Touchstone Sands Capital Emerging Markets Growth Fund

Sub-Advised by: Sands Capital Management, LLC

Emerging Markets - Large Cap Growth 2Q/2026

Fund Manager Commentary

As of 06-30-2026

Fund Highlights

- Seeks to identify leading growth businesses that meet the following criteria:
  - Sustainable, above-average earnings growth
  - Leadership position in a promising business space
  - Significant competitive advantages / distinctive business franchise
  - Clear mission and value-added focus
  - Financial strength
  - Rational valuation relative to the market and business prospects
- Concentrated, conviction-weighted portfolio typically holds 30-50 companies within global emerging markets
- Country and sector exposures are primarily a byproduct of individual stock selection

Market Recap

Emerging market equities rebounded sharply during the second quarter of 2026, with the MSCI Emerging Markets Index posting its strongest quarterly advance since 2009 and outperforming U.S. and developed market equities for the sixth consecutive quarter. Index returns were driven primarily by businesses tied to AI infrastructure, as semiconductor and hardware-related companies accounted for the majority of the benchmark's advance. Continued demand for compute capacity and sustained capital investment by large technology companies reinforced investor confidence in businesses benefiting from semiconductor, memory, and hardware demand.

The macroeconomic backdrop also improved during the quarter. Cooling tensions between the United States and Iran, including a cease-fire and renewed negotiations, eased concerns about a broader regional conflict and contributed to a decline in oil prices from their earlier highs. Korea and Taiwan led market performance, while India generated its first double-digit quarterly return since mid-2024. China, Brazil, and Indonesia lagged, and Consumer Discretionary was the weakest-performing sector as market leadership remained narrow despite the broad advance in emerging market equities.

Portfolio Review

The Touchstone Sands Capital Emerging Markets Growth Fund (Class A Shares, Load Waived) outperformed its benchmark, the MSCI Emerging Markets Index, for the quarter ended June 30, 2026.

The Fund delivered its second-best quarter of absolute performance and one of its ten strongest quarters of relative performance since inception. Results were driven primarily by holdings benefiting from AI infrastructure investment, with earnings growth supporting the strong absolute return. Despite the significant appreciation during the quarter, the Fund ended the period trading at approximately 13x forward earnings, representing one of its lowest valuation premiums relative to the benchmark. Relative performance benefited primarily from holdings in Korea and China, while Taiwan and Hong Kong detracted. From a sector perspective, Information Technology and the Fund's lack of exposure to Materials were the largest contributors to relative performance, while Consumer Discretionary and Consumer Staples detracted.

Among the top contributors to absolute performance were Samsung Electronics Co. Ltd., SK hynix Inc. (both South Korea, Information Technology sector), Taiwan Semiconductor Manufacturing Co. Ltd. (Taiwan, Information Technology sector), SK Square Co. Ltd. (South Korea, Industrials sector), and MediaTek Inc. (Taiwan, Information Technology sector). Samsung Electronics, SK hynix, and SK Square benefited as AI inference and agentic AI workloads continued to drive shortages across both high-bandwidth memory and conventional memory products, supporting significant pricing increases and stronger earnings expectations throughout the memory industry. Taiwan Semiconductor benefited from strong demand for leading-edge semiconductor manufacturing tied to AI applications, while MediaTek advanced on optimism surrounding its expanding opportunity in custom AI chips.

Touchstone Investments®
DISTINCTIVELY ACTIVE®

Among the top detractors from absolute performance were BYD Co. Ltd. (China, Consumer Discretionary sector), Alibaba Group Holding Ltd. (China, Consumer Discretionary sector), Hyosung Heavy Industries Corp. (South Korea, Industrials sector), Tencent Holdings Ltd. (China, Communication Services sector), and AIA Group Ltd. (Hong Kong, Financials sector). BYD declined amid continued competition within China's electric vehicle market and weaker investor sentiment toward Chinese equities. Alibaba and Tencent underperformed as investors favored China's semiconductor ecosystem over internet businesses while continuing to evaluate the long-term implications of AI investment. Hyosung Heavy Industries declined following its purchase during the quarter despite continued confidence in its long-term investment thesis, while AIA weakened as regulatory changes affecting its mainland China visitor business weighed on investor sentiment.

During the quarter, the Fund continued to broaden its exposure to AI infrastructure while tactically increasing exposure to selected cyclical businesses in India. New positions included Chroma ATE Inc. (Taiwan, Information Technology sector), Hyosung Heavy Industries Corp., Montage Technology Co. Ltd. (China, Information Technology sector), and SK Square Co. Ltd.. The Fund exited positions in ASML Holding N.V. (Netherlands, Information Technology sector), Dino Polska S.A. (Poland, Consumer Staples sector), and FPT Corp. (Vietnam, Information Technology sector), reallocating capital toward businesses offering what we believe are more attractive long-term risk/reward opportunities.

