CARILLON EAGLE GROWTH & INCOME FUND

CARILLON FAMILY OF FUNDS

INSIGHT | COMMENTARY

SECOND QUARTER | 2022

Investment Team

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Portfolio Co-Manager

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Characteristics

Total Net Assets (millions) $883.1

Number of holdings: 38

Top 10 Holdings

Microsoft

Chevron

Broadcom

Coca-Cola

NextEra Energy

Raytheon

Automatic Data Processing

Texas Instruments

AstraZeneca

AbbVie

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 market, as defined by the S&P 500 Index, continued its decline, trading -16.1% during the second quarter. It marked the first two consecutive quarterly losses since 2015 and the worst first half since 1970. Investors grew increasingly concerned as inflation measures hit 40-year highs, forcing the U.S. Federal Reserve (Fed) to become more aggressive in raising rates. Meanwhile, global purchasing managers' indices and other surveys continued to weaken during the quarter with many readings at or near 52-week lows. Interestingly, very few companies have lowered guidance in this environment, leaving the -20% decline in the market as entirely valuation-driven.

Portfolio Review

Best Securities	Average Weight (%)	Contribution to Return (%)
Merck	3.10	0.36
Coca-Cola	3.61	0.07
UnitedHealth Group	2.28	0.06
Motorola Solutions	0.88	0.05
AstraZeneca	2.91	0.03
Worst Securities		
Broadcom	4.19	-1.02
Target	2.34	-0.91
Prologis	2.72	-0.81
Microsoft	4.19	-0.69
Cisco	2.36	-0.58

As of June 30, 2022. 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, Eagle Asset Management, 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.

Merck reported a strong first quarter and raised its financial guidance for 2022. The company also continues to benefit from the recent rotation into pharmaceuticals, which historically has been a more defensive industry.

Coca-Cola stock appreciated after management reported a strong quarter. Organic revenues advanced strongly and pricing came in ahead of expectations as well.

UnitedHealth Group reported solid quarterly results and raised 2022 guidance modestly. Additionally, managed care is another industry that is viewed as defensive in the current environment, which helped support UnitedHealth and its peer group.

Motorola Solutions was a recent addition to the portfolio. The company provides hardware, software, and full end-to-end solutions to first responders worldwide. The company has a solid balance sheet, strong free cash flow generation, and a long history of double-digit dividend growth.

AstraZeneca benefited from the same-industry rotation into pharmaceuticals. The company also reported strong clinical data for a new drug to treat breast cancer.

Tech stocks, including Broadcom, were one of the hardest-hit sectors due to fears over a weakening macroeconomic environment. Broadcom, however, outperformed semiconductor peers as its end-market exposures provided relatively more defensive characteristics.

Target faced its worst day in decades after trimming its profit forecast for the year due to higher costs. While many of the cost pressures are likely to persist in the near term, the company also struggled with a shift in consumer spending, which resulted in inventory write-downs.

Prologis underperformed due to supply and demand concerns following the announcement that a major online retailer is slowing the rollout of new warehouses. However, we continue to believe that there is overwhelming demand for the company's assets.

Along with other tech stocks, holdings Microsoft and Cisco were hard-hit by fears over a weakening macroeconomic environment.

Outlook

Stock and bond markets around the world are clearly adjusting to an increasingly uncertain future. The on-going COVID pandemic continues to create dislocations in the economy. After the dramatic shutdown in the spring of 2020, many industries have since experienced out-sized demand, creating shortages of product, particularly durable goods but also food and essential items. However, the service sector of the economy has not recovered from mandated shut-downs, primarily due to a lack of workers.

Inflation remains the key concern of consumers and investors. While the pandemic-induced stay-at-home trends created out-sized demand for certain products, it has been the pressure on supply chains that has led to much of the current inflation. In this regard, we are seeing some relief. Ports are less clogged, trains are moving, and truckers are delivering more goods, leading to increasing inventories. Unfortunately, gasoline and diesel fuel prices remain elevated as oil dynamics remained constrained. We expect supply chains to approach normal efficiency levels, but the costs of delivering goods will remain high.

The Federal Reserve has acted aggressively to combat inflation, recently raising the federal funds rate by 0.75%: a rare occurrence. There is much debate whether the Fed can engineer a "soft landing" where demand is repressed just enough to bring down inflation, but not enough to create a recession. The track record of soft landings is not good. As mentioned above, it is our belief that the supply side of the economy has created much of the inflation, and in that regard we see the situation improving.

In the face of a potential recession, we have not swayed from our investment discipline. We continue to believe that our strategy of investing in high-quality, cash flow-producing companies with management teams that are willing to share that cash flow with our clients will perform well over the market cycle. As always, we are particularly focused on dividend growth, which historically has been a good offset against rising inflation.

Risk Considerations: International investing presents specific risks, such as currency fluctuations, differences in financial accounting standards as well as potential political and economic instability.

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.

As with all equity investing, there is the risk that an unexpected change in the market or within the company itself may have an adverse effect on its stock. The biggest risk of equity investing is that returns can fluctuate and investors can lose money.

There are risks associated with dividend investing, including that dividend-issuing companies may choose not to pay a dividend, may not have the ability to pay, or the dividend may be less than what is anticipated. Dividend-issuing companies are subject to interest rate risk and high dividends can sometimes signal that a company is in distress.

Growth companies are expected to increase their earnings at a certain rate. When these expectations are not met, investors may punish the stocks excessively, even if earnings showed an absolute increase. Growth company stocks also typically lack the dividend yield that can cushion stock prices in market downturns. The companies engaged in the technology industry are subject to fierce competition and their products and services may be subject to rapid obsolescence. The values of these companies tend to fluctuate sharply.

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.

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Benchmark Index

The S&P 500® Index is an unmanaged index of 500 widely held stocks that is generally considered representative of the U.S. stock market. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses, or sales charges.

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