Fund Manager Commentary

As of June 30, 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

International equities were volatile in the second quarter, with both European and Asian markets benefiting from easing trade tensions, accommodative central banks, and selective sector leadership.

In Europe, markets staged a sharp recovery after early-quarter volatility driven by renewed U.S. tariff threats. The STOXX Europe 600 rebounded approximately 10% from its April lows, supported by a temporary pause in tariffs, signs of de-escalation in U.S.-China trade negotiations, and reports of product exemptions. European central banks (ECB) adopted dovish stances, with several, including the ECB and Riksbank, cutting rates, helping stabilize sentiment. Earnings broadly exceeded expectations, particularly in banks and technology, with sectors like Travel and Industrials outperforming amid falling fuel costs and increased defense spending.

In Asia, technology-led markets drove regional gains as trade fears eased late in the quarter. Benchmarks in Japan, South Korea, and Taiwan delivered double-digit gains in U.S. dollar terms, buoyed by policy support and investor optimism toward the technology sector. The MSCI Asia Pacific ex Japan index rose 11.8%, while South Korea's Kospi and Taiwan's TAIEX outpaced on artificial intelligence (AI)-related enthusiasm. Monetary policy remained supportive across the region, with rate cuts in several markets. Economic data remained uneven, with China showing resilience in domestic activity even as exports slowed. South Korea and Mexico saw robust ecommerce growth, particularly for companies with integrated logistics and fintech offerings. Currency strength, driven by a weaker U.S. dollar and local central bank actions, also supported market sentiment. Despite geopolitical disruptions, particularly from Middle East tensions, markets regained footing quickly, highlighting the volatile environment.

Japan and Taiwan contributed the most to MSCI ACWI ex-U.S. Index results from a country perspective. Saudi Arabia was the only country to detract. All sectors contributed positively to overall results, with Financials and Industrials leading. Energy and Real Estate contributed the least.

Portfolio Review

The Touchstone Sands Capital International Growth Fund (Class A Shares, Load Waived) outperformed the MSCI ACWI ex-U.S. Index for the quarter ended June 30, 2025.

The Fund outperformed the MSCI ACWI ex-U.S. Index in the second quarter as growth and emerging markets rallied following easing of volatile trade tensions.

Security selection drove results with additional tailwinds from sector allocation. Regional allocation was a slight headwind. All regions contributed positively to results. Western Europe and the U.S./Canada were the top contributors, while the Mid-East and Africa, and Eastern Europe contributed the least. From a sector perspective, Consumer Discretionary and Communication Services were the top contributors to relative results, while Financials and Industrials were the top detractors.

The top absolute contributors to investment results during the quarter included MercadoLibre Inc. (Argentina, Consumer Discretionary sector), Spotify Technology S.A. (Sweden, Communication Services sector), Taiwan Semiconductor

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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.***

Manufacturing Co. Ltd. (Taiwan, Information Technology sector), Sea Ltd. (Singapore, Communication services sector), and CTS Eventim AG & Co. KGaA (Germany, Communication Services sector).

MercadoLibre is the leading ecommerce and fintech ecosystem in Latin America by market share. The business delivered another strong quarter, surpassing consensus estimates for revenue and operating income. The outperformance was driven in part by Argentina, where contribution margins are higher than in Brazil and Mexico. Despite its scale, MercadoLibre still represents less than 5% of the region's total retail market. To capture more of this opportunity, the company is investing across key strategic pillars, including marketplace, logistics, loyalty, and wallet. While these investments may pressure near-term profitability, especially in the absence of formal guidance, we expect them to reinforce MercadoLibre's competitive advantages and support long-term growth across its ecosystem.

