Touchstone Sands Capital International Growth Equity Fund

Sub-Advised by: Sands Capital Management, LLC

International Equity – Large-Cap Core 3Q/2025

Fund Manager Commentary

As of September 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 equity markets advanced amid a complex macroeconomic backdrop in the third quarter, with performance diverging across regions. European equities approached all-time highs. The STOXX 600 Index gained ground despite a roughly 14 percent appreciation in the euro, which pressured exporters but benefited domestic-facing companies. Investor optimism was bolstered by Germany's € 500 billion infrastructure fund and record share buybacks. However, late-quarter U.S. tariffs targeting pharmaceuticals, autos, and luxury goods revived transatlantic trade uncertainty. Central banks across the region largely signaled an end to the easing cycle. The European Central Bank and Swiss National Bank held rates steady, while the Bank of England, Riksbank, and Norges Bank delivered final cuts alongside hawkish commentary. Political challenges mounted, with France's new prime minister managing a fiscal crisis and ratings downgrades, and the United Kingdom grappling with elevated gilt yields amid skepticism over budget plans. Second-quarter earnings were tepid, with five percent year-over-year growth, led by banks and energy, while defensives underperformed.

Japan's equity market reached historic highs, with the Nikkei 225 surpassing its 1989 bubble-era peak. The rally was driven by corporate reform momentum, a weak yen that supported exporters, and easing U.S.-China tensions. Investor sentiment also improved on the back of potential fiscal stimulus. However, domestic inflation remained persistent, pressuring household spending and increasing the likelihood of a Bank of Japan rate hike by year-end. Political uncertainty returned after Prime Minister Ishiba's resignation following an upper-house election loss, raising the risk of continued leadership turnover.

Asia ex-Japan advanced, with the MSCI regional index rising 9 percent. Taiwan and South Korea led, lifted by artificial intelligence (AI)-driven demand across semiconductor and technology sectors. Greater China saw strong gains despite ongoing housing market pressure and soft macroeconomic data, with investors encouraged by efforts to build domestic chip capabilities and signs of improved international relations. ASEAN markets posted moderate gains. India, in contrast, was a clear laggard as U.S. trade actions, including a tariff increase to 50 percent and higher H-1B visa fees, pressured Information Technology (IT) services and cross-border flows. Central banks across the region responded with rate cuts to mitigate external shocks.

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 September 30, 2025.

We attribute the quarter's underperformance to three key factors: a reversal among strong performers from the first half of 2025, ongoing investor debate around businesses perceived as vulnerable to AI disruption or macroeconomic risk, and the outperformance of value stocks relative to growth stocks more broadly. Valuation pressure was a driver of the Fund's underperformance as the median Fund holding experienced a six percent decline in forward price-to-earnings multiples. This multiple compression outweighed the Fund's stronger earnings growth relative to the index.

Much of the underperformance came from businesses that had been strong performers earlier in the year. In most cases, we believe these declines were disconnected from underlying business fundamentals. The second set of detractors included companies

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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.***

facing continued skepticism about their positioning in a world increasingly shaped by AI, their exposure to macroeconomic headwinds, or the cyclicality of their end markets.

From an attribution perspective, these dynamics resulted in negative security selection, with additional headwinds from regional allocation. Sector allocation was a slight tailwind. All regions detracted from relative results. Mid-East & Africa detracted the least, while Western Europe was the top regional detractor. From a sector perspective, Health Care and Information Technology were the top relative contributors, while Consumer Discretionary and Communication Services were the top detractors.

The top absolute contributors to investment results during the quarter were Shopify Inc. (Canada, IT sector), Taiwan Semiconductor Mfg. Co. Ltd. (Taiwan, IT sector), and Sea Ltd. (Singapore, Consumer Discretionary sector).

Shopify is a global ecommerce platform enabling the next generation of retail. Shares rose after second-quarter results showed Gross Merchandise Value up 31 percent year over year, driven by momentum with larger merchants and improving monetization. This represented the company's largest beat versus consensus in five quarters. We attribute the acceleration to strong merchant additions over the past 12 to 18 months, continued growth in Europe, and a resilient online retail environment. In our view, the quarter highlighted Shopify's ability to outpace global ecommerce growth, supported by enterprise adoption, international expansion, and a rising take rate.

Taiwan Semiconductor (TSMC) is the world's largest producer of leading-edge logic chips by market share. Shares rose following strong quarterly results, raised full-year guidance, and positive signals from the global AI infrastructure buildout. The company continues to benefit from strong AI-related demand and is expanding CoWoS capacity to narrow the gap between supply and demand. Despite currency headwinds and elevated investment in overseas fabrications, gross margins have remained resilient, supported by yield improvements and disciplined pricing. Looking ahead to 2026, we believe TSMC is well positioned to exceed the 16 percent revenue growth expected by consensus. Key drivers include capacity expansion, the launch of a new iPhone with enhanced AI capabilities, and increased outsourcing from Intel. Longer term, we model 20 percent annualized earnings growth through 2029. While AI remains the primary growth engine, we also expect smartphones, PCs, servers, and automotive chips to grow at low-to-mid-teens rates, driven by pricing and rising silicon content.

