Phineus Long/Short Fund Third Quarter Report

CALAMOS® INVESTMENTS

OVERVIEW

The fund seeks strong risk-adjusted and absolute returns across the global equity universe. The fund uses a global long/short strategy to invest in publicly listed equity securities.

KEY FEATURES

- Fundamental global approach blends top-down and bottom-up considerations
- Flexible asset allocation allows for all investment styles, market caps and geographic regions depending on the market environment
- Comprehensive approach assesses stock, industry, style, country and market factors
- Knowledge-based industry concentration includes technology, communications, media, financials and health care

PORTFOLIO FIT

The fund seeks to provide strong risk-adjusted returns via an alternative solution that complements and diversifies a global or U.S. equity allocation.

FUND TICKER SYMBOLS

A Shares	C Shares	I Shares
CPLSX	CPCLX	CPLIX

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.

Key Drivers of Performance

Buoyed by robust economic growth, healthy corporate profits and extraordinary consumer and small business confidence, the S&P 500 Index returned 7.71% for Q3 2018. Led predominantly by its U.S. components, the MSCI World Index gained 5.10% for the period.

A strong U.S. economy drove U.S. stocks and Treasury yields higher, and U.S. equities again outperformed their global peers. In September, U.S. consumer confidence hit its highest level in 18 years, while small business confidence attained levels not seen in nearly half a century. Employment markets firmed further, with initial jobless claims declining to the lowest level since 1969 and reported wage growth edging higher. Retail sales grew over 7% year-over-year and put the spotlight on the extraordinary health of the U.S. consumer.

This vigorous backdrop prompted the Fed to raise its benchmark Fed funds rate by another quarter percentage point to a range of 2.00% to 2.25% in September. Globally, the U.S. remains the stark outlier: the only major economic region that is decisively moving away from the monetary super-stimulus of the post-2008 setting. In contrast, the European Central Bank maintains that interest rates will not be increased until the summer of 2019, as economic activity remains muted in that region. We regard monetary normalization as a key advantage for U.S. financial assets.

The widely watched U.S. yield curve, or the spread between 10-year and 2-year Treasury yields, has flattened to approximately 25 basis points. Prevailing trends suggest an inversion in the curve is possible by early 2019. That said, a near-inversion is not an inversion and has little forecasting value. A narrow spread can be maintained for some time: in the 1990s, today's yield curve pattern extended for years without negative implications for economic growth. While many remain intent on forecasting the inversion process, we await an actual inversion and believe the U.S. economic narrative of "stronger for longer" will extend through 2019.

The U.S. dollar has continued to strengthen, implying that emerging markets (EM) are vulnerable due to the prevalence of high USD corporate borrowing. A strong dollar constrains what many authorities such as Beijing can do on the monetary easing front. For example, Chinese nonfinancial corporates are the EM world's single largest issuer of U.S. dollar-denominated debt. While higher U.S. interest rates are appropriate for the more normalized U.S. setting, they are problematic for much of the EM world because insolvency risk has merely been suppressed, not properly resolved.

As of mid-October, it appears the NAFTA discussions (aka the U.S.-Mexico-Canada Agreement or USMCA) concluded with remarkable concessions from both Canada and Mexico. The target of renegotiation was structural reform of auto manufacturing, where the required North American content will rise to 75% versus the former level of less than 50%, with more of this content accruing to the benefit of U.S. workers. The terms that prevent Canada and Mexico from doing any side deals with China reflect President Trump's agenda of undermining global supply chains in favor of regional supply chains. Most adjustments were detrimental for Canada and Mexico relative to the original NAFTA, accentuating this "America first" philosophy into trade deals.

