformed after the company reported quarterly results above expectations and upgraded its fiscal guidance. The strong results were driven by favorable product mix and more efficient cost control. Scout24 continues to post impressive growth numbers in the German residential real estate market, benefiting strongly from network effects and its diversified product portfolio. We like the fact that real estate advertising in Germany still has further room to migrate online, and we like the strong balance sheet and shareholder-friendly capital allocation of management following the sale of the group's automotive advertising business, AutoScout24, in 2020, since which time the company has repurchased approximately 30% of its outstanding shares in the open market.

Howden Joinery is a leading manufacturer and supplier of fitted kitchens and accessories with a focus on builders in the UK market. The company released a robust set of interim results, with notable outperformance in a challenging market environment and continues to successfully manage its pricing and cost inflation. Howden is very well positioned on a multi-year view as the company continues to gain share in a highly fragmented market. Its business is extremely efficiently run and enjoys surprisingly attractive and consistent margins, regularly returning excess cash to its shareholders in the form of share buybacks and dividends. With a seasoned management team and a strong franchise, Howden is well equipped to navigate difficult business conditions and continue to create value for its shareholders.

France-based Michelin is one of the world's largest tire makers, supplying original equipment and replacement tires for cars and trucks, construction equipment, aircraft and other large vehicles, with a strong brand position in the premium end of the market. The company raised its 2023 guidance along with better-than-expected results on the back of volumes that are more resilient and better price-mix. Benefitting from significant economies of scale in production and distribution, the company has generated attractive historical returns on capital. The tire industry is also relatively insulated from the rapid transformation of the auto industry that could fuel uncertainty over other auto suppliers. We see Michelin's generating healthy earnings growth going forward, supported by signs of volume recovery, raw material cost tailwinds and stable replacement pricing.

The Fund had a relatively quiet quarter, adding one stock and selling two, leaving sector and country allocations relatively unchanged.

We sold Indus Towers (Communication Services sector; India), India's largest mobile tower installation company. We were drawn to the stock due to its attractive risk reward profile, compelling valuation and healthy growth prospects from increased tower density and 5G rollouts in the future. However, in our effort to reduce exposure to less liquid stocks and emerging markets amid rising global risk, we decided to exit our position.

We also sold Savills plc (Real Estate sector; U.K.), a global property consultancy company. The company provides transactional and non-transactional advisory services to commercial and residential property sectors throughout the world. We like its high margin transactional business and its less cyclical non-transactional businesses that include property management, consultancy and asset management. We also admire its quality management team with shareholder friendly capital allocation policies and highly disciplined approach to maintaining a strong balance sheet. However, Savills was sold to decrease our exposure to struggling commercial real estate and Chinese real estate markets.

We initiated a position in Olympus Corporation (Health Care sector; Japan), a global medical technology company based in Japan. The company manufactures and sells endoscopes where it dominates the gastrointestinal endoscope market with nearly 70% market share. In the surgical endoscope market, the company holds a top three position. The endoscopy market has attractive fundamentals: high barriers to entry and stable demand with high recurring revenue characterize it. Olympus has been restructuring and reforming its business, shedding non-core businesses, reinvesting in its core businesses and reining in costs over the last few years. We believe that these initiatives are likely to translate into higher sales and returns over the medium term. Over the longer term, Olympus is well positioned to grow on the back of the rising use of surgical endoscopes as well as the growth of gastrointestinal procedures in emerging markets.

Outlook and Conclusion

If the first half of 2023 was characterized by rising hopes for a soft landing in the U.S. economy, the third quarter witnessed some weakness in equity markets driven in part by ongoing inflationary pressure, particularly in unionized wages, and a renewed rise in longer-term interest rates in much of the developed world. Whether this increase in rates reflects expectations of sticky inflation in the near term, fears of structurally loose fiscal policy going forward resulting from a broken political process in Washington, or a fundamental shift down in the demand for US government debt by foreign buyers is yet to be seen. Recent strength in the dollar and weakness in gold, for example, suggest this latter factor is not (yet) in play.

We strongly believe that inflationary pressures in the U.S. peaked in the middle of 2022 and that the current fixation by the U.S. Federal Reserve (Fed) on the echo of last year's price bubble is a classic example of a central bank setting policy by looking in the rearview mirror. With Treasury rates across the curve near 5% and mortgage rates, pushing 8% while measures of money supply are falling at rates unprecedented since the Great Depression, it is inconceivable to us that inflation is going anywhere but down. Recent headlines about double-digit wage agreements reflect the delayed impact of workers with market power throwing their economic weight around and are examples of relative rather than absolute price changes. We suspect that such increases in costs will come at the expense of corporate margins in the year ahead.

Oil prices have been marching higher in recent weeks and gas prices in California are nearing $6 per gallon. Once again, we suspect that the rise in oil prices tells us more about the balance between the supply and demand for the specific commodity than it does about the generalized rate of inflation. With the draining of the U.S. Strategic Petroleum Reserve in recent years to multi decade lows, seemingly for partisan political purposes, combined with significantly reduced capital spending in the oil industry and

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an effective OPEC+ cartel on supply, as well as recovering oil demand in China, we have the recipe for structurally higher oil prices. The question for the next year is whether a cyclical drop in demand can catch down to the structural fall of supply, allowing prices to stabilize.

Evidence is building for decelerating consumer demand and employment. Rising gas prices, a resumption of student loan payments and the exhaustion of excess bank balances that were created by massive fiscal transfers during the pandemic, as well as the slow but steady grind upwards in effective mortgage rates will only compound the slowdown in economic performance. As a result, we think a pivot in monetary policy is likely in the next several quarters, regardless of current hawkish language from Federal Reserve governors. Nonetheless, we think it is now too late to avoid a hard landing, and the real question is whether excessive monetary tightness ends up breaking something in the financial system first.

