Global and Emerging Markets Lower Volatility Strategies

CALAMOS® INVESTMENTS

KEY FEATURES

Historically, the Calamos Lower Volatility Strategies (Global Opportunities and Emerging Economies) have provided:

- » Strong excess returns versus their respective benchmarks, the MSCI ACWI and MSCI Emerging Markets Indices, with less volatility
- » Downside risk mitigation in most periods
- » Alpha generation over complete market cycles

CALAMOS GLOBAL OPPORTUNITIES STRATEGY

Peer Group	Global Equity
Benchmark	MSCI ACWI Index
Primary securities used	Global equities and global convertible securities
Style	Growth at a reasonable price (GARP)
Markets invested in	Developed and emerging
Inception date	October 1, 1996
Strategy AUM	$651 million*

CALAMOS EMERGING ECONOMIES STRATEGY

Peer Group	Emerging Market
Benchmark	MSCI Emerging Markets Index
Primary securities used	EM centric Global equities and global convertible securities
Style	Growth at a reasonable price (GARP)
Markets invested in	Developed and emerging
Inception date	December 1, 2008
Strategy AUM	$585 million*

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*Strategy AUM reflects all assets that are currently being managed (collectively) under the Calamos Global Opportunities Strategy and Emerging Economies Strategy, respectively, as of June 30, 2016.

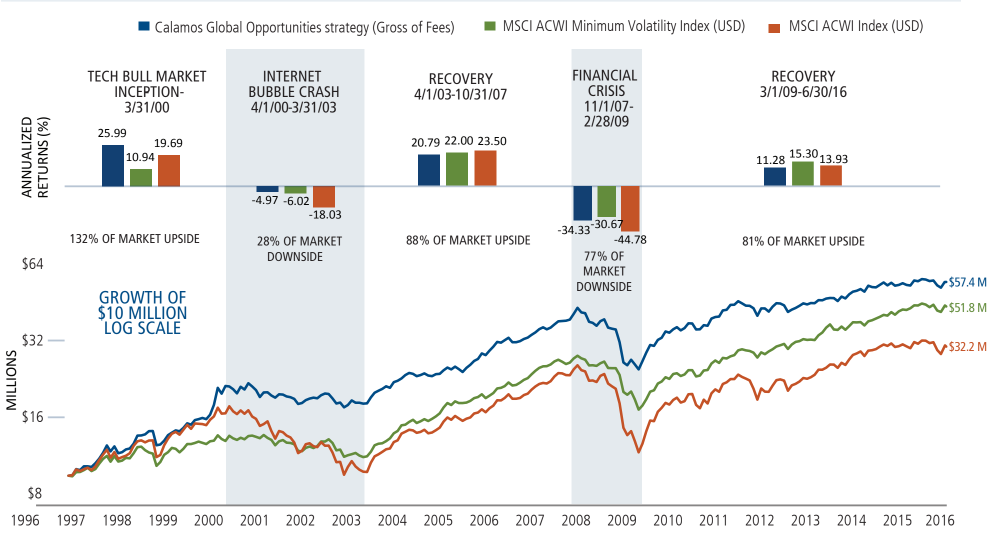
Risk Mitigation Approach Employing a Lower Volatility Equity Strategy

The Calamos suite of Lower Volatility Equity Solutions includes the Global Opportunities and Emerging Economies Strategies. Both solutions offer a fundamental, actively managed, lower volatility approach, pairing top-down, macroeconomic analysis with bottom-up fundamental research to source investment ideas, generate alpha and manage risk. The Calamos Global Equity Investment Team responsible for both strategies leverages our long-standing holistic, capital structure research framework, dynamically managing portfolios utilizing global equities and convertible securities to generate equity-like returns with lower downside volatility and risk. The portfolios are constructed to provide an asymmetric risk/reward profile, lower downside market capture, and a lower beta relative to their respective index. The Team expects to generate alpha through both bottom-up security selection, top-down positioning, and downside risk mitigation. These high conviction portfolios comprise higher quality global companies, a "GARP" style, and generally exhibit higher active share and tracking error.

