

Fund Manager Commentary

As of March 31, 2024

Fund Highlights

- The Fund seeks long-term growth of capital, investing primarily in equity securities of U.S. and 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 MSCI All Country World Index during first quarter, 2024 fueled primarily by continued enthusiasm over artificial intelligence (AI) and related industries. Market gains continued to be concentrated in larger companies, as small caps and equally-weighted indices failed to keep pace. Market gains were not accompanied by a rise in earnings estimates, which are unchanged for 2024, resulting in higher price-to-earnings multiples. This expansion in multiples has occurred despite a rise in rates and a diminished outlook for U.S. Federal Reserve (Fed) rate cuts since the start of the year.

The U.S. has shown to be the most resilient economy with growth in first quarter 2024 trending over 2%, much better than expected just a few months ago. Most other economies in the world are growing but at a slower pace. U.S. growth has stalled rate cuts and kept a floor under inflation, which has dropped from COVID highs but remains just above target. Inflation in Europe has continued to moderate, and the European Central Bank will be cutting rates sooner than the Fed, boosting the dollar. The Bank of Japan became the last major central bank to raise rates, finally exiting its zero-interest rate policy. Market sentiment has been quite good with investors excited about the promise of AI. Lurking beneath that euphoria is a backdrop of rising rates, rising multiples and geopolitical uncertainty.

Portfolio Review

The Touchstone Non-US ESG Equity Fund (Class A Shares, Load Waived) outperformed its benchmark, the MSCI All Country World Ex-U.S. Index, for the quarter ended March 31, 2024.

Performance was mostly driven by positive effects from overall sector allocation. Information Technology was the top

contributing sector, led by strength in stock selection particularly from Tokyo Electron. Consumer Staples also contributed because of the Fund's lack of exposure to the sector, which has been weighed down by declining volume growth and difficulties passing on inflationary costs. Consumer Discretionary was the top detracting sector from performance with weakness from Sony Group. Health Care was also a negative contributor for the period, hurt by underperformance from Roche Holdings and Philips after they reported underwhelming earnings results.

Tokyo Electron was the top stock contributor to the Fund, outperforming along with other semi-equipment names on further anticipation of AI driven demand, as well as a rebound in memory spending. The company reported results ahead of expectations in February and raised the outlook for both the company and overall semi-equipment market. Sony (Consumer Discretionary sector) was the top detracting stock as shares dipped after cutting their fiscal year March 2024 PlayStation 5 (PS5) shipment forecast from 25 million units to 21 million units. Despite this revision, PS5 has performed well compared to the prior generation with respect to profitability. Software sales were up double digits year to date with over 120 million monthly active users on PlayStation Network which illustrates positive user engagement and envisions the release of the "Pro" PS5 model this year to reinvigorate growth.

The Fund initiated a position in Tencent (Communication Services sector) during the period. Tencent operates the largest communications platform in China. Its primary sources of revenue are from video games, advertising, and mobile payments, and the organization actively invests in the gaming and internet space. Despite facing tough macro and regulatory challenges, Tencent's revenue growth has recently been inflected. The company's weak stock price presents a compelling valuation opportunity, and the Fund initiated a position in anticipation of its recovery. Areas of

(continued)

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.**



shareholder engagement include further discussions over compliance in a rapidly changing regulatory environment and around human capital topics due to demanding work environment in the industry. There were no eliminations during the period.

Outlook and Conclusion

We anticipate a deceleration in global economies year-over-year given federal debt levels and depletion of U.S. household excess savings. Strong equity market performance over the past 18 months has pushed equity market valuations above the 10-year average for the MSCI ACWI, due to strength in U.S. securities and the contributions of the Magnificent 7, while regions such as Europe and Asia Pacific traded in line with consensus expectations. By the end of the first quarter of 2024, however, sector participation broadened beyond technology. The fourth-quarter earnings season finished with a modestly positive bias with many companies anticipating a second-half recovery. We observed a discrepancy in earnings growth expectations and valuation which leaves us modestly cautious. We maintain the view that broader market earnings growth expectations appear too optimistic and will reassess our views as the first-quarter earnings season gets underway.

