

Calamos Global Growth & Income A CVLOX

Morningstar's Take | 01-25-10 | by Courtney Goethals Dobrow

This mutual fund is most valuable when times are tough.

Calamos Global Growth & Income makes hay when the sun isn't shining.

This fund aims for an asymmetric risk/return profile, investing in a mix of stocks, bonds, and convertible debt in order to match rising equity markets and offer protection in down markets. Over time, the managers have executed this strategy effectively. The fund's 10-year downside capture ratio, which measures a fund's performance in down equity markets, is one of the best in the world-stock category.

Management constructs the portfolio of, currently 100 holdings, by finding the best opportunities across a firm's capital structure. The Calamos team is a single integrated unit and responsibilities are divided up by sector, not asset class. So the team isn't partial to a particular type of security and will own different parts of a given company at times. It's also not uncommon to only own one slice of a company's capital structure in this fund while holding other parts at siblings. Research efforts across the firm are also informed by consistent top-down themes and can lead to sector weights that diverge significantly from the MSCI World benchmark. Currently, this is reflected in the fund's overweightings in technology and cyclical energy and materials as management positioned the fund for economic recovery.

Management's ability to protect investors on the downside more than makes up for the times it doesn't participate quite as fully in up markets, as was the case in 2009 when the fund trailed its typical peer by a few percentage points and landed in the category's bottom half. But that dip hasn't affected the fund's overall track record. It easily tops the benchmark and is in the category's top quartile over three-, five-, and 10-year periods.

Kudos

- Strong risk/reward profile with a topnotch downside capture ratio.
- Experienced management and research team.

Risks

- Can lag in big market rallies.

Strategy

The Calamos team invests in a mix of stocks, bonds, and convertibles to capture the upside potential of equities markets while protecting investors in down markets. They evaluate companies' entire capital structures to uncover the best opportunities.

Management

All Calamos funds employ a team approach, led by co-chief investment officers John P. Calamos, Sr. and Nick P. Calamos. Some of the fund's senior strategy analysts—John P. Calamos Jr., John Hillenbrand, Steve Klouda, Jeff Scudieri, and Jon Vacko—were named as comanagers in March 2007.

Role in Portfolio

Supporting Player

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Year	Total Return (%)	+/-Category
2009	31.59	-3.68
2008	-34.51	-5.53
2007	13.99	2.60
2006	15.89	-3.83

Data through 12-31-09

Please visit www.calamos.com for the Fund's most recent month-end performance data, or call us at 800.582.6959 between 8:00 a.m. and 6:00 p.m. CT, Monday – Friday.

Calamos Global Growth and Income Fund (Class A Shares) as of 12/31/2009

Number of Holdings: 100 **Load-Adjusted Average Annual Total Return:** For the 1-, 3-, 5-, 10-year and since inception (9/09/96) periods, Calamos Global Growth and Income Fund returned 25.39%, -2.18%, 5.26%, 3.61% and 8.57% respectively. **Total Net Assets:** \$863.4 million **Sector Weightings:** Information Technology 21.4%; Energy 19.3%; Materials 12.7%; Health Care 11.0%; Consumer Staples 10.5%; Consumer Discretionary 7.5%; Financials 4.2%; Industrials 2.9%; Telecommunication Services 2.0%; Utilities 0.0% **Asset Allocation:** Common Stock 43.6%; Convertible Bonds 38.6%; Convertible Preferred Stock 8.7%, Synthetic Convertibles 6.2%, Options 0.4%, Cash and Receivables/Payables 2.5%.

Portfolios are actively managed. Holdings and weightings are subject to change daily. Sector weightings are provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned.

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 investment return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. You can obtain performance data current to the most recent month end by visiting 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. Class A shares load-adjusted returns are adjusted for the maximum front-end sales load of 4.75%. The Funds also offer Class B and C shares, the performance of which may vary. Performance shown reflects an expense reimbursement that improved results. As of the prospectus dated 3/1/09, the gross expense ratio for Class A shares is 1.36%; Class B and C shares is 2.11%; Class I shares is 1.11%.*

Quartile Rankings: As of 12/31/2009, for the 1-, 3-, 5- and 10-year periods, Calamos Global Growth and Income Fund (Class A Shares at NAV) received Morningstar percentile rankings in the World Stock Category of 55%(414 out of 755 funds) 16%(88 out of 542 funds), 8%(33 out of 447 funds) and 20%(49 out of 251 funds), respectively.

10-Year Up/Down Capture Vs. MSCI World Index: Upside 89.02%; Downside 64.35%.

Downside Capture Ratio measures a manager's performance in down markets as defined by the named index. A down-market is defined as those periods (months or quarters) in which named index return is less than 0. In essence, it tells you what percentage of the down-market was captured by the manager. For example, if the ratio is 110%, the manager has captured 110% of the down-market and therefore underperformed the market on the downside. **Upside Capture Ratio** measures a manager's performance in up markets relative to the named index itself. It is calculated by taking the security's upside capture return and dividing it by the benchmark's upside capture return.

Important Fund Information

Calamos Global Growth and Income Fund (The Fund) may invest up to 100% of its assets in foreign securities and in an array of security types and market-cap sizes, each of which has a unique risk profile. As a result of political or economic instability in foreign countries, there can be special risks associated with investing in foreign securities. These include fluctuations in currency exchange rates, increased price volatility, and difficulty obtaining information. The Fund may also invest in small company issues, which typically present greater risks than larger, more established companies, and in lower-rated securities, which may present greater risks than investments in higher-rated securities. In addition to market risk, there are certain other risks associated with an investment in a convertible bond, such as default risk, the risk that the company issuing debt securities will be unable to repay principal and interest, and interest rate risk, the risk that the security may decrease in value if interest rates increase.

Before investing, carefully consider the Fund's investment objectives, risks, charges and expenses. Contact 800.582.6959 for a prospectus containing this and other information. Read it carefully.

MSCI World Index– Is a market capitalization weighted index composed of companies representative of the market structure of developed market countries in North America, Europe, and Asia/Pacific region. Indexes are unmanaged and 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.

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