

# Alternatives 101

Tools for Enhancing  
Asset Allocation

CALAMOS<sup>®</sup>  
INVESTMENTS

Your financial advisor may recommend an alternative investment to enhance your portfolio's diversification and potentially decrease your exposure to market volatility.

# Welcome to Alternatives 101

Historically, many investors considered a basic portfolio of stocks, bonds and cash to be well diversified. Now, a wide range of “alternative” investments may potentially provide investors with opportunities to further customize an asset allocation, mitigate the impact of market volatility, and improve income or capital appreciation prospects.

The alternatives category includes many types of investments with varying risk and reward characteristics. Alternatives are available in different structures, from private partnerships to mutual funds. Because not all alternative strategies are suitable for every investor, your financial advisor will work with you to address your unique needs.

## The Potential Benefits of Alternatives

- » **Alternatives typically do not move in lockstep with stock or bond markets.** This low correlation is often helpful for overall diversification. The theory is that when stocks or bonds decline, alternatives may provide better performance.
- » **Alternatives typically have lower betas\* than traditional investments,** meaning that a greater proportion of their price movements relate to investment-specific factors rather than market-wide trends. As a result, alternatives may prove more resilient to market headwinds.
- » **Alternatives can help customize your portfolio.** Because they typically have different risk and return profiles than stocks and bonds, alternatives may address individual needs, beyond what stocks and bonds alone can do.

Diversification and asset allocation do not guarantee a profit or protect against a loss.

\* An investment that goes up or down as much as the stock market has a beta of 1. An investment that captures only half of the market's movements would have a beta of 0.5.

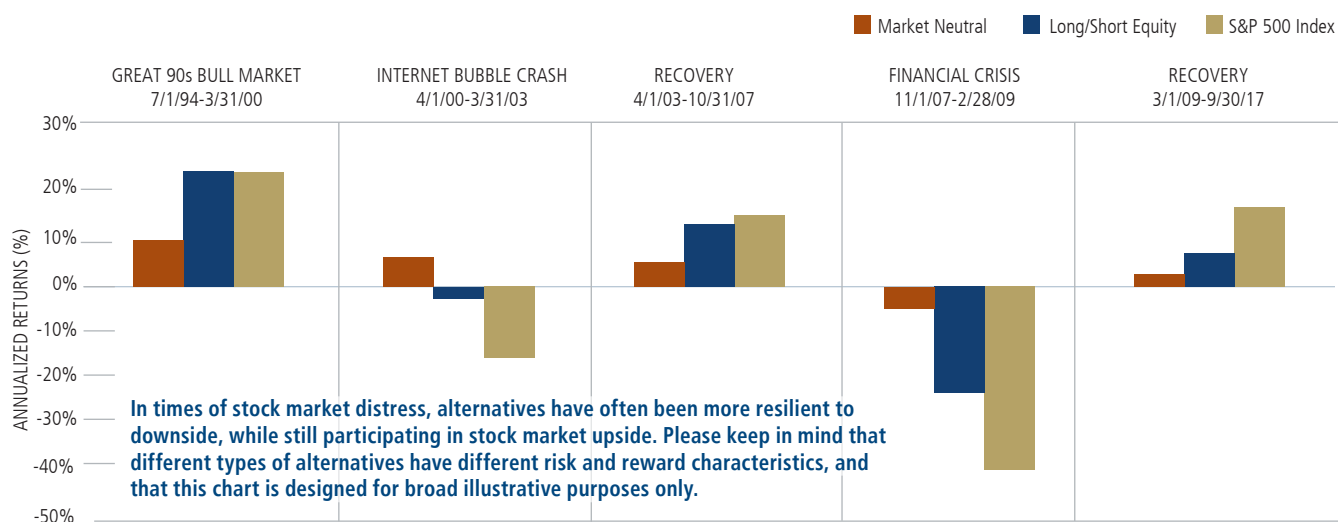
“We expect the alternatives category will continue to evolve.”

## A History of Alternatives

In past decades, alternative investments were generally available only to institutions or qualified investors. Now the alternatives marketplace offers more choices for more investors, including a growing selection of mutual funds registered under the Investment Act of 1940. There are more than 500 liquid alternative funds, totaling \$320 billion in assets under management, according to the Third Quarter 2017 Wilshire Liquid Alternatives Industry Monitor.

