Fund Manager Commentary

As of March 31, 2025

Fund Highlights

- Identifies leading companies with dramatic wealth creation potential, focusing on six key investment criteria:
  - Sustainable, above-average earnings growth
  - Leadership position in a promising business space
  - Significant competitive advantages
  - Clear mission and value-added focus
  - Financial strength
  - Rational stock market valuation
- Emphasizes investments in large-cap companies
- Typically holds 25-35 companies

Market Recap

U.S. growth equities, as measured by the Russell 1000® Growth Index, delivered their worst quarterly performance since 2022 and underperformed U.S. value equities (Russell 1000® Value Index) by the widest margin since 2001.

In January, the emergence of Chinese artificial intelligence (AI) model DeepSeek triggered a selloff in AI-related stocks, as investors reassessed the sustainability of elevated infrastructure spending, pricing, and the United States' leadership in the sector.

Later in the quarter, the S&P 500 Index entered a 10% correction in just 16 trading days, the seventh-fastest on record since 1929. U.S. policy uncertainty, particularly around trade, stoked fears of stagflation and triggered a rotation out of high-momentum stocks. The downturn was exacerbated by significant crowding in those names and low market liquidity.

These dynamics led to a shift in market leadership: Value outperformed Growth, international markets outperformed the United States, and traditional havens like gold, Treasuries, and the Japanese yen rallied. Part of the leadership shift included a rotation from the Magnificent Seven, as five of its constituents, NVIDIA, Apple, Tesla, Alphabet, and Microsoft, were the Index's largest individual detractors.

Index contributors were more dispersed than in recent quarters, with greater breadth across both industries and individual stock contributions. The top five contributors, Visa, Eli Lilly, AbbVie, Progressive, and Uber Technologies, reflected diverse end markets, with no single company contributing more than 20 basis points (bps) to the Index's overall gain.

From a sector perspective, Health Care and Consumer Staples contributed most to the Russell 1000 Growth, while Information Technology and Consumer Discretionary were the top detractors.

Portfolio Review

The Touchstone Sands Capital Select Growth Fund (Class A Shares, Load Waived) outperformed its benchmark, the Russell 1000® Growth Index, for the quarter ended March 31, 2025.

(continued)

Multiple compression drove the Fund's decline, with the median company's 12-month forward earnings multiple falling by 15%. Security selection within software was the largest relative detractor, offsetting contributions from Communication Services and the Fund's positioning around the Magnificent Seven. Notably, the underweight to that cohort, including the decision not to own Alphabet and Tesla, detracted significantly from relative results.

From a sector standpoint, Communication Services and Consumer Discretionary contributed most to relative results. Information Technology and Health Care were the top detractors.

AI-related stocks fell in the first quarter amid concerns about the durability of graphics processing units (GPU) demand and the broader market leadership rotation. We think that the market is overly skeptical and is overlooking several positive signals. Hyperscaler capital expenditure guidance suggests that the AI investment cycle remains strong. Innovations like DeepSeek are likely to expand, not reduce, demand by enabling more domain-specific model development, and we have begun to see tangible evidence of this. During the quarter, leading Chinese internet companies were reported to be stockpiling NVIDIA's H20 chips to meet booming demand for DeepSeek model compute.

NVIDIA's 2025 GTC event further demonstrated that AI is not demand-constrained and continues to improve rapidly. The company unveiled a multi-year roadmap with major gains in cost efficiency and performance, including a 40x improvement in inference per watt for its latest system, Blackwell. Meanwhile, we are seeing evidence that scaling laws, the positive correlation between compute power and model performance, remain intact. The rise of xAI's Grok 3 model, which reportedly outperforms all others despite the company being little over two years old, is a direct example. The model's success is attributed to brute-force compute from a cluster of 200,000 NVIDIA GPUs. Importantly, better performance is leading to real-world applications. A common investor concern is the lack of scalable use cases and return on investment, but we are now seeing tangible use cases across our portfolios. Multiple holdings are realizing material revenue growth and cost efficiencies from AI across areas like fraud detection, content creation, and workflow automation. These early results suggest the next phase of adoption will be more focused, measurable, and enduring.

Longer term, "AI factories," enterprise AI workloads designed to support or even replace parts of the human workforce' and physical AI applications in automobiles and humanoids present additional use cases with potentially massive addressable markets. While sentiment may remain volatile, we continue to view AI as a foundational driver of long-term growth for both the infrastructure enablers and the businesses applying AI to create real-world value.

Among the top individual absolute contributors to Select Growth's results were Spotify Technology S.A., Sea Ltd. (both Communication Services sector), Intercontinental Exchange Inc. (Financials sector), Uber Technologies Inc. (Industrials sector), and Cloudflare Inc. (Information Technology sector).