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TOP 5 FUND CONTRIBUTORS FOR 3Q18

FIRM NAME	% RETURN	% OF FUND	FIRM PROFILE	ANALYSIS
United Continental Holdings (UAL)	0.58%	2.47% Long as of 8/31/18	U.S. Industrials Company	Two quarters of solid execution have repaired management's credibility following 2017's disappointments. The strategy of adding density to their midcontinent hubs and recapturing share from rivals on core routes is paying off thanks to a healthy demand environment. PRASM (pricing) and pre-tax margins are tracking near the upper end of their respective 4–6% and 8–10% targets. With the stock up more than 30% year-to-date through September versus Delta up 3% and American down 21%, we have reduced the position by half. Industry fundamentals remain strong, but the question now shifts to "how long?"
Ishares MSCI Emerging Markets Index (EEM)	0.45%	-4.41% Short as of 8/31/18	Emerging Markets Index	Trade uncertainty and currency declines in Turkey, India and China have rattled emerging markets and led investors to question their appetite for risk. More generally, U.S. economic strength continued to support higher U.S. interest rates in the third quarter, which signals a more challenging monetary setting for the EM economies that are still addressing extended credit cycles. That said, the dramatic declines in EM equities may have run their course, at least for the near-term given continued resilience in U.S. equities. We tactically decided to close the EEM short prior to the end of Q3.
Delta Air Lines, Inc. (DEL)	0.44%	3.40% Long as of 9/30/18	U.S. Industrials Company	Delta's industry leading market share in its major hubs has given it a structural cost advantage leading to peer-best operating margins and free cash flows. Delta's response to competition from low-cost carriers and United's accelerated growth plan has been rational. Management has executed consistently and returned capital to shareholders through dividends and buybacks on a steady basis. Overall, fundamentals remain healthy. If airlines are indeed more disciplined and able to maintain profitability in a down cycle, 9x forward earnings is too low versus 17x for the S&P 500.
JPMorgan Chase & Co. (JPM)	0.34%	4.74% Long as of 9/30/18	U.S. Financials Company	JPMorgan remains a core position for the fund on the view that it is best in class among the major global banks. Loan and deposit growth in the mid to high single digits is better than other large U.S. peers. The investment bank continues to gain share globally. Earnings growth should continue to benefit from higher interest rates, reduced regulation and lower U.S. corporate taxes. We continue to find the stock's risk/reward attractive at 12x forward earnings.
Johnson & Johnson (JNJ)	0.30%	2.82% Long as of 9/30/18	U.S. Healthcare Company	J&J is better positioned in pharma than most of its mega-cap peers with 11 drugs and over $1 billion in sales across 6 disease classes in addition to a healthy pipeline. There is still potential to improve ROA in J&J's consumer and medical device businesses. We see the stock as attractive relative to consumer staples peers at 17x 2018 earnings given its better growth profile (7% earnings CAGR). A rebalancing of the diversified business profile potentially drives a few more points of upside in the multiple.

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TOP 5 FUND DETRACTORS FOR 3Q18

