

Touchstone Non-US Equity Fund

Sub-Advised by: **Rockefeller & Co. LLC**

International Equity – Large-Cap Core

4Q/2025

Fund Manager Commentary

As of December 31, 2025

Fund Highlights

- Seeks long-term growth of capital, investing primarily in equity securities of non-U.S. companies.
- Applies bottom-up security analysis that includes fundamental, sector-based research in seeking to identify businesses that have high or improving returns on capital, barriers to competition and compelling valuations.
- Selects investments based on an evaluation of six key characteristics: potential competitive advantages, end market growth, management quality, material ESG issues, valuation and balance sheet strength.

Market Recap

Global equity markets moved higher during the quarter. Information Technology (IT) and Materials were the top performing sectors in the Index, with Health Care and Consumer Staples showing the lowest positive returns for the quarter, and Communication Services, Consumer Discretionary, and Real Estate being the only sectors to see negative returns during the quarter.

The U.S. Federal Reserve Bank (Fed) cut rates by 50 basis points total during the last quarter of the year. Dot plots indicated division among the committee about the future rate trajectory, with some members pricing in 25 basis points of hikes and others pricing in 100 basis points of cuts next year. Despite a strong earnings season for mega-cap tech stocks, with year-on-year growth near 30%, Magnificent 7 reported the lowest earnings growth rate since the first quarter of 2023.

Momentum from fiscal support in Germany and a weaker U.S. dollar continued to support a rotation into European stocks underpinning a positive year-end tone for European markets. The MSCI Europe index advanced ~6% during the quarter. Broader AI related optimism in Asia and increased fiscal spending plans in Japan supported broader market performance, while concerns emerged in Japan as long-term bond yields moved higher toward the end of the year, causing some disruption in carry trades that rely on low yield funding.

Portfolio Review

The Touchstone Non-US Equity Fund (Class A Shares, Load Waived) underperformed its benchmark, the MSCI All Country World Ex-U.S. Index, for the quarter ended December 31, 2025.

Stock selection in Consumer Discretionary and Materials detracted from performance, as did our overweight allocation within the Communication Services sector. Stock selection within IT and Financials contributed positively to performance during the quarter.

Samsung Electronics Co. Ltd. (South Korea, IT sector), a consumer and industrial electronic manufacturer, including products such as semiconductors, was the top contributor during the quarter after rising memory prices amid tight supply-demand conditions for memory products supported performance. We anticipate this environment to continue into 2026, with ongoing data center expansion contributing to sustained demand for memory products.

Nintendo Co. Ltd. (Japan, Communication Services sector), a videogame hardware and software manufacturer, was the top detractor during the period. We believe shares traded lower following a recent period of strong console launches, with additional downward pressure attributed to concerns over rising memory prices, which may affect margins, and a temporary gap in new title releases. Component supply for the company is expected to be well managed in the near term, and incremental announcements for new games are anticipated to begin as early as February, which we believe will support growth for the business moving into the new year.

The Fund added a position in Erste Group Bank AG (Austria, Financials sector), an Austrian and Central Eastern European bank, as we believe the market is underappreciating the company's outsized loan growth, improving profitability prospects, and increasing capital generation potential. The strategy also initiated a position in Rolls-Royce Ltd. (United Kingdom, Industrials sector), one of few engine manufacturers and servicers for the commercial aerospace industry. We believe the company has strong competitive positions in power generation equipment, defense, and small

(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.**



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modular nuclear reactors. In our view, the current management team has demonstrated success with improving engine performance on their primary aerospace platforms while the air travel market recovers, leading to higher earnings and cash flow improvement. Further, emerging tailwinds such as robust data center spending, power grid constraints, and increasing defense spending should accelerate growth in their non-aerospace segments.

The Fund exited its position in BNP Paribas S.A. (France, Financials sector), a French bank, following a U.S. jury verdict that we believe opens the way for the company to be required to pay compensation demands which we view will be an overhang on stock performance into 2026. The Fund also exited its position in Sony Financial Group Inc. (Japan, Financials sector), after the business was spun out into a separate unit away from the consumer products and gaming company. We remain invested in the part of the business that focuses on the consumer discretionary and gaming segments.

Outlook and Conclusion

We believe the companies we own will continue to drive growth and expand margins as the next wave of AI beneficiaries emerges, particularly those aligned with electrification trends fueled by AI capital expenditures and data center build-out, as well as firms supporting semiconductor production. Increased fiscal spending in Germany and Japan may be supportive of equity returns in those regions moving into 2026. While U.S. consumer spending has held up relatively well, the bifurcation in consumption patterns between higher income households and lower income households is concerning to us. Should hiring continue to slow and labor markets materially weaken, we expect consumption may decline globally, which would likely place downward pressure on economic growth. We believe there are several opportunities for active, thoughtful, long-term fundamental investors to identify businesses that will ultimately be driven by individual company fundamentals despite increasing fears that increasing circularity in investment and accelerating capex spend may be creating an “AI bubble”. We continue to maintain a long-term perspective about our investments and are confident in the companies held in the strategy with a view that we are investing in businesses with quality management teams with substantial competitive moats across growing end-markets that will ultimately allow them to better navigate the current environment.



