



Investment Team

James McBride, CFA
Lead Portfolio Manager

Tim Miller, CFA
Portfolio Co-Manager

Characteristics

Total Net Assets
(millions): \$238.45

Number of holdings: 71

Top 10 Holdings

Applied Industrial Tech
Fabrinet
Medpace Holdings
HealthEquity
Chart Industries
Performance Food Group
Installed Building Products
Insperty
Vericel
LeMaitre Vascular

Please consider the investment objectives, risks, charges, and expenses of any fund carefully before investing. Call 800.421.4184 or your financial professional for a prospectus, which contains this and other important information about the funds. Read the prospectus carefully before you invest or send money.

Market Overview

The third quarter ended with the weakest monthly performance since the first quarter of 2022. The 10-year U.S. Treasury yield rose 73 basis points during the third quarter while crude oil prices rose nearly 30%. On a relative basis, larger small caps, higher quality, and higher priced securities did well. Investors favored value stocks over growth stocks, which helped industries where the portfolio is less active. In addition, the U.S. Federal Reserve (Fed) raised rates once, earlier in the quarter, but kept them flat at the September Federal Open Market Committee meeting. The futures market is predicting rate cuts that start in early 2024, but Fed governors continue to stress that rates will be "higher for longer," which has weighed on market sentiment.

The U.S. economy continues to remain resilient compared with many international countries. Inflation has continued to decline, but it is far from the Fed's stated 2% target. Tensions with China continue to introduce uncertainty in global markets, pushing various industries (and countries) towards self-sufficiency with "onshoring" and "reshoring," which are terms that have become part of the market vernacular in 2023.

Portfolio Review

Top Securities	Average Weight (%)	Contribution to Return (%)
Fabrinet	2.04	0.55
Health Equity	2.06	0.29
Qualys	1.72	0.26
G-III Apparel Group	0.98	0.25
Global Industrial	1.23	0.22
Bottom Securities		
Ambarella	1.43	-0.59
Forward Air	1.51	-0.59
Impinj	1.20	-0.56
Coherent	1.32	-0.55
Omniceil	1.19	-0.54

As of Sept. 30, 2023. The information provided above should not be construed as a recommendation to buy, sell, or hold any particular security. The data are shown for informational purposes only and are not indicative of future portfolio characteristics or returns. Portfolio holdings are not stagnant and may change over time without prior notice. Past performance does not guarantee future results. Please note that the holdings identified do not represent all of the securities purchased, sold, or recommended for the fund. They are provided for informational purposes only. Carillon Tower Advisers, Scout Investments, their affiliates, or their respective employees may have a position in the securities listed. Please contact Carillon at 800.421.4184 to obtain the calculation's methodology and/or a list showing every holding's contribution to the overall fund's performance during the measurement period.

Top securities

Fabrinet is a contract manufacturer for optical communication, automotive and other original equipment. The company outperformed analyst expectations because of strength in its optical communications products for data communications. Analysts believe that the company will benefit from increased demand related to artificial intelligence (AI) applications.

HealthEquity provides healthcare savings accounts, consumer-directed benefit plans, and other reimbursement arrangements. Higher interest rates, better margins and continued market share gains led the company to beat analyst expectations for the quarter and to raise its outlook for the fiscal year.

Qualys is a cloud-based platform delivering information technology, security and compliance solutions. The company beat

analyst expectations for the quarter, and a strong billings upside helped drive its performance.

G-III Apparel Group designs, sources and markets a range of apparel, including outerwear, dresses, sportswear, swimwear and other goods. The company's brands include DKNY, Donna Karan, Karl Lagerfeld, Calvin Klein, Tommy Hilfiger, Nautica, Halston and Champion. Good results, guidance and margin expansion drove performance. New product line extensions including Champion helped.

Global Industrial is a value-added distributor of industrial equipment and maintenance, repair, and operations (MRO) products for a broad range of customers throughout North America. The company reported better than expected results despite tempered customer demand.

Bottom securities

Ambarella is a leading supplier of video processing and computer vision chips used in the security and automotive markets. The company faces continuing customer inventory drawdowns in its Internet of Things (IoT) markets that are expected to negatively impact financial results over the next few quarters. Despite these challenges, Ambarella's automotive outlook continues to improve.

Forward Air is a less-than-truckload carrier specializing in expedited and high-quality, premium service. Forward Air recently announced its plans to acquire another company, and the announcement was poorly received by the market.

Impinj is a leading producer of radio frequency identification (RFID) chips used in retail tags, RFID scanners, and point-of-sale readers. Continued destocking by its largest logistics customer has driven weaker than expected earnings guidance.

Coherent is a company that designs and manufactures optical and optoelectronic devices for a variety of electronic, communication and industrial end markets. Management maintains a positive view of the opportunities in front of the company, but guidance for the fourth quarter was disappointing: Customers have destocked inventory and delayed key projects.

