Fund Manager Commentary

As of March 31, 2025

Fund Highlights

- The Fund seeks long-term growth of capital, investing primarily in equity securities of non-U.S. companies of any size, but generally focuses on larger, more established 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 a company's sustainability practices which considers and analyzes the potential Environmental, Social and Governance (ESG) impacts and risks of a company, how well the company manages these impacts and risks, and ascertains the company's willingness and ability to take a leadership position in implementing best practices

Market Recap

The first quarter of 2025 presented a complex landscape for international equities. Overall Value outperformed Growth during the quarter (as measured by the MSCI ACWI ex-U.S. Growth and Value Indexes) and by the widest margin since early 2022. Additionally, results were divergent across developed and emerging markets.

Within developed markets, European equities experienced a notable upswing during the quarter. The anticipation of a ceasefire in Ukraine significantly boosted investor confidence, propelling Germany's DAX and the pan-continental Euro STOXX indices to record highs. This optimism was further supported by substantial defense spending initiatives across the continent. In particular, German equities experienced one of the best starts to a year since German reunification in 1990. The Euro STOXX 600 Index ended the quarter up over 7% compared to a nearly 5% decline for the S&P 500.

In contrast, Asian developed markets faced headwinds. Japan's Nikkei 225 and South Korea's KOSPI indices declined by nearly 10%, driven by concerns over impending U.S. tariffs affecting major trading partners.

Looking at emerging markets, Chinese equities demonstrated resilience, with Hong Kong's Hang Seng Index surging 16% year-to-date. This growth was underpinned by stronger corporate profits, advancements in artificial intelligence (AI), and a more accommodating regulatory environment. Notably, local AI startup DeepSeek invigorated investments in the Technology sector, with major companies like Tencent, Xiaomi, and Alibaba reporting robust earnings.

However, broader emerging markets faced challenges due to trade tensions. The U.S. administration's tariff strategies raised concerns about economic growth, particularly affecting commodity exporters reliant on Chinese demand.

From a country perspective, China and Germany were the largest contributors to the MSCI ACWI ex-U.S.' results, while Taiwan and India were the top detractors. From a sector perspective, Financials and Industrials were the top contributors, while Information Technology and Real Estate were the top detractors.

Portfolio Review

The Touchstone Sands Capital International Growth Fund (Class A Shares, Load Waived) underperformed the MSCI ACWI ex-U.S. Index for the quarter ended March 31, 2025.

The Fund underperformed the MSCI ACWI ex-U.S. year-to-date, as growth stocks globally are on pace to underperform value stocks by the widest margin since 2000 (as measured by the MSCI ACWI Growth vs. MSCI ACWI Value). The risk-off environment created by the possibility of a global trade war no doubt drove investors to shorter-term safe havens.

The Fund's decline is attributed to multiple compression, as the Fund delivered earnings growth for the quarter that exceeded the MSCI ACWI ex-U.S.

Security selection was the primary detractor from the Fund's relative results and overwhelmed contributions from regional allocation. From a regional perspective, Eastern Europe and Emerging Asia were the top contributors to relative results, while Western Europe and the U.S./Canada were the top detractors. From a sector perspective, Communication Services and Consumer Staples were the top contributors, while Industrials and Consumer Discretionary were the top detractors.

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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.***

Among the top absolute contributors to investment results during the quarter included Sea Ltd. (Singapore; Communication Services sector), Spotify Technology SA (Sweden; Communication Services sector), MercadoLibre Inc. (Argentina; Consumer Discretionary sector), Bajaj Finance Ltd. (India; Financials sector), and CTS Eventim AG & Co. (Germany; Communication Services sector).

Sea is an internet business in Southeast Asia that operates leading platforms for video games, ecommerce, and digital financial services. The business reported its fifth consecutive beat-and-raise quarter, with Shopee (ecommerce) growing gross merchandise volume 24% year-over-year while delivering positive EBITDA margin. 2025 guidance points to inflections across all three business units, ecommerce, digital financial services, and gaming, each expected to generate $1 billion in EBITDA. We raised our long-term estimates, including Shopee margin and valuation assumptions, and now expect combined EBITDA to triple by 2029. Improved investor communication has, in our view, helped dampen volatility around earnings announcements while attracting long-term institutional investors. Looking ahead, we believe the company is more in control of its destiny and entering a phase of meaningful earnings acceleration, and we have higher confidence in our long-term earnings estimates.

