Global Dynamic Income Fund (CHW) 1Q18 Commentary

CALAMOS INVESTMENTS

FUND

- CHW is a global enhanced fixed income offering that seeks to provide an attractive monthly distribution, with a secondary objective of capital appreciation.
- Invests in global fixed income securities, alternative investments and equities; at least 40% of assets invested in non-U.S. companies

Current Annualized Distribution Rate[1]	9.34%

ASSET ALLOCATION	%
Common Stock	45.9
Convertibles	28.0
Corporate Bonds	15.0
Cash and Receivables/Payables	7.7
US Government Securities	1.5
Bank Loans	0.8
Options	0.6
Other	0.4
Preferred Stock	0.2

The portfolio is actively managed. Holdings and weightings are subject to change at any time without notice. Asset Allocation Weightings are calculated as a percentage of Managed Assets.

[1]Current Annualized Distribution Rate is the Fund's most recent distribution, expressed as an annualized percentage of the Fund's current market price per share. **The Fund's most recent distribution was $0.0700 per share. Based on our current estimates, we anticipate that approximately $0.0700 is paid from ordinary income or capital gains and $0.0000 of the distribution represents a return of capital.** Estimates are calculated on a tax basis rather than on a enerally accepted accounting principles (GAAP) basis, but should not be used for tax reporting purposes. Distributions are subject to re-characterization for tax purposes after the end of the fiscal year. This information is not legal or tax advice. Consult a professional regarding your specific legal or tax matters. Under the Fund's managed distribution policy, distributions paid to common shareholders may include net investment income, net realized short-term capital gains, net realized long-term capital gains and return of capital. When the net investment income and net realized capital gains are not sufficient, a portion of the level rate distribution will be a return of capital. In addition, a limited number of distributions per calendar year may include net realized long-term capital gains. Distribution rate may vary.

There is no assurance that the Fund will achieve or maintain its investment objective.

Overview

Global equities confronted a challenging quarter amid higher volatility, as investors weighed the potential impact of diverging monetary policies and escalating trade tensions against a backdrop of strong corporate earnings, reasonable equity valuations, and mostly benign inflation. Equities experienced declines across most regions, with weakness more pronounced in developed markets. Developed markets decreased -1.15%, as measured by the MSCI World Index. U.S. equities also retreated in the period, as the S&P 500 Index returned -0.76%. Emerging markets outperformed developed markets and delivered modest gains, as the MSCI Emerging Markets Index returned 1.47% in the period. The broad MSCI ACWI Index dipped -0.84%, reflecting the mixed conditions across regions.

U.S. stocks confronted multiple sell-offs and higher volatility, as markets balanced mostly positive economic data and strong corporate earnings against higher interest rates, a pickup in inflation, and escalating trade tensions with China. Although economic data presented a more mixed profile as the quarter progressed, it still pointed to solid economic growth and expansion. Recent figures indicated moderating demand in retail sales, housing transactions, and non-manufacturing services, though overall economic activity remains firmly in expansion territory. Employment remained quite strong, with significant payroll additions, low unemployment, and average hourly earnings up 2.6% year over year. In his first meeting as Chair of the Federal Reserve, Jerome Powell and the Fed increased benchmark interest rates by a quarter point, as widely expected. Later in the period, markets reacted negatively to the Trump administration's proposals to impose tariffs on select imports, which ratcheted up concerns of a potential trade war with China.

European equities returned -1.86% for the quarter, as represented by the MSCI Europe Index. Shares were decidedly mixed across individual European markets as risk-off trends re-emerged in global markets. The wave of positive economic surprises cooled in Europe, and investors weighed the impacts

ANNUALIZED TOTAL RETURN AS OF 3/31/18

	QTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SHARE INCEPTION (06/27/07)
On Market Value	0.52%	26.71%	12.06%	10.50%	7.98%	5.20%
On NAV	-0.25	15.59	8.70	8.97	6.52	5.66

Source: State Street Corporation

Returns of less than 12 months are cumulative returns. Returns for periods greater than 12 months are annualized returns. 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.

Performance data quoted represents past performance, which is no guarantee of future results. Current performance may be lower or higher than the performance quoted. Portfolios are managed according to their respective strategies which may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of the benchmark(s). Portfolio performance, characteristics and volatility may differ from the benchmark(s) shown.

You can purchase or sell common shares daily. Like any other stock, market price will fluctuate with the market. Upon sale, your shares may have a market price that is above or below net asset value and may be worth more or less than your original investment. Shares of closed-end funds frequently trade at a market price that is below their net asset value.