FIRM NAME	% RETURN	% OF FUND	FIRM PROFILE	ANALYSIS
SPDR Trust Series 1 (SPY)	-2.07%	-31.67% Short as of 9/30/18	S&P 500 Companies	This is a market hedge on general U.S. large-cap equities. Our focus in the first half has been capital preservation. Entering 2018, the investor community was broadly bullish because of their "global synchronized growth" conviction. The underperformance of risk assets despite ongoing economic growth highlights discontinuity: that is we are no longer in the growth versus deflation world. The new problem is the rising cost of debt. This will create pressures in those parts of the world where insolvency risk has merely been suppressed, not properly addressed. The performance of different equity classes is signaling this, and we believe more cautious positioning is appropriate. Given the 7% S&P 500 return for Q3 2018, the hedge was detrimental.
Facebook Inc. Class A (FB)	-0.61%	4.68% Long as of 9/30/18	U.S. Information Technology Company	Facebook's second-quarter results and outlook were disappointing. Management historically has only guided on costs but went to great lengths to explain why y/y revenue growth is expected to slow by high single digits due to a combination of FX, new ad formats (stories) that don't monetize as well, and concessions to users on privacy. With accelerated expense outlays to repair platform integrity and retain users, earnings are now expected to grow more slowly than revenue and it is difficult to see the multiple rerating until this reverses. Nonetheless, we think Q3 is close to the trough in sentiment for the stock and that the shares should appreciate in line with earnings growth from here, or roughly 20% annually.
Power Shares QQQ (QQQ)	-0.32%	-4.94% Short as of 8/31/18	Small Cap Stocks	This is a hedge on U.S. stocks biased toward technology and large-cap growth names that we think could be particularly vulnerable to market volatility. We regard momentum technology as one of the longest duration assets in the equity world and, therefore, vulnerable to higher U.S. interest rates. In other words, this hedge presents a part of the market that is overcrowded and over-owned, in our view. That said, Technology had a strong Q3 which was detrimental to performance. We replaced the hedge with a similar hedge using the XLK ETF for tax efficiency purposes near the end of Q3.
Mohawk Industries (MHK)	-0.29%	2.20% Long as of 8/31/18	U.S. Consumer Discretionary Company	With interest rates and higher labor costs pressuring margins for homebuilders, we prefer to have exposure to housing through flooring and carpet, an industry with limited competition where MHK has significant scale advantages. Q2 results fell short due to a new luxury vinyl tile product being late to market and added capacity weighing on margins. We think these issues are temporary rather than structural and expect sales growth to improve over the balance of 2018 with margins recovering. At 12x forward EPS for 10% bottom line growth over the next three years, we think the stock is good value.
Halliburton Company (HAL)	-0.29%	1.76% Long as of 8/31/18	U.S. Energy Company	Among global oil services firms, HAL is the one most exposed to U.S. onshore activity. This has been a positive in recent years as U.S. production has outpaced global growth thanks to advances in unconventional drilling. Constrained takeaway capacity in the Permian basin had a greater-than-expected impact on project completion activity in Q2 and Q3. Many E&Ps hit the pause button causing HAL's order book to soften and forcing the company to offer price concessions to retain customers. We expect reduced activity to persist well into 2019 and, as a result, have exited the position.

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Key Drivers of Performance continued

As a general rule, Trump's "trade wars" are a negotiating tactic. China is the major exception to this. China is more problematic because Trump seeks to undermine the supply structure on which a good amount of China's importance in global trade depends. More generally, Washington no longer views China as a small, emerging economy but as a strategic rival. For many, China epitomizes the frustration with a multilateral order in which constraints and responsibilities seem to apply only to the U.S.

As China struggles with its extended credit cycle and declining capital flows, this trade and monetary squeeze in the form of higher U.S. interest rates is a challenge. The rebalancing of trade in favor of the U.S. and at the expense of growth abroad will remain a feature of the investment setting for many years. The dynamic that allows Trump to get his way in these negotiations can be summarized by a simple truth: the U.S. is still the world's only indispensable economy led by the U.S. consumer.

The year to date can be characterized as a rolling bear market for most countries except the U.S. However, the same can be said for the U.S. outside of large-cap tech. Without positioning in technology, gains have been hard to come by. The fund's focus throughout the year has been capital preservation, which has been reflected in its U.S. versus non-U.S. exposure, the index hedging activities and the composition of the long portfolio. Peak multiples for this bull market occurred in January: equities have been de-rated since then despite healthy corporate fundamentals.

Today's controversy surrounds the outlook for the U.S. economy, which we view as solid through 2019 and possibly 2020. Indeed, the outstanding feature of 2018 is the divergence of growth and financial conditions between the U.S. and the rest of world. This economic strength is a problem for equities because the monetary tide in the West is turning. Developed central banks are convinced that deflation risk is fading: the interests of investors are no longer aligned with them. Markets can adjust to this new setting, but a critical variable is the speed of such change.

This demonstration of stronger U.S. growth is creating the realization that the Federal Reserve will pursue its agenda of monetary normalization until the U.S. stock market tells it to stop. We have characterized the outlook for equities as a race between rising interest rates and robust corporate fundamentals. Only in the U.S. are returns for authentic risk assets still positive in 2018. The obvious question is: When will the disruptive effects of strong late-cycle growth finally extend to U.S. stocks as well? In particular, the downgrading of the U.S. growth leaders should define when "late-cycle" finally translates to "end-cycle."