Sea is an internet business in Southeast Asia that operates leading platforms for video games, ecommerce, and digital financial services. Shares rebounded after the company reported strong second-quarter 2025 results. Ahead of the release, investor sentiment had weakened due to concerns about competitive pressure in Brazil and conservative margin commentary. Sea eased those concerns with a five percentage point gross merchandise volume (GMV) beat, in-line margins, and stronger Brazil growth. Management raised full-year gaming growth expectations to more than 30 percent and projected that first-half GMV growth momentum would extend into the third quarter.

The top absolute detractors to investment results were Constellation Software Inc. (Canada, IT sector), CTS Eventim AG & Co. (Germany, Communication Services sector), and MercadoLibre Inc. (Argentina, Consumer Discretionary sector).

Constellation Software is a leading acquirer and operator of vertical software businesses. In September, shares declined following CEO Mark Leonard's immediate resignation, citing health reasons. This added to mounting investor concerns around AI and its potential risks to the business model. Leonard's departure may add to questions about the company's ability to maintain its historical mergers and acquisitions (M&A) performance. As Constellation has grown, finding enough small vertical software targets to fully deploy its free cash flow has naturally become more difficult. While responsibility for most deals has long been delegated to the business units, we believe Leonard's continued oversight has helped Constellation sustain a capital allocation premium. Positively, we note he remains on the board of directors. Constellation's earnings results have recently fallen short, largely due to a slowdown in M&A activity. As AI concerns grow, the market may conflate these issues. That said, we see little real-world impact from AI so far. Constellation's products remain mission-critical, with few signs of disruption in customer behavior.

CTS Eventim is the leading event ticketing business in Europe by market share. CTS Eventim's weaker second-quarter results reflect a mix of short-term factors, not a change to the long-term investment case. Most of the earnings shortfall came from the Live Entertainment segment, where European festival losses and a pullback in U.S. concert promotion weighed on results. Importantly, ticketing, CTS's core business, remains structurally sound. Ticketing margins declined due to integration costs from the See Tickets acquisition, which are non-recurring and expected to be offset by synergies by year-end. On an underlying basis, ticketing profitability improved year over year. Live Entertainment is intentionally a secondary business for CTS, used to drive ticketing volume. Management is reviewing underperforming festivals and has refined its U.S. strategy to focus on venue-based ticketing. With shares trading at an attractive valuation, and the long-term earnings power unchanged, this volatility provided an opportunity to add to a high-conviction, less liquid position.

MercadoLibre operates the largest ecommerce and fintech ecosystem in Latin America by market share. Shares declined as investors took profits following a strong first half, driven by concerns over rising competition in Brazil. The company announced new shipping policies that lower the free-shipping threshold for buyers and reduce fees for sellers. While these changes may pressure near-term margins, we view them as a strategic move to expand into lower-income segments by leveraging MercadoLibre's logistics infrastructure. Importantly, these actions were not reactive. They followed consistent growth and, in our view, could strengthen consumer engagement and accelerate growth. Early data supports this: gross merchandise volume slightly accelerated in June and July. We continue to believe both MercadoLibre and its largest competitor, Shopee, can gain share from weaker incumbents. Ecommerce penetration in Brazil remains in the mid-teens, leaving the opportunity still at an early stage. We retain conviction in MercadoLibre's long-term ability to drive profitable growth across the region.

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During the quarter the Fund purchased Nu Holdings Ltd. (Brazil, Financials sector), Argenx SE (Belgium, Health Care sector) and 3i Group plc (United Kingdom, Financials sector). We sold Recruit Holdings Co. Ltd. (Japan, Industrials sector), SMC Corp. (Japan, Industrials sector), and Sika AG (Switzerland, Materials sector).

Nu Holdings operates Nubank, a digital financial services platform that serves over 80 million customers in Latin America. Nubank began as an online credit-card issuer in Brazil and now offers a full suite of financial services to over 40 percent of the country's adult population. The Latin American financial services industry is ripe for disruption, in our view, given a highly underbanked population and low customer satisfaction scores for the incumbent banks. Nubank's competitive advantages, in our view, stem from its combination of lower costs than traditional banks, high brand trust, and prudent credit underwriting capabilities. We believe this combination enables a superior user experience, supporting low-cost customer acquisition and retention. While customer acquisition will continue to be a growth driver, particularly in Colombia and Mexico, we expect user-base monetization, and thus margin expansion, to be the primary driver of potential incremental profit.

Argenx is advancing a new approach to treating autoimmune diseases through targeted antibody therapies. Its first commercial product, Vyvgart, is approved in two rare neurological conditions and is still early in its market penetration, reaching just 10 percent to 20 percent of eligible patients. Uptake is growing, supported by the drug's convenience, safety profile, and first-mover advantage. Vyvgart also has potential well beyond its initial use cases. With multiple Phase 3 trials underway, it is demonstrating to be a pipeline in a product, offering a path to significantly broaden its addressable market. Argenx is also developing a second late-stage molecule, further diversifying its opportunity. The company focuses on underserved diseases where pricing tends to be durable and competition is limited. With strong payer coverage and chronic use in responsive patients, Vyvgart generates recurring, annuity-like revenue. Backed by a management team with a track record of scientific and commercial execution, we believe Argenx is well positioned to grow earnings meaningfully over time while delivering strong free cash flow.