Please refer to back page for important notes. All values are in USD terms unless otherwise indicated.

of more fractured election outcomes and escalating global trade tensions. European economic data reflected more subdued growth as the quarter progressed. Although retail sales and employment exhibited generally positive conditions, gauges of manufacturing activity and inflation showed near-term deceleration in demand. Many analysts believe the ECB will use recent softer economic data and the potential for increased global trade barriers as support for a continued policy of accommodation. In other key developments, the Brexit process achieved a key milestone, as UK and EU negotiators reached an agreement on the transition.

Asian equities also declined in the period, as the MSCI Pacific index dipped -0.57%. The balance of data in Japan points to continued moderate growth. On the one hand, Japan's unemployment rate of 2.5% was lower than expected amid extraordinarily tight labor markets. On the other hand, Japanese industrial production was weaker than expected, increasing 1.4% year over year, reflecting near-term deceleration. The Bank of Japan kept monetary policy on hold at its latest meeting and remains further behind global central banks in approaching its 2% inflation target and potentially normalizing policy measures. However, inflation was not altogether absent as consumer prices rose 1.5% in the latest figures reflecting higher transport and food inflation costs.

Emerging markets delivered modest gains and outperformed developed markets, as the MSCI Emerging Markets Index returned 1.47% in the quarter. Emerging market equities encountered escalating trade tensions between the U.S. and China, less accommodative Federal Reserve policies, and mounting risk-off sentiment among investors. Despite these challenges, emerging markets have benefited from a pickup in earnings growth, increased policy flexibility, and an expanding global economy. China's President Xi laid out an economic growth target of 6.5% for the next year, representing a modest deceleration from the 6.9% growth rate in 2017. Russian stocks declined recently but had been among the top performers in the quarter, reflecting improved economic conditions, a credit rating upgrade by S&P, and stabilization in oil prices.

Global convertibles delivered an attractive total return in the period, as the ICE BofAML Global 300 Convertible Index advanced 3.12% in the quarter. U.S. convertibles outperformed the broader equity market, returning 2.40% in the quarter. European convertibles also delivered modest gains, returning 1.17% while Japan domestic convertibles returned 6.29%. Asia ex-Japan convertibles generated solid upside in the period, returning 4.30% in USD. New convertible issuance reached a total of $27.8 billion globally for the quarter, compared to the $24.5 billion pace of a year ago, per ICE BofAML figures.

With higher Treasury rates across the curve, the yield to worst of the high yield market increased 47 basis points during the quarter to close at 6.19%. Gross new high yield issuance totaled $72.7 billion during the quarter, nearly identical to the fourth quarter total, and below the $98.7 billion total through March of last year. Across the credit spectrum CCC-rated credits led the way (+0.36%), while B (-0.50%) and BB (-1.61%) credits delivered finished in the red. According to JPMorgan, the U.S. high yield default rate ended March at 2.21%, a 93 basis points increase in the first quarter, still below the 3% long-term average.

Distributions Remained Competitive

The fund maintained a monthly distribution of $0.0700 throughout the quarter. The fund's current annualized distribution rate was 9.34% of market price as of March 31, 2018. We believe that the fund's monthly distribution is highly competitive, given that very low interest rates and yields remain the norm throughout much of the global marketplace. For example, the 10-year U.S. Treasury bond yield was 2.74%, the S&P 500 Index yield was 2.10% and the BofAML U.S. High Yield Master II Index yield was 6.30% as of March 31, 2018.

Our policy is to pay a distribution reflective of the fund's past results and projected earnings potential. Monthly distributions paid may include net investment income, net realized short-term capital gains and, if necessary, return of capital. We focus on delivering an attractive monthly distribution, while maintaining a focus on risk management.

Performance Review

In this fund, we employ a highly flexible approach, investing in equities, convertible securities and high yield securities. This allows optimal employment of active management to seek the best opportunities for our shareholders. We also utilize alternative strategies, such as convertible arbitrage, to enhance returns. For the quarter ending March 31, 2018, the fund returned 0.52% on market price and -0.25% on NAV.

U.S. Equities

During the quarter, the fund's U.S. equity sleeve outperformed relative to the S&P 500 Index (+0.71% versus -0.76%). Our selection in industrials, specifically in industrial machinery, as well as our selection in financials, notably our allocations in diversified banks, helped relative performance. Conversely, selection in health care, notably in pharmaceuticals, underperformed relative to the Index. In addition, our selections in consumer discretionary sector, specifically selection in internet and direct marketing retail, was not productive to returns.

