

Global Dynamic Income Fund (CHW) 3Q18 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 Rate¹ 9.27%

ASSET ALLOCATION	%
Common Stock	39.9
Convertibles	31.6
Corporate Bonds	15.6
Cash and Receivables/Payables	7.4
US Government Securities	3.4
Bank Loans	1.2
Options	0.6
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.

¹Current 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 an generally 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 advanced during a choppy quarter even as investors confronted escalating trade disputes, divergent monetary policy and mixed economic growth versus generally positive corporate earnings and attractive equity valuations. Equities delivered moderate gains across most regions, offset by weakness in emerging markets. Developed markets returned 5.10%, as measured by the MSCI World Index. U.S. stocks outperformed and drove much of this gain, with the S&P 500 Index returning 7.71% in the quarter, while the MSCI World ex-US Index returned 1.38%. Confronting multiple challenges, emerging markets trailed other regions, as the MSCI Emerging Markets Index dipped -0.95%. » U.S. markets outperformed international markets, supported by positive economic data, earnings growth, the stronger dollar and the gradual tightening stance of the Federal Reserve.

- » European markets were influenced by a softer patch in economic data, periods of trade tension with the U.S. and multiple political risks. Japan's benchmark Nikkei index approached a multi-decade high in the quarter, aided by improving corporate profits, a healthier economy and a weaker yen benefiting exporters.
- » Emerging markets had to navigate global trade disputes, mixed economic data and weaker currencies. Chinese stocks declined in the quarter, reflecting currency depreciation and an escalation in trade friction with the U.S., as both sides increased the scope of import tariffs.
- » Global convertibles delivered moderate gains with regional returns considerably mixed, as the ICE BofAML Global 300 Convertible Index returned 2.20% in the quarter.
- » The high yield market has been experiencing a period of strong technicals, as the size of the market has been steadily shrinking through 2018. As issuers turned to the leveraged loan market for debt funding, year-to-date gross issuance of \$168.3 billion was down 34% from the same period last year.

ANNUALIZED TOTAL RETURN AS OF 9/30/18

	QTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SHARE INCEPTION (06/27/07)
On Market Value	3.08%	9.93%	21.34%	11.91%	11.76%	5.47%
On NAV	2.64	6.30	13.00	8.25	8.66	5.62

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.

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Distributions Remained Competitive.

The fund maintained a monthly distribution of \$0.0700 throughout the quarter. The fund's current annualized distribution rate was 9.27% of market price as of September 30, 2018. We believe that the fund's monthly distributions are 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 3.05%, the S&P 500 Index yield was 1.81% and the ICE BofAML U.S. High Yield Master II Index yield was 6.23% as of September 30, 2018.

Our policy is to pay a distribution reflective of the fund's past result 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 long-term 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 us to optimally employ active management among several asset classes throughout the world in order to seek the best opportunities for our shareholders. We also utilize alternative strategies, such as convertible arbitrage, to enhance returns. For the quarter ending September 30, 2018, the fund returned 3.08% on market price and 2.64% on NAV. A breakdown on performance relative to specific investment indexes follows:

U.S. Equities

During the quarter, the fund's U.S. equity sleeve underperformed relative to the S&P 500 Index. Our allocation and selection in energy, specifically an underweight to oil & gas exploration & production, helped overall performance. In addition, our avoidance of multi-utilities investments as part of our utilities allocation, helped performance relative to the index. Conversely, selection in industrials, notably selection in industrial machinery, underperformed relative to the

Index. In addition, our selection in the consumer discretionary sector, specifically footwear, was not productive to results.

International Equities

The fund's allocation to international stocks underperformed relative to the MSCI EAFE Index for the quarter. Our selection and allocation in health care, notably in biotechnology, was additive to performance relative to the index. In addition, our selection in real estate, specifically a lack of exposure to diversified real estate activities, was beneficial. Our selection and an underweight to European securities relative to the index also provided a benefit. Conversely, our selection in telecommunication services, notably wireless telecommunication services, held back performance compared to the index. In addition, our selection in materials, namely an overweight to gold, lagged. Our overweight to Canadian securities relative to the index was also not helpful.

Global Securities

For the quarter, our global securities sleeve underperformed relative to the MSCI World Index. Our allocation in consumer staples, notably an avoidance of brewers, was additive to performance relative to the index. In addition, our selection in energy, specifically in oil and gas exploration and production, was helpful for the period. Our selection in Canadian securities, relative to the index, also provided a lift. Conversely, our selection in consumer discretionary, namely in internet and direct marketing retail, was detrimental to performance relative to the index. In addition, our selection in information technology, specifically semiconductors, underperformed relative to the index. Finally, our selection in U.S. securities trailed for the period.