Why has interest in alternatives grown? After the internet bubble in the early 2000s and the more recent financial crisis, the stock market fell precipitously. As a result, **financial advisors have sought ways to reduce their clients’ exposure to broad market risk. Increasingly, advisors have turned to alternatives**, due to their potentially lower correlation to broad equity and bond markets. Although certain alternatives may be as risky as or even riskier than traditional investments, when included in an asset allocation, they may contribute to improved overall portfolio returns, and their use as portfolio diversifiers has become more common.

**FIGURE 1. ALTERNATIVES PROVIDE EXPANDED POTENTIAL FOR MANAGING MARKET RISK**



Past performance is no guarantee of future results.

Source: Morningstar. Market neutral is represented by the HFRI EH: Equity Market Neutral Index. Long/Short Equity is represented by the HFRI Equity Hedge (Total) Index. Please see “Additional Information” for index definitions.

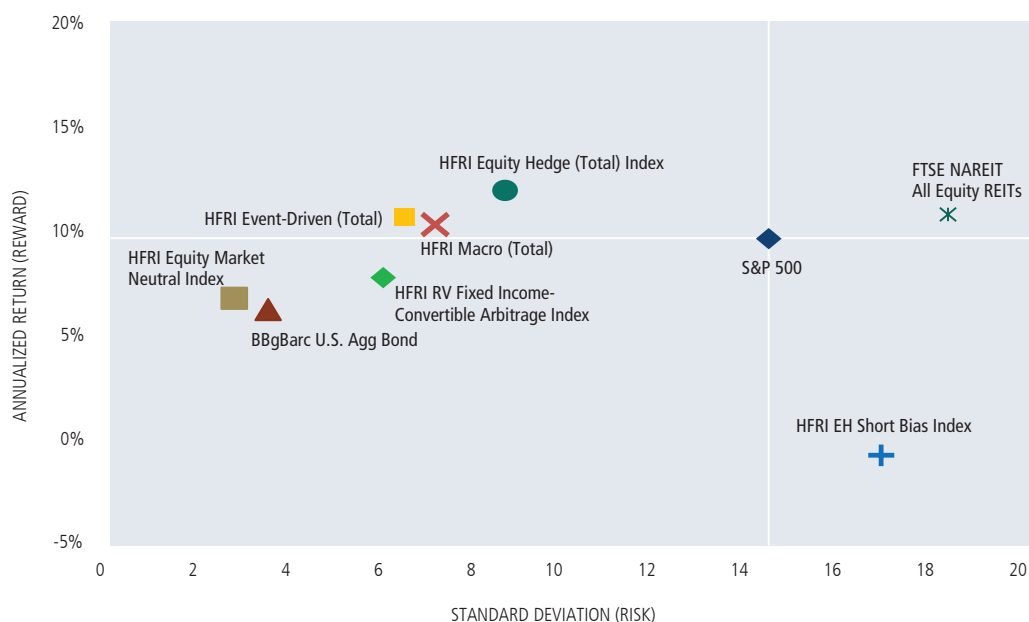
# Alternatives Meet Many Needs

The alternatives category covers a range of asset classes and investment structures. Some alternative investments are illiquid and privately transacted, such as real estate and private equity. These types of alternatives typically cannot be sold on a day’s notice, have investment minimums that put them out of reach for most individual investors, and may be subject to less regulation and oversight. In contrast, “liquid alternatives” such as exchange traded funds and mutual funds provide greater transparency and liquidity as well as more accessible investment minimums.

“The alternatives category covers a range of asset classes and investment structures.”

**FIGURE 2. RISK/REWARD CHARACTERISTICS OF SELECT ALTERNATIVE CATEGORIES**

January 1990–September 30, 2017



As Figure 2 shows, alternative strategies have different risk and reward profiles. Due to this variance, your advisor will work with you to identify strategies that may be most appropriate to your personal situation.

- » The long/short HFRI Equity Hedge (Total) Index earned higher returns with less volatility than the S&P 500 Index.
- » The HFRI EH: Equity Market Neutral Index has participated in equity upside but with bond-like volatility.

**Past performance is no guarantee of future results.**

Sources: Morningstar and HFRI. REITs are represented by the FTSE NAREIT All Equity REIT Index.

