

# Growth Fund First Quarter 2017 Report

CALAMOS<sup>®</sup>  
INVESTMENTS

## OVERVIEW

The fund invests in the equities of U.S. companies with a range of market capitalizations that we believe offer the best potential for growth.

## KEY FEATURES

- » **Utilizes more than two decades** of extensive research experience in growth investing
- » **Active management** with a focus on top-down views and bottom-up fundamentals
- » **Research-driven approach** identifies opportunities by combining top-down analysis and a research focus on key growth characteristics

## FUND TICKER SYMBOLS

A Shares    C Shares    I Shares  
CVGRX    CVGCX    CGRIX

## Key Drivers of Performance

- » For the quarter, the fund's return of 9.01% (A Shares at NAV) was broadly in line with the Russell 3000 Growth Index, which gained 8.63%. The fund benefited from an actively managed mix of traditional and cyclical growth.
- » Relative performance benefitted as portfolio holdings outperformed in eight of the eleven GICS sectors. Sector allocations were a slight drag on relative performance, and cash also set back return.
- » While the industrials sector lagged the overall Russell 3000 Growth Index for the quarter, fund holdings nearly doubled the return of the sector within the benchmark. Portfolio holdings in railroads, environmental and facilities services, as well as in aerospace and defense contributed to performance.
- » Energy stocks struggled after a strong recovery for much of 2016, as the U.S. shale revival has undermined OPEC's ability as a price setter. The portfolio's overweight to the sector detracted from performance.

## Market Overview

- » The U.S. equity market delivered its best 1Q performance in four years with the S&P Index's 6.07% gain, which reflected a positive trend in economic data that began after the election.
- » In a strong reversal of leadership from Q4 2016, growth stocks easily outperformed value stocks, as represented by the Russell 3000 Growth Index's 8.63% return and the Russell 3000 Value Index's 2.99% gain for the quarter.
- » Within the Russell 3000 Growth Index, information technology (+12.6%), consumer discretionary (+9.3%) and health care (+8.7%) were the big winners. Energy (-9.6%), telecom services (-4.2%) and utilities (+1.9%) lagged the most.

## AVERAGE ANNUAL RETURNS

	QTD	YTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE I SHARE INCEPTION (9/18/97)	SINCE A SHARE INCEPTION (9/4/90)
<b>Calamos Growth Fund</b>								
I shares – at NAV	9.07%	9.07%	11.22%	6.21%	8.53%	5.92%	10.63%	N/A
A shares – at NAV	9.01	9.01	10.97	5.95	8.26	5.66	N/A	12.69%
A shares – Load adjusted	3.82	3.82	5.69	4.24	7.21	5.14	N/A	12.48
Russell 3000 Growth Index	8.63	8.63	16.27	10.90	13.22	9.04	6.09	9.49
S&P 500 Index	6.07	6.07	17.17	10.37	13.30	7.51	6.77	10.06
Russell Midcap Growth Index	6.89	6.89	14.07	7.88	11.95	8.13	7.52	10.74
Morningstar Large Growth Category	8.63	8.62	14.85	8.53	11.55	7.71	5.58	8.78

The Russell Midcap Growth Index and Russell 3000 Growth Index return "Since A share Inception" date is 8/31/90.

Performance data quoted represents past performance, which is no guarantee of future results. Current performance may be lower or higher than the performance quoted. You can obtain performance data current to the most recent month end by visiting [www.calamos.com](http://www.calamos.com).

*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.*

Returns for periods greater than 12 months are annualized. 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. In calculating net investment income, all applicable fees and expenses are deducted from the returns. All performance shown assumes reinvestment of dividends and capital gains distributions. The Fund also offers Class B and C Shares, the performance of which may vary. As of the prospectus dated 2/28/17, the Fund's gross expense ratios for Class A shares is 1.35%; Class I Shares is 1.10%, 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.