Fund Facts

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio	
				Total	Net
A Shares	12/19/97	TEQAX	89154X302	1.15%	1.15%
C Shares	10/04/03	TEQCX	89154X401	2.52%	1.92%
Y Shares	11/10/04	TIQIX	89154X633	0.96%	0.90%
Inst Shares	05/04/15	TROCX	89154Q513	0.90%	0.86%
Total Fund Assets	\$1.2 Billion				

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 1.17% for Class A Shares, 1.92% for Class C Shares, 0.90% for Class Y Shares and 0.86% for Class Inst Shares. These expense limitations will remain in effect until at least 07/29/26. Share class availability differs by firm.

Annualized Total Returns

	4Q25	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	3.74%	29.85%	29.85%	20.41%	10.15%	10.31%	8.65%
C Shares	3.51%	28.76%	28.76%	19.45%	9.24%	9.60%	8.28%
Y Shares	3.78%	30.13%	30.13%	20.72%	10.41%	10.59%	8.86%
Inst Shares	3.79%	30.16%	30.16%	20.73%	10.41%	10.61%	8.86%
Benchmark	5.05%	32.39%	32.39%	17.33%	7.91%	8.41%	—
Including Max Sales Charge							
A Shares	-1.46%	23.37%	23.37%	18.37%	9.02%	9.66%	8.43%
C Shares	2.51%	27.76%	27.76%	19.45%	9.24%	9.60%	8.28%

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

Benchmark - MSCI All Country World Ex-U.S. Index

The MSCI All Country World Ex-U.S. Index is an unmanaged, capitalization-weighted index composed of companies representative of both developed and emerging markets excluding the United States.

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.

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.** From time to time, the investment advisor may waive some fees and/or reimburse expenses, which if not waived or reimbursed, will lower performance. Performance by share class will differ due to differences in class expenses. Returns assume reinvestment of all distributions. Returns are not annualized for periods less than one year.

The performance presented for Class C and Y shares combines the performance since inception of an older class of shares (A shares) from the Fund's inception 12/19/97 with the performance since the inception date of each share class. The performance for Institutional Class shares combines the performance of Class A shares from 12/19/97 to 11/9/04 with the performance of Class Y shares since its inception 11/10/04 until the inception date of the Institutional Class shares.

Top 10 Equity Holdings of Fund

	(% of Portfolio)		(% of Portfolio)
1 Taiwan Semiconductor Mfg. Co. Ltd.	5.3	6 Tencent Holdings Ltd.	3.7
2 Swedbank AB	4.0	7 Air Liquide SA	3.3
3 Samsung Electronics Co. Ltd.	3.9	8 Lloyds Banking Group PLC	3.2
4 Oversea Chinese Banking Corp. Ltd.	3.9	9 Shell Plc	3.2
5 AerCap Holdings NV	3.8	10 Nintendo Co., Ltd.	3.2

Source: BNY Mellon Asset Servicing

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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A Word About Risk

The Fund invests in equities which are subject to market volatility and loss. The Fund invests in stocks of large-cap companies which may be unable to respond quickly to new competitive challenges. The Fund invests in stocks of small- and mid-cap companies, which may be subject to more erratic market movements than stocks of larger, more established companies. 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, emerging and frontier markets securities, and depositary receipts, such as American Depository Receipts, Global Depository Receipts, and European Depository 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, and in frontier markets due to their smaller and less developed economies. The sub-advisor considers ESG factors that it deems relevant or additive along with other material factors. The ESG criteria may cause the Fund to forgo opportunities to buy certain securities and/or gain exposure to certain industries, sectors, regions and countries. The Fund may be required to sell a security when it could be disadvantageous to do so. 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. 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. The Fund invests in convertible securities which are subject to the risks of both debt securities and equity securities. The Fund's investments in other investment companies will be subject to substantially the same risks as those associated with the direct ownership of the securities comprising the portfolios of such investment companies, and the value of the Fund's investment will fluctuate in response to the performance of such portfolios. In addition, if the Fund acquires shares of investment companies, shareholders of the Fund will bear their proportionate share of the fees and expenses of the Fund and, indirectly, the fees and expenses of the investment companies or ETFs. Current and future portfolio holdings are subject to change.



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