Indexes are unmanaged, do not reflect fees, expenses or sales charges and are not available for direct investment.

**Bloomberg Barclays U.S. Aggregate Bond Index:** Covers the U.S.-denominated, investment-grade, fixed-rate, taxable bond market of SEC registered securities. The index includes bonds from the Treasury, Government-Related, Corporate, MBS (agency fixed-rate and hybrid ARM pass throughs), ABS, and CMBS sectors. **FTSE NAREIT All Equity REITs Index:** Measures the performance of and contains tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property that also meet minimum size and liquidity criteria. **HFRI EH: Equity Market Neutral Index:** Equity Market Neutral strategies employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities, as well as select securities for purchase and sale. Equity Market Neutral strategies typically maintain characteristic net equity market exposure no greater than 10% long or short. **HFRI EH: Short Bias Index:** Short-Biased strategies employ analytical techniques in which the investment thesis is predicated on assessment of the valuation characteristics on the underlying companies with the goal of identifying overvalued companies. **HFRI Equity Hedge (Total) Index:** Investment managers who maintain positions both long and short in primarily equity and equity derivative securities. EH managers would typically maintain at least 50% exposure to, and may in some cases be entirely invested in, equities, both long and short. **HFRI Event-Driven (Total) Index:** Investment managers who maintain positions in companies currently or prospectively involved in corporate transactions of a wide variety including but not limited to mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. **HFRI Macro (Total) Index:** Investment managers who trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency and commodity markets. **HFRI RV: Fixed Income-Convertible Arbitrage Index:** Includes strategies in which the investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread is a convertible fixed income instrument. **S&P 500 Index:** Considered generally representative of the U.S. large-cap stock market.

## TYPES OF ALTERNATIVE FUNDS

- » **Long/short equity.** Managers of long/short equity funds seek to benefit from stocks that are appreciating in price as well as from those that are declining in price.
- » **Market neutral.** In a market neutral strategy, a manager attempts to generate positive performance, regardless of whether a market goes up or down. A market neutral fund may seek to be neutral with respect to overall changes in stock market price, interest rates or other more specific factors.
- » **Arbitrage.** Arbitrage refers to taking advantage of price discrepancies. As investors engage in arbitrage, by buying a particular asset in one place or manner and selling it in another, the asset's price tends to equalize. In practice, arbitrage investment strategies involve taking offsetting positions in securities that should ultimately converge or diverge in price.
- » **Short-only equity.** This strategy seeks to identify stocks most likely to fall in value.
- » **Long/short fixed income.** A long/short fixed income strategy combines a portfolio of bond investments with a selection of short bond positions. Fund managers seek to earn a reasonable return while reducing the credit or duration risks of some of the bonds in the portfolio.
- » **Global macro.** While long/short strategies typically focus on security-specific factors, global macro strategies focus on macroeconomic themes. Global macro managers try to predict the effect of macroeconomic or geopolitical factors on various financial assets and invest accordingly using a wide range of instruments.
- » **Event driven.** Mergers, acquisitions, and other corporate events may cause temporary inefficiencies in the price of a company's stock or other securities. Event-driven strategies seek to take advantage of these inefficiencies.

**Short Selling.** Short selling involves borrowing a stock and then selling it. In a successful short sale, the price of the stock drops after the short seller has sold it. The short seller then purchases the stock at the lower price, and returns these less expensive shares to the lender. Also see "short position" on page 9.

» **Multi-manager versus single-manager funds.** Multi-manager funds, or fund of funds, allocate pooled assets across a range of specialized asset managers. Multi-manager funds have the potential to add diversification and selection benefits, though at the cost of additional management fees.

## PRIVATE EQUITY

» **Venture capital.** In exchange for an equity ownership stake, venture capital investors provide financial resources to early-stage startups they expect to grow substantially.

» **Traditional private equity.** Traditional private equity may deal with either young or mature businesses. Private equity investors may purchase and grow private companies or purchase all outstanding shares of a public company.

## REAL ESTATE/INCOME-PRODUCING PROPERTIES

» **Commercial and industrial.** Institutional investors, such as pension funds, may own commercial real estate directly with the aim of creating an income stream from rental revenues. Smaller investors can access rental income and potential capital appreciation through real estate investment trusts (REITs), which can be either private or publicly traded. For example, investors may choose industrial REITs if they expect economic growth to increase demand for warehouses and factories.

