

# International Growth Fund

## Third Quarter 2018 Report

# CALAMOS<sup>®</sup>

## INVESTMENTS



### MORNINGSTAR OVERALL RATING™\*

Among 347 Foreign Large Growth Funds  
The fund's load-waived Class I shares had 3 stars for 3 years, 3 stars for 5 years, and 4 stars for 10 years out of 347, 313 and 222 Foreign Large Growth Funds, respectively, for the period ended 9/30/18.

### OVERVIEW

The fund's strategy employs a unique blend of quantitative and qualitative processes to build a portfolio characterized by quality businesses with durable growth, competitive advantages and healthy, flexible balance sheets.

### KEY FEATURES

- » Our quantitative process identifies companies that possess competitive advantages and financial strength as defined by our proprietary analysis of ROIC and near-term catalysts.
- » We employ deep and targeted qualitative analysis to scrutinize a company's business model, competitive landscape and growth drivers, factors important in weighing a company's durability over time.
- » We invest in a universe that spans geographies and market caps, providing a wide breadth of unique opportunities to investors.
- » We emphasize alignment with key secular themes, investing in economies that promote structural reforms and economic freedoms.

### PORTFOLIO FIT

The fund has the ability to invest in a wide geographic universe of growth companies. As an active, true growth offering with a differentiated return profile, the fund can potentially optimize capital appreciation within an international allocation.

### FUND TICKER SYMBOLS

A Shares      C Shares      I Shares  
CIGRX      CIGCX      CIGIX

\*Morningstar ratings shown are for Class I shares and do not include any front-end sales load. Not all investors have access to or may invest in the share class shown. Other share classes with front-end or back-end sales charges may have different ratings than the ratings shown.

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

### Key Drivers of Performance

- » The fund delivered a modest gain in the quarter and outperformed the MSCI ACWI ex-US Growth Index. Specifically, the fund returned 0.58% (A Shares at NAV) versus the -0.20% decline in the MSCI ACWI ex-U.S. Growth Index, with the difference driven primarily by relative security selection.
- » Selection and an underweight to materials contributed to performance, notably in steel and specialty chemicals. Our holdings in health care also supported the quarterly return, especially in pharmaceuticals and health care equipment.
- » Selection in the consumer discretionary sector (internet & direct marketing retail) hurt results, as did selection in industrials (construction machinery & heavy trucks).
- » Regionally, Selection in Canada helped, whereas our names in Japan detracted from return.

### Market Overview

- » European equities returned 0.84% for the quarter, as represented by the MSCI Europe Index (+1.24% in local currency). 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 navigated multiple cross-currents in the period, including global trade disputes, mixed economic data and weaker currencies. Chinese stocks declined in the quarter, reflecting currency depreciation and an escalation in the trade dispute with the U.S., as both sides increased the scope of tariffs.

| AVERAGE ANNUAL RETURNS                    | QTD   | YTD    | 1-YEAR | 3-YEAR | 5-YEAR | 10-YEAR | SINCE INCEPTION (3/16/05) |
|---|-------|--------|--------|--------|--------|---------|---------------------------|
| Calamos International Growth Fund         |       |        |        |        |        |         |                           |
| I shares – at NAV                         | 0.66% | -3.02% | 3.80%  | 10.22% | 5.64%  | 7.80%   | 7.49%                     |
| A shares – at NAV                         | 0.58  | -3.22  | 3.49   | 9.92   | 5.38   | 7.53    | 7.22                      |
| A shares – Load adjusted                  | -4.21 | -7.83  | -1.44  | 8.15   | 4.35   | 7.01    | 6.84                      |
| MSCI ACWI ex-U.S. Growth Index            | -0.20 | -2.22  | 3.46   | 11.00  | 5.70   | 6.20    | 6.00                      |
| MSCI EAFE Growth Index                    | 1.57  | 0.95   | 6.27   | 10.68  | 6.02   | 6.59    | 5.89                      |
| Morningstar Foreign Large Growth Category | 0.21  | -0.20  | 4.08   | 10.28  | 5.74   | 6.41    | 5.54                      |

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. All performance shown assumes reinvestment of dividends and capital gains distributions. The Fund also offers Class C shares, the performance of which may vary. As of the prospectus dated 3/1/18, the Fund's gross expense ratio for Class A shares is 1.46% and Class I shares is 1.21%. In calculating net investment income, all applicable fees and expenses are deducted from the returns. Effective July 1, 2018, the Fund's investment advisor has contractually agreed to reimburse Fund expenses through March 1, 2022, to the extent necessary so that Total Annual Fund Operating Expenses (excluding taxes, interest, short interest, short dividend expenses, brokerage commissions, acquired fund fees and expenses, and extra-ordinary expenses, if any) of Class A, Class C and Class I are limited to 1.10%, 1.85% and 0.85% of average net assets, respectively. Calamos Advisors may recapture previously waived expense amounts within the same fiscal year for any day where the respective Fund's expense ratio falls below the contractual expense limit up to the expense limit for that day. 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. All returns are in USD terms unless otherwise indicated.