Positioning and Portfolio Changes

Our approach in 2018 has been one of caution and patience. This has proven fortuitous as general equity losses have accumulated as the year has progressed. As we write this note in October, the bear trend has become more substantial, more geographically widespread and nastier with respect to individual stocks than the major U.S. benchmarks. Its latest feature is that the damage is extending (at last) to the former leaders: U.S. mega-cap growth technology.

We have been selective in the large-cap U.S. growth space since late 2017, partly due to our forecast reversal of "growth momentum" in the context of higher long-term interest rates. Another reason was the overcrowding or excess positioning that is typical of a late stage bull market. Finally, many passive strategies that have impacted equity behavior since 2016 appeared ripe for disruption. With money flows focused on a few mega-cap leaders, our lack of exposure in high-profile names like Amazon and Apple has impacted, positively and negatively, the fund's 2018 performance.

One example of this selectivity has been the short position across the semiconductor industry. Here, we anticipate ebbing rates of growth in the context of inflated long-term expectations based on the unsustainable cloud build-out and the crypto-currency craze, which together have distorted the demand/supply balance for the industry. Elsewhere, the fund took profits and exited rapidly growing, but earlier-stage businesses such as Workday and Zendesk. Our remaining technology positions lean toward secular names, such as Google and Facebook, which can be supported with traditional valuation metrics.

The counterpart of this selectivity was the overweight in financials, where valuations make sense and fundamentals are benefiting from the tailwind of higher rates. This positioning envisaged a gradual market transition from higher momentum growth to domestic cyclical and non-cyclical equity. Financials should be buoyed by rising rates, steady loan growth and benign credit quality. The critical assumption remains the end of deflation risk in Western economies, underpinned by a sound U.S. consumer. As valuations suggest, this is somewhat contrarian and offers insight into our year-to-date attribution.

We slightly increased our exposure to certain areas of industrials. The key with industrials is to avoid businesses exposed to the very different economic landscape abroad. We believe industrials that are U.S.-biased with an emphasis on quality and late-cycle businesses will benefit accordingly. The fund reduced its exposure to United Continental Holdings after strong relative performance, but maintains the long position in Delta Air Lines.

We have maintained a presence in health care, preferring diversified companies such as Johnson & Johnson and Laboratory Corporation of America (LabCorp) rather than traditional pharmaceuticals. We believe they offer more upside for the same types of risk. Drug pricing remains vulnerable to a variety of political clouds that will come more into focus through the November midterm elections. The industry will struggle to emerge unscathed from the secular spending pressures that are an outcome of demographic realities. We view the group as a defensive rather than a genuine growth class.

We have exited much of our long exposure in consumer staples. Many of these stocks have performed well of late as investors have sought more defensive positioning, yet corporate fundamentals remain structurally unattractive. The fund remains selective here, focused on more discretionary names such as McDonald's, which is in the middle innings of a multi-year turnaround as it shifts to an asset-light franchise model. We expect a more predictable earnings stream and accelerated free cash flow growth.

Wal-Mart is a new long position, which is benefiting from the revival of the U.S. middle-class consumer. Many of the macro developments in the U.S. argue for structural improvement in their core customer base, which should translate into stronger same store sales. In Europe, the fund is long Adidas AG, the footwear competitor to Nike. Adidas is valued in line with U.S. consumer staples businesses, but with a higher growth outlook led by distribution gains in North America.

The divergence of U.S. versus non-U.S. equities has been extreme in 2018, but we regard this as fundamentally driven. The fund has less than 10% of its long portfolio outside the U.S. And within the U.S., we are sensitive to any overseas exposure, particularly Asian demand or the global producer industries. With respect to the latter, for example, the fund continues to avoid the energy sector.

We are not succumbing to the argument that EM equities must be attractive because they have declined so much. The return of credit risk implies an ongoing monetary squeeze for the emerging economies, which remain the weakest links. Investors have finally recognized that the China-U.S. relationship has entered a more antagonistic phase. We may be witnessing the emergence of a risk premium attached to the Pacific growth space.

In September, the fund closed down its shorts in the EM space on the view that some tactical bounce was overdue. Like much of Europe, however, the EM world requires a much more inflationary investment cycle to outperform. We are simply not there yet.

