Touchstone International Growth Fund

Sub-Advised by: DSM Capital Partners LLC

International Equity – Large-Cap Growth

4Q/2023

Fund Manager Commentary

As of December 31, 2023

Fund Highlights

- Invests primarily in international equity securities of large capitalization companies believed to offer the best opportunity for reliable growth at attractive stock valuations.
- Utilizes a bottom-up idea-driven growth style with a long-term investment horizon, coupled with a distinct valuation discipline
- Seeks to identify companies which are believed to exhibit certain quality characteristics, including:
  - Predictable growth
  - Solid fundamentals
  - Attractive profitability
  - Successful managements

Market Recap

Since October of last year, we have stated that global markets can work higher as investors become more confident that U.S. and European Union inflation is on a sustained downward track, which would enable the U.S. Federal Reserve (Fed) and European Central Bank (ECB) to stop raising interest rates. At this time, it appears that both central banks will not need to hike rates further. Monetary policy in the U.S. and EU, as measured by M2 (money supply), has been very tight on a historical basis. As we have previously stated, rapidly rising M2 will generate inflation, while shrinking M2 will lead to disinflation. As M2 has fallen, inflation in the western world has declined to more normal levels. Lower inflation generates lower interest rates, which should support the economy as evidenced by the stabilization of housing prices in the U.S. as the 30-year mortgage rate has fallen from 8% to 7% since October 31, 2023. With inflation almost back to the central bank's 2% target, the Fed and ECB have room to cut rates, although when the cuts may commence is uncertain.

Meanwhile, China's economy continues to sputter along. Economic growth requires two inputs: investment and increased hours worked. Unfortunately, President Xi's policies have negatively affected confidence in the future of China. Investment is inherently an act of optimism, but Xi and his cadres continue to press forward with their ideological agenda as both foreign and domestic companies are moving incremental production out of China to India, Vietnam, Philippines, and Indonesia, or even back to the U.S. and EU. As the Chinese government remains focused on the power of the Chinese Communist Party rather than the prosperity of the people, we remain decidedly negative on China. Furthermore, the technology export restrictions imposed by the U.S. and its allies, intensified censorship and the arrests and detainment of executives and some foreign citizens are additional reasons for our hesitation to invest in China at this time.

Portfolio Review

The Touchstone International Growth Fund (Class A Shares Load Waived) outperformed its benchmark, the MSCI All Country World ex-U.S. Index, for the quarter ended December 31, 2023.

The Fund's outperformance in the fourth quarter versus the benchmark was primarily the result of our overweight of the Information Technology (IT) sector and our stock performance in the Health Care sector. Our selections in the Financials and Industrials sectors detracted from performance during the quarter.

The top five contributors to performance in the quarter were Grifols (Health Care sector), ASML Holding NV, Capgemini, Arista Networks and Microsoft (IT sector). The five holdings that contributed the least to performance in the quarter were CAE Inc. (Industrials sector), Nexi SpA (Financials sector), Accenture (IT sector), AstraZeneca (Health Care sector), and PT Bank Mandiri (Financials sector).

Grifols reported solid third quarter results including positive commentary on revenue momentum, collection costs trends and plasma supply growth, and raised earnings guidance for the full year reflecting a marked improvement from the first half of 2023. Importantly, the company also announced an agreement to sell a share of its stake in Chinese blood products company, Shanghai RAAS, solidifying their plans to meaningfully deleverage. The remaining top contributors benefited as larger market cap

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technology stocks continued to outperform given their underperformance in 2022 and the market's excitement over artificial intelligence (AI).

Despite strong quarterly execution leading to higher earnings guidance in its Civil division, CAE was weak due to lower than expected margins in Defense as legacy contracts continue to hinder a turnaround. A weaker European macro led us to sell Nexi in the fourth quarter as competitor Worldline reported sales significantly below expectations on lower consumer spending. Although Nexi's revenue for the third quarter did slightly beat consensus and they confirmed full year guidance, ongoing EU pessimism affected the stock's performance. Accenture reported a mixed third quarter and issued mildly disappointing guidance as the tough macro caused longer sales cycles and pushed out deals on smaller, more discretionary projects. While the company did see growth in Generative AI sales, this area is still less than 2% of total sales and likely will not move the needle until 2025. To add Intuit to the Fund's portfolio, we sold Accenture during the quarter.

At the end of the quarter, the Fund was invested in Communication Services, Consumer Discretionary, Consumer Staples, Financials, Health Care, Industrials and Information Technology sectors. Beginning in mid-2022 our focus has been to utilize the market downturn to transform the portfolio into what we believe is an ever-higher quality, predictable group of stellar growth companies, often with leadership positions in critical AI technologies, that we anticipate holding for many years.

Outlook and Conclusion

Our forecast for 2024 global economic growth remains in the 2.5% range with both the U.S. and Europe muddling through with 1% to 2% GDP growth possible. That said, the U.S. has consistently outperformed recent forecasts while Europe's economy has consistently underperformed. On the other hand, with inflation falling, perhaps more rapidly than generally expected just a few months ago, both the and the ECB likely have the flexibility to ease monetary policy, with each saying as much in recent reports.