A Broader Opportunity Set

The investment universe utilized by our lower volatility strategies includes over 11,000 global equities and 1,500 global convertible securities. By broadening the opportunity set to include convertible securities, we believe we can better manage the portfolio's overall risk/reward profile

FIGURE 1. MANAGING RISK OVER MARKET CYCLES: GLOBAL OPPORTUNITIES STRATEGY VERSUS GLOBAL EQUITY MARKETS



Source: Mellon Analytical Solutions LLC and Morningstar Direct.

The Calamos Global Opportunities Strategy annualized returns net of fees during the same periods illustrated above are: Tech Bull Market 24.76%; Internet Bubble Crash -5.91%; first recovery period 19.62%; Financial Crisis -34.96% and current recovery period 10.37%.

Past performance is no guarantee of future results. Logarithmic scales can be useful when looking at performance data over a long period of time. Common percent changes are represented by an equal spacing between the numbers in the scale. For example, the distance between $1 and $2 is equal to the distance between $2 and $4 because both scenarios represent a 100% increase in price. The Calamos Global Opportunities Strategy upside and downside market participation is compared to the MSCI ACWI Index (USD).

FIGURE 2. ASSET CLASS CORRELATIONS WITH GLOBAL CONVERTIBLES[1]

	BofA Merrill Lynch Global 300 Convertible Index
Global Equity	0.88
U.S. Equity	0.78
Emerging Markets	0.78
Non-U.S. Bonds	0.40
U.S. Bonds	0.12

Source: Calamos Advisors, LLC, Mellon Analytical Solutions, LLC.

[1] Since inception of the BofA Merrill Lynch Global 300 Convertible Index (July 1, 1995). Returns in USD. Data as of June 30, 2016. Calculated with monthly returns.

Asset classes represented by the following indices: Global equity: MSCI World Index; U.S. equity: S&P 500 Index; Emerging markets equity: MSCI Emerging Markets Index; Non-U.S. bonds: Citigroup World Government Bond Index Non-U.S.; and U.S. bonds: Barclays U.S. Aggregate Bond Index.

through market cycles, while maintaining the upside return potential of an all-equity portfolio. With this broader investable universe comes the opportunity for the Global Equity Team to incorporate more of their proprietary research insights into the portfolio.

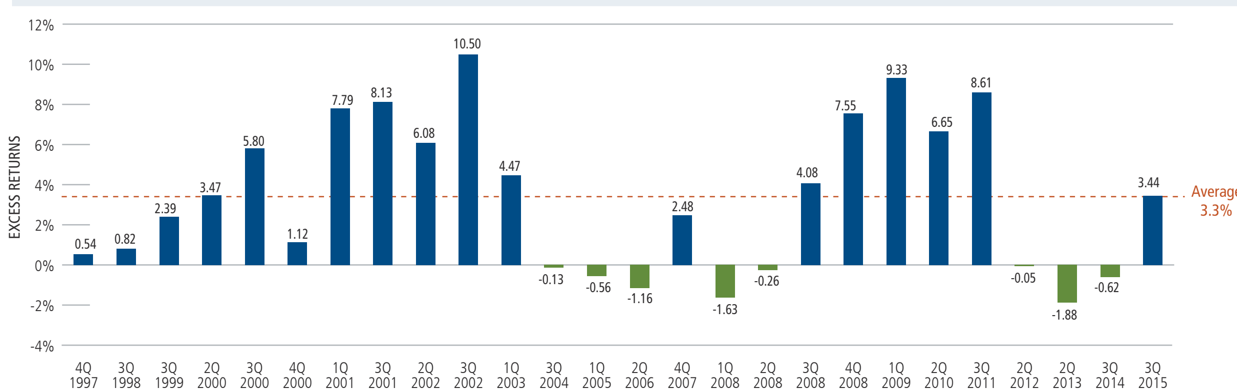
The use of convertibles within an equity portfolio is supported by historical correlations. Figure 2 shows the correlation of global convertibles to five asset classes. Correlations range from a low of 0.12 with U.S. bonds to a 0.88 correlation with global equities.

PERSPECTIVE ON VOLATILITY

- » Volatility is not the enemy – downside volatility and capital loss are. Downside volatility mitigation leads to better risk-adjusted returns.
- » Portfolios constructed to structurally benefit from volatility (asymmetric risk/reward profile) are better positioned than purely quantitative, low vol approaches.
- » The "Low Volatility Anomaly" is susceptible to overcrowding and unforeseen risks (price risk, interest rate risk style, sector/geographic biases).
- » The hybrid characteristics of convertibles paired with higher quality equities results in a differentiated and effective, active low volatility solution and outcome.