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.

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.

Intercontinental Exchange (ICE) is one of the world's largest operators of financial exchanges and clearinghouses. The business reported solid quarterly results and issued better-than-expected 2025 guidance for its mortgage technology segment, which it expects to grow in the low-to-mid single digits compared to a 2% decline in 2024. The lower end of guidance is conservative, assuming flat origination volumes in 2025 after nearly three years of contraction, and with interest rates now roughly 75 bps below their post-pandemic highs. ICE also plans to resume its stock buyback program as leverage has largely normalized following the Black Knight acquisition.

Uber Technologies reported strong quarterly results, with gross bookings up 21% year-over-year, driven by volume rather than pricing, and adjusted EBITDA increasing 44%. Investor debate around autonomous vehicles (AV) continues to influence sentiment, but we believe a fragmented AV market, beyond current leaders Tesla and Waymo, will favor Uber, given the likely need for an aggregator (we view it as unlikely that consumers will use separate apps for each AV provider). Additionally, Uber has begun investing in AV fleets and maintenance depots, a move that could further strengthen its position within the evolving AV ecosystem.

Cloudflare is an emerging network-as-a-service and edge computing leader. Shares rallied during the quarter as investors gained confidence in the company's improving enterprise sales execution and recognized its potential as a key beneficiary of AI inference growth. Lower inference costs could accelerate AI application deployment, increasing demand for Cloudflare's Workers edge computing platform.

(continued)

We attended the company's analyst day in March and came away encouraged by its focus on strengthening both enterprise and developer go-to-market efforts. Notably, the renewed emphasis on developer adoption for Workers could begin contributing meaningfully to the business sooner than we had previously expected.

Among the top individual absolute detractors were AppLovin Corp., NVIDIA Corp., ServiceNow Inc., Datadog Inc. (all Information Technology sector), and Amazon.com Inc. (Consumer Discretionary sector).

AppLovin is one of the leading providers of advertising solutions for mobile game developers. Its stock price decline stemmed from a broader selloff in high-volatility stocks, exacerbated by multiple short reports. These reports allege app-install manipulation and improper data attribution, claims we view as largely unfounded. AppLovin's revenue is tied to purchases, not clicks, and its customers use sophisticated attribution tools. Given the opaque nature of ad tech, we took added precautions in our due diligence, consulting ad fraud experts and a forensic accountant. We see no new concerns that alter our conviction and believe the selloff has improved the long-term risk-reward in our favor.

NVIDIA is the market-leading provider of AI technology. As noted above, shares declined in the first quarter amid the investor debate over DeepSeek, AI return on investment, and broader demand trends. This uncertainty appears reflected in the stock's current valuation, which seems to be pricing in a down-cycle. Our research suggests this sentiment is misplaced, given demand durability and the company's competitive position, including the fungibility of its hardware across training and inference, the importance of its CUDA programming platform, and the breadth of its ecosystem. NVIDIA ended the quarter as the portfolio's second-largest weight, reflecting our conviction and its fit with our investment criteria.

ServiceNow is the leading provider of enterprise workflow automation software, based on market share. Shares declined during the quarter amid uncertainty around U.S. federal government spending, which accounts for roughly 10% of ServiceNow's revenue and has been a meaningful growth driver in recent years. These concerns were reflected in the company's full-year 2025 outlook, which incorporated a stronger U.S. dollar and cautious assumptions for its federal business. Despite this, ServiceNow continues to guide for 100bps of operating margin expansion this year. We continue to view the company as one of the best-positioned software beneficiaries of AI. A key proof point: Pro Plus, an AI-enhanced upgrade to its Pro tier, grew 150% quarter-over-quarter and is now in use by 1,000 customers.

Datadog provides essential monitoring and observability tools for modern cloud infrastructure. Shares declined during the quarter alongside the broader software sector, which was one of the largest detractors from the benchmark. Consumption-based models like Datadog's tend to be more volatile than subscription-based peers during periods of macroeconomic uncertainty. Beyond these broader pressures, investor concerns focused on guidance and Datadog's growing concentration among AI customers. This group now represents approximately 6% of annual recurring revenue, up from less than 1% eight quarters ago. While this validates Datadog's value to leading-edge users, it introduces short-term risk if usage slows or renewals come at lower rates. Bigger picture, we view the recent selloff as an opportunity. The core business remains stable, Datadog retains a leading position in observability, and secular trends, including growing cloud complexity and the rise of AI applications, continue to drive long-term demand.

