

## Fund Manager Commentary

As of 03-31-2026

### 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, valuation and balance sheet strength.

### Market Recap

Global equity markets faced a challenging start to 2026, with heightened volatility and a clear rotation beneath the surface in the first quarter. Equities broadly moved lower as a late February escalation in Middle East tensions, centered on disruptions to global energy supply reversed the more constructive tone that had carried over from late 2025. Artificial intelligence (AI) disintermediation fears caused some selling across sectors such as software, data, and internet platform companies, on fears that generative AI would rapidly commoditize incumbents' business models and erode long-term pricing power.

A sharp spike in energy prices reignited inflation concerns and forced markets to reassess the timing and magnitude of expected central bank easing, pushing bond yields higher and weighing on equity multiples. Central banks struck a more cautious tone, balancing still resilient growth against renewed inflation risks. At the same time, geopolitical uncertainty became a key market catalyst, amplifying risk aversion and driving dispersion across regions, sectors, and styles.

During the quarter, the Energy sector was the top performing sector within the MSCI ACWI ex-U.S. Index with Consumer Discretionary being the weakest sector, driven by fears around impacts of higher energy prices on consumption moving through the rest of the year.

Despite moving higher in January and February the MSCI Europe index fell during the quarter as fears about Europe's increasing costs of importing energy became a key focus for markets and companies in the region.

Asian equity markets delivered mixed performance in first quarter of 2026, with Japan seeing stronger performance relative to other economies in the region on Yen weakness, supportive election outcomes, and ongoing corporate reform momentum, while broader regional returns were pressured by global risk aversion late in the quarter. Chinese equities lagged as the recovery remained uneven due to persistent property sector stress and cautious consumers, while export oriented markets such as South

Korea and Taiwan saw positive early quarter performance that faded in March as higher energy prices and geopolitical risks weighed on sentiment.

### Portfolio Review

The Touchstone Non-US Equity Fund (Class A Shares, Load Waived) underperformed its benchmark, the MSCI ACWI ex-U.S. Index, for the quarter ended March 31, 2026.

Continued strong demand and robust orders for semiconductors contributed positively to performance in the quarter as several of our semiconductor and semiconductor manufacturing equipment holdings (Samsung Electronics Co., South Korea, Taiwan Semiconductor Manufacturing Co. Ltd., Taiwan, and ASML Holdings N.V., Netherlands, all Information Technology (IT) sector) contributed positively to performance.

Higher energy prices driven by the U.S./Iran conflict also contributed positively to performance given our slight overweight allocation within the Energy sector and positive stock selection within the sector.

Increasing memory costs detracted from performance as Nintendo Co. Ltd. and Sony Group Corp. (both Japan, Communication Services sector) underperformed as increasing memory costs may negatively impact margins in the near-term. We continue to view the holdings positively as both companies, in our view, are top operators in their space and memory component operations seem to be well managed.

Some of our European cyclical names, such as MTU Aero Engines AG (Germany, Industrials sector), Compagnie de Saint-Gobain Ltd. (France, Materials sector), and Heidelberg Materials A.G. (Germany, Materials sector), underperformed during the period driven by increasing growth concerns for the region due to increasing energy costs.

AI disintermediation fears caused some selling across sectors such as software, data, and internet platform companies. Being underweight software contributed positively to performance, however, our position in RELX plc (United Kingdom, Industrials),



a data service provider, detracted driven by this theme despite our view that AI will ultimately enhance workflow solutions at the company rather than disrupt core revenue streams.

Stock selection in the Industrials and Consumer Discretionary sectors detracted from performance as did our overweight allocation within the Communication Services sector. Stock selection within the Information Technology sector contributed positively to performance during the quarter as did stock selection and our slight overweight allocation within the Energy sector.

Samsung Electronics, a consumer and industrial electronic manufacturer including products such as semiconductors, was the top contributor during the quarter. Samsung Electronics outperformed as expectations improved for memory pricing amid tight supply demand dynamics. The company continues to benefit from data center driven demand and improved pricing power across its semiconductor offerings although shares traded lower in March as it may have looked to lock in gains amid heightened geopolitical risk and a broader pullback in memory chip names despite continued strong underlying AI-driven demand.