Europe remains a sorry and sad affair: a multiplicity of political problems. Longer term, we expect the EU will gradually splinter, and thus political uncertainty could weigh on growth for years. The silver lining is that investor expectations for Europe have been downgraded substantially and the European economy is no longer delivering negative surprises. The risk here is largely in small caps, which is Europe's equivalent of the U.S. growth leaders, due to their valuation premium amid late-cycle risks.

The hope for Europe is that its political classes steal a page from the Trump playbook. There is enormous scope for fiscal initiatives of the kind that have re-energized the U.S. economy. Unfortunately, the political structure of the European Union is biased in favor of the debtor, not the creditor countries. This shift will take time, although populist governments are starting to challenge economic orthodoxy in Europe. The exception to this quagmire could be the UK, which we expect to emerge as a major outperformer after Brexit. We see Brexit as symbolic of the shift from austerity to fiscal stimulus—the question is when?

We prefer the optionality of the depressed financials in Europe relative to its many cyclical compartments. This is a contrary value play, as European banks are clear proof of European malaise: bloated regulation, low profitability and the inability to consolidate. That said, the upward pressure on euro interest rates should return as soon as investor appetite for risk revives. The fund has a handful of long positions (<5% in aggregate) in select, lowly valued, high dividend-paying financials that have limited downside.

The message of 2018 resounds: we are not just witnessing more of the same in the equity world. The fund's approach to protection has reflected this and we actively manage a hedge on both the S&P 500 and the NASDAQ Composite Indices, taking these up or down on a tactical basis. Into the quarter's end, the fund was well hedged for fundamental and technical reasons. Simply put, October can be a scary month for equities and—with risk premiums depressed—the cost of protection appeared unduly cheap for a late-cycle setting.

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Outlook

The equity bull market is fatigued because the monetary tide in the West is turning. This is confusing to investors who have long relied upon central banks to support economic growth. Instead, financial asset prices are deflating because the paucity of economic growth is no longer the problem. The long path to higher interest rates seems assured, and financial markets face the pain of this adjustment: the monetary drugs are slowly being withdrawn by the central bankers.

This has been the year of fiscally enhanced, underestimated, late-cycle American expansion. Because we believe much of this strength is sustainable, the significance of the disruptive divergence between U.S. and non-U.S. activity continues to be underestimated. While many view this robustness as a sort of a "sugar high," or the consequence of financial engineering due to the Tax Cuts and Jobs Act, we suspect the U.S. has entered a new investment cycle led by capital spending and the ramifications of trade conflict.

The controversy starts with the macroeconomic repercussions of the tax reform that was signed into law last December. Such a massive transfer of resources from the public to private sector must trigger some kind of investment upswing. These tax cuts are occurring in the context of deregulation that has encouraged the highest levels of confidence on record among U.S. small businesses. By boosting corporate profitability and extending the duration of corporate credit, fiscal initiatives have pushed out the cyclical risks for what is widely viewed as an aged expansion.

All of this suggests that the path to slower U.S. growth will not occur spontaneously, if at all in 2019. One caveat to this "stronger for longer" narrative could be weaker external demand due to slower growth of world output and trade. To some degree, domestic U.S. demand should be impacted by rising costs and more restrictive monetary policy. But any slowdown in 2019 or 2020 will almost certainly be the consequence, not the cause of financial disruption. In our view, 2019 could well be good for Main Street, but much more problematic for Wall Street.

As the turmoil across global markets advances, it is striking that developed debt and forex markets have remained in a benign state. This absence of any flight to the debt markets underlines what is unique about today's turmoil: investors are no longer being rescued by the major central banks, which no longer fear deflation. Instead, we are witnessing the beginning of a gradual de-rating in financial prices that is the logical extension of the end of monetary super-stimulus and its corollary, the subsidization of capital.

This peak of financial prices across global markets commenced in January. To varying degrees, it has been disguised by robust U.S. corporate profits and the parabolic outperformance of U.S. growth stocks. Only as the bear market has extended to these former leaders has the true nature of this new paradigm appeared. Credit risk in many parts of the world has been camouflaged by a decade of financial repression.