Spotify is the world's largest subscription streaming audio service by market share. Spotify contributed positively to results during the quarter, as its core business continued to deliver strong growth and margin expansion. The company reported premium subscriber net additions of five million, its best first quarter since 2020, and premium revenue grew 16% year over year. While the beat on gross margin was modest and the launch of a super-premium tier was delayed, Spotify continues to demonstrate category leadership and strong momentum on the core pillars of their business, especially paid subscriber growth and operating margin expansion. Management emphasized disciplined spending, with operating income more than doubling and headcount flat quarter over quarter. Advertising trends also showed improvement, supported by momentum in programmatic and video formats.

Taiwan Semiconductor (TSMC), the world's largest producer of leading-edge logic chips, reported strong quarterly results, supported by ongoing demand for AI-related semiconductors. Management reiterated its 2025 revenue growth target in the mid-20% range, with second-quarter guidance coming in above consensus. The company plans to double capacity for chip-on-wafer-on-substrate (CoWoS) packaging this year, noting that demand continues to exceed supply and capacity remains fully booked. TSMC also reaffirmed its long-term goal to grow AI-related revenue at a mid-40% compound annual rate through 2029, reflecting its critical position in the semiconductor value chain and sustained momentum in AI infrastructure buildout.

The top absolute detractors to investment results included On Holding AG (Switzerland, Consumer Discretionary sector), Hexagon AB (Sweden, Information Technology sector), SMC Corp. (Japan, Industrials sector), WEG S.A. (Brazil, Industrials sector), and IMCD N.V. (Netherlands, Industrials sector).

Hexagon is a leading provider of integrated hardware and software tools that create digital reality solutions. Hexagon reported disappointing first quarter results following a pre-announced shortfall in profitability. While revenue and adjusted EBIT came in line with updated expectations, the softness was broad-based across all divisions, rather than isolated to key sensor businesses as some had anticipated. Management had positioned the company for growth after a stronger fourth quarter, but that demand failed to materialize, in part due to geopolitical uncertainty and the announcement of new U.S. tariffs in late March. While Hexagon expects up to €15 million in direct quarterly tariff impact, the company is pursuing mitigation efforts to limit the full-year effect. That said, with no material cost adjustments made following April's pre-announcement, we remain cautious on the near-term outlook.

SMC Corporation is the global leader by market share in pneumatic motion control equipment, crucial for robotics and factory automation. SMC shares fell during the quarter as tariff worries were centerstage, though results and management commentary were generally constructive. Fiscal year 2025 operating profit came in line with consensus, and guidance for fiscal 2026 was broadly in line with prior expectations. Orders improved 7% quarter over quarter, with notable strength in China, where SMC is no longer losing market share. Management highlighted strong demand in the region, though competitive pressures remain, particularly on pricing. Encouragingly, profitability in China improved over the past year. While there are some concerns about tariffs, SMC views the estimated cost impact as manageable. Additional tailwinds from inventory revaluation and improving utilization could help offset this.

WEG is one of the world's largest manufacturers of electric equipment. WEG modestly detracted from results during the quarter as investors reacted to a revenue miss in its international segment and a sequential margin decline. While the miss reflects some global macro uncertainty, management reported no signs of worsening demand and noted that backlogs actually grew in the quarter. The margin pressure, meanwhile, stemmed from a temporary mix of factors: a surge in solar product sales, higher copper costs, and integration-related expenses from a recent acquisition. These dynamics are the reverse of tailwinds seen in late 2022 and are expected to fade in coming quarters. Organic growth remains healthy at approximately 17%, and WEG's long-term outlook remains intact.

During the quarter the Fund exited Lonza Group AG (Switzerland, Health Care sector) and Zalando SE (Germany, Consumer Discretionary sector). We purchased Galderma SA (Switzerland, Health Care sector), On Holding AG (Switzerland, Consumer Discretionary sector), and Pro Medicus Ltd. (Australia, Health Care sector).