## COMMODITIES

» **Commodity trading advisors (CTAs) and commodity hedge funds.** CTAs and commodity hedge funds focus on different securities related to the commodity markets.

» **Master Limited Partnerships (MLPs).** MLPs refer to certain businesses in the energy and natural resources sectors that are structured to take advantage of special tax rules. As limited partnerships, MLPs do not pay corporate taxes. MLPs may trade on public exchanges, offering investors income-producing investments with much more liquidity than typical partnerships.

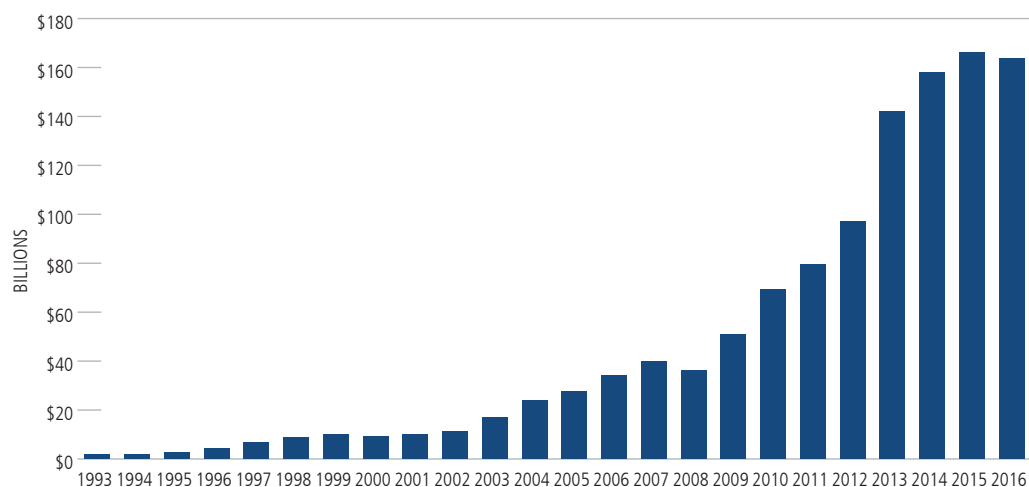
“Many financial advisors look to liquid alternatives to enhance their clients’ asset allocations.

## Liquid Alternatives: A Closer Look

### NEW OPPORTUNITIES FOR INDIVIDUAL INVESTORS

Many financial advisors look to liquid alternatives to enhance their clients’ asset allocations. Liquid alternatives can provide access to sophisticated investment strategies, while also offering transparency, lower minimums and daily liquidity. Even with these benefits, however, it’s important to remember that alternative approaches may involve increased risk, depending on the strategies they use.

### LIQUID ALTERNATIVE MUTUAL FUNDS: AN INCREASINGLY IMPORTANT ASSET ALLOCATION TOOL



Source: Morningstar.

### POTENTIAL BENEFITS OF LIQUID ALTERNATIVES

Compared to the alternative strategies favored by hedge funds and institutions, liquid alternatives generally offer:

- » Greater transparency
- » Higher liquidity (e.g., daily)
- » More reasonable investment minimums
- » Potential protection from market downside
- » Opportunities for portfolio customization



## Long/Short Equity: A Closer Look

Long/short equity funds are a popular type of liquid alternative. This strategy seeks equity-like returns with less volatility than the equity market, by profiting from stocks that are going up as well as those that are going down.

**Long position.** When managers purchase a stock because they believe it will rise in value, it is a long position. The goal is to capture an increase in value through this long position. In a long/short equity fund, managers buy the stock outright, just as in a traditional long-only equity fund.

**Short position.** When managers believe a stock will fall in price, they may establish a short position. In simplest terms, they borrow the stock (typically from a broker), sell the borrowed shares to another buyer and collect the proceeds. At an agreed-upon time, they must return the shares to the lender. If the price of the stock has declined, the manager will be able to purchase the shares in the open market at a lower price than those they sold. Shorting a stock is profitable if the stock price falls between the time it is borrowed and the time it is returned.

