

# Evolving World Growth Fund

## Fourth Quarter 2014 Report

# CALAMOS®



### MORNINGSTAR OVERALL RATING™†

among 521 Diversified Emerging Markets Funds  
The fund's load-waived Class A shares (CNWGX.lw) received 3 stars for 3 years and 5 stars for 5 years out of 521 and 341 Diversified Emerging Markets funds respectively, for the period ended 12/31/14.

### OVERVIEW

The fund invests in growth companies globally, emphasizing companies with revenue streams derived within or from emerging markets. The fund is designed to actively manage the risk profile over full market cycles.

### KEY FEATURES

- » **Active risk management** with an aim of generating alpha and less downside risk than the benchmark and peers
- » **Stress company fundamentals**, including strong and/or accelerating earnings growth and solid returns on invested capital
- » **Seek global growth companies** that may benefit from long-term secular themes in the emerging markets such as the rise of the EM consumer

### FUND TICKER SYMBOLS

A Shares C Shares I Shares

CNWXG CNWDX CNWIX

There can be no assurance that the Fund will achieve its investment objective.

Morningstar ratings shown are for load-waived shares that do not include any front-end sales load. Not all investors have access to or may invest in the load-waived share class shown. Other share classes with front-end or back-end sales charges may have different ratings than the ratings shown. Additionally, some A-share mutual funds for which Morningstar calculates a load-waived A-share star rating may not waive their front-end sales load.

### Key Drivers of Performance

- » The fund showed its defensive characteristics and outperformed both the benchmark and its Morningstar peer group average in a period where emerging markets sold off amid concerns over slowing growth, a stronger U.S. dollar and persistent geopolitical tension.
- » Stronger security selection and an overweight position in the consumer discretionary sector added the most value to fund performance. Specifically, fund holdings in the apparel and accessories industry outperformed.
- » The underweight position in financials detracted the most value. We have increased our investments in financials as a reflection of improved sector fundamentals, attractive valuations, and a widening opportunity set.
- » We continue to position the fund to reflect an optimistic market outlook, overall, but also our view that markets will be volatile and selectivity is critical. Within our top-down framework, we favor countries positioned to benefit from secular tailwinds, such as China, Mexico, Indonesia, India and the Philippines.

### Market and Portfolio Overview

- » The MSCI Emerging Markets Index declined in a period where high return dispersion by country reflected highly divergent economic trends.
- » Falling energy prices roiled oil-producing countries such as Russia and Brazil, and both markets experienced steep declines in equities in the quarter. Russia injected \$87 billion from foreign reserves and increased the benchmark interest rate to an 11-year high to restore confidence in the ruble, which slumped 46 percent in 2014.

AVERAGE ANNUAL RETURNS	QTD	YTD	1-YEAR	3-YEAR	5-YEAR	SINCE INCEPTION
<b>Calamos Evolving World Growth Fund</b>						
I shares – at NAV (Inception 8/15/08)	-3.51%	-5.50%	-5.50%	3.64%	4.20%	5.12%
A shares – at NAV (Inception 8/15/08)	-3.55	-5.76	-5.76	3.36	3.94	4.85
A shares – Load adjusted	-8.12	-10.25	-10.25	1.70	2.93	4.05
MSCI Emerging Markets Index	-4.44	-1.82	-1.82	4.41	2.11	2.50
Morningstar Diversified Emerging Markets Category	-4.99	-3.01	-3.01	4.65	1.81	1.69

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 of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. Load-adjusted returns take into account the Fund's maximum 4.75% front-end sales load. Returns for periods greater than 12 months are annualized. You can obtain performance data current to the most recent month end by visiting [www.calamos.com](http://www.calamos.com)*

Calendar year returns measure net investment income and capital gain or loss from portfolio investments for each period specified. Average annual total return measures net investment income and capital gain or loss from portfolio investments as an annualized average. All performance shown assumes reinvestment of dividends and capital gains distributions. In calculating net investment income, all applicable fees and expenses are deducted from the returns. As of the prospectus dated 3/1/14, the Fund's gross expense ratios for Class A shares is 1.64%; Class I Shares is 1.39%, respectively. The offering price for Class I shares is the NAV per share with no initial sales charge. There are no contingent deferred sales charges or distribution or service fees with respect to Class I shares. The minimum initial investment required to purchase each Fund's Class I shares is \$1 million. Class I shares are offered primarily for direct investment by investors through certain tax-exempt retirement plans (including 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans, defined benefit plans and non qualified deferred compensation plans) and by institutional clients, provided such plans or clients have assets of at least \$1 million. Class I shares may also be offered to certain other entities or programs, including, but not limited to, investment companies, under certain circumstances.

**NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE**

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**FUND HOLDINGS – CONTRIBUTORS**

FIRM NAME	% OF FUND	FIRM PROFILE	ANALYSIS
<b>Naspers, Ltd. – Class N</b>	3.6%	Naspers is a South African based multinational media and Internet holding company with principal operations in pay television, e-Commerce, other Internet services, print media and related technologies through its fully owned subsidiaries and acquired interests in other companies.	Shares performed well in the period as Naspers reported first half earnings increased 39% on growth in e-commerce, television and contribution from its ownership stake in Tencent.
<b>Icici Bank, Ltd.</b>	1.7*	The company operates a network of banks located throughout India, specializing in retail and corporate banking, in addition to foreign exchange and Treasury operations.	The stock outperformed following strong quarterly earnings figures. The company reported record net income, higher margins and strong growth in retail loans.

**FUND HOLDINGS – DETRACTORS**

FIRM NAME	% OF FUND	FIRM PROFILE	ANALYSIS
<b>Fanuc Corp.</b>	1.0*	Based in Japan, Fanuc manufactures factory automation systems and equipment, including robots, laser systems and related technologies.	The stock underperformed in the period after reporting a decline in quarterly orders, but the company maintained full year forecast and raised the dividend.
<b>MGM China Holdings, Ltd.</b>	0.9%	MGM China is one of the leading casino and gaming resort developers, owners and operators in the Macau region of China.	Shares declined in the quarter as investors sold many businesses in the casino and gaming industry due to slowing growth fundamentals and concern about government reform initiatives.

\*as of 11/30/14

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## Outlook

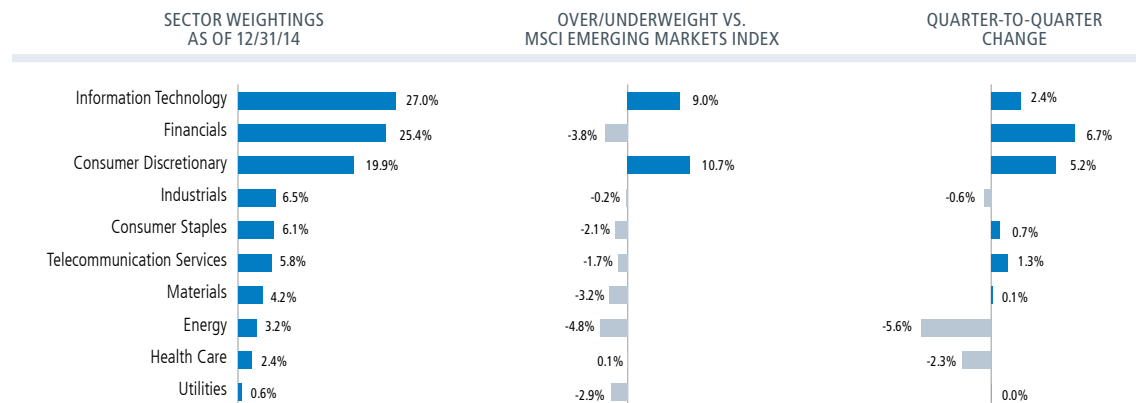
In the emerging markets, we expect continued divergence in economic fortunes as commodity prices fall and we enter the third year of what will likely be a multi-year cyclical strong-dollar environment. Against the backdrop of weak commodity prices, countries such as Russia, Brazil and Malaysia will likely face stiffer headwinds versus India and China. We continue to view China's recent stimulus efforts as being in-line with its longer-term strategy to move demand to the private sector with a focus on services and consumption.

Although we have some shorter-term concerns about valuations and currency risk, we also believe the case for India is compelling over the medium- to long-term, supported by new leadership, reforms, infrastructure spending and better controlled inflationary pressures. In our view, emerging market equity valuations are attractive and earnings growth may exceed moderate expectations. Global corporate balance sheets have significant flexibility and should lead to increased capital expenditures. Within the emerging markets, we continue to emphasize secular themes related to mobility and connectivity, rising consumerism, and evolving health care systems and related opportunities for both local emerging markets and multinational companies. We also favor companies serving the infrastructure build-out, as well as those generating productivity gains across industries.

Market fluctuations will likely continue, but moderate economic growth, improving capital accounts, and robust secular trends support our positioning. These mixed cross-currents should result in greater selectivity and differentiation between country and region performance. We have begun to see stronger fundamentals and a growth tilt be rewarded again in emerging markets and we see better prospects for commodity-consumer countries versus commodity producers. Countries with burgeoning domestic demand and positive reform catalysts are also positioned to benefit. Ultimately, we believe a selective return environment and many emerging market cross-currents will benefit our active and risk-aware investment approach.

Past Performance does not guarantee future results. Please see additional disclosures on last page.

## SECTOR POSITIONING



Sector weightings exclude cash or cash equivalents, any government/sovereign bonds or instruments on broad indexes the portfolio may hold. Holdings and weightings are subject to change daily. You can obtain a complete list of holdings by visiting [www.calamos.com](http://www.calamos.com). Please see additional disclosures on last page.