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

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

# Calamos Growth Fund First Quarter 2017 Report

## FUND HOLDINGS – CONTRIBUTORS

FIRM NAME	% OF FUND	FIRM PROFILE	ANALYSIS
CSX Corp.	0.8%*	CSX Corp. is a transportation company, which operates rail-based services around the world with a heavy presence in the eastern U.S.	CSX provided stable guidance at its quarterly earnings announcement, anticipating growth rates in the low-to-mid teens. Cyclical companies, such as rail transportation, generally lagged the overall market during the quarter, but delivered positive returns. CSX stock received a boost during the period as investors anticipated that an industry leader, who abandoned a rival, might join CSX's ability to improve operations and margins. The new CEO was confirmed and announced in March.
Facebook, Inc.	4.3%	Facebook is an Internet software and services company that provides social networking capabilities for people to connect and share information. In addition to the well-known Facebook service, the company also operates popular applications such as Instagram, Messenger and WhatsApp.	Facebook shares rose steadily through the quarter and received a boost from quarterly earnings that came in above consensus. Total users and engagement reflected both strength and an increase in business users. Following the fourth quarter's preference for cyclical growth, Facebook rebounded when the pendulum swung back to growth stalwarts in the first quarter.

## FUND HOLDINGS – DETRACTORS

FIRM NAME	% OF FUND	FIRM PROFILE	ANALYSIS
Zoetis, Inc.	1.2%*	Zoetis is a U.S. pharmaceutical business that focuses on medicines and vaccinations for livestock and companion animals (pets). The company was formerly a subsidiary of Pfizer and operates worldwide.	Zoetis stock largely traded sideways for the quarter, despite a quarterly earnings announcement that revenues slightly outpaced consensus estimates. Zoetis continues to offer strong margins, growing revenue potential, and a niche position within the health care market.
Haliburton Company	0.8%*	Haliburton is a U.S. energy business that operates in the oil and gas equipment and services industry. Haliburton has operations in countries around the globe, with significant book of business providing technical products and services for exploration and production within petroleum as well as natural gas.	Shares of the company declined in the first quarter, which was consistent with the energy sector overall. Haliburton's quarterly earnings report beat consensus expectations and the company predicted an improvement in international market performance in the second half of the year. We believe Haliburton to be attractive as U.S. shale gas competes broadly with Middle East producers and rig counts increase.

\*as of 2/28/17

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## Outlook

We remain constructive on equities, driven by the growing likelihood that global GDP growth will be sustained and balanced through 2018. Corporate profits are visibly recovering from the mid-cycle recession in corporate profits of 2015 through 2016. This implies more growth opportunities beyond defensive growth sectors. We see policy as a source of upside risk for markets. We do not believe the potent mix of tax reform and less regulation has been fully priced into equities.

## Positioning

Despite a surging stock market, investors grew a bit more apprehensive about the prospects for overall economic growth and the potential for policy change to boost that growth. As such, the market witnessed a rotation away from the reflation trade and back toward safer or defensive growth areas of the economy.

To that end, we have increased the portfolio's investments in industrials and financials, and remain constructive overall on the consumer staples and consumer discretionary stocks. In industrials, we continue to focus on domestically-oriented business that may benefit from improving U.S. GDP growth as well as from other initiatives of the Trump administration, such as infrastructure investment and tax policies. Industrials holdings include cyclical areas such as railroads, as well as counter-cyclical areas such as environmental services. Within financials, we see opportunities where businesses are growing faster than other areas of the market, yet where financials make up a relatively small percentage of the growth benchmark. Improvements to the regulatory environment could provide a tailwind for many businesses in the sector. In consumer discretionary, we see little risk of recession. Many stocks in this diverse sector have the potential to offer attractive total returns, especially given that investor pessimism may be too strong.