Equity markets are adjusting to a world of less capital subsidization, higher interest rates and higher labor costs. What is confusing for many is that the U.S. engine of profitability may well motor through much of 2019, if not 2020.

The politics of trade are reinforcing these shifts. The end of the investment boom in emerging markets implies diminished profitability on several fronts, although the U.S. revival under Trump is offsetting part of this. Capital flows are returning to the U.S. and contributing to the revival of capital spending and long-term investment. As long as the U.S. economy enjoys the "stronger for longer" narrative, the bear market in financial prices is neither a major financial crisis nor a significant recession in the major Western economies.

Our forecast for equities can be described as a valuation reset rather than the emergence of a fundamental economic or earnings dislocation. From the peaks of buying frenzy in January, we see a total decline of 20% to 25% into the eventual trough much later in 2019. For now, equities can enjoy some respite as the uncertainty of U.S. politics is calmed after the November midterm elections. This will be temporary, but consistent with ongoing convulsions as the major economies end their overreliance on the monetary opioids.

Contrary to the expectations of many (although not us), the S&P 500 has been the best performing equity market. The underpinning has been extraordinary corporate earnings, which are on track for calendar gains of ~20%. While half of this gain is tax-related, the remainder is organic: the outcome of a strong domestic economy. With fiscal stimulus likely to be as stimulative in 2019 as 2018, we see further profit growth of 10% in the coming year.

Turning to asset allocation, we believe investors should favor countries and regions that are not overly dependent upon monetary super-stimulus. Quantitative Easing (QE) is the monetary equivalent of an opioid, which central banks have prescribed for far too long. Artificially low interest rates depress productivity, and thus depress economic growth. The U.S. is unique in its aggressive use of fiscal

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initiatives to end monetary super-stimulus, thereby exiting the long shadow of the "New Normal."

We are equally wary of those countries that are overcommitted to producer (as opposed to consumer) assets, which are vulnerable to the reversal of globalization. We anticipate a long period when globalization is restricted, regardless of which party assumes control in Washington. All of this implies the leadership of U.S. assets is as much structural as cyclical in nature. It implies the U.S. consumer will be a source of refuge in the next downturn.

The remarkable divergence between U.S. and non-U.S. markets may be just beginning. This is a controversial view, as many want to believe that the dismal performance abroad must soon translate into buying opportunities. One of the simplest ways to make money is to identify the leadership asset and "stick with it," which has been true for growth versus value styles since 2008. Common sense argues that this year's U.S. outperformance is extended, but we envisage many years where the U.S. economy stands alone as an island of relative prosperity.

Amidst all of today's cautionary signs, the equity bull market in America is not dead yet. Monetary normalization is likely to pause in the coming quarter, allowing the S&P 500 one more assault on the 3000 level. The Fed still has considerable flexibility because inflation expectations in the U.S. remain well anchored. Not until wage pressures move sharply higher, possibly by mid-2019, will the Fed confront a genuine dilemma. Markets and economies are slowly anticipating this new setting, but the critical unknown for 2019 will be the speed of such changes.

It is worth remembering that tightening monetary policy always brings fears of "being late-cycle." The silver lining is that looser fiscal and regulatory policy at this stage, despite higher interest rates, could create the opportunity for a "soft landing" for much of the world. Of course, this must be well executed and perhaps includes a Fed pause after its rate hike in December. But any shift in the global mood away from austerity would be notable and revive investor appetite for equities.

FUND NET EXPOSURE (LONG - SHORT)

	SECTOR WEIGHTINGS AS OF 9/30/18	OVER/UNDERWEIGHT VS. MSCI WORLD INDEX	QUARTER TO QUARTER CHANGE
Consumer Discretionary	15.8	3.2	6.0
Consumer Staples	0.1	-8.0	-1.9
Energy	0.0	-6.5	-2.1
Financials	42.9	26.5	8.6
Health Care	6.3	-6.6	-1.1
Industrials	7.3	-4.1	-0.1
Information Technology	6.8	-12.3	3.4
Materials	1.6	-3.1	0.0
Real Estate	0.0	-2.9	0.0
Telecom Services	0.0	-2.6	0.0
Utilities	0.0	-2.9	0.0
Other	-32.8	-32.8	-15.0

Sector weightings, which are subject to change daily, are calculated as a percentage of Net Assets. The table excludes cash or cash equivalents, and any government / sovereign bonds the portfolio may hold. Exchange traded funds and index options are included in the Other category. You can obtain a complete listing of holdings by visiting www.calamos.com.