### POTENTIAL BENEFITS OF LONG/SHORT EQUITY

**Enhance Return Potential.** Shorting provides more ways to generate returns from fundamental research and insights. Also, difficult markets can create headwinds for long-only managers. By varying the percentage of longs and shorts in a portfolio, a manager can adapt to changing market conditions.

**Mitigate Volatile Markets.** Long/short strategies may be particularly beneficial when there are wide disparities in stock performance. In such markets, the potential to benefit from both longs and shorts may increase.

**Reduce Risk.\*** As part of a multi-faceted risk management process, managers can combine long and short strategies to potentially lessen the risks of individual positions. They can also diversify among short positions and employ other techniques in an attempt to mitigate downside.

Compared with long-only portfolios that profit when stocks appreciate, long/short equity portfolios may generate returns through shorting stocks and may potentially protect against market declines.



\*Short positions do entail added risks, which should be discussed with a financial advisor.

**Long/short equity risks.** The principal risks of investing in long/short equity strategies include: equity securities risk—securities markets are volatile and market prices may decline generally; short sale risk—a portfolio may incur a loss without limit as a result of a short sale if the market value of the security increases, or a manager is unable to repurchase a borrowed security; leverage risk—certain transactions such as loans and securities lending may create leverage and cause the portfolio to be more volatile; foreign securities risk—fluctuations of exchange rates may affect the U.S. dollar value of a security.

## Convertible Arbitrage: A Closer Look

This strategy seeks to enhance income, and to hedge (or reduce) equity market risk. We believe that well-executed convertible arbitrage has the potential to enhance performance throughout the market cycle.

**Convertible Arbitrage** involves purchasing a mispriced convertible bond and simultaneously short-selling a calculated number of shares of the stock. As the manager waits for the prices to converge, the portfolio is insulated from price movements of the underlying stock. Using this technique, a manager seeks to enhance income and to hedge (or reduce) equity market risk.

Convertible arbitrage strategies can help mitigate the potential impact of equity market volatility. Consider a hypothetical scenario wherein a convertible bond declines in value. Typically, the underlying common stock would also decline. This would benefit a manager who had shorted the stock, offsetting the decline in the convertible.

### POTENTIAL BENEFITS OF CONVERTIBLE ARBITRAGE

**Generate Returns.** Convertible arbitrage can generate returns through several sources, including:

- » Coupon income from the convertible.
- » Short interest credit, which the short seller earns by reinvesting the proceeds of the short sale.
- » Capital appreciation from convertibles.
- » Rebalancing/trading profits.

**Mitigate Volatility.** The benefits of convertible arbitrage may be particularly pronounced during periods of volatility in the equity marketplace; the value of the conversion feature of a convertible bond typically increases in value, and arbitrage opportunities may be more abundant.

**Convertible Arbitrage Risk.** If the market price of the underlying common stock increases above the conversion price on a convertible security, the price of the convertible security will increase. The portfolio's increased liability on any outstanding short position would, in whole or in part, reduce this gain.

## Covered Call Writing: A Closer Look

This strategy is designed to achieve lower volatility than equity markets or long-only funds, while also providing income. Similar to convertible arbitrage, we believe adept covered call writing may provide enhanced return potential throughout a market cycle.

**Covered Call Writing** involves selling (or “writing”) a call option against an equity the writer holds. When managers sell a call option, they earn a premium from the option sale. If the shares trade below the strike price, the option will expire worthless and they keep the premium from the option and retain the security. If the share price exceeds the strike price, the buyer will likely exercise the option and the seller must sell the shares at the strike price. To hedge the risk, managers could also purchase put options to protect against significant equity market declines.

### Create a Market Neutral Alternative

All market neutral approaches share a goal of generating consistent performance whether the stock market goes up or down. For example, many market neutral funds use long and short equity positions. A more sophisticated market neutral approach, which focuses on income generation, blends convertible arbitrage and covered call writing.

As complementary strategies, convertible arbitrage and covered call writing together may provide a lower-risk profile, attractive returns and countervailing responses to volatility.

#### POTENTIAL BENEFITS OF COVERED CALL WRITING

**Diversify.** Managers can write calls against a wide range of investments, including long equity positions or broad-based indices.

**Generate returns.** Covered call writing can generate returns through several sources, including:

- » The option premium.
- » Dividends and capital appreciation on long equity positions.
- » Capped upside equity participation using put options.
- » Rebalancing/trading profits.