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

SECTOR POSITIONING	SECTOR WEIGHTINGS AS OF 3/31/17	OVER/UNDERWEIGHT VS. RUSSELL 3000 GROWTH INDEX	QUARTER TO QUARTER CHANGE
Information Technology	33.7%	1.6%	2.1%
Consumer Discretionary	20.2	-0.3	1.4
Industrials	14.8	3.7	4.7
Health Care	11.4	-4.9	-5.0
Financials	8.6	5.6	4.2
Consumer Staples	3.5	-5.2	-1.0
Energy	3.1	2.5	-1.8
Materials	2.7	-1.0	0.9
Telecommunication Services	0.5	-0.5	-0.9
Real Estate	0.0	-2.9	0.0
Utilities	0.0	-0.1	0.0

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.

Additionally, the portfolio has reduced its investments in health care and energy names. While health care stocks performed well overall in the first quarter after a difficult fourth quarter last year, we see less opportunity going forward. Because health care has lost meaningful pricing power and is subject to considerable political oversight and potential changes, the portfolio has moved from an overweight a more neutral weighting within the sector. We have also reduced energy investments, as U.S. shale's revival has undermined OPEC's role as a price setter, which we believe may lead to oversupply going forward.

# Calamos Growth Fund First Quarter 2017 Report

## Fund Quarterly Attribution

	ENERGY	MATERIALS	INDUSTRIALS	CONSUMER DISCRETIONARY	CONSUMER STAPLES	HEALTH CARE	FINANCIALS	INFORMATION TECHNOLOGY	TELECOM SERVICES	UTILITIES	REAL ESTATE
GROWTH FUND VERSUS RUSSELL 3000 GROWTH INDEX (%)											
Value Added from Sector	-0.72	0.02	-0.03	0.00	0.22	0.04	-0.10	0.04	0.01	0.01	0.11
Value Added from Selection & Interaction	0.23	-0.19	0.54	0.46	-0.27	0.65	-0.24	0.46	0.10	0.00	0.00
Total Added Value	-0.49	-0.17	0.52	0.47	-0.05	0.69	-0.35	0.50	0.10	0.01	0.11
SECTOR WEIGHTS (AVERAGE % WEIGHT DURING THE QUARTER)											
Growth Fund	4.03	2.55	12.60	18.05	3.93	13.45	6.16	32.97	0.96	0.00	0.00
Russell 3000 Growth Index	0.61	3.71	11.29	20.35	8.81	16.42	3.08	31.65	1.12	0.09	2.87
Over/underweight	3.42	-1.16	1.31	-2.30	-4.88	-2.97	3.08	1.32	-0.17	-0.09	-2.87
SECTOR RETURNS (%)											
Growth Fund	-6.05	-0.21	9.66	11.81	-1.69	13.80	2.55	14.14	6.72	0.00	0.00
Russell 3000 Growth Index	-9.58	6.63	4.85	9.25	4.20	8.70	6.68	12.60	-4.16	1.94	5.00
Relative Return	3.53	-6.83	4.81	2.55	-5.89	5.11	-4.13	1.55	10.88	-1.94	-5.00

Calculations may be subject to rounding.

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.

### Index Definitions

The **Russell 3000 Growth Index** measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. The **S&P 500 Index** is generally considered representative of the U.S. stock market. The **Russell Midcap Growth Index** measures the performance of the midcap growth segment of the U.S. equity universe and includes companies with higher price-to-book ratios and higher forecasted growth values. The **Russell 3000 Value Index** measures the performance of the broad value segment of the U.S. equity universe. It includes those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values. 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. **Morningstar Large Growth** category funds invest primarily in big U.S. companies that are projected to grow faster than other large-cap stocks. Stocks in the top 70% of the capitalization of the U.S. equity market are defined as large cap. Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields). Most of these portfolios focus on companies in rapidly expanding industries.

### Important 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 principal risks of investing in the 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, mid-sized company risk, foreign securities risk and portfolio selection risk. More detailed information regarding these risks can be found in the fund's prospectus.

*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.*

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**CALAMOS**  
INVESTMENTS

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