Convertible securities offer investors advantages particular to both equities and bonds. Like equities, convertibles have the potential for capital appreciation; and like bonds, they offer the potential for interest income and downside protection. As convertibles can be exchanged for a specific number of shares of issuer stock, they tend to gain or lose value in concert with the underlying equity. When the price of the underlying stock rises, the price of the convertible tends to rise as well. As a stock's price falls, however, the

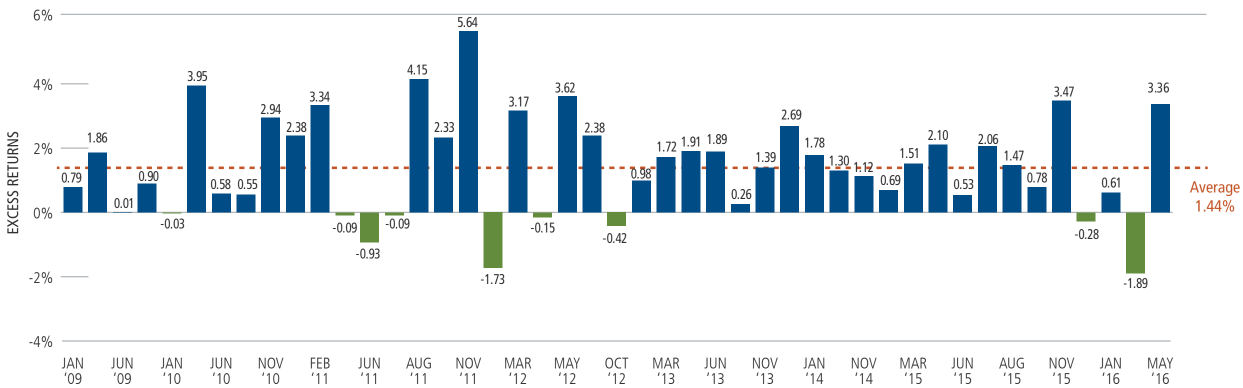
FIGURE 3. GLOBAL OPPORTUNITIES STRATEGY'S EXCESS RETURNS FOR QUARTERS IN WHICH THE MSCI ACWI INDEX (USD) HAD NEGATIVE RETURNS



Source: Calamos Advisors, LLC, Mellon Analytical Solutions, LLC. Performance shown since inception of the Calamos Global Opportunities strategy 10/1996. Gross of fee returns. Returns shown are excess returns. Actual returns for the periods shown may have been negative.

Past performance is no guarantee of future results.

FIGURE 4. EMERGING ECONOMIES STRATEGY'S EXCESS RETURNS FOR MONTHS IN WHICH THE MSCI EMERGING MARKETS INDEX HAD NEGATIVE RETURNS



Source: Calamos Advisors, LLC and Mellon Analytical Solutions LLC
Performance shown since inception of the Calamos Emerging Economies strategy 12/2008. Gross of fee returns. Returns shown are excess returns. Actual returns for the periods shown may have been negative.

Past performance is no guarantee of future results.

CASE STUDY: CAPITALIZING ON THE HYBRID BENEFITS OF CONVERTIBLES

We believe our positioning during recent years in the energy and material sectors serve as an excellent example of how convertible securities can be incorporated advantageously into a strategy. While we believed a sustained period of oil prices in the $100-plus range was unlikely, we did not presume to be capable of forecasting energy prices with certainty. Selective investments in convertible securities enabled us to maintain exposure to this cyclical area of the market, yet with a more defensive risk posture. Following significant past declines in energy prices, we were able to tilt toward equities, thus increasing the portfolio sensitivity to a potential rebound. This also benefited our portfolio approach with respect to the increasing prices of commodities from 2007 into the first half of 2008. Accordingly, we wished to maintain opportunistic exposure and diversification in materials, for example, while limiting our downside risk. Given their relatively defensive characteristics, convertibles provided an excellent means for accomplishing these goals.

convertible bond price typically declines only as far as the "floor" established by the convertible's bond component. While convertibles are sensitive to their underlying equity's price movements convertible investors, as bondholders, still receive the interest income and the guarantee of principal that bonds offer (except in cases of default).