Convertible Arbitrage

Convertible Arbitrage entails owning a convertible bond long and then shorting its underlying stock. It is employed as a strategy to enhance return.

Interest Rate Environment. Rising interest rates provided mixed results for convertible arbitrage during the quarter. From a positive

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standpoint, the Federal Reserve announced another 25 basis point increase to the Fed Funds Rate (the range is now 2.00% to 2.25%). As short-term interest rates move higher, the overnight interest earned on the cash received from our short stock positions moves higher. In terms of challenges, interest rates across all points of the U.S. Treasury Yield Curve increased. Two-year yields closed at 2.81%, up from 2.52%, and ten-year yields closed at 3.05%, up from 2.85%. Narrowing high yield credit spreads offset much of the impact of rising interest rates as - credit spreads narrowed 40 basis points to 366 basis points over Treasuries according to JPMorgan.

Volatility. Convertible Arbitrage tends to thrive in periods of higher volatility. While lower overall market volatility characterized the period as previously noted, the strategy was able to benefit from trade rebalancing on the volatility of individual names.

Convertible Valuations. Convertible valuations cheapened slightly during the quarter. The average convertible in ICE BofAML All U.S. Convertibles Index (VXA0) traded at a 1.83% discount, slightly cheaper than the 1.77% discount at the beginning of the quarter.

Overall Positioning

We continued to pursue opportunities across all asset classes. Common stocks represented approximately 40% of managed assets, as of September 30, 2018, followed by convertible securities at approximately 32% and corporate bonds at approximately 16%. Our equity holdings offer investors 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 cognizant of the fact that rising interest rates and volatility can have an effect on longer-term fixed income securities, and we manage the fund accordingly. In addition, our exposure to lower credit was limited, with less than 4% of our portfolio invested in CCC rated bonds. As of September 30, approximately 54% of our portfolio was invested in U.S.-based securities, which we believe offer some of the best current

opportunities that fall within our parameters. This is also consistent with our generally bullish outlook for the U.S. economy.

We maintained a preference for larger-cap, quality growth-oriented companies with global presence and geographically diversified revenue streams. As we have discussed in past commentaries, we believe such companies are particularly well positioned to capitalize on the global growth trends we see, especially in the U.S. and selectively 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. We believe such companies will be less vulnerable to volatility and rising interest rates.

The portfolio's largest absolute allocations are found in information technology, energy 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 maintains a head of steam in a generally good economy. In addition, we believe that financials will be well suited to benefit from less regulation and higher interest rates.

As noted, our pursuit of yield is in 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 very 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.

Leverage

We believe that this is an environment that is conducive to the prudent use of leverage as a means of enhancing total return and supporting the fund's distribution rate. Despite a cost increase due to rising interest rates, our use of leverage enjoyed a favorable reinvestment dynamic.

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We are quite comfortable with our blend of both floating and fixed rate borrowing facilities. We believe that our partial leverage allocation to fixed rate borrowing costs will continue to serve us well as interest rates increase. As of September 30, 2018 our approximate amount of leveraged assets was 34%.

Conclusion

We see opportunities in global equities and convertibles, reflective of positive earnings growth, fairly benign inflation and attractive valuations. We favor a blend of investments in secular growth and more cyclical companies, in addition to select holdings in more defensive businesses. This positioning reflects our anticipation of moderate growth conditions but also the potential for economic reacceleration in the next several quarters. We see significant opportunities in companies with earnings

growth catalysts, solid cash flow generation and healthy balance sheets. From a thematic and sector perspective, we see opportunities in the information technology sector, consumer and health care companies with targeted areas of demand, and a set of cyclical companies with improving fundamentals. Our active, risk-managed investment approach and long-term perspective positions us to take advantage of the volatility and opportunities in global markets.

Important Fund Information

The goal of the managed distribution policy is to provide investors a predictable, though not assured, level of cash flow. Monthly distributions paid may include net investment income, net realized short-term capital gains, net realized long-term capital gains and, if necessary, return of capital. Maintenance of this policy may increase transaction and tax costs associated with the Fund.