## Positioning

We continue to position the fund to reflect an optimistic market outlook, overall, but also our view that markets will be volatile and selectivity is critical. Within our top-down framework, we favor countries positioned to benefit from secular tailwinds, such as China, Mexico, Indonesia, India and the Philippines. In regard to China, we continue to seek ways to capitalize on the country's shift toward a greater emphasis on consumption and services.

Reflecting a more cautious stance toward commodity-producing countries and those where economic reforms have less momentum, we expect to remain underweight Russia, Brazil, and Malaysia. We own a combination of local emerging market companies and multinational companies with strong global operations generating significant revenue within emerging economies. We utilize this enhanced diversification to access growth opportunities in emerging markets, while increasing the size of our investable universe and the opportunities for active management.

From a sector perspective, the fund is overweight opportunities in the technology and consumer areas and underweight commodity-intensive areas including energy and materials. The fund also has lower weights in utilities and telecommunication services. Among select positioning changes during the quarter, we added weight in financials and consumer discretionary sectors due to reform initiatives and bottom-up rationale. We trimmed health care for security-specific factors and reduced weight in energy reflecting weaker fundamentals and the impacts of plummeting oil prices. From a fundamental perspective, we own businesses with stronger earnings growth, solid balance sheets and secular tailwinds including an expanding consumer class, rapid technological innovation, and growing infrastructure.

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## Fund Quarterly Attribution

	ENERGY	MATERIALS	INDUSTRIALS	CONSUMER DISCRETIONARY	CONSUMER STAPLES	HEALTH CARE	FINANCIALS	INFORMATION TECHNOLOGY	TELECOM SERVICES	UTILITIES
EVOLVING WORLD GROWTH FUND VERSUS MSCI EMERGING MARKETS INDEX										
Value Added from Sector	0.77	0.33	0.01	0.19	0.00	0.09	-0.40	0.40	0.03	0.04
Value Added from Selection & Interaction	-0.50	0.00	0.02	0.47	0.30	-0.36	-0.03	0.08	-0.08	-0.05
Total Added Value	0.26	0.32	0.03	0.66	0.30	-0.27	-0.43	0.48	-0.04	-0.01
SECTOR WEIGHTS (AVERAGE % WEIGHT DURING THE QUARTER)										
Evolving World Growth Fund	5.91	4.02	6.63	18.37	5.83	3.38	21.76	24.15	5.47	0.54
MSCI Emerging Markets Index	9.15	7.80	6.64	9.07	8.31	2.19	28.36	17.28	7.68	3.51
Over/underweight	-3.24	-3.78	-0.01	9.31	-2.48	1.19	-6.60	6.87	-2.21	-2.98
SECTOR RETURNS (%)										
Evolving World Growth Fund	-29.04	-12.77	-4.46	0.01	-0.25	-7.92	1.65	1.65	-8.05	-14.96
MSCI Emerging Markets Index	-24.63	-12.61	-4.76	-2.85	-5.03	-0.91	1.64	1.29	-6.70	-5.89
Relative Return	-4.41	-0.16	0.30	2.86	4.78	-7.01	0.01	0.36	-1.36	-9.07

Calculations may be subject to rounding.

## Additional Information

Past performance does not indicate future results. No investment strategy or objective is guaranteed and a client's account value can fluctuate over time and be worth more or less than the original investment. The opinions referenced are as of the date of publication and are subject to change due to changes in the market or economic conditions and may not necessarily come to pass. Information contained herein is for informational purposes only and should not be considered investment advice.

## Important Fund Risk Information

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 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 Evolving World Growth Fund include: equity securities risk consisting of market prices declining in general, growth stock risk consisting of potential increased volatility due to securities trading at higher multiples, foreign securities risk, emerging markets risk, convertible securities risk and portfolio selection risk. As a result of political or economic instability in foreign countries, there can be special risks associated with investing in foreign securities, including fluctuations in currency exchange rates, increased price volatility and difficulty obtaining information. In addition, emerging markets may present additional risk due to potential for greater economic and political instability in less developed countries.

*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.*

Morningstar Ratings™ are based on risk-adjusted returns for load-waived Class A shares (CNWGX.lw) and will differ for other share classes. Morningstar Ratings based on a risk-adjusted return measure that accounts for variation in a fund's monthly historical performance (reflecting sales charges), placing more emphasis on downward variations and rewarding consistent performance.

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Within each asset class, the top 10%, the next 22.5%, 35%, 22.5%, and the bottom 10% receive 5, 4, 3, 2, or 1 star, respectively. Each fund is rated exclusively against U.S. domiciled funds. The information contained herein is proprietary to Morningstar and/or its content providers; may not be copied or distributed; and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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## Index Definitions

**MSCI Emerging Markets Index**—is a free float adjusted market capitalization index. It includes market indexes of Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey. Funds in the Morningstar Diversified Emerging Markets Category have at least 50% of stocks invested in emerging markets. 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.

**CALAMOS**®

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