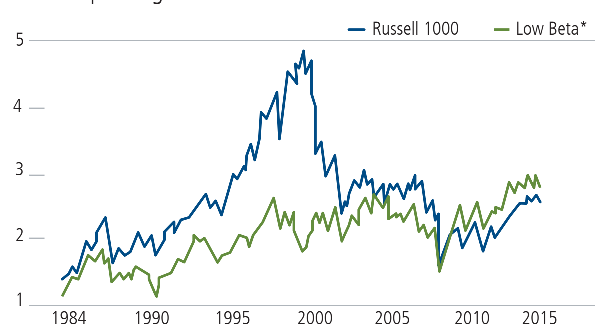
However, the convertible universe is not uniform, as characteristics of individual securities can vary widely from fixed income-like to more equity-sensitive. This variability adds flexibility, allowing investors to structure portfolios to meet a range of investment objectives. In our low volatility portfolios, we can include convertibles holding the potential to generate equity-like returns while providing downside protection.

FIGURE 5. PRICE-TO-BOOK RATIO

LOW VOLATILITY, HIGH VALUATIONS

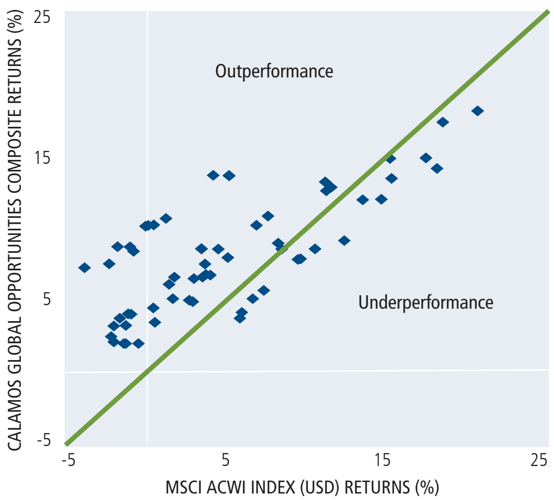
» Low Vol, "Defensive" stocks are trading at a significant premium relative to history and broader market

» Glut of new low volatility and smart beta products have stretched valuations for "low volatility" stocks, sectors and corresponding inflows.



*Low beta refers to lowest fifth by beta of top 1000 stocks. Source: Research Affiliates via ft.com, October 2, 2015. Past performance is no guarantee of future results. The Russell 1000 Index measures the performance of large-cap U.S. stocks. Indexes are unmanaged, not available for direct investment and do not include fees or expenses. Price-to-book ratio is calculated as current closing price of a stock by latest quarter's book value per share. Beta is a measure of volatility versus the market as a whole.

FIGURE 6. GLOBAL OPPORTUNITIES STRATEGY ROLLING FIVE-YEAR RETURNS



Source: Calamos Advisors, LLC, Mellon Analytical Solutions, LLC. Please see included standard time period performance data and/or supplemental information. Performance shown since inception of the Calamos Global Opportunities strategy 10/1996. Gross of fees returns. Returns are calculated from monthly returns and shown for every three-month interval.

Past performance is no guarantee of future results.

CASE STUDY: A BENEFIT OF A BROADER OPPORTUNITY SET

A retailer's convertible security was trading significantly below fair value, based on proprietary Calamos estimate, and trading more like a straight bond than a hybrid security. At the same time, the issuing company's common stock also was priced significantly below our fair value estimate. The common stock, like much of the equity market, was exhibiting high volatility. By adding both the convertible and common stock to the portfolio, we helped improve the risk/reward profile of investing in this company. We also provided a means to take advantage of the undervalued nature of its securities, allowing ourselves to participate in the upside while limiting downside risk.

FIGURE 7. EMERGING ECONOMIES STRATEGY ROLLING THREE-YEAR RETURNS

Source: Calamos Advisors, LLC, Mellon Analytical Solutions, LLC.Please see included standard time period performance data and/or supplemental information. Performance shown since inception of the Calamos Emerging Economies strategy 12/2008. Gross of fee returns. Returns are calculated from monthly returns and shown for every three-month interval.