Omniceil is a leading supplier of pharmacy automation and medication management systems. The company's shares underperformed as investors focused on the business' mixed outlook rather than the company's positive performance in the quarter.

Outlook

Uncertainty is the operative word going into the fourth quarter of 2023. The ongoing war in Ukraine, elevated geopolitical risks, and higher

energy prices continue to roil capital markets globally. Facing this backdrop, the Fund's management team will continue to invest in companies that exhibit higher-quality characteristics and stand to benefit from secular growth trends. Sector allocations remain a byproduct of the investment strategy, because the management team primarily evaluates companies on their own merits.

During the quarter, the management team eliminated three positions and added two additional equity securities to the portfolio. With very little cash, the portfolio remains fully invested.

Risk considerations: Due to the limited focus, the Fund is more susceptible to market volatility because smaller companies may not have the management experience, financial resources, product diversification, and competitive strengths of larger companies. Additionally, smaller company stocks tend to be sold less often and in smaller amounts than larger company stocks.

Investments in mid-cap and small-cap companies generally involve greater risks than investing in larger capitalization companies. Mid-cap companies often have narrower commercial markets, more limited managerial and financial resources, and more volatile trading than larger, more established companies.

Real Estate Investment Trusts (REITs) may be affected by economic conditions including credit risk, interest rate risk, and other factors that affect property values, rents, or occupancies of real estate.

Foreign investments present additional risks due to currency fluctuations, economic and political factors, government regulations, differences in accounting standards, and other factors.

Investments in emerging markets involve even greater risks.

Groups of stocks, such as value and growth, go in and out of favor which may cause certain funds to underperform other equity funds.

Because the fund normally will hold a focused portfolio of stocks of fewer companies than many other diversified funds, the increase or decrease of the value of a single stock may have a greater impact on the fund's net asset value and total return.

Investments in the securities of other investment companies, including money market funds and exchange-traded funds ("ETFs") (which may, in turn, invest in equities, bonds, and other financial vehicles), may involve duplication of advisory fees and certain other expenses.

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Definitions

The federal funds rate, known as the fed funds rate, is the target interest rate set by the Federal Open Market Committee of the U.S. Federal Reserve. The target is the Fed's suggested rate for commercial banks to borrow and lend their excess reserves to each other overnight.

The Federal Open Market Committee (FOMC) consists of 12 members: the seven members of the Board of Governors of the Federal Reserve System; the president of the Federal Reserve Bank of New York; and four of the remaining 11 Reserve Bank presidents, who serve one-year terms on a rotating basis. The FOMC holds eight regularly scheduled meetings per year at which it reviews economic and financial conditions, determines the appropriate stance of monetary policy, and assesses the risks to its long-run goals of price stability and sustainable economic growth. The FOMC observes a blackout period, which begins at midnight of the second Saturday before each meeting. During the blackout periods, committee members do not make public comments about macroeconomic developments or monetary policy issues.

A futures contract is a legal agreement to buy or sell an asset at a predetermined price at a specified time in the future, which is known as the expiration date. Futures contracts are financial derivatives that allow investors to speculate on the direction of a particular asset and are often used to hedge the price movement of the underlying asset to help prevent losses from undesired price changes.

Growth investing is a stock-buying strategy that focuses on companies expected to grow at an above-average rate compared to their industry or the market.

The Internet of Things (IoT) consists of devices with sensors, processing ability and software that connect and exchange data with other devices and systems through communications networks.

Maintenance, repairs and operations (MRO) is the combination of processes and activities connected to the upkeep of a plant or facility, which can include the maintenance of the facility, the systems running inside of it, and the equipment used to produce a business' main product.

Market capitalization, or market cap, refers to the total dollar market value of a company's outstanding shares of stock.

Overweight describes a portfolio position in an industry sector or some other category that is greater than the corresponding weight level in a benchmark portfolio.

Radio-frequency identification (RFID) uses electromagnetic fields to identify and track tags attached to objects such as inventory items and identification badges. In an RFID system, passive tags are powered by energy from an RFID reader's interrogating radio waves.

Reshoring and onshoring are terms that describe efforts to bring overseas manufacturing and other services either back to the United States or to nearby countries.

Secular growth trends are forces that drive long-term growth, regardless of other economic trends.

Underweight describes a portfolio position in an industry sector or some other category that is less than the corresponding weight level in a benchmark portfolio.

Value investing is an investment strategy that involves picking stocks that appear to be trading for less than their intrinsic or book value.

Indices

The Russell 2000® Growth Index, the Fund's benchmark index, measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

The Russell 2000® Value Index measures the performance of the small-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

Investors cannot invest directly in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

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