Nintendo, a video game hardware and software manufacturer, was the top detractor during the quarter. We believe shares may have 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 reported to be well managed in the near term, and incremental announcements for new games are anticipated, which we believe will support growth for the business moving into the new year.

Our underweight allocation to Asia/Pacific excluding Japan contributed positively to performance in the quarter as increasing energy prices for several countries that are net importers of oil drove weakness in those markets. Our overweight allocation to Japan, driven by our view that capital market reforms and increased fiscal spending in the region will support strong growth and market performance moving forward, detracted from performance in the quarter. In our view, Japanese markets saw weakness in the quarter due to the country's dependence on oil imports.

Despite being significantly underweight software, early this year large language model updates took a significant step forward in their capabilities which caused us to reevaluate our disintermediation exposure across sectors as the impact was felt across some of our holdings. We think there are valid debates for all our holdings, but we moved on from ones where we think the risk is more realistic.

During the quarter we added a few positions in companies selling products and services with what we believe is less elastic demand given our concerns around the potential for a slowdown in growth driven by increasing energy costs.

The Fund initiated a position in Ferrari N.V. (Italy, Consumer Discretionary sector), a designer and manufacturer of sports cars and owner of a Formula One racing team. In our view, management seemed to have raised the floor on near-term performance during their fourth quarter earnings release, suggesting better than expected deliveries and profitability into 2026. Additionally, with new car launches beginning to roll out, we see upside potential to 2027 earnings given the company's history of being a quality compounder.

We also added a position in Keyence Corporation (Japan, IT sector), a Japanese producer of measuring equipment and sensors used in production of semiconductors, electronics, autos, and machinery. We expect aging populations and tightening labor markets to support long-term automation demand in Japan moving forward. With global robot density still low and increasing demand for sensors within existing robots, we believe the company is well positioned to benefit from sustained growth in automation spending.

Additionally, the Fund added a position in Experian plc (UK, Industrials sector), global credit bureau, as we believe the company is benefiting from a structurally advantaged, nonreplicable data consortium model and high-single-digit organic growth driven by volumetric credit activity and expanding data-driven products across fraud, analytics, and marketplaces. In our view, the market underestimates Experian's ability to sustain growth and expand margins as cloud re-platforming, system rationalization, and AI enabled efficiencies unlock operating leverage over the medium term, while AI disintermediation risk is viewed as overstated given Experian's proprietary, mission critical datasets. With faster organic growth, greater estimate upside, and a more attractive risk reward versus peers we believe the company may offer compelling long-term compounding potential at a reasonable valuation.

The Fund initiated a position in Murata Manufacturing Co. Ltd. (Japan, IT sector), a leader in manufacturing and selling electronic modules and components, as we view their deep materials science expertise, vertical integration, and industry leading margins positively. Additionally, the company may be positioned to benefit from rapid growth in server based multi-layer ceramic capacitor demand driven by AI and data center investment, where revenue exposure is growing.

The Fund eliminated its position in London Stock Exchange Group (UK, Financials sector), a stock exchange and data provider, as we believe the company faces growing medium term competitive pressures, driven both by large customers becoming more strategic in their procurement and by large language models enabled point solutions that increase competition and intensify pricing pressure.

The Fund also exited its position in Trip.com (Singapore, Consumer Discretionary sector), an online travel agency with headquarters in Singapore, following the announcement of a government investigation in China into anticompetitive activity at the company. This coincides with some AI risk to the business



given the development of AI agents to plan travel for consumers that created incremental uncertainty on the future trajectory of the stock near and medium term.

Prior to the release of new data, the strategy sold its position in Novo Nordisk (Denmark, Health Care sector), a pharmaceutical company, as we had doubts about the efficacy of data around their weight loss products versus weight loss products offered by their competitors.

Lastly, the Fund exited Shopify (Canada, IT sector), an e-commerce platform for retail vendors, to reduce exposure to software names given ongoing AI disintermediation fears in the space.