**Call Option.** A call option is an agreement that gives the purchaser the right to buy shares of a stock at a certain price during a pre-specified period.

**Covered Call Writing Risk.** As the writer of a covered call option on a security, the portfolio foregoes, during the option’s life, the opportunity to profit from increases in the market value of the security, covering the call option above the sum of the premium and the exercise price of the call.

**Put Option.** A put option is an agreement that gives the purchaser the right to sell shares of stock at a certain price, during a pre-specified period.

**Option Premium.** An option premium is the money that the seller of an option receives from a buyer. If the stock price falls, the premium can offset a portion of the stock price decline. The writer keeps the premium regardless of whether the buyer exercises the option or not.

**Strike Price.** The strike price is the price the stock must reach before the buyer can exercise the option.

## Glossary

**Alpha.** A historical measure of risk-adjusted performance. Alpha measures how much of a portfolio's performance is attributable to investment-specific factors versus broad market trends. A positive alpha suggests that the performance of a portfolio was higher than expected given the level of risk in the portfolio. A negative alpha suggests that the performance was less than expected given the risk.

**Beta.** A common measure of historic volatility, beta measures how much of an investment's performance is attributable to market-wide factors (such as a rising stock market). An investment that goes up or down as much as a broad market measure has a beta of 1. An investment that captures only half of the market's movements would have a beta of 0.5.

**Convertible security.** A convertible security is a bond or preferred stock that can be exchanged—converted—into the common stock of the issuing company. Convertible bonds combine the benefits of both stocks and bonds. For example, convertible bonds typically offer upside appreciation in rising equity markets (like stocks) but can also provide potential downside protection during declining equity markets (like bonds). Convertible securities also provide income through their coupon payments.

**Correlation.** The degree to which two securities, indexes, or markets have moved together. The less in sync that two investments move, the lower the correlation. Investments that move in tandem exhibit positive correlation while those that move in opposite directions display negative correlation. Correlation is expressed as being between -1 (perfect negative correlation) and +1 (perfect positive correlation).

**Exposure.** The amount invested in a market, region, security type or position, typically expressed as a percentage of the total capital.

**Gross exposure =**  
Long Exposure % + Short Exposure %

**Gross exposure.** The sum of long exposure and short exposure, gross exposure measures how much of the portfolio's assets are invested and the amount of leverage in the portfolio.

**Leverage.** Leverage entails borrowing capital or securities, with the goal of earning a return that exceeds the cost of borrowing. In exchange for higher return potential, leverage also increases potential risks.

**Long/short ratio.** The ratio of long positions to short positions in a portfolio.

$$\text{Long/short ratio} = \frac{\text{Total long position \$}}{\text{Total short position \$}}$$

**Loss limit.** In an attempt to mitigate downside risk, an investment manager may establish a target for how much downside they are willing to accept on a given investment.

**Market neutral strategy.** A strategy that seeks consistent performance without a directional view of the market.

**Net exposure.** The difference between a portfolio’s long and short exposure, expressed as a percentage. If a portfolio holds a larger percentage in long positions than in short positions, the portfolio is “net long.” Conversely, a portfolio is “net short” when it has a larger percentage in short positions than in long positions.

$$\text{Net exposure} = \text{Long Exposure \%} - \text{Short Exposure \%}$$

### LONGS, SHORTS, LEVERAGE AND EXPOSURE: PUTTING IT ALL TOGETHER

#### EXAMPLE 1: LONG-ONLY PORTFOLIO WITH NO LEVERAGE

**Total investor capital:** \$100

**Portfolio:** \$95 in long positions and \$5 in cash

**Leverage:** \$0

**Net Exposure:** 95% in long positions – 0% in short positions = 95%

**Gross Exposure:** 95% in long positions + 0% in short positions = 95%

#### EXAMPLE 2: LONG AND SHORT PORTFOLIO WITH LEVERAGE

**Total investor capital:** \$100

**Portfolio:** \$95 in long positions, \$5 in cash, \$60 in short positions

**Leverage:** 55% leverage (\$55 in leveraged positions out of \$100 of investor capital)

**Net Exposure:** 95% long positions – 60% short positions = 35% of total investor capital (or \$35) of net exposure to the market