Spotify is the world's largest subscription streaming audio service by market share. The business delivered strong fourth-quarter 2024 results, with robust revenue and monthly active user growth, along with gross and operating margin expansion. It also reported its strongest quarter of premium subscription net additions in five years. Management is calling 2025 the "year of accelerated execution" following 2024's "year of monetization." We view this as a positive signal of continued operating expense discipline and product innovation, including the launch of a new premium "Music Pro" tier.

Bajaj Finance is a leading Indian nonbank financial services company. The business reported strong quarterly results, with loan growth exceeding its long-term target of 25%, despite management's decision to reduce disbursements across several products amid India's ongoing asset quality cycle. Most notably, Bajaj's asset quality showed signs of stabilization as delinquencies declined. We expect this to reduce credit costs—elevated in recent quarters—and support improved profitability. During the quarter, Bajaj also announced the formal transition of Managing Director from Rajeev Jain to Anup Saha. Mr. Jain will remain Vice Chair of Bajaj Finance, which we expect to help ease concerns about a disruptive leadership change.

Among the top absolute detractors to investment results included Recruit Holdings Co. (Japan; Industrials sector), Taiwan Semiconductor Manufacturing (Taiwan; Information Technology sector), Flutter Entertainment plc (Ireland; Consumer Discretionary sector), Shopify Inc. (Canada; Information Technology sector), and Pandora AS (Denmark; Consumer Discretionary sector).

Recruit is a leading global human resources (HR) technology business. Recruit shares rose after delivering solid results, with revenue up 4% and adjusted EBITDA and earnings growing 14% and 18% year over year. HR Technology led growth, driven by higher revenue per job post and expanding margins. Additionally, the upcoming launch of an AI-powered career counselor aims to enhance job seeker experience, which could enhance Recruit's overall ecosystem. Marketing Solutions grew 7%, while Staffing remained steady, with strength in Japan offsetting softer trends overseas.

Taiwan Semiconductor (TSMC) is the world's largest producer of leading-edge logic chips by market share. Shares declined as part of the broader correction in AI-related infrastructure stocks. Despite near-term volatility, we continue to view TSMC as a key beneficiary of AI chip demand. Revenue from AI accelerators more than tripled in 2024, accounting for 15% of total revenue. Management expects this figure to double again in 2025 and grow at a mid-40% annual rate over the next five years. While the rise of models like DeepSeek has raised concerns about demand, we believe greater AI accessibility will drive increased need for advanced semiconductor manufacturing.

Flutter Entertainment is the world's leading sports-betting and gaming business by revenue. Flutter pre-announced weaker U.S. results for the fourth quarter, driven by unusually customer-friendly sports outcomes in December. U.S. revenue and adjusted EBITDA came in 19% and 56% below guidance, respectively, reflecting a tough NFL season with the highest rate of favorites (teams or players widely expected to win) winning in two decades. While this volatility impacted margins, it is an inherent feature of the business and, in our view, increasingly understood by investors. Importantly, structural U.S. margins still expanded 100 basis points year over year to a record 14.5%, supported by growth in higher-margin parlay bets. Outside the U.S., results were stronger, with full-year revenue and EBITDA exceeding guidance on momentum in the UK and favorable Premier League results. We continue to view Flutter as a leading global operator with strong long-term fundamentals.

There were no purchases or sales made in the quarter.

Outlook and Conclusion

We expect 2025 to include periods of significant volatility as markets react to developments in AI, geopolitical events, and shifts in the global economy. Market structure, particularly the growing influence of hedge funds in incremental trading flows, may further amplify this dynamic.

We do not claim to forecast news or short-term data, or how markets will immediately respond. What we do claim is the ability to understand business models and identify the drivers of above-average earnings growth. While sentiment shapes short-term price movements, long-term returns are ultimately driven by the compounding of earnings.