Europe faces another test in the coming months, as the continent attempts to wean itself from Russian oil and gas in the short term, and from fossil fuels altogether in the coming decades. Although the laws of physics and electoral politics will intervene in this experiment eventually, plenty of economic damage can be done in the meantime. Given ongoing tight policy by the European Central Bank and the Bank of England, among others, we remain somewhat cautious about near term economic prospects in the region.

There has been renewed enthusiasm about Japanese stocks among market participants, perhaps reflecting the hope that the modest pandemic-related rise in Japanese inflation will allow normalization in the decades long zero interest rate policy going forward. We do not see the recent bump in prices as structural and continue to view loose Japanese monetary policy as necessary to serve that country's poor and weakening fiscal position. Note that the currency market already recognizes this, having marked down the yen to its lowest level in real terms since the 1960s. In addition, while under normal circumstances this might make the Japanese equity market interesting as a trade, the preponderance of industrial cyclicals in this market in an environment of weakening global demand makes us somewhat hesitant.

Like Japan a generation ago, China faces a reckoning for policies, which promoted leveraged overinvestment. In China, this policy mix was supercharged by a political system, which discouraged an honest reckoning of mistakes. The criminalization of business errors made by property developers that we have read about recently in the news shows how such a system can lead to dysfunction. While China has undoubtedly created an economic miracle in the last three decades, demonstrated by excellent infrastructure and manufacturing capabilities, debt-funded overinvestment in real estate will necessarily lead to losses, which must be realized, requiring tough political choices by a regime, which probably views its position to be more precarious than seen from the outside. Geopolitical tensions with the West will only make their job harder.

The divided politics that have characterized the U.S. in recent years are mirrored across the globe in a number of countries, large and small, potentially leading to stop and go policies and uneven economic and market performance going forward. Disagreements over geopolitical flashpoints including Ukraine and Taiwan, among others, continue to risk further unwinding the process of globalization that has helped bring so much prosperity in the post-World War II period. While we're currently somewhat cautiously positioned given the level of valuations and our muted outlook for the coming year, we're optimistic that opportunities will increasingly emerge in quality growth stocks and that our portfolio of well capitalized, high-quality businesses will prosper regardless of the economic environment.

Fund Facts *(As of 09/30/23)*

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio* Total	Net
A Shares	03/01/93	**SWRLX**	89154Q216	1.45%	1.37%
C Shares	05/04/98	**SWFCX**	89154Q190	2.81%	2.00%
Y Shares	08/27/07	**SIIEX**	89154Q182	1.24%	1.00%
INST Shares	10/30/17	**TOIIX**	89154Q158	1.24%	0.90%
Total Fund Assets	**$107.2 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 1.36% for Class A Shares, 1.99% for Class C Shares, 0.99% for Class Y Shares and 0.89% for Class INST Shares. These expense limitations will remain in effect until at least 10/29/24.*

Share class availability differs by firm.

Annualized Total Returns** *(As of 09/30/23)*

	3Q23	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	-5.55%	6.48%	24.23%	4.88%	2.68%	3.63%	6.25%
C Shares	-5.66%	6.03%	23.48%	4.20%	1.80%	2.70%	5.72%
Y Shares	-5.42%	6.79%	24.80%	5.26%	3.03%	4.01%	6.46%
INST Shares	-5.43%	6.88%	24.90%	5.35%	3.13%	4.06%	6.47%
Benchmark^	-4.11%	7.08%	25.65%	5.75%	3.24%	3.82%	5.64%
Including Max Sales Charge							
A Shares	-10.29%	1.12%	18.04%	3.09%	1.63%	3.10%	6.07%
C Shares	-6.60%	5.03%	22.48%	4.20%	1.80%	2.70%	5.72%

^Benchmark - MSCI EAFE Index[1]

Max 5.00% sales charge for Class A Shares and 1% Contingent Deferred Sales Charge for Class C Shares held less than 1 year.

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*****The performance presented for Class C, Y, and INST Shares combines the performance of an older class of shares (A Shares) from the Fund's inception, 03/01/93, with the performance since the inception date of each share class.***

Top 10 Equity Holdings of Fund *(As of 09/30/23)*

		(% of Portfolio)
1	Convatec Group Plc	4.0
2	TotalEnergies SE	4.0
3	Cie Gnrl des Etblsmnts Michelin SCA	3.5
4	Medtronic PLC	3.4
5	Novartis AG	3.3
6	Galaxy Entertainment Group Ltd.	3.3
7	Sanofi	3.1
8	Accor SA	3.1
9	Koninklijke Philips NV	3.0
10	USS Co. Ltd.	2.9

Source: BNY Mellon Asset Servicing

[1]The 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.

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.

Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used to create indices or financial products. This report is not approved or produced by MSCI.

A Word About Risk

The Fund invests in equities which are subject to market volatility and loss. The Fund invests in foreign and emerging markets securities, and depositary receipts, such as American Depositary Receipts, Global Depositary Receipts, and European Depositary Receipts, 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. The risks associated with investing in foreign markets are magnified in emerging markets due to their smaller economies. Events in the U.S. and global financial markets, including actions taken to stimulate or stabilize economic growth 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. Banks and financial services companies could suffer losses if interest rates rise or economic conditions deteriorate. Current and future portfolio holdings are subject to change. The Adviser engages a sub-adviser to make investment decisions for the Fund's portfolio; it may be unable to identify and retain a sub-adviser who achieves superior investment returns relative to other similar sub-advisers.

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.

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