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AVERAGE ANNUAL RETURNS

	YTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE INCEPTION (5/1/02)
Calamos Phineus Long/Short Fund						
I shares – at NAV	-1.99%	0.15%	5.39%	5.60%	9.45%	10.99%
A shares – at NAV	-2.08	-0.09	5.12	5.33	9.19	10.70
A shares – Load adjusted	-6.72	-4.86	3.41	4.31	8.65	10.37
S&P 500 Index	10.56	17.91	17.31	13.95	11.97	8.38
MSCI World Index	5.89	11.84	14.18	9.89	9.18	7.70
Morningstar Long/Short Equity Category	2.56	5.98	6.02	4.66	5.30	2.84

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.

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. For the most recent month-end fund performance information visit www.calamos.com.

The performance shown for periods prior to 4/6/16 is the performance of a predecessor investment vehicle (the "Predecessor Fund"). 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. In calculating net investment income, all applicable fees and expenses are deducted from the returns. The Fund also offers C shares, the performance of which may vary. As of the prospectus dated 3/1/18, the Fund's total expense ratio for Class A shares is 2.80% and Class I shares is 2.54%. The Fund's total expense ratio excluding dividend and interest expense for Class A shares is 1.82% and Class I shares is 1.56%.

For more information, please visit www.calamos.com or contact us at 800.582.6959.

IMPORTANT PERFORMANCE STATEMENT

The performance shown for periods prior to 4/6/16 is the performance of a predecessor investment vehicle (the "Predecessor Fund"). The Predecessor Fund was reorganized into the Fund on 4/6/16, the date upon which the Fund commenced operations. On 10/1/15 the parent company of Calamos Advisors, purchased Phineus Partners LP, the prior investment adviser to the Predecessor Fund ("Phineus"), and Calamos Advisors served as the Predecessor Fund's investment adviser between 10/1/15 until it was reorganized into the Fund. Phineus and Calamos Advisors managed the Predecessor Fund using investment policies, objectives, guidelines and restrictions that were in all material respects equivalent to those of the Fund. Phineus and Calamos Advisors managed the Predecessor Fund in this manner either directly or indirectly by investing all of the Predecessor Fund's assets in a master fund structure. The Predecessor Fund performance information has been adjusted to reflect Class A and I shares expenses. However, the Predecessor Fund was not a registered mutual fund and thus was not subject to the same investment and tax restrictions as the Fund. If it had been, the Predecessor Fund's performance may have been lower. 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.

NOTES

The S&P 500 Index is generally considered representative of the U.S. stock market. The Morningstar Long/ Short Equity Category funds take a net long stock position, meaning the total market risk from the long positions is not completely offset by the market risk of the short positions. Total return, therefore, is a combination of the return from market exposure (beta) plus any value-added from stock-pickingor market-timing (alpha). The 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. 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. Gross exposure is calculated by adding the total value of the long and short positions. Net exposure is calculated by subtracting the value of the short positions from the long positions. For funds that takes idiosyncratic risk (i.e., stock specific) on both long and short positions, gross exposure can be a valuable depiction of investments at risk in addition to net exposure (market risk).

Important Risk Information. An investment in the Fund is subject to risks, and you could lose money on your investment in the Fund. There can be no assurance that the Fund 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 can increase during times of significant market volatility. The Fund 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 Phineus Long/Short Fund include: equity securities risk consisting of market prices declining in general, short sale risk consisting of the potential for unlimited losses, leverage risk, and foreign securities 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 rarates, increased price volatility and difficulty obtaining information. In addition, emerging markets may present additional risk due to the 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

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

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