A credit rating is a relative and subjective measure of a bond issuer's credit risk, including the possibility of default. Credit ratings are assigned to companies by third-party groups, such as Standard & Poor's. Assets with the highest ratings are referred to as "investment grade" while those in the lower tiers are referred to as "noninvestment grade" or "high yield." Ratings are measured using a scale that typically ranges from AAA (highest) to D (lowest).

Leverage creates risks which may adversely affect return, including the likelihood of greater volatility of net asset value and market price of common shares; and fluctuations in the variable rates of the leverage financing. The ratio is the percent of total managed assets.

The Fund may invest up to 100% of its assets in foreign securities and invest 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.

Investments by the Fund in lower-rated securities involve substantial risk of loss and present greater risks than investments in higher rated securities, including less liquidity and increased price sensitivity to changing interest rates and to a deteriorating economic environment.

Fixed income securities are subject to interest-rate risk; as interest rates go up, the value of debt securities in the Fund's portfolio generally will decline.

There are certain risks associated with an investment in a convertible bond such as default risk—that the company issuing a convertible security may be unable to repay principal and interest, and interest rate risk—that the convertible may decrease in value if interest rates increase. Owning a bond fund is not the same as directly owning fixed income securities. If the market moves, losses will occur instantaneously, and there will be no ability to hold a bond to maturity. The principal risks of convertible arbitrage are Convertible Securities Risk and Convertible Hedging Risk. Convertible Securities Risk: The value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors also may have an effect on the convertible security's investment value. Convertible Hedging 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 fund's increased liability on any outstanding short position would, in whole or in part, reduce this gain.

The Fund may invest in derivative securities, including options and swap agreements. The use of derivatives presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities. There is no assurance that any derivative strategy used by the Fund will succeed. One of the risks associated with purchasing an option is that the Fund pays a premium whether or not the option is exercised.

The Fund may seek to purchase index put options to help reduce downside exposure however, the effectiveness of the Fund's index option-based risk management strategy may be reduced if the Fund's equity portfolio does not correlate to the performance of the underlying option positions. The Fund also risks losing all or part of the cash paid for purchasing index options. Unusual market conditions or lack of a ready market for any particular option at a specific time may reduce the effectiveness of the Fund's option strategies, and for these and other reasons the Fund's option strategies may not reduce the Fund's volatility to the extent desired. From time to time, the Fund may reduce its holdings of put options, resulting in an increased exposure to a market decline.

Parties entering an interest rate swap take on exposure to a given interest rate; the exposure can be long or short depending on whether a counterparty is paying or receiving the fixed rate. At the same time, each party takes on the risk—known as counterparty credit risk—that the other party will default at some time during the life of the contract.

The MSCI ACWI (All Country World Index) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The index is calculated in both U.S. dollars and local currencies. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI World Index is a market capitalization weighted index composed of companies representative of the market structure of 21 developed market countries in North America, Europe, and the Asia/Pacific region. The MSCI EAFE Index measures developed market equity performance (excluding the U.S. and Canada). The S&P 500 Index is generally considered representative of the U.S. stock market. The MSCI Europe Index is a free float adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe. The MSCI Pacific Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in the Pacific region. The ICE BofAML All U.S. Convertibles Index (VXA0) comprises approximately 700 issues of only convertible bonds and preferreds of all qualities.

The ICE BofAML Global 300 Convertible Index is a global convertible index composed of companies representative of the market structure of countries in North America, Europe and the Asia/Pacific region.

The ICE BofAML U.S. High Yield Index tracks the performance of below investment grade, but not in default, U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market, and includes issues with a credit rating of BBB or below, as rated by Moody's and S&P. Source ICE Data Indices, LLC, used with permission. ICE permits use of the ICE BofAML indices and related data on an "as is" basis, makes no warranties regarding same, does not guarantee the suitability, quality, accuracy, timeliness, and/or completeness of the ICE BofAML indices or data included in, related to, or derived therefrom, assumes no liability in connection with the use of the foregoing and does not sponsor, endorse or recommend Calamos Advisors LLC or any of its products or services.

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.

The information contained herein is based on internal research derived from various sources and does not purport to be statements of all material facts relating to the sectors, securities and markets mentioned. The information contained herein, while not guaranteed as to the accuracy or completeness, has been obtained from sources we believe to be reliable. Opinions expressed herein are as of the date of publication and are subject to change without notice due to various factors and may not necessarily come to pass. Information contained herein is for informational purposes only and should not be considered investment advice.

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.

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