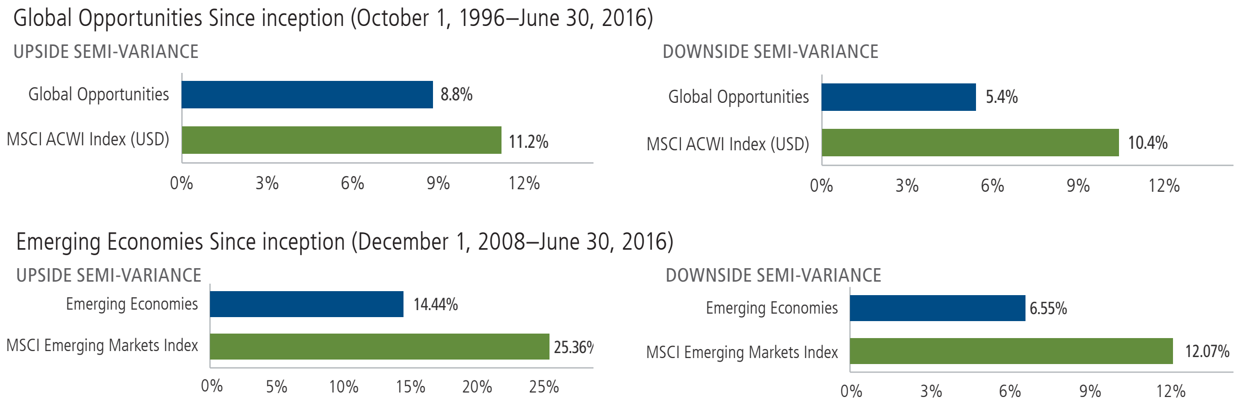
Past performance is no guarantee of future results.

As is critical to managing risk, the potential for downside protection can be illustrated through various periods of negative equity market returns, shown in Figures 3 and 4.

The MSCI ACWI Index recorded 26 quarters of negative performance since the Global Opportunities strategy's inception nearly 20 years ago. Of these, the Global Opportunities strategy generated positive excess returns in 18 quarters, or nearly 70% of the time. The strongest outperformance, gross of fees, was 10.50% (3Q 2002) and the most significant underperformance was -1.88% (2Q 2013).

For Emerging Economies, the MSCI Emerging Markets Index has experienced 45 months of negative performance since the strategy's inception in 2008. During these 45 months, the product has outperformed in 36, or 80% of the time.

FIGURE 8. UPSIDE/DOWNSIDE SEMI-VARIANCE



Source: Calamos Advisors, LLC and Mellon Analytical Solutions, LLC.

A broader opportunity set offers the additional advantage of allowing the Global Equity Team to identify underpriced convertibles having little equity sensitivity or "upside," and pair these with the issuing company's common equity. This provides the advantage of appreciation of the bond component if it comes back to fair value, as well as the coupon interest from the bond, and the equity appreciation should the stock rally. In pairing the two securities together, the portfolio maintains the desired equity exposure or upside potential, often with less risk than a "straight" equity investment. While this is not the predominate means of generating returns, it illustrates one key benefit of combining the securities.