3i Group is a London-based private equity firm that owns a material stake in Action, Europe's largest non-food discount retailer. 3i's stake in Action underpins our investment case. Action operates more than 3,000 stores across 12 countries and holds about 40 percent share of its addressable market. We believe the company can more than double its store footprint in Europe over the next five years, with potential to expand beyond the continent. Action exemplifies the characteristics we seek in discount retail: strong customer value, agile buying, efficient logistics, entrenched consumer habits, and a durable corporate culture. Its earnings profile reflects productive, low-cost stores, attractive merchandise margins, and robust supply chain capabilities. Beyond Action, we expect modest value creation from 3i's broader portfolio. Certain investments, such as Royal Sanders and EBG, appear large and attractive enough to contribute meaningfully to long-term value.

We originally invested in Recruit based on its potential to modernize and simplify the hiring process by integrating disparate functions into a unified platform. The company made meaningful progress toward that goal through strategic acquisitions, including Glassdoor. However, recent execution has fallen short of our expectations and lowered our conviction. The failed rollout of the pay-per-application pricing model, in particular, raised concerns about both the pace and precision of its innovation efforts. We continue to believe the hiring process remains ripe for disruption. However, we are not seeing convincing evidence that Recruit is well positioned to lead that change. In parallel, the company's growing reliance on its HR Technology segment has increased its sensitivity to macroeconomic shifts, reducing the visibility and stability of its earnings.

We have reinvested the proceeds into higher conviction businesses.

We decided to exit SMC due to what we view was persistent capital inefficiency and weak margin execution. SMC operates in an attractive segment of industrial automation and benefits from long-standing customer relationships, a broad product portfolio, and engineering-led barriers to entry. However, the company has consistently struggled to translate these advantages into higher-quality execution. Its historical pattern of overinvesting in capacity, without aligning capital expenditures to demand, has weighed on profitability and prompted multiple downward revisions to earnings guidance. While order trends are improving SMC has pointed to ongoing weakness in key verticals like semiconductors and electric machinery. More critically, the company's approach to navigating the cycle remains reactive rather than proactive. This limits our confidence in management's ability to optimize operations through demand fluctuations or to compound value during cyclical recoveries. We have decided to reinvest the proceeds into higher conviction businesses.

We exited our position in Sika despite its strong market leadership, innovation in sustainable construction materials, and attractive underlying economics. Over our ownership period, the business proved to be more cyclical than expected, with greater sensitivity to macroeconomic conditions. Given this dynamic, the volatility-adjusted return profile no longer aligned with the role we expected Sika to play in the fund.

Outlook and Conclusion

Major equity indices are higher year to date, but beneath the surface, speculation and shifting investor narratives continue to drive volatility across stocks and industries. The speed of information flow and changes in market structure have amplified these swings.

As business owners, rather than stock traders, we continue to focus on the earnings growth potential and durability of the few companies we own. We continue to believe that earnings trajectory is ultimately what drives value creation over our investment horizon, not U.S. Federal Reserve policy over the next quarter or the announcement of a trade deal.

Our Fund is stronger than in past years and better positioned, in our view, to weather a dynamic operating and market environment. It is anchored by higher-quality businesses, stronger balance sheets, and more durable growth. It has a modestly higher allocation to classic growth businesses, a lower allocation to high-growth, high-valuation names, and greater diversification across

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end markets, sectors, and growth stages. We are leveraging new tools to better understand short-term return drivers, helping us make sharper decisions while staying grounded in our long-term approach.

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	**$107.7 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

	3Q25	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	-3.50%	15.03%	10.13%	21.28%	9.02%	8.48%	5.41%
C Shares	-3.75%	14.37%	9.23%	20.33%	8.18%	7.84%	5.06%
Y Shares	-3.48%	15.22%	10.34%	21.60%	9.32%	8.77%	5.66%
INST Shares	-3.47%	15.33%	10.43%	21.61%	9.36%	8.79%	5.67%
R6 Shares	-3.47%	15.33%	10.45%	21.62%	9.36%	8.79%	5.67%
Benchmark	6.89%	26.02%	16.45%	20.67%	10.26%	8.23%	36.77%
Including Max Sales Charge							
A Shares	-8.35%	9.23%	4.60%	19.25%	7.91%	7.84%	5.06%
C Shares	-4.72%	13.37%	8.23%	20.33%	8.18%	7.84%	5.06%

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	Taiwan Semiconductor Mfg. Co. Ltd.	7.1
2	Sea Ltd.	6.2
3	Shopify Inc.	6.1
4	Spotify Technology SA	5.2
5	Mercadolibre Inc.	5.0
6	CTS Eventim AG & Co. KGaA	4.6
7	Galderma Group AG	4.1
8	Addtech AB	3.9
9	Adyen NV	3.8
10	Ajinomoto Co., Inc.	3.7

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 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. 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-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. 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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