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

# Calamos International Growth Fund Third Quarter 2018 Report

## FUND HOLDINGS – CONTRIBUTORS

| FIRM NAME            | % OF FUND | FIRM PROFILE  | ANALYSIS   |
|----------------------|-----------|---|--|
| Atlassian Corp., PLC | 1.0%*     | Atlassian Corp. is an enterprise software company based in Sydney, Australia.   | Atlassian shares outperformed in the quarter due to strong fundamentals, as earnings exceeded estimates.   |
| Canopy Growth Corp.  | 1.0%*     | Based in Canada, Canopy Growth Corp. is a producer of medical cannabis with applications across multiple business segments. | The stock advanced strongly following the company's announcement that Constellation Brands agreed to invest \$5 billion into Canopy to support continued growth initiatives. |

## FUND HOLDINGS – DETRACTORS

| FIRM NAME              | % OF FUND | FIRM PROFILE   | ANALYSIS   |
|------------------------|-----------|--|--|
| Alibaba Group Holdings | 4.5%      | Alibaba Group is a leading e-commerce company domiciled in China. Alibaba conducts online and mobile commerce. It offers products, services and technology that enable merchants, brands and businesses to operate throughout China and internationally. | Alibaba underperformed due primarily to concerns about escalating trade tensions between the U.S. and China. At the fundamental level, the company reported a revenue increase of more than 60% with growth across multiple segments, while overall profits declined due to higher spending. |
| Puma, SE               | 1.2%*     | Puma is a footwear and apparel company based in Germany.   | Shares in Puma finished lower in the quarter, despite a solid forecast on full-year sales growth and favorable gross margins, as investors had anticipated higher operating income growth in order to merit the stock's expensive valuation.   |

\*as of 8/31/18

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## Positioning

The fund's regional and country positioning reflects the combined inputs from our top-down global framework and our bottom-up security analysis. Our investment team evaluates macroeconomic factors and growth opportunities and actively integrates these into the investment decision-making process.

The fund's relative security selection in Europe outperformed the index in the quarter. We hold a modest overweight in Europe, emphasizing a blend of market capitalizations and end markets. In addition, we own a combination of companies who either successfully address domestic demand or export beyond their borders. The region offers attractive valuations and supportive liquidity, though it is challenged by some deceleration in economic data and multiple political risks.

Security selection in emerging markets also added value to relative returns for the fund. We continue to be selective in emerging markets positioning, favoring companies exhibiting higher growth and quality fundamentals in key demand areas such as software & services, internet retail, and insurance. We are balancing attractive earnings growth and valuations against the impact of tighter global liquidity, a stronger US dollar, and persistent trade disputes.

The fund positioning in Japan negatively impacted performance in the quarter. Holdings underperformed as markets favored more domestically oriented companies. We are underweight in Japan but see continued opportunities, reflecting the economy's progress toward higher growth and inflation, accommodative policy, reasonable valuations and potential margin expansion.

The following describes our sector and industry positioning rationale:

- We hold an overweight position in technology in the fund. We favor technology positions in software & services, gaming, consulting and select hardware areas. In terms of tech companies, we look for leading growth fundamentals, large addressable markets and alignment with our secular themes.

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

| SECTOR POSITIONING     | SECTOR WEIGHTINGS AS OF 9/30/18 | OVER/UNDERWEIGHT VS. MSCI ACWI EX-U.S. GROWTH INDEX | QUARTER TO QUARTER CHANGE |
|------------------------|---------------------------------|---|---------------------------|
| Information Technology | 30.7                            | 12.1  | -1.8                      |
| Industrials            | 14.0                            | -2.2  | 1.1                       |
| Consumer Staples       | 11.6                            | -3.3  | 2.1                       |
| Consumer Discretionary | 11.2                            | -2.5  | -2.1                      |
| Financials             | 10.3                            | 0.1   | 0.3                       |
| Health Care            | 8.7                             | -1.3  | 1.5                       |
| Energy                 | 5.3                             | 2.3   | 1.5                       |
| Materials              | 4.0                             | -4.3  | -0.4                      |
| Real Estate            | 1.8                             | 0.1   | 0.3                       |
| Telecom Services       | 1.0                             | -1.2  | 1.0                       |
| Utilities              | 0.0                             | -1.1  | 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.

- Industrials and consumer discretionary also represent key sector weights in the fund. We own a number of positions in diverse industries including aerospace, industrial machinery, apparel and luxury goods, footwear and internet retail.
- We have an underweight stance in more defensive, rate-sensitive areas including utilities and real estate, while we favor exposure to defensive growth opportunities in health care and consumer staples, which provide more consistent growth opportunities and key demand verticals.
- We own selective positions in energy and materials, and see more opportunities developing due to supply and demand fundamentals and earnings growth potential.