A core principle of our investment philosophy is the belief that we know something about a business's future that the market does not. That difference of opinion can create near-term volatility, but also meaningful opportunity. Our differentiated business insights and long investment horizon are structural advantages that can help tilt the odds in our favor.

Today, markets appear focused on near-term news flow. What may be underappreciated are the broader shifts that matter more for long-term investors. Strong demand for AI tools, declining costs, and tangible use cases—many of which are already generating revenue or cost savings across our Fund. Ongoing industry

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consolidation and formalization globally, often benefiting existing market leaders and further entrenching their competitive positions. The emergence of new and improved products and services that are delivering meaningful value to users while displacing the status quo.

While we do not dismiss the potential for an economic or earnings recession, we believe the Fund today is better positioned than it was in 2021 for economic and market uncertainty. It is more diversified across end markets, sectors, countries, and growth stages, with greater earnings visibility and stability. Key Fund metrics, profitability and valuation, have also improved without sacrificing long-term growth potential.

Long-term investing does not mean “set it and forget it.” We continue to monitor inputs and supply chains to assess potential risk and can act quickly if needed, whether exiting impaired businesses or leaning into mispriced opportunities. We remain confident in the Fund and process to help create long-term value.

We cannot predict how the second quarter, or the remainder of 2025, will unfold. However, our track record demonstrates our ability to forecast the direction and magnitude of long-term earnings growth. We remain confident in the Fund’s portfolio of leading growth businesses and in our time-tested investment process to deliver long-term value.

Fund Facts

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio Total	Net
A Shares	12/03/07	**TPYAX**	89155H579	1.77%	1.19%
C Shares	12/03/07	**TPYCX**	89155H561	4.88%	1.95%
Y Shares	08/12/08	**TPYYX**	89155H553	1.37%	0.92%
INST Shares	08/23/19	**TPYIX**	89155T532	2.29%	0.88%
R6 Shares	08/31/23	**TPYRX**	89155T425	1.17%	0.80%
Total Fund Assets	**$96.5 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 1.17% for Class A Shares, 1.93% for Class C Shares, 0.90% for Class Y Shares, 0.86% for Class INST Shares and 0.78% for Class R6 Shares. These expense limitations will remain in effect until at least 01/29/26.

Share class availability differs by firm.

Annualized Total Returns

	1Q25	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	1.39%	1.39%	2.14%	5.74%	11.81%	5.75%	4.80%
C Shares	1.24%	1.24%	1.40%	4.94%	11.00%	5.12%	4.44%
Y Shares	1.51%	1.51%	2.50%	6.07%	12.16%	6.04%	5.06%
INST Shares	1.51%	1.51%	2.49%	6.08%	12.13%	6.05%	5.06%
R6 Shares	1.51%	1.51%	2.50%	6.09%	12.14%	6.05%	5.06%
Benchmark	5.23%	5.23%	6.09%	4.48%	10.92%	4.98%	14.21%
Including Max Sales Charge							
A Shares	-3.72%	-3.72%	-2.92%	3.94%	10.68%	5.12%	4.44%
C Shares	0.24%	0.24%	0.48%	4.94%	11.00%	5.12%	4.44%

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

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.

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The performance presented for Class Y, INST and R6 Shares combines the performance of an older class of shares (Class A Shares) from the Fund's inception, 12/03/07, with the performance since the inception date of each share class.

Top 10 Equity Holdings of Fund

		(% of Portfolio)
1	Mercadolibre Inc.	6.2
2	Sea Ltd.	6.0
3	Spotify Technology SA	4.9
4	Taiwan Semiconductor Mfg. Co. Ltd.	4.7
5	Shopify Inc.	4.4
6	CTS Eventim AG & Co. KGaA	4.4
7	Adyen NV	4.3
8	Addtech AB	4.0
9	Constellation Software Inc.	3.9
10	Keyence Corp.	3.9

Source: BNY Mellon Asset Servicing

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, 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 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. 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. Financial institutions could suffer losses if interest rates rise or economic conditions deteriorate. 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. The sub-adviser 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's service providers are susceptible to cyber security risks that could result in losses to a Fund and its shareholders. Cyber security incidents could affect issuers in which a Fund invests, thereby causing the Fund's investments to lose value. 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.

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