We continually work to enhance the Fund's portfolio quality. Recent changes reflect higher conviction in the businesses we added compared to those we exited. While some of the new holdings have shown slightly higher historical volatility, we believe their overall volatility-to-return profiles remain attractive. In some cases, we expect volatility to moderate as market dynamics evolve. For example, Galderma's current metrics reflect a short trading history following its initial public offering in early 2024. Overall, we are pleased with the Fund's positioning following these updates.

We exited Lonza, a leading integrated solutions provider to the leading pharmaceutical, biotechnology, and specialty ingredients market, to initiate a position in Galderma. After a thorough re-underwriting, we concluded that Lonza is a good, but not great, business. While it can generate unit and accounting earnings growth, we believe its consolidated economic return profile is less compelling. We had been patient in holding the position, as both

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the stock and the broader industry had traded at what we viewed as overly depressed valuations. With recent share price appreciation, we saw this as an opportune moment to exit.

Galderma is a leading Swiss-based dermatology company selling injectables, skin care products, and pharmaceutical-grade drugs. Nearly 90% of its revenue comes from products that patients pay for directly, which helps insulate the business from insurance-related pricing pressures and government reimbursement risks. The company's strong brand reputation, combined with a commercial strategy that emphasizes high-touch service for dermatologists, reinforces its leadership in this regulated market. In the U.S., Galderma has continued to gain injectable market share by launching longer-lasting neurotoxins and deepening physician relationships. At the same time, its prescription therapeutics business is showing promise, led by Nemluvio, a new treatment for chronic skin conditions that has already delivered encouraging results. Looking ahead, Galderma is well-positioned to expand margins as high-growth, high-margin products scale and efficiencies from its recent spinout take hold. With steady growth in the broader dermatology market, especially in aesthetic treatments, the company's specialized focus and global reach provide a clear path, in our view, for long-term, above-average earnings growth.

We also sold Zalando, the largest ecommerce apparel retailer in Europe by market share. In our view, Zalando has emerged as one of the strongest European ecommerce businesses, differentiating itself across both business-to-consumer (B2C) and business-to-business (B2B) channels.While the company is executing well, its growth potential is more dependent on overall market trends than we typically prefer. Its core B2C apparel business remains the primary growth driver, and apparel is a difficult, highly competitive category. It has also become clearer to us that B2B will take time to become a more meaningful contributor. Ultimately, market growth is outside of Zalando's control, and we prefer businesses with a greater ability to make their own weather.

On Holding is an emerging premium global sportswear brand, rooted in innovation, design, and sustainability. The company aspires to become the most premium brand in the category and is a direct beneficiary of two powerful secular trends: the growing preference for sport-infused, casual apparel and the shift toward premium products. Founded in Zurich by a former Ironman competitor, On initially focused on running footwear. Its first major innovation, patented cloud soles, helped drive strong adoption among athletes. In less than 15 years, On has become one of the 10 largest sports footwear brands globally by market share.

Running remains the company's core business, but On has expanded into other footwear categories such as tennis and trail, as well as into apparel.

We expect On to continue gaining share in the fragmented global sports footwear, and eventually broader sportswear, market. Its premium brand perception is a key differentiator, supporting structurally higher margins through elevated pricing power and limited discounting.

Pro Medicus is a leading healthcare Information Technology provider specializing in imaging and radiology software. Its flagship product, the Visage 7 suite, is redefining the standard of care, in our view, and is used by more than 50% of the top-rated hospitals in the U.S. Visage 7 is the only cloud-native picture archiving and communication system (PACS), requiring no upfront capital expenditure, unlike traditional, on-premise PACS.

The software enables radiologists to interpret images quickly and allows hospitals to increase reimbursement dollars, as they are paid per image. Visage 7 commands twice the price of competitors, wins approximately 80% of RFPs, and has maintained 100% renewal rate at higher prices. Hospitals have seen increased revenues and cost savings, radiologists have gained speed and accuracy, and patients have experienced better care. Secular demand is supported by a growing shortage of radiologists and rising imaging volumes. Pro Medicus has delivered a high return on investment for customers, integrates with and receives revenue from all AI models, and has been highly profitable. It also enjoys strong brand loyalty among radiologists. Our investment case centers on Pro Medicus expanding beyond academic systems, upselling additional modules, and expanding its market into cardiology.