International Equities

The fund's international stocks underperformed relative to the MSCI EAFE Index (-2.67% versus -1.41%) for the quarter. Our selection in information technology, notably an overweight in communications equipment, was additive to performance. In addition, our selection in financials, mainly an overweight in the financial exchanges and data industry, was beneficial. Our selection in European securities relative to the index also boosted results. Conversely, our selection in materials, notably an overweight in gold, was detrimental to performance compared to the index. In addition, our selection and an underweight in industrial conglomerates lagged.

Global Securities

For the quarter, our global securities sleeve outperformed relative to the MSCI World Index (+2.53% versus -1.15%). Our selection in information technology, notably an overweight in application software, was additive to performance relative to the index. In addition, our selection in financials, specifically diversified banks, was helpful as the sector outperformed the index for the period. Our selection in U S securities also served to boost performance relative to the index. Conversely, our selection in consumer discretionary, automobile manufacturers for example, was detrimental to performance. In addition, our selection in apparel, accessories & luxury goods underperformed relative to the index. Our lack of exposure to Latin America also held back return.

Convertible Arbitrage

Convertible Arbitrage entails owning a convertible bond long and then shorting its underlying stock. We employ it to potentially enhance return.

Volatility. Similar to that witnessed by the S&P 500 Index, the convertible market (as represented by the ICE BofAML All U.S. Convertibles Index) fell 6.2%, rebounded nearly 8%, and then fell again approximately 3%. Increasing volatility improved our ability to generate trade-rebalancing profits, though individual name volatility was not as robust as the index volatility.

Interest Rate Environment. Rising interest rates provided mixed results for convertible arbitrage during the quarter. From a positive standpoint, the Federal Reserve announced another 25 basis points increase to the fed funds rate. As short-term interest rates move higher, the overnight interest earned on the cash received from our short stock positions moves higher. However, it was a challenge to see interest rates increase across points of the U.S. Treasury Yield Curve. Rising interest rates and widening credit spreads held back the bond value of long convertible bonds.

Convertible Valuations. Convertible Arbitrage performance was also hindered by cheapening valuations. The average convertible in the ICE BofAML All U.S. Convertibles Index (VXA0) traded at a 1.64% discount, cheaper than the 0.48% discount at the beginning of the quarter.

Convertible Performance. While the S&P 500 was down for the quarter, convertibles and their underlying equities delivered positive results. The ICE BofAML All U.S. Convertibles Index was up 2.40% while the underlying equities were up 1.65%.

Overall Positioning

We continued to find opportunities across all asset classes. Common stocks represented approximately 46% of managed assets, as of March 31, 2018, followed by convertible securities at approximately 28% and corporate bonds at approximately 15%. Our equity holdings offer our customers exposure to improving stock markets, and our convertibles present a way to participate in the upside of the equity markets in a more risk-managed manner, while earning income for distributions. We are also cognizant of the fact that rising interest rates and volatility can have an effect on longer-term fixed income securities. In addition, our exposure to lower credit was limited, with less than 4% of our portfolio invested in CCC-rated bonds.

We maintained a preference for larger-cap, quality-growth companies with global presence and geographically diversified revenue streams. We believe that such companies are particularly well positioned to capitalize on the global growth trends we see, especially in the U.S. and in other select developed markets in Europe. In keeping with our emphasis on risk management, we continue to target those companies that have respectable balance sheets, solid free cash flow, good prospects for sustainable growth and reliable debt servicing.

The portfolio's largest absolute allocations are found in information technology, consumer discretionary and financials, while our lightest exposures are in real estate, telecom services and utilities. We believe that many information technology companies offer compelling fundamentals and participation in secular growth trends. We believe that consumer discretionary companies will benefit as consumer spending is spurred on by an improvement of the general economy. In addition, financials may be well positioned to benefit from less regulation and higher interest rates. As noted, our pursuit of yield falls within the context of our risk-managed approach to total return. Reflecting this, the portfolio includes a blend of high yield and investment grade credits. We have taken a selective approach to CCC-rated credits, we believe it is particularly important to favor companies that offer the best prospects for reliable debt servicing, especially in a rising interest rate environment.

Conclusion

We see continued opportunities in global markets, reflective of positive fundamentals, low inflation and relatively attractive valuations. We also recognize that liquidity conditions have tightened at the margin, economic fundamentals may have peaked, and geopolitical risks have heightened. Our active, risk-managed approach and long-term perspective positions us to take advantage of the opportunities, while mitigating potential downside factors.

Terms

A Managed Distribution Policy is an investment company's commitment to common shareholders to provide a predictable, but not assured, level of cash flow. Market Price refers to the price at which shares of the fund trade in the market. NAV or Net Asset Value refers to the net value of all the assets held in the fund. IPO Price refers to the initial public offering price for shares of the fund.

CALAMOS® INVESTMENTS

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

CHWCOM 9730 0318Q R