

Covered Call Strategy

CALAMOS[®]
INVESTMENTS

PORTFOLIO MANAGEMENT

- » Eli Pars, CFA, Co-CIO, Head of Alternative Strategies and Co-Head of Convertible Strategies, Senior Co-Portfolio Manager
- » Jason Hill, Co-Portfolio Manager
- » David O'Donohue, Co-Portfolio Manager

The team leverages the insights and analysis of the Calamos Investment Committee, as well as dedicated research, risk management, trading and portfolio specialist team support.

CALAMOS PROFILE

- » Multi-disciplined, global asset manager
- » Headquartered in Chicago-metro area, with offices in New York, San Francisco and London
- » Founded in 1977
- » AUM of U.S. \$23.6 billion
- » Institutional Assets¹ of U.S. \$10.5 billion
- » 327 employees*, 63 investment professionals

TARGET PORTFOLIO STATISTICS

- » 200 to 300 holdings
- » Calls written against 60% to 100% of portfolio
- » Calls written out of the money at 0% to 5%
- » Puts purchased against 20% to 60% of portfolio
- » Puts purchased out of the money at 0% to 10%

¹Institutional Assets include institutional share classes of open-end funds as well as assets managed for institutions.

*Information as of 9/30/18. Total represents full-time employees of the operating subsidiaries of Calamos Asset Management, Inc. Part-time employees and consultants are excluded.

Covered call writing is an options strategy whereby an investor holds a long position in an asset and writes (sells) call options on that same asset in an attempt to generate increased income from the asset. A long position is the buying and holding of a security and a short position is the selling of a security that the seller does not own.

FOR INVESTMENT PROFESSIONAL USE ONLY

The Covered Call Strategy draws upon nearly a decade of Calamos experience in covered call writing and two decades in equity investing. This is an option-based strategy that seeks to provide a unique mix of downside protection and equity upside participation—with more consistent returns even in a higher volatility environment.

Key Features

- » Leverages our role as a pioneer in alternative investing as Calamos has utilized convertibles and option theory since the 1970s
- » Managed by a seasoned investment team
- » Potential diversifier, with historically low correlation to traditional fixed income
- » Attractive risk/reward profile versus long-only equities
- » Designed to generate income from options premiums

Calamos Investment Process

The Covered Call Strategy involves constructing a long portfolio of common equities and writing (selling) call options against the equity holdings to generate income. The long stock portfolio is an actively managed portfolio of about 250 to 270 companies, optimized to reflect the characteristics of the S&P 500 Index. Call options are primarily written on the broad equity index and opportunistically against individual equity holdings. Protective puts are used to balance the risk/reward profile and to protect against significant equity market declines. In addition, the portfolio team actively manages the options strategies to generate income.



There can be no assurance the strategy will achieve its investment objective. **Correlation** is a statistical relationship between two variables. A positive correlation occurs when two variables move in tandem—one variable increases as the other increases and vice versa. Negative correlation occurs when they move in opposite directions—one variable increases as the other decreases and vice versa. **Moneyness** refers to the intrinsic value of an option in its present state. It is a description of a derivative relating the price of its underlying asset to its strike price. A call or put option is out of moneyness when it is a call option with a strike price that is higher than the market price of the underlying asset, or a put option with a strike price that is lower than the market price of the underlying asset.

Calamos Covered Call Strategy

CHARACTERISTICS

	REPRESENTATIVE PORTFOLIO	S&P 500 INDEX
Assets in Strategy (mil) ¹	\$3,219.9	N/A
# of Holdings	303	505
Portfolio Turnover (12 Month)	97.9%	N/A
Median Market Cap (mil)	\$45,417	\$21,789
Weighted Average Market Cap (mil)	\$257,746	\$247,407

¹Strategy AUM reflects all assets that are currently being managed (collectively) under the strategy, which may contain multiple performance composites.

SECTOR ALLOCATION³

SECTOR	REPRESENTATIVE PORTFOLIO %	S&P 500 INDEX %
Information Technology	26.2	26.2
Health Care	15.3	15.0
Financials	13.2	13.3
Consumer Discretionary	13.1	13.1
Industrials	9.8	9.7
Consumer Staples	6.8	6.7
Energy	6.0	6.0
Utilities	2.8	2.8
Real Estate	2.6	2.7
Materials	2.1	2.4
Telecom Services	2.1	2.0

³Sector weightings exclude any government/sovereign bonds or options on broad market indexes the portfolio may hold.

REPRESENTATIVE PORTFOLIO LARGEST 10 HOLDINGS³

COMPANY	SECTOR	PORTFOLIO WEIGHTING %
Apple, Inc.	Information Technology	4.6
Microsoft Corp.	Information Technology	3.6
Amazon.Com, Inc.	Consumer Discretionary	3.5
Spdr S&P 500 Etf Trust	Other	2.8
Facebook, Inc. - Class A	Information Technology	2.0
Jpmorgan Chase & Company	Financials	1.8
Berkshire Hathaway, Inc. - Class B	Financials	1.7
Johnson & Johnson	Health Care	1.7
Alphabet, Inc. - Class C	Information Technology	1.5
Alphabet, Inc. - Class A	Information Technology	1.5

³The information provided should not be considered a recommendation to purchase or sell any security. There is no assurance that any securities presented herein will remain in the portfolio at the time you receive information or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings. It should not be assumed that any securities transactions or holdings presented were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities presented herein. Largest 10 Holdings exclude any government/sovereign bonds or options on broad market indexes the portfolio may hold.