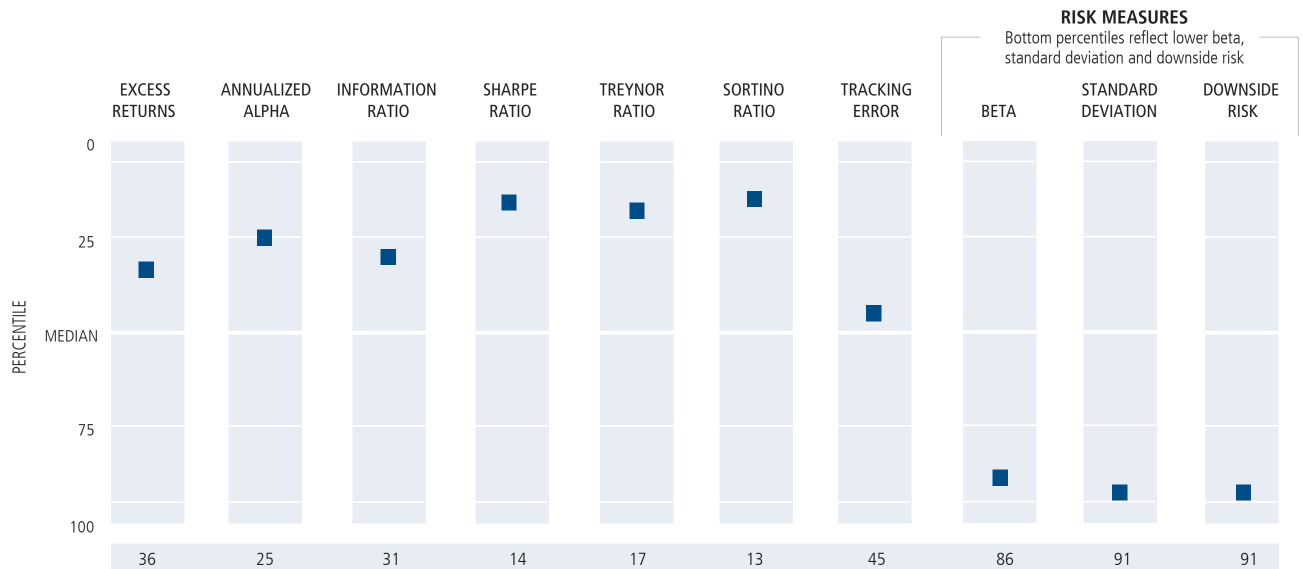
We believe the inclusion of convertible securities, and the potential for downside protection they historically have provided investors, differentiates these strategies from other global and emerging market equity portfolios. This dynamic creates a risk/reward profile that an investor desiring equity participation but a more balanced volatility profile - exchanging maximum upside for potential downside protection – will find compelling.

Risk and Reward

Returns. A comparison of strategy performance to their respective indices provides a frame of reference for understanding the reward portion of the risk/reward profile. Figure 6 highlights the rolling five-year returns for the Global Opportunities strategy and the MSCI ACWI Index for each quarter since the strategy's inception, through June 30, 2016. Figure 7 displays the three-year for the Emerging Economies strategy versus its benchmark, the MSCI Emerging Markets Index. In both cases, the x-axis represents the index returns, and the y-axis the strategies' returns for the corresponding time period. Dots above the bold diagonal line are periods in which the portfolio outperformed, and below the line are periods of underperformance.

Since inception, the Global Opportunities strategy has outperformed its benchmark in 44 of 60 rolling five-year periods, gross of fees. The greatest period of outperformance reported annualized excess returns of 11.43% and the most significant period of underperformance was an annualized -4.06%, gross of fees. The Emerging Economies strategy has outperformed its benchmark through all rolling 3-year time periods.

FIGURE 9. GLOBAL OPPORTUNITIES SINCE INCEPTION PEER GROUP RANKINGS WITHIN THE GLOBAL EQUITY UNIVERSE[1,2]