Outlook and Conclusion

We believe the opportunity set for growth investors continues to evolve as technological innovation and geopolitical developments reshape sources of durable earnings growth. The Fund remains focused on identifying businesses capable of sustaining above-average earnings growth through structural competitive advantages while adapting Fund positioning as new opportunities emerge. Although AI infrastructure remains an important investment theme, we continue to identify opportunities across businesses benefiting from broader structural changes while maintaining exposure to companies with differentiated, company-specific earnings drivers that can provide balance across market cycles.

We believe the Fund is well positioned for investors with a long-term investment horizon. The portfolio maintains meaningful exposure to businesses benefiting from AI-related infrastructure investment while continuing to identify opportunities beyond AI that offer durable earnings growth. In our view, the combination of high expected earnings growth and historically attractive valuation levels provides a favorable long-term investment backdrop for the Fund.

Fund Facts

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio	
				Total	Net
A Shares	11/16/18	**TSMGX**	89154Q141	1.73%	1.39%
C Shares	11/16/18	**TEGCX**	89154Q133	2.57%	2.13%
Y Shares	05/09/14	**TSEMX**	89154Q570	1.15%	1.15%
INST Shares	05/09/14	**TSEGX**	89154Q562	1.09%	1.04%
R6 Shares	04/26/21	**TSRMX**	89154M702	1.04%	1.00%

Total Fund Assets $2.4 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 1.39% for Class A Shares, 2.13% for Class C Shares, 1.21% for Class Y Shares, 1.04% for Class INST Shares, and 1.00% for Class R6 Shares. These expense limitations will remain in effect until at least 07/29/27.

Share class availability differs by firm.

Annualized Total Returns

	2Q26	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	26.13%	23.67%	29.49%	15.37%	-1.50%	8.19%	6.39%
C Shares	25.93%	23.28%	28.62%	14.54%	-2.21%	7.40%	5.61%
Y Shares	26.21%	23.84%	29.91%	15.72%	-1.20%	8.47%	6.65%
INST Shares	26.34%	23.98%	30.08%	15.82%	-1.11%	8.57%	6.74%
R6 Shares	26.25%	23.89%	30.03%	15.88%	-1.08%	8.59%	6.76%
Benchmark	24.05%	23.85%	43.51%	23.03%	7.20%	10.07%	7.05%
Including Max Sales Charge							
A Shares	19.82%	17.49%	23.02%	13.42%	-2.51%	7.64%	8.10%
C Shares	24.93%	22.28%	27.62%	14.54%	-2.21%	7.40%	8.04%

Benchmark - MSCI Emerging Markets 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 Emerging Markets Index is a free float adjusted market capitalization index that is designed to measure equity market performance of emerging markets.
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.*** *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)
1	Taiwan Semiconductor Manufacturing Co Ltd	12.9
2	Samsung Electronics Co Ltd	12.1
3	SK Hynix Inc	6.4
4	SK Square	5.1
5	Tencent Holdings Ltd	3.6

		(% of Portfolio)
6	MercadoLibre Inc	3.3
7	Bajaj Finance Ltd	3.0
8	Contemporary Amperex Technology Co Ltd Class A	2.8
9	Nu Holdings Ltd Ordinary Shares Class A	2.7
10	Delta Electronics Inc	2.7

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 may invest in equity-related securities to gain exposure to issuers in certain emerging or frontier market countries. These securities entail both counterparty risk and liquidity risk. 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 Fund invests in growth stocks which may be more volatile than investing in other stocks and may underperform when value investing is in favor. 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 subadvisors. 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 subadvisor 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. The Fund is non-diversified, which means that it may invest a greater percentage of its assets in the securities of a limited number of issuers and may be subject to greater risks. The Fund may focus its investments in specific sectors and therefore is subject to the risk that adverse circumstances will have greater impact on the fund than on the fund that does not do so. 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/resources or call Touchstone at 800.638.8194. Please read the prospectus and/or summary prospectus carefully before investing.

Touchstone Funds are distributed by **Touchstone Securities, LLC**

A registered broker-dealer and member FINRA and SIPC

A member of Western & Southern Financial Group

Touchstone Investments®

DISTINCTIVELY ACTIVE®

800.638.8194 • TouchstoneInvestments.com