Amazon is one of the largest ecommerce retailers and cloud infrastructure providers globally. Shares declined during the quarter alongside other Magnificent Seven stocks amid a sharp rotation out of momentum-driven names. Amazon reported solid quarterly results, in our view, with stable revenue growth and margin expansion in line with trends seen across the hyperscalers, including Meta. The company's 2025 capital expenditure guidance, exceeding $100 billion, was well above expectations, driven by intensifying investment in AI infrastructure. Looking ahead, we believe consensus is underestimating Amazon's 2025 retail operating profit potential. Notably, the stock ended the quarter trading at its lowest 12-month forward earnings multiple since 2008.

In the first quarter, the Fund completed the purchases of Broadcom Inc. (Information Technology sector), Taiwan Semiconductor Manufacturing Co. Ltd. (Information Technology sector), and Venture Global Inc. (Energy sector). It completed the sales of Apple Inc., ASML Holding N.V., Entegris Inc., and Snowflake Inc. (all Information Technology sector).

Broadcom is a key enabler of systems scalability and compute growth via ethernet networking and custom accelerators. We believe Broadcom will benefit from advancements in AI models in conjunction with increases in computing power, also known as scaling laws. Broadcom supports advances in computing power, through providing high bandwidth, low latency networking solutions. Its solutions help alleviate bottlenecks in scaling computing power as an increasing number of semiconductor chips work in parallel for AI training and inference. We expect its ethernet switches used for networking to be the primary driver of incremental growth as it benefits from both share increases and demand for larger server clusters that will require better networking solutions. Complementing its networking business, Broadcom is the largest provider of custom chip design services by revenue. These services enable businesses to take greater control of their technology stack, reduce reliance on third-party suppliers, and optimize costs and energy efficiency.

Taiwan Semiconductor (TSMC) is the world's largest producer of leading-edge logic chips by market share. TSMC is the only large-scale, customer-dedicated foundry capable of producing leading-edge chips, which are the most advanced chips available in terms of computing power. Its leadership position has been cemented by several factors, including its high-quality manufacturing process, ongoing investments in innovation, collaborative relationship with a wide ecosystem of partners, and position as the sole foundry at scale that does not compete with its customers by manufacturing its own designs. Our research suggests that its leadership position is only going to

(continued)

strengthen, given manufacturing and operational challenges at its only two competitors. We view TSMC as a primary beneficiary of the proliferation of AI given its chokepoint position in the value chain for AI chips. Beyond AI, we also view TSMC's growth potential underpinned by compute demand for other use cases, including those requiring trailing-edge logic chips.

Venture Global specializes in the development and operation of liquified natural gas (LNG) export facilities along the U.S. gulf coast. We believe natural gas demand is likely to continue growing over the next several decades as an abundant, affordable, reliable, highly scalable, and relatively clean energy source relative to other hydrocarbons. Given the fundamental mismatch between where the world's largest and cheapest natural gas resources are located (primarily the U.S. and Middle East) versus key areas of demand growth (Asia), we expect LNG demand to grow even faster, while becoming increasingly critical from a global energy security perspective. Against this backdrop, we expect that Venture Global's modular approach to facility development will enable the company to capture a disproportionate share of incremental demand. Its innovative approach meaningfully compresses construction timelines, reduces capital intensity and operating costs, and we believe facilitates a virtuous cycle that can allow for project cash flows to be generated and re-invested much faster and more effectively than peers. As a result, we see a runway for Venture Global to sustain above-average growth as it profitably expands its production over the next decade.

We sold Apple in March to fund what we view as compelling additions to existing holdings during the market selloff and to strengthen our cash position for future opportunities. Apple's inclusion in the Fund was intended to provide stability to the portfolio. However, in the current market environment, we see greater upside potential in other businesses and view cash as a more effective tool for downside risk mitigation and opportunistic deployment. We remain positive on the potential for shorter replacement cycles for computers and mobile devices, driven by Apple Intelligence. That said, the delayed rollout of AI features, and Apple's acknowledgment that some may be indefinitely postponed, could limit its ability to exceed earnings expectations. Apple remains a leading global technology business with a vast hardware and software ecosystem, strong customer lock-in, and powerful network effects. We will continue to monitor its progress and its potential fit within the Fund's portfolio.

We sold our positions in ASML Holding and Entegris to fund new investments in higher-conviction semiconductor businesses, Broadcom and Taiwan Semiconductor. While ASML and Entegris remain as fits with our investment criteria, we believe this shift enhances the Fund's portfolio exposure to the structural growth of leading-edge semiconductors, while still maintaining exposure to the eventual recovery we expect in semiconductor demand from personal computers, smartphones, and industrial end markets.