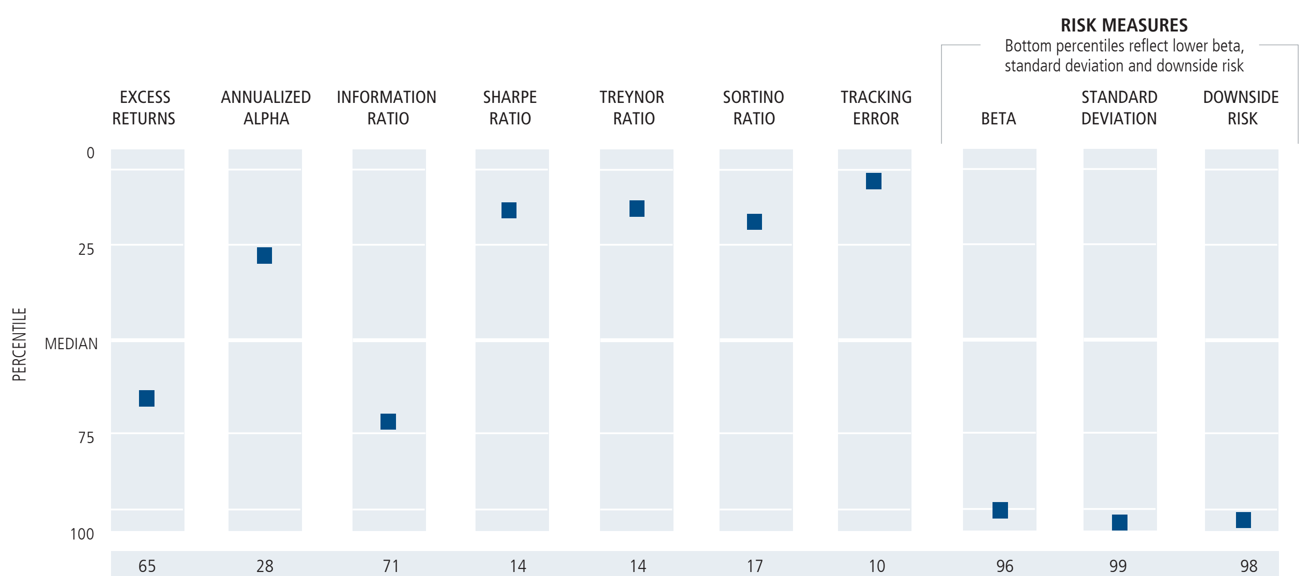


[1] The Calamos Global Opportunities Composite is based on portfolios that have been hedged between 70% to 100% from a currency perspective.

[2] Source: Rankings from eVestment Alliance's All Global Equity universe. Benchmark: MSCI ACWI Index. Data based on monthly returns of 121 investment portfolios for the since inception rankings. Data as of June 30, 2016.

Past performance is no guarantee of future results. 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.

FIGURE 10. EMERGING ECONOMIES SINCE INCEPTION PEER GROUP RANKINGS WITHIN THE EMERGING MARKETS ALL CAP EQUITY UNIVERSE[3]



[3] Source: Rankings from eVestment Alliance's Emerging Markets All Cap Equity universe. Benchmark: MSCI Emerging Markets Index. Data based on monthly returns of 122 investment portfolios for the since inception rankings. Data as of June 30, 2016.

Past performance is no guarantee of future results. 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.

Risk. The two portfolios' volatility, as measured by the standard deviation of returns, is significantly less than that of their respective benchmarks. The Global Opportunities strategy has exhibited annual volatility of 12.8%, while the same measure for the MSCI ACWI Index is 16.0%, approximately 3 percentage points more on an annualized basis, since inception. The risk statistics for the Emerging Economies strategy are even more impressive, with annual volatility more than 5 percentage points less than the MSCI Emerging Markets Index, 15.6% vs 21.07%.

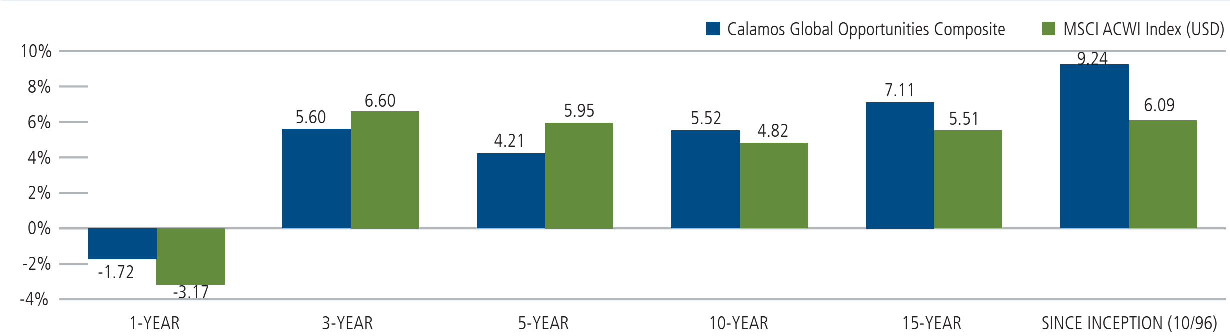
Another key risk metric, upside/downside semi-variance, is particularly valuable for understanding the type of volatility experienced by our low volatility equity portfolios and the corresponding benchmarks.   Risk is generally thought of in negative terms, but not all risk is undesirable. If the risk is asymmetric, with more expected upside volatility than downside, then the probability of a positive return outcome is increased. The upside/downside semi-variance highlight risk in this framework, and is more consistent with how the strategies are managed. As Figure 8 illustrates, since inception, both strategies have had a higher ratio of upside semi-variance vs. the benchmark relative to downside semi-variance.

