Touchstone International Growth Fund

Sub-Advised by: DSM Capital Partners LLC

International Equity – Large-Cap Growth 2Q/2022

Fund Manager Commentary

As of June 30, 2022

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

Global equities ended the second quarter of 2022 with a large decline. Since peaking in November 2021, the market has systematically corrected the price distortions created by an era of artificially low interest rates that were contrived by monetary authorities worldwide. Many central banks have started to raise interest rates, some aggressively so, with the notable exception of the Bank of Japan. The U.S. Federal Reserve Board (Fed) has also started shrinking its balance sheet, which serves as another form of tightening.

Developed markets underperformed emerging markets. France, U.K., Switzerland and Japan were the primary detractors for the MSCI EAFE Index. Within emerging market equities, countries such as Taiwan, South Korea, and India declined the most. Both markets generated stronger local currency returns than their U.S. dollar basis returns due to the strong U.S. dollar.

Stylistically, value outperformed growth. Large capitalization stocks outperformed their mid and small capitalization counterparts as larger companies tend to have more diverse business lines and revenue sources compared to the more economically-sensitive smaller capitalization companies.

Within the benchmark, no sectors finished in positive territory. The Information Technology, Materials, and Industrials sectors were the worst performing sectors while Energy, Consumer Staples, Consumer Discretionary, and Utilities sectors declined less than the broader benchmark.

Portfolio Review

The Touchstone International Growth Fund (Class A Shares Load-Waived) underperformed its benchmark, the MSCI All Country World ex-U.S. Index, for the quarter ended June 30, 2022.

The Fund's underperformance in the first quarter was primarily the result of stock selection in the Communication Services and Financials sectors and an overweight in the Information Technology sector. On a country basis, the Fund's exposure to France, Japan, and South Korea were the primary detractors from relative performance. This was partially offset by contributions from stock selection within Sweden and Spain and not having exposure within Brazil.

Five of the largest contributors to performance in the quarter were Grifols SA, Dollarama Inc., ASML Holding NV, AstraZeneca PLC, and Tata Consultancy Services LTD.

During the quarter, Grifols provided a positive interim update. Following a prolonged period of COVID-19 disruption, plasma collections rose 16% thus far in 2022 with better plasma supply, pricing and product mix supporting bioscience division revenues and margin expectations. Dollarama reported solid first quarter earnings and reaffirmed annual guidance on strong sales of consumables. The company's fixed price points become particularly attractive to lower-income consumers in periods of elevated inflation. In addition, the lower price-to-earnings (P/E) growth stocks we purchased, including ASML Holding and Tata Consultancy Services, defended well during the second quarter. A recent addition to the portfolio, ASML is one of the top franchises in the semiconductor space, and with valuation being heavily impacted by semi cycle and broader macro fears, we saw an

(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.***

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opportunity to initiate a position. Based in India, Tata is a leading outsourcing firm with one of the fastest growing digital businesses in the industry. We purchased the stock following the company's strong fiscal fourth quarter earnings report as demand remained solid and operating margins came in as expected. Importantly, Tata expects to be able to adjust quickly and efficiently to any macro-related uncertainty.

Among the holdings that contributed the least to performance in the quarter were Capgemini SE, Naver Corp., Entain PLC, Taiwan Semiconductor Manufacturing Company Limited, and Larsen & Toubro Infotech Limited.

Despite a strong earnings report that beat consensus, and no slowdown in demand as clients accelerate their digital transformation projects, Capgemini was the largest detractor in the quarter as investors sold technology companies in response to rising interest rates and supply chain concerns. Naver reported a slight revenue miss and lower than expected operating profit due to higher labor and marketing costs, but management did expect profitability to improve on more rational hiring and a recovery in ad growth and e-commerce. Although facing tough year-over-year comparisons, Entain provided an in-line first quarter sales update. However, regulatory headwinds in several markets including the Netherlands, Germany and the U.K. weighed on the stock.

Outlook and Conclusion

Over the past few months, the headwinds of rising inflation causing increased interest rates have brought into question not just market valuations, but the prospects for global economic growth as well. In many developed economies, including the U.S., U.K. and the Eurozone, the rate of inflation remains at 40-year highs. At this time, only China and Japan are reporting very modest signs of inflation.

As a result, central banks are raising interest rates at an accelerated pace to bring inflation under control. In contrast to views of just six months ago, many forecasters expect interest rate hikes to be aggressive and front-end loaded. In addition, inflation causes consumers to devote a larger percentage of their income to essentials like gas, energy for heating and cooling, food, and rent, leaving less discretionary spending available for items such as clothing, restaurants and travel.

