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CALAMOS® INVESTMENTS

Investor Insights

What do rising interest rates mean for your asset allocation?

In mid-December, the Federal Reserve raised short-term interest rates by 0.25%, ending months of “will they or won’t they” speculation. Bonds haven’t typically performed well when interest rates go up, leading many investors to wonder about how to best structure a well-diversified portfolio.

We sat down with John P. Calamos, Sr. for his perspective on rising interest rates and the possible implications for asset allocation. John founded Calamos Investments during the difficult financial markets of the 1970s and serves as the firm’s CEO and Global Co-CIO.

Q. What’s your view of the Fed’s decision to raise interest rates?

John Calamos: I view it as a positive for the economy and markets. The Fed has been very deliberate and data-driven in its approach to monetary policy. In my opinion, this modest increase in short-term rates indicates the U.S. economy is positioned for continued slow growth and a recession is not imminent. Because the Fed also considers the global economic environment and its potential ripple impacts on the U.S., a move to raise rates suggests that the global economy is sufficiently strong as well.

Also, I believe a more normal rate environment will encourage banks to lend more to smaller businesses. When interest rates are higher, banks may be able to profit more from their lending activities, assuming the economy is also expanding. Small businesses are an important engine of job growth in the U.S., as they are globally, so an expanding small business sector can be an important driver of economic health.

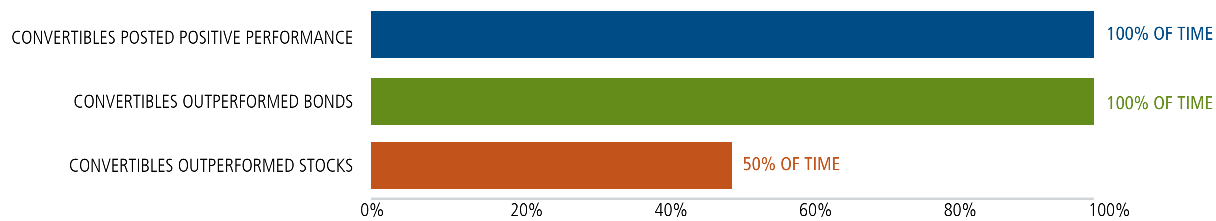
Q. What should investors do in response to Fed rate changes?

JC: I’ve spoken to many investors and financial advisors over recent months and I understand how concerned people are about rising interest rates. Rising rates have always been a concern for investors. In fact, I’ve been having conversations with investors on the topic for more than 40 years!

One of the most important things to remember is that asset allocation should be viewed with a long-term lens. Of course, Fed policy can have far-reaching effects but it is just

In rising interest rate environments, the case for convertibles has been strong

During the eight rising interest rate periods of the past 20 years:



Past performance is no guarantee of future results. Rising rate periods are those in which the 10-year U.S. Treasury yield rose more than 100 basis points from peak to trough over the period from January 1996 to December 2013. Most recent data is as of September 30, 2015. Stocks are represented by the S&P 500 Index, bonds by the Barclays U.S. Aggregate Bond Index and convertibles by the BofA Merrill Lynch All U.S. Convertibles Index. Please see the back cover for additional information. Sources: Morningstar and Bloomberg.

one factor to consider. You have to stay focused on your long-term goals, risk tolerance and the global landscape as a whole—including why the Fed is making the choices that it is. You can't let yourself be whipsawed into a reactionary mindset. A financial advisor can be extremely valuable in helping you understand the impacts of economic factors on your personal asset allocation.

Q. How should investors approach asset allocation in this environment?

JC: I believe rising rates do create significant headwinds for traditional fixed-income securities such as government bonds and investment grade corporate bonds. In contrast, I see a strong case for stocks, especially growth-oriented stocks. Historically, stocks have tended to do well during periods of rising interest rates because rising rates are typically a signal of economic health. And among the different types of stocks, I am most constructive on growth-oriented stocks. While I expect the economy to continue expanding, the pace isn't likely to be robust. Growth stocks have tended to do well in periods of slow economic expansion.

Q. But what about stock market volatility?

JC: I expect elevated stock market volatility over these next months—not only because of monetary policy but also because key elections are approaching, not only in the U.S. but also globally. Uncertainty about government policies, especially those related to business regulation and taxes, are likely to keep markets unsettled.

The good news is that there are ways to diversify an asset allocation beyond stocks and bonds. One way is through strategies that seek to participate in stock market upside with less exposure to the downside. Over the past 40 years, I've found convertible securities to be quite useful in this regard because they combine attributes of stocks and bonds. They have also outperformed bonds during periods of rising interest rates (see chart, above). Also, investors can further diversify their allocations with liquid alternative funds such as long-short equity and market neutral strategies. A financial advisor can help determine which types of liquid alternatives would be best suited to an individual's asset allocation.

Q. Do you have any closing thoughts?

JC: As a new year approaches, it's a perfect opportunity for investors to check in with their financial advisors—to discuss not only the interest rate environment but any changes to their own personal circumstances.

Diversification and asset allocation do not guarantee against a loss. Alternative investments may not be suitable for all investors. Stocks entail the risk of market prices declining in general. Growth stocks entail the potential for increased volatility due to securities trading at higher multiples. Convertibles entail interest rate risk and default risk. This information is provided for informational purposes only and nothing presented herein is or is intended to constitute investment advice, and no investment decision should be made based on any information provided herein.