At this point, a recession certainly remains possible on both sides of the Atlantic. However, with employment remaining strong and wages still solid, a "soft landing" or shallow recession appears to us more likely than an outright recession. With inflation almost back to the central bank's 2% target, the Fed and ECB have room to cut rates. Lower inflation generates lower interest rates, which should support the economy.

The significance of reducing inflation to reduce interest rates extends across both economic growth and the issue of national debt. Government debt in both the U.S. and Europe is large and growing. Low inflation means lower interest expenses on government debt, while high inflation means budget-busting interest costs that governments cannot afford. For that reason, we believe central banks will remain focused on tightening money supply and lowering inflation.

We believe we have assembled a portfolio of market dominant and attractively valued companies including many, which, in our view, are poised to benefit from AI and other digital drivers over the years to come. The earnings of the portfolio companies were strong this year due in large part to the solid secular technology demand trends, expanding total addressable markets, competitive positioning, and strong financial characteristics of Arista Networks, ASML, Intuit, Microsoft, NVIDIA, SAP and Taiwan Semiconductor. In addition, over the longer term we believe the revenue and earnings growth of Capgemini, Globant, Kainos Group, LTIMindtree, Nice Ltd. and Tata Consultancy will be strong as they assist clients in designing and implementing AI into their business and technology processes.

Additionally, we believe that lower inflation is supportive of lower interest rates and a market that moves steadily higher. In our view, the Fund's portfolio is rationally valued on both calendar 2024 and 2025 earnings. Furthermore, we believe the technology-related positions in the portfolio are attractively priced and that it is possible that the AI earnings upside in these companies is not fully reflected in their stock prices currently.

As the economy continues to grow, albeit slowly, and inflation continues to fall, the probability of a significant recession declines. Continued slow economic growth or a muddle through scenario has become possible but is certainly not assured. Now we continue to expect that global markets will trend higher despite well-publicized macro and geopolitical risks. As we have said repeatedly over the years, bull markets climb a wall of worry and in our view the market's direction remains upward.

Fund Facts *(As of 12/31/23)*

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio Total	Net
A Shares	08/15/16	**TNSAX**	89154X427	2.80%	1.24%
C Shares	08/15/16	**TNSCX**	89154X419	3.70%	1.99%
Y Shares	08/15/16	**TNSYX**	89154X393	1.36%	0.99%
Inst Shares	03/28/12	**TNSIX**	89154X385	1.38%	0.89%
Total Fund Assets	**$61.9 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 1.24% for Class A Shares, 1.99% for Class C Shares, 0.99% for Class Y Shares and 0.89% for Class Inst Shares. These expense limitations will remain in effect until at least 10/29/24.

Share class availability differs by firm.

Annualized Total Returns *(As of 12/31/23)*

	4Q23	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	14.87%	16.98%	16.98%	-6.29%	6.16%	5.33%	7.36%
C Shares	14.70%	16.09%	16.09%	-7.00%	5.37%	4.54%	6.55%
Y Shares	14.96%	17.23%	17.23%	-6.05%	6.43%	5.56%	7.59%
INST Shares	15.03%	17.39%	17.39%	-5.96%	6.53%	5.66%	7.67%
Benchmark	9.75%	15.62%	15.62%	1.55%	7.08%	3.83%	4.91%
Including Max Sales Charge							
A Shares	9.17%	11.17%	11.17%	-7.87%	5.07%	4.71%	6.81%
C Shares	13.70%	15.09%	15.09%	-7.00%	5.37%	4.54%	6.55%

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

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 and Y Shares combines the performance of an older class of shares (INST Shares) from the Fund's inception, 03/28/12, with the performance since the inception date of each share class.

Top 10 Equity Holdings of Fund *(As of 12/31/23)*

		(% of Portfolio)			(% of Portfolio)
1	Capgemini SE	6.3	6	ASML Holding NV	4.9
2	Grifols SA	5.4	7	Globant S.A.	4.7
3	ICICI Bank Ltd.	5.3	8	Nice Ltd.	4.5
4	NVIDIA Corp.	5.3	9	Evolution AB	4.5
5	Microsoft Corp.	5.2	10	Alcon Inc.	4.1

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 or call Touchstone at 800.638.8194. Please read the prospectus and/or summary prospectus carefully before investing.

Not FDIC Insured | No Bank Guarantee | May Lose Value

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.

A Word About Risk

The Fund invests in equities which are subject to market volatility and loss. 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 Fund invests in convertible securities which are subject to the risks of both debt securities and equity securities. 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 securities, including 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 Fund invests in emerging markets securities which are more likely to experience turmoil or rapid changes in market or economic conditions than developed countries. 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 is non-diversified, which means that it may invest a greater percentage of its assets in the securities of a limited number of issuers than a diversified fund and may be subject to greater risks. 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. Current and future portfolio holdings are subject to change. 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.

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