The global supply chain continues to be a persistent issue for any business manufacturing and shipping products. Russian sanctions and China's COVID-19 lockdowns make the procurement of raw materials and the production of goods more difficult. Freight congestion remains fairly high, and while freight costs may begin to decline, they remain well above historical levels. If demand starts to wane at the consumer and industrial level, some of the supply chain pressures may ease to the benefit of many manufacturers in 2023.

Although changes to the portfolio have been limited the last several quarters, given the likelihood of continued near-term volatility due to concerns over high inflation and rising interest rates, we will continue to initiate and add to positions opportunistically. Accordingly, we believe careful attention to the valuation of the portfolio is warranted. With GDP forecasts being cut, we are also paying close attention to the resiliency of earnings growth for companies held in the Fund.

After the 2008 Great Financial Crisis, the Fed and other central banks reduced interest rates to zero or even negative levels in order to encourage investors holding cash to invest in the global economy and hasten the economic recovery. However, as a result of its zero-interest rate policy, as well as Quantitative Easing, "risk assets" such as stocks, private equity, high yield and investment grade bonds, and real estate all moved higher from the lows of the financial crisis, with some reaching speculative valuation levels. With interest rates normalizing, we believe valuations will continue to matter and investors will not be rewarded for investing in speculative assets as they were over the past five years or more.

In our view, the investment environment going forward will resemble the 1990s, rather than the historically unique period since the Great Financial Crisis in 2008. As a result, we believe valuations will normalize and excessive valuations will continue to slowly decline, much as they did after the internet bubble in 2000. In our view, interest rates will likely move higher, perhaps to levels similar to the 1990s. Consistent with what occurred after the 2000 bubble, we expect the rebound in technology and other growth stocks to be slower and more selective when compared to the period after 2008/2009.

DSM has always focused on investments in what we believe to be predictable non-cyclical businesses with reasonable absolute valuations. In 2021, we were focused on adding lower P/E growth stocks to the Fund's portfolio that would provide some defense in a difficult market as a result of higher interest rates. At DSM, we continue to focus on identifying new investment candidates whose business fundamentals over the intermediate to longer term remain strong, but whose valuations have declined significantly, providing an attractive entry level to drive future returns. In 2022, we think it is an exciting time to be a growth stock investor.

As of June 30, 2022, Grifols SA made up 2.95%, Dollarama Inc. made up 3.24%, ASML Holding NV made up 0.78%, AstraZeneca PLC made up 7.44%, Tata Consultancy Services LTD made up 1.21%, Capgemini SE made up 7.63%, Naver Corp. made up 2.71%, Entain PLC made up 2.86%, Taiwan Semiconductor Manufacturing Company Limited made up 3.35%, and Larsen & Toubro Infotech Limited made up 1.82% of the Touchstone International Growth Fund. Current and future portfolio holdings are subject to change.

Fund Facts *(As of 06/30/22)*

Class	Inception Date	Symbol	CUSIP	Annual Fund Operating Expense Ratio* Total	Net
A Shares	08/15/16	**TNSAX**	89154X427	2.31%	1.24%
C Shares	08/15/16	**TNSCX**	89154X419	3.43%	1.99%
Y Shares	08/15/16	**TNSYX**	89154X393	1.25%	0.99%
Inst Shares	03/28/12	**TNSIX**	89154X385	1.20%	0.89%
Total Fund Assets	**$61.0 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 10/29/22.*

Share class availability differs by firm.

Annualized Total Returns** *(As of 06/30/22)*

Class	2Q22	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Excluding Max Sales Charge							
A Shares	-16.07%	-24.95%	-31.60%	-1.86%	1.32%	7.91%	6.98%
C Shares	-16.17%	-25.15%	-32.07%	-2.57%	0.57%	7.11%	6.18%
Y Shares	-15.99%	-24.81%	-31.39%	-1.59%	1.59%	8.15%	7.22%
INST Shares	-15.95%	-24.76%	-31.34%	-1.49%	1.69%	8.23%	7.29%
Benchmark^	-13.73%	-18.42%	-19.42%	1.35%	2.50%	4.83%	3.87%
Including Max Sales Charge							
A Shares	-20.27%	-28.72%	-35.03%	-3.52%	0.12%	7.28%	6.36%
C Shares	-17.01%	-25.90%	-32.75%	-2.57%	0.57%	7.11%	6.18%

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[1]

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*****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.***

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

[1] 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 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.

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