## Outlook

International macroeconomic data and corporate fundamentals have been divergent and mixed versus expectations but, on balance, reflect continued economic growth and moderate inflation. Global monetary policy remains accommodative overall, though multiple central banks are normalizing policy, and we have seen a pivot toward fiscal stimulus. We continue to believe international equities are at a key juncture where important headwinds and tailwinds are colliding, and we will be looking to additional data to provide more confirmation of direction from here. We see opportunities in foreign markets, distinguished by positive earnings growth, fairly benign inflation and attractive valuations.

## Calamos International Growth Fund Third Quarter 2018 Report

## Fund Quarterly Attribution

|   | CONSUMER DISCRETIONARY | CONSUMER STAPLES | ENERGY | FINANCIALS | HEALTH CARE | INDUSTRIALS | INFORMATION TECHNOLOGY | MATERIALS | REAL ESTATE | TELECOM SERVICES | UTILITIES |
|---|------------------------|------------------|--------|------------|-------------|-------------|------------------------|-----------|-------------|------------------|-----------|
| INTERNATIONAL GROWTH FUND VERSUS MSCI ACWI EX-U.S. GROWTH INDEX (%) |                        |                  |        |            |             |             |                        |           |             |                  |           |
| Value Added from Sector   | 0.06                   | 0.01             | 0.03   | 0.01       | -0.03       | -0.03       | -0.41                  | 0.01      | 0.00        | -0.21            | 0.04      |
| Value Added from Selection & Interaction                            | -0.27                  | -0.12            | 0.08   | -0.08      | 0.78        | -0.43       | 1.35                   | 0.30      | 0.21        | 0.03             | 0.00      |
| Total Added Value   | -0.22                  | -0.11            | 0.10   | -0.08      | 0.75        | -0.46       | 0.94                   | 0.31      | 0.21        | -0.18            | 0.04      |
| SECTOR WEIGHTS (AVERAGE % WEIGHT DURING THE QUARTER)                |                        |                  |        |            |             |             |                        |           |             |                  |           |
| International Growth Fund   | 11.56                  | 10.82            | 3.88   | 10.22      | 9.14        | 14.26       | 31.82                  | 4.07      | 1.71        | 0.39             | 0.00      |
| MSCI ACWI ex-U.S. Growth Index                                      | 13.90                  | 14.97            | 2.92   | 10.21      | 9.85        | 15.97       | 18.82                  | 8.26      | 1.79        | 2.15             | 1.15      |
| Over/underweight  | -2.34                  | -4.15            | 0.96   | 0.01       | -0.71       | -1.71       | 12.99                  | -4.19     | -0.08       | -1.76            | -1.15     |
| SECTOR RETURNS (%)  |                        |                  |        |            |             |             |                        |           |             |                  |           |
| International Growth Fund   | -5.49                  | -1.72            | 3.67   | -0.44      | 13.95       | -0.16       | 0.78                   | 7.27      | 8.43        | 5.62             | 0.00      |
| MSCI ACWI ex-U.S. Growth Index                                      | -3.90                  | -0.48            | 1.62   | 0.29       | 4.74        | 2.89        | -3.51                  | -0.36     | -3.78       | 10.09            | -3.65     |
| Relative Return   | -1.59                  | -1.24            | 2.06   | -0.73      | 9.20        | -3.05       | 4.29                   | 7.63      | 12.21       | -4.47            | 3.65      |

Calculations may be subject to rounding.

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.

## Index Definitions

Funds in the Morningstar Foreign Large Growth Category seek capital appreciation by investing in large international stocks that are growth-oriented. Large cap foreign stocks have market capitalizations greater than \$5 billion. Growth is defined based on high price/book and price/cash-flow ratios, relative to the MSCI EAFE Index. These funds typically will have less than 20% of assets invested in U.S. stocks. The MSCI ACWI ex-U.S. Growth Index is a free float-adjusted market capitalization weighted index that is designed to measure the growth equity stock market performance of developed markets, excluding the United States, and emerging markets. The MSCI ACWI 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 MSCI EAFE Growth Index captures large- and midcap securities exhibiting overall growth style characteristics across Developed Markets countries around the world, excluding the U.S. and Canada. The 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, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, South Korea, Taiwan, Thailand,

and Turkey. 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 Japan Index is a free float-adjusted market capitalization weighted index that is designed to track the equity market performance of Japanese securities. The MSCI Pacific Index captures large- and midcap representation across five Developed Markets (DM) countries in the Pacific region.

Morningstar Ratings™ are based on risk-adjusted returns for Class I shares and will differ for other share classes. Morningstar ratings are 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. 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.

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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 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 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(s) 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 International 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, small and mid-sized company 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 which can be obtained by calling 1-800-582-6959. Read it carefully before investing.**

**CALAMOS**  
INVESTMENTS

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