We have had a strong start to 2024 but want to manage expectations. Markets seem ahead of themselves, and a likely path is choppy markets until we get closer to 2025 and more visibility on its earnings. We do not want to count on further price to earnings expansion.



Fund Facts

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio	
				Total	Net
A Shares	12/19/97	TEQAX	89154X302	1.18%	1.18%
C Shares	10/04/03	TEQCX	89154X401	2.29%	1.99%
Y Shares	11/10/04	TIQIX	89154X633	0.95%	0.92%
Inst Shares	05/04/15	TROCX	89154Q513	1.01%	0.91%
Total Fund Assets	\$641.9 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, 1.95% for Class C Shares, 0.90% for Class Y Shares and 0.89% for Class Inst Shares. These expense limitations will remain in effect until at least 07/29/24. Share class availability differs by firm.

Annualized Total Returns

	1Q24	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	5.41%	5.41%	19.97%	4.66%	9.07%	8.04%	8.04%
C Shares	5.19%	5.19%	19.03%	3.81%	8.17%	7.35%	7.65%
Y Shares	5.45%	5.45%	20.28%	4.92%	9.34%	8.31%	8.24%
Inst Shares	5.44%	5.44%	20.27%	4.90%	9.33%	8.33%	8.25%
Benchmark	4.69%	4.69%	13.26%	1.94%	5.97%	4.25%	—
Including Max Sales Charge							
A Shares	0.12%	0.12%	13.99%	2.88%	7.96%	7.41%	7.80%
C Shares	4.19%	4.19%	18.03%	3.81%	8.17%	7.35%	7.65%

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- MSCI All Country World Ex-U.S. Index

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.

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](https://www.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 C and Y shares combines the performance since inception of an older class of shares (A shares) from the Fund's inception 12/19/97 with the performance since the inception date of each share class. The performance for Institutional Class shares combines the performance of Class A shares from 12/19/97 to 11/9/04 with the performance of Class Y shares since its inception 11/10/04 until the inception date of the Institutional Class shares.

Top 10 Equity Holdings of Fund

	(% of Portfolio)		(% of Portfolio)
1 Hitachi, Ltd.	4.1	6 Taiwan Semiconductor Mfg. Co. Ltd.	3.8
2 Tokyo Electron Ltd.	4.1	7 Sony Group Corp.	3.6
3 ICICI Bank Ltd.	4.0	8 AerCap Holdings NV	3.4
4 Air Liquide SA	3.9	9 Swedbank AB	3.4
5 Schneider Electric SE	3.8	10 Shell Plc	3.4

Source: BNY Mellon Asset Servicing

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](https://www.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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Not FDIC Insured | No Bank Guarantee | May Lose Value

A Word About Risk

The Fund invests in equities which are subject to market volatility and loss. The Fund invests in stocks of large-cap companies which may be unable to respond quickly to new competitive challenges. The Fund invests in stocks of small- and mid-cap companies, which may be subject to more erratic market movements than stocks of larger, more established companies. The Fund invests in preferred stocks which are relegated below bonds for payment should the issuer be liquidated. If interest rates rise, the fixed dividend on preferred stocks may be less attractive, causing their price to decline. The Fund 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 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 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 Fund invests in convertible securities which are subject to the risks of both debt securities and equity securities. The Fund's investments in other investment companies will be subject to substantially the same risks as those associated with the direct ownership of the securities comprising the portfolios of such investment companies, and the value of the Fund's investment will fluctuate in response to the performance of such portfolios. In addition, if the Fund acquires shares of investment companies, shareholders of the Fund will bear their proportionate share of the fees and expenses of the Fund and, indirectly, the fees and expenses of the investment companies or ETFs. Current and future portfolio holdings are subject to change.



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