We sold Snowflake to manage exposure to software and higher volatility holdings. We chose to exit the business as our lowest conviction software holding after our research uncovered a potential weakening fit with our third investment criterion: significant competitive advantage/unique business franchise. Snowflake remains the most performant cloud data warehouse (CDW), and its key advantages in its core market continue to exist, but the company's competition has narrowed the gap in recent years. This dynamic, in isolation, would not likely merit a sale. However, the rapid rise of AI could be shifting the plane of competition to favor data platform vendors with stronger AI offerings as enterprises prioritize AI infrastructure investments. Our research has indicated that this is driving a convergence between AI and CDW platforms, with Snowflake being forced to catch up to competitors with head starts in building data platforms specifically catering to AI. Our concern is that Snowflake will cede market share to both the cloud hyperscalers and private competitors with these head starts, while seeing profit margins contract as it invests to accelerate the development of its AI capabilities. Snowflake also has a new CEO at the helm who needs to reorient not only the product offering but also how the platform is sold, given new user personas and more technical products. In our view, this dynamic may slow the long-term earnings trajectory of the business, and it introduces a level of uncertainty that does not justify the current valuation. For this reason, we decided to exit our position in favor of higher-conviction holdings.

Outlook and Conclusion

The higher-than-anticipated tariffs announced by the U.S. on imported goods, alongside China's retaliatory increase on U.S. exports, represent a clear headwind for global economic growth, equity valuations, and the broader business environment. We believe these actions increase the risk of further retaliatory trade measures and raise the likelihood of a U.S. and global recession.

Given the greater potential for what we call non-linear outcomes, we remain cautious. While our criteria lead us to businesses that tend to be more resilient to global macro cycles, the broader industries in which they operate are not immune to the effects of a potential global recession or prolonged trade conflict. Even if fundamentals remain intact, macro pressures could affect supply chains, customer behavior, and near-term profitability. Importantly, the Fund portfolio 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 portfolio metrics, including profitability, balance sheet resilience, and valuation, have also improved without sacrificing long-term growth potential. In times of uncertainty, competitive moats and financial strength matter more than ever, in our view, and the market leaders that just navigated extreme supply chain uncertainty during the pandemic may be best positioned to navigate whatever comes next. We continue to be guided by our six criteria to seek businesses best positioned to survive and thrive. Significant global changes are underway, but ultimately change can create opportunity for growth investors.

Fund Facts

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio Total	Net
A Shares	11/15/10	**TSNAX**	89155T847	1.17%	1.16%
C Shares	11/15/10	**TSNCX**	89155T839	2.02%	1.77%
Y Shares	08/27/04	**CFSIX**	89155H827	0.88%	0.87%
Z Shares	08/11/00	**PTSGX**	89155H819	1.19%	1.16%
Inst Shares	09/01/20	**CISGX**	89155T524	0.84%	0.79%
R6 Shares	09/01/20	**TSNRX**	89155T516	0.81%	0.68%
Total Fund Assets	**$2.1 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 "AFFE," and other expenses, if any) to 1.13% for Class A Shares, 1.74% for Class C Shares, 0.84% for Class Y Shares, 1.13% for Class Z Shares, 0.76% for Class Inst Shares and 0.65% 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	-9.49%	-9.49%	-2.59%	2.39%	10.37%	9.64%	6.56%
C Shares	-9.69%	-9.69%	-3.23%	1.79%	9.61%	9.00%	6.02%
Y Shares	-9.44%	-9.44%	-2.29%	2.69%	10.64%	9.92%	6.78%
Z Shares	-9.55%	-9.55%	-2.59%	2.39%	10.33%	9.63%	6.55%
Inst Shares	-9.46%	-9.46%	-2.22%	2.77%	10.70%	9.82%	6.63%
R6 Shares	-9.39%	-9.39%	-2.16%	2.85%	10.76%	9.84%	6.64%
Benchmark	-9.97%	-9.97%	7.76%	10.10%	20.09%	15.12%	7.40%
Including Max Sales Charge							
A Shares	-14.01%	-14.01%	-7.44%	0.66%	9.24%	8.99%	6.30%
C Shares	-10.60%	-10.60%	-4.20%	1.79%	9.61%	9.00%	6.02%

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

Benchmark - Russell 1000® Growth Index

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 adviser 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 for Class A, C, Y, INST and R6 Shares combines the performance of an older class of shares (Z Shares) from the Fund's inception, 08/11/00, with the performance since the inception date of each share class.

Top 10 Equity Holdings of Fund

		(% of Portfolio)
1	Amazon.com Inc.	9.7
2	NVIDIA Corp.	8.9
3	Meta Platforms, Inc.	7.3
4	Microsoft Corp.	6.9
5	Spotify Technology SA	4.7
6	Sea Ltd.	4.6
7	ServiceNow Inc.	4.2
8	Netflix, Inc.	4.2
9	Shopify Inc.	4.0
10	Applovin Corp.	3.9

Source: BNY Mellon Asset Servicing

The Russell 1000® Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

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.

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 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. 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. 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 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. 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.