OPTION POSITIONING

9/30/18

Short Calls	%	Short Calls Avg Strike	Long Calls	%	Long Calls Avg Strike	Net Calls	%
-271	-72.93%	2,760	250	67.28%	2,988	-21	-5.65%
Long Puts	%	Long Puts Avg Strike	Short Puts	%	Short Puts Avg Strike	Net Puts	%
385	103.61%	2,720	-210	56.52%	2,548	175	47.10%

Calamos Covered Call Strategy

ANNUALIZED TOTAL RETURNS

	1-YEAR	3-YEAR	SINCE INCEPTION (1/15)
Calamos Covered Call (gross of fees)	10.23%	9.43%	6.67%
Calamos Covered Call (net of fees)	9.58	8.67	5.92
S&P 500 Index	17.91	17.31	11.98
BBgBarc U.S. Aggregate Bond Index	-1.22	1.31	1.35

CALENDAR YEAR RETURNS

	YTD 2018	2017	2016	2015
Calamos Covered Call (gross of fees)	7.51%	9.36%	6.53%	1.74%
Calamos Covered Call (net of fees)	7.07	8.55	5.73	0.98
S&P 500 Index	10.56	21.83	11.96	1.38
BBgBarc U.S. Aggregate Bond Index	-1.60	3.54	2.64	0.55

Calamos Covered Call Strategy

Portfolio Manager Biographies



ELI PARS, CFA

CO-CIO, HEAD OF ALTERNATIVE STRATEGIES AND CO-HEAD OF CONVERTIBLE STRATEGIES, SENIOR CO-PORTFOLIO MANAGER

As a Co-Chief Investment Officer, Eli Pars is responsible for oversight of investment team resources, investment processes, performance and risk. As Head of Alternative Strategies and Co-Head of Convertible Strategies, he manages investment team members and has portfolio management responsibilities for those investment verticals. He is also a member of the Calamos Investment Committee, which is charged with providing a top-down framework, maintaining oversight of risk and performance metrics, and evaluating investment process.

Eli has 30 years of industry experience, including 11 at Calamos. Prior to returning to Calamos in 2013, he was a Portfolio Manager at Chicago Fundamental Investment Partners, where he co-managed a convertible arbitrage portfolio. Previously, he held senior roles at Mulligan Partners LLC, Ritchie Capital and SAM Investments/The Hampshire Company. Earlier in his career, Eli was a Vice President and Assistant Portfolio Manager at Calamos. He received a B.A. in English Literature from the University of Illinois and an M.B.A. with a specialization in Finance from the University of Chicago Graduate School of Business.



JASON HILL

SENIOR VICE PRESIDENT, CO-PORTFOLIO MANAGER

Jason Hill is responsible for portfolio management and investment research, focusing on market neutral and hedged equity strategies. He joined Calamos in 2004 and contributes 16 years of industry experience. Prior to joining Calamos, he worked at HFR Asset Management, LLC, with responsibilities in risk and portfolio management. Jason received a B.A. in Finance from North Central College and a M.S. in Finance from DePaul University.



DAVID O'DONOHUE

SENIOR VICE PRESIDENT, CO-PORTFOLIO MANAGER

David O'Donohue is responsible for portfolio management and investment research, focusing on market neutral and hedged equity strategies. He joined the firm in 2014. His investment industry experience of 18 years includes co-manager responsibilities at Hard Eight Futures, Forty4 Asset Management, Chicago Fundamental Investment Partners, Mulligan Partners LLC and Ritchie Capital. He began his career as a trader at SAM Investments. David graduated from the University of Illinois with a B.S. in Finance.

Past performance does not guarantee or indicate 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.

The results portrayed are for the Calamos Covered Call Composite (inception date: 1/1/2015). The inception dates and performance results shown are for the composite. Representative holdings and portfolio characteristics are specific only to the portfolio shown at that point in time. Other portfolios will vary in composition, characteristics, and will experience different investment results. The representative portfolio shown has been selected by the advisor based on account characteristics that the advisor feels accurately represent the investment strategy as a whole.

The Calamos Covered Call Composite is an actively managed composite which seeks to generate total return with lower volatility than equity markets. The strategy invests in a broadly diversified portfolio of equity securities while also writing (selling) index call options and/or entering into other options strategies on equity securities and/or broad based indices. The Composite was created January 13, 2015 calculated with an inception date of January 1, 2015. Results include all fully discretionary accounts, including those no longer with the firm. Fees include the investment advisory fee charge by Calamos Advisors LLC. Returns greater than 12 months are annualized. Chart Data Sources: Mellon Analytical Solutions LLC and Calamos Advisors LLC.

The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market of SEC-registered securities. The index includes bonds from the Treasury, Government-Related, Corporate, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS sectors. The S&P 500 Index is a market-value weighted index consisting of 500 stocks chosen for market size, liquidity, and industry group representation. It is widely regarded as the standard for measuring U.S. stock-market performance. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect any fees, expenses, or sales charges. Investors cannot invest directly in an index.

The information in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent the account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings.

Calamos Advisors LLC is a federally registered investment advisor. Form ADV Part 2A, which provides background information about the firm and its business practices, is available upon written request to:

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CCSTRFCT 2920 0918Q II