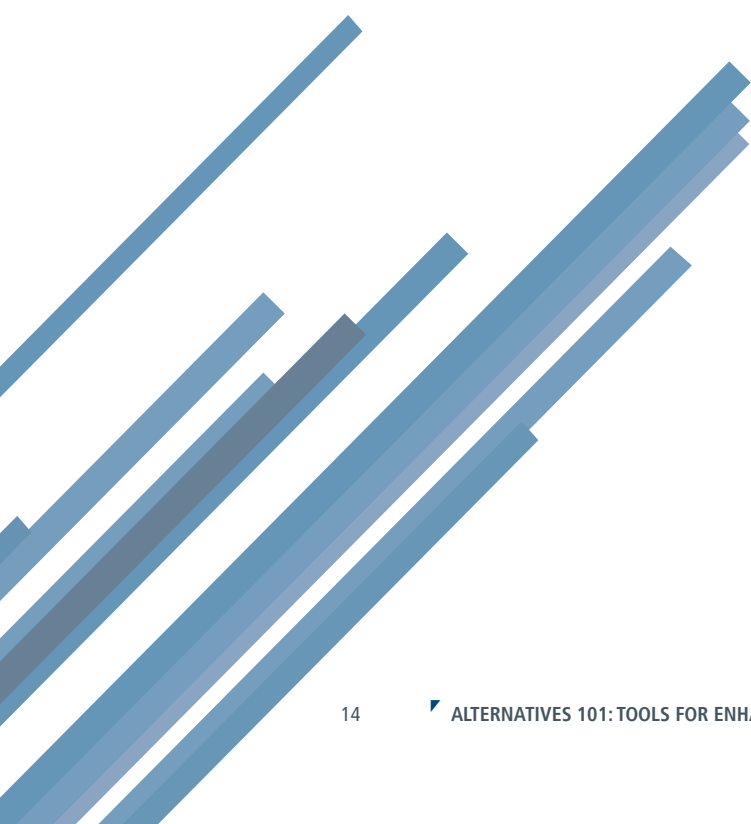
**Gross Exposure:** 95% long positions + 60%, short positions = 155% of total investor capital (or \$155) of gross exposure to the market

**Sharpe ratio** = [Investment return – risk free rate]/standard deviation of portfolio

**Standard deviation.** A common measure of historic volatility, standard deviation measures how much a security or market has fluctuated around its mean. Higher standard deviations indicate greater volatility. Standard deviation does not indicate whether these fluctuations have been upward or downward.

**Sharpe ratio.** A measure of risk-adjusted performance, where higher values are indicative of better investment decisions rather than the result of taking on a higher level of risk. Sharpe ratio is calculated by the difference between a portfolio’s return and a risk-free rate, often that of the 10-year Treasury bond, and dividing the result by the portfolio’s standard deviation.

**Volatility.** A measure of how much a market, security type, position or portfolio has fluctuated. Volatility can be measured in many ways. Two of the most common measurements of volatility are beta and standard deviation. Many volatility measures do not differentiate between upward and downward changes, while some consider either upside movement or downside movement.



# Additional Information

## RISKS OF ALTERNATIVE STRATEGIES

Alternative investments may not be suitable for all investors, and the risks of alternative investments vary based on the underlying strategies used. Many alternative investments are highly illiquid, meaning that you may not be able to sell your investment when you wish to.

**Long/short equity:** The principal risks of investing in long/short equity strategies include: equity securities risk—securities markets are volatile and market prices may decline generally; short sale risk—a portfolio may incur a loss without limit as a result of a short sale if the market value of the security increases, a portfolio may be unable to repurchase a borrowed security; leverage risk—certain transactions such as loans and securities lending may create leverage and cause the fund to be more volatile; foreign securities risk—fluctuations of exchange rates may affect the U.S. dollar value of a security.

**Market neutral:** The risks of a market neutral strategy that utilizes convertibles can include: losses from convertible and other fixed income instruments due to rising interest rates or credit rating downgrades; differences in how synthetic convertibles and convertibles react to market movements; loss of income from convertible hedging; loss of equity appreciation from covered call writing; illiquidity in the options market and shifting correlations versus other asset classes; unlimited losses from short selling; losses from high-yield securities because of defaults.