### Outlook and Conclusion

In our view, if energy prices remain elevated driven by an extended conflict between the U.S. and Iran current earnings estimates for many large cap equities may be too optimistic. March marked a partial reset in the AI-led rally, driven less by deteriorating fundamentals and more by valuation fatigue, elevated geopolitical risks, and broader market rotation dynamics. We continue to believe there will be robust performance moving forward for parts of the AI trade particularly those companies aligned with electrification trends fueled by AI capital expenditures and data center build-out, as well as firms supporting semiconductor production. We are monitoring the health of U.S. labor markets given several recent announcements of layoffs at companies leveraging AI to drive productivity. Should the labor markets weaken further, and energy prices remain elevated we believe consumption may slow dramatically which

could put downward pressure on global economic growth. We may look to add more defensive names away from the AI complex in the coming months if these trends continue.

We believe current market and geopolitical uncertainties support the importance of actively managed strategies to help investors navigate ever-changing headlines. Additionally, moving forward investors may seek to identify businesses that will ultimately be driven by individual company fundamentals as questions about the future price of oil and AI's ultimate impact continue to be debated. We maintain our long-term perspective about our investments and are confident in the companies held in the Fund with the 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.

Given our exposure to several semiconductor companies, we expect continued positive contributions from our technology holdings as long as semiconductor order trends remain healthy. We are closely monitoring energy prices, as sustained elevation could pressure our overweight positions in Europe and Japan due to those regions' reliance on imported energy. Higher energy costs may also weigh on European industrial and materials holdings if they lead to slower regional growth. Offsetting these risks, our underweight positioning in consumer sectors may support relative performance should slowing global growth and softer labor markets adversely impact consumer oriented equities.



## 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	10/03/03	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 \$1.3 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 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

	1Q26	YTD	1 Year	3 Year	5 Year	10 Year	Inception
<b>Excluding Max Sales Charge</b>							
A Shares	-0.33%	-0.33%	19.86%	17.07%	8.92%	10.49%	8.56%
C Shares	-0.52%	-0.52%	18.86%	16.15%	8.05%	9.60%	7.76%
Y Shares	-0.28%	-0.28%	20.11%	17.36%	9.19%	10.76%	8.77%
INST Shares	-0.25%	-0.25%	20.14%	17.39%	9.19%	10.78%	8.68%
Benchmark	-0.71%	-0.71%	24.91%	14.49%	7.02%	8.38%	—
<b>Including Max Sales Charge</b>							
A Shares	-5.31%	-5.31%	13.86%	15.09%	7.81%	9.92%	8.37%
C Shares	-1.51%	-1.51%	17.86%	16.15%	8.05%	9.60%	—

Benchmark - MSCI ACWI Ex-U.S. Index

Max 5% sales charge for Class A Shares and 1% Contingent Deferred Sales Charge for Class C Shares held less than 1 year.

The MSCI ACWI ex-U.S. Index is an unmanaged, capitalization weighted index composed of companies representing both developed and emerging markets excluding the U.S. The benchmark index mentioned is an unmanaged statistical composite of stock or bond market performance. Investing in an index is not possible. Index returns do not reflect any fees, expenses or sales charges.

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).** 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 combines the performance of the oldest share class from the Fund's inception with the performance since the inception date of each share class.

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.

## Top 10 Holdings

	(% of Portfolio)		(% of Portfolio)	
1	Taiwan Semiconductor Manufacturing Co Ltd ADR	5.7	6 Swedbank AB Class A	3.3
2	Shell PLC ADR (Representing - Ordinary Shares)	3.9	7 Samsung Electronics Co Ltd	3.3
3	Oversea-Chinese Banking Corp Ltd	3.8	8 TotalEnergies SE	3.1
4	Air Liquide SA	3.6	9 Tencent Holdings Ltd ADR	3.0
5	AerCap Holdings NV	3.5	10 AIA Group Ltd	2.9

**Not FDIC Insured | No Bank Guarantee | May Lose Value**

## 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 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, 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.

**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/](https://www.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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