Outlook and Conclusion

Equity markets in 2025 have remained volatile, extending the streakiness that has characterized much of the post-2020 investment environment. We believe structural dynamics, ranging from changes in market architecture to the speed of information flow, have widened the gap between narrative and fundamental reality. We believe this narrative-driven volatility is compounded by two long-duration forces: the bifurcation created by perceived AI winners and losers and the ongoing realignment of global trade patterns and geopolitical centers of influence. These factors are injecting heightened uncertainty into valuations and, increasingly, into near-term business fundamentals. In this environment, we remain focused on short-term resilience as the foundation for potential long-term dominance, in other words, businesses well positioned to survive and thrive.

Despite public market volatility, the Fund is fundamentally stronger than in prior years. It is anchored by higher-quality businesses, stronger balance sheets, more durable growth, and more attractive valuations. Most of our current holdings expanded operating margins in 2024, and early 2025 results indicate that this trend is continuing. Financial resilience has improved: most businesses carry little debt, maintain high interest coverage, and generate strong returns on equity.

This improvement is not coincidental, it reflects the outcome of deliberate decisions to exit businesses with weak or broken moats; retain or add to companies that strengthened their competitive advantages or reached profitability, and reinvest in businesses that shifted toward disciplined growth and operational rigor.

The changing environment has also led us to refine our investment discipline, especially how we weigh growth potential relative to competitive strength. From 2020 to 2022, markets broadly lowered quality standards in pursuit of long-duration growth narratives. When those narratives unraveled, valuations declined, and competitive advantages demonstrated to be weaker than expected.

Today, we are more discerning. On the margin, we place slightly greater emphasis on competitive advantage, not just pure profit

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potential. We are also becoming more agile. Our research process enables us to reach conclusions faster and act with conviction when volatility creates opportunity. We are leveraging new tools to better understand short-term return drivers, helping us make sharper decisions while staying grounded in our long-term philosophy.

The result is a Fund with a modestly higher allocation to classic growth businesses, a lower allocation to high-growth, high-valuation names, and greater diversification across end markets, sectors, and growth stages.

We remain committed to our growth investment philosophy, focused on owning great businesses over the long term. Our stronger Fund positioning gives us conviction that we are well prepared for the challenges, and opportunities, that lie ahead.

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	**$110.8 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

	2Q25	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	17.56%	19.19%	25.01%	18.04%	11.79%	7.67%	5.70%
C Shares	17.38%	18.84%	24.24%	17.20%	10.97%	7.04%	5.35%
Y Shares	17.60%	19.37%	25.48%	18.41%	12.10%	7.95%	5.96%
INST Shares	17.70%	19.47%	25.42%	18.41%	12.14%	7.97%	5.97%
R6 Shares	17.70%	19.47%	25.43%	18.42%	12.14%	7.97%	5.97%
Benchmark	12.03%	17.90%	17.72%	13.99%	10.13%	6.12%	27.95%
Including Max Sales Charge							
A Shares	11.72%	13.19%	18.70%	16.06%	10.64%	7.03%	5.34%
C Shares	16.38%	17.84%	23.24%	17.20%	10.97%	7.04%	5.35%

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.	6.4
2	Spotify Technology SA	5.8
3	Sea Ltd.	5.7
4	Taiwan Semiconductor Mfg. Co. Ltd.	5.5
5	CTS Eventim AG & Co. KGaA	4.6
6	Shopify Inc.	4.5
7	Adyen NV	4.3
8	Addtech AB	3.9
9	Constellation Software Inc.	3.9
10	Keyence Corp.	3.3

Source: BNY Mellon Asset Servicing

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 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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