One final risk measure worth noting is beta, or market exposure. Since inception, the beta of both strategies relative to their index (USD) is 0.71. The lower beta is largely attributable to the potential for downside protection inherent in the Global Opportunities and Emerging Economies portfolios.

Peer Group Rankings

In Figures 9 and 10, we provide the strategies' peer group rankings since inception. In most categories, our low volatility equity solutions sit in the first or second quartile. Notable exceptions are the risk measures, such as beta, standard deviation, and downside risk, where they rank in the desirable bottom quintile. Figures 11 and 12 provide the individual strategy's performance over standard time periods.

FIGURE 11. GLOBAL OPPORTUNITIES ANNUALIZED TOTAL RETURNS

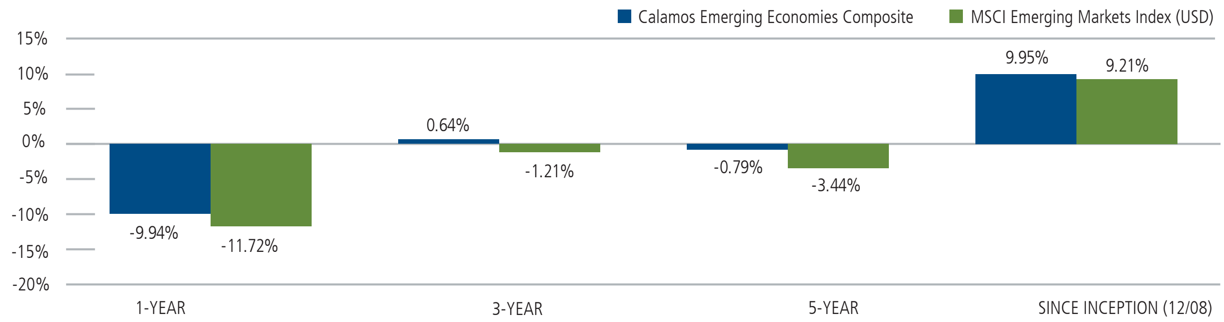


Performance as of June 30, 2016.

Source: Calamos Advisors, LLC and Mellon Analytical Solutions LLC.

Composite returns are gross of fees. Net of fees returns for 1-year, 3-year, 5-year, 10-year, 15-year and since inception periods are -2.52%, 4.79%, 3.38%, 4.62%, 6.15% and 8.24%, respectively. ***Past Performance does not guarantee or indicate future results.*** 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 benchmarks. Portfolio performance, characteristics and volatility may differ from the benchmarks shown.

FIGURE 12. EMERGING ECONOMIES ANNUALIZED TOTAL RETURNS



Performance as of June 30, 2016.

Source: Calamos Advisors, LLC and Mellon Analytical Solutions LLC.

Composite returns are gross of fees. Net of fees returns for 1-year, 3-year, 5-year and since inception periods are -11.03%, -0.55%, -1.97% and 8.70%, respectively. ***Past Performance does not guarantee or indicate future results.*** 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 benchmarks. Portfolio performance, characteristics and volatility may differ from the benchmarks shown.

Conclusion

The Calamos Lower Volatility Equity Solutions are founded in our unique skill of employing convertible securities as a risk management tool. Both strategies exhibit alpha-seeking behavior, with the objective to outperform their benchmarks over a full market cycle, while displaying less downside volatility. In delivering lower volatility solutions through a non-traditional approach – loosening country and security constraints while broadening our investable universe – these portfolios have historically provided upside market participation, downside protection and less realized volatility than their equity market proxies. Since the strategies' inceptions, both have been successful in delivering on these objectives, thus providing investors with the potential to generate superior risk-adjusted returns, and enhance their overall equity allocation's risk/reward profile.

Past performance does not guarantee or indicate future results. 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 Information: The **BofA Merrill Lynch 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 **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 index is calculated in both U.S. dollars and local currencies. The **MSCI ACWI Minimum Volatility Index** is calculated by optimizing the MSCI ACWI Index, its parent index, in USD for the lowest absolute risk (within a given set of constraints). Historically, the index has shown lower beta and volatility characteristics relative to the MSCI ACWI Index. The **S&