**Short-only equity:** The strategy may incur a loss without limit as a result of a short sale if the market value of the security increases.

**Long/short fixed income:** The principal risks of investing in long/short fixed income strategies include: fixed income risk—securities are subject to interest rate risk. If rates increase, the value of fixed income investments generally declines.; short sale risk—the strategy may incur a loss without limit as a result of a short sale if the market value of the security increases, the manager may be unable to repurchase a borrowed security; leverage risk—certain transactions such as loans and securities lending may create leverage and cause the strategy to be more volatile; foreign securities risk—fluctuations of exchange rates may affect the U.S. dollar value of a security.

**Global macro:** Investments in foreign instruments or currencies can involve greater risk and volatility than U.S. investments because of adverse market, economic, political, regulatory, geopolitical or other conditions. In emerging or frontier countries, these risks may be more significant. An imbalance in supply and demand in the income market may result in valuation uncertainties and greater volatility, less liquidity, widening credit spreads and a lack of price transparency in the market. Investments in income securities may be affected by changes in the creditworthiness of the issuer and are subject to the risk of nonpayment of principal and interest. The value of income securities also may decline because of real or perceived concerns about the issuer's ability to make principal and interest payments. Derivative instruments can be used to take both long and short positions, be highly volatile, result in economic leverage (which can magnify losses), and involve risks in addition to the risks of the underlying instrument on which the derivative is based, such as counterparty, correlation and liquidity risk.

**Event driven:** Investing in the inefficiencies of mergers, acquisitions, and other corporate events are subject to equity securities risk—securities markets are volatile and market prices may decline.

**Private equity:** Private equity is a speculative investment and not suitable for all investors. Risks inherent with private equity include: loss of money, illiquidity, and volatility.

**Real estate:** Investment in real estate investment trusts (REITs) could lose money over short or long periods. REITs are subject to risks that could affect performance, including industry concentration risk, stock market risk, interest rate risk, and investment style risk.

**Commodities:** Commodity trading is not suitable for all investors. If you purchase a commodity option, you may sustain a total loss of the premium and all transaction costs. If you purchase or sell a commodity future or sell a commodity option, you may sustain a total loss of the initial margin funds and any additional funds that you deposit with your broker to establish or maintain your position. Investing in commodities through commodity trading advisors (CTAs) or master limited partnerships (MLPs) also have inherent risks. The success of an investment is dependent upon the ability of the CTA to identify profitable investment opportunities, which involves a significant degree of uncertainty. CTAs may trade highly illiquid markets, or on foreign markets, and the high degree of leverage often obtainable in commodity trading can lead to large losses as well as gains. MLP risk includes legislation and interest rate risk given that they are structured to take advantage of special tax rules.

**Convertible arbitrage:** If the market price of the underlying common stock increases above the conversion price on a convertible security, the price of the convertible security will increase. The fund's increased liability on any outstanding short position would, in whole or in part, reduce this gain.

**Covered call writing:** As the writer of a covered call option on a security, the fund foregoes, during the option's life, the opportunity to profit from increases in the market value of the security, covering the call option above the sum of the premium and the exercise price of the call.

## OTHER TERMS

**Credit ratings:** A measure of a company's credit worthiness and ability to service its debt. Ratings are relative, subjective and not absolute standards of quality. Ratings are measured using a scale that typically ranges from AAA (highest) to D (lowest). The security's credit rating does not eliminate risk.

**Duration:** A measure of interest rate sensitivity.

# About Calamos Investments

Guided by our dedication to managing risk and return through full market cycles, Calamos Investments has a long history of providing innovative investment strategies to investors and their financial advisors. Our roots trace to the difficult financial markets of the 1970s, when we introduced pioneering strategies that used convertible securities to potentially reduce exposure to equity market risk, while still providing participation in equity market upside. At that time, convertible securities were little known and essentially served as an alternative investment strategy.

Over the intervening decades, we broadened the application of our fundamental research across a range of asset classes and strategies while remaining at the forefront of the liquid alternatives space. Calamos ranks as the 8th alternative fund manager by AUM (Morningstar data, 9/30/17).

In addition to our alternatives capabilities, we also offer U.S., global, international, and emerging market equity portfolios and fixed-income strategies.

Alternative investments are not suitable for all investors.

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