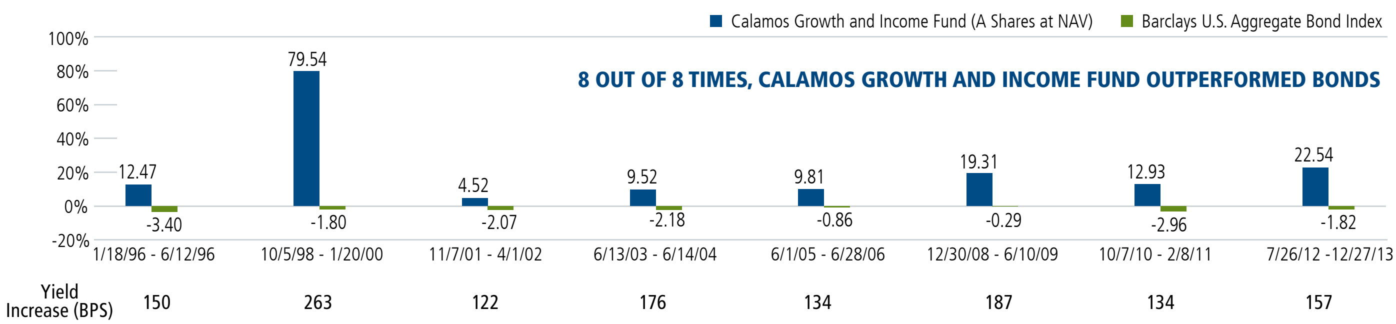
Worried about interest rates?

Stock market swings?

Calamos Growth and Income Fund **Has Risen to the Challenge**

Investing primarily in stocks and convertible securities, Calamos Growth and Income Fund has been resilient to interest rate increases–with less volatility than stocks over the long term.

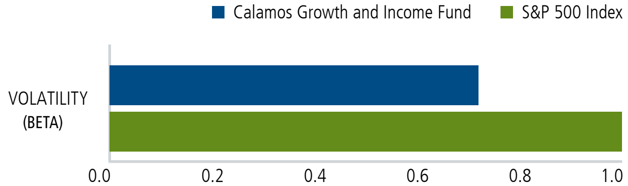
In the Rising Interest Rate Environments of the Past 20 Years, Calamos Growth and Income Fund Did What Bonds Couldn't



Rising rate periods are those in which the 10-year U.S. Treasury yield rose more than 100 basis points from peak to trough over the period from January 1996 to December 2013. Performance shown is cumulative. Most recent data is as of September, 2015. A basis point is equal to 1/100th of 1%.

The Fund Participated in Stock Market Upside with Historically Less Volatility

Since it was launched in 1988, Calamos Growth and Income Fund has been less volatile than the U.S. stock market, as measured by beta.



To find out more about how we have managed interest rate risk and stock market volatility, contact your financial advisor or visit us at www.calamos.com.

AVERAGE ANNUAL RETURNS,
CALAMOS GROWTH AND INCOME FUND A SHARES AS OF 9/30/15

	1 Year	3 Year	5 Year	10 Year	Since Incep (9/22/88)
At NAV	-0.54%	6.19%	7.01%	5.36%	10.90%
Load Adjusted	-5.28	4.48	5.97	4.85	10.70

Performance data quoted represents past performance, which is no guarantee of future results. Current performance may be lower or higher than the performance quoted. The principal value and return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. Performance reflected at NAV does not include the Fund's maximum front-end sales load of 4.75%. Had it been included, the Fund's return would have been lower. For the most recent fund performance information visit www.Calamos.com. As of the prospectus dated 3/1/15, the gross expense ratio for Class A shares is 1.09%.

Please turn the page for index definitions and important risk information.

Before investing carefully consider the fund's investment objectives, risks, charges and expenses. Please see the prospectus and summary prospectus containing this and other information or call 1-800-582-6959. Read it carefully before investing.

Investment Risk: Calamos Growth and Income Fund

An investment in the Fund(s) is subject to risks, and you could lose money on your investment in the Fund(s). There can be no assurance that the Fund(s) will achieve its investment objective. Your investment in the Fund(s) is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. The risks associated with an investment in the Fund(s) can increase during times of significant market volatility. The Fund(s) also has specific principal risks, which are described below. More detailed information regarding these risks can be found in the Fund's prospectus.

The principal risks of investing in the Calamos Growth and Income Fund include: convertible securities risk consisting of the potential for a decline in value during periods of rising interest rates and the risk of the borrower to miss payments, synthetic convertible instruments risk consisting of fluctuations inconsistent with a convertible security and the risk of components expiring worthless, equity securities risk, growth stock risk, small and mid-sized company risk, interest rate risk, credit risk, liquidity risk, high yield risk, forward foreign currency contract risk and portfolio selection risk.

About Indexes

Unmanaged index returns assume reinvestment of any and all distributions and, unlike fund returns, do not reflect fees, expenses or sales charges. Investors cannot invest directly in an index. The **Barclays U.S. Aggregate Bond Index** covers the U.S.-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities. The **BofA Merrill Lynch U.S. All Convertibles Index** is a measure of the performance of the U.S. convertible market. The **S&P 500 Index** is considered generally representative of the U.S. equity market. **Beta** is a historic measure of a fund's relative volatility, which is one of the measures of risk; a beta of 0.5 reflects 1/2 the market's volatility as represented by a market benchmark, while a beta of 2.0 reflects twice the volatility.

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CALAMOS® INVESTMENTS

Calamos Investments LLC
2020 Calamos Court | Naperville, IL 60563-2787
800.582.6959 | www.calamos.com | caminfo@calamos.com

Calamos Investments LLP
62 Threadneedle Street | London EC2R 8HP
Tel: +44 (0)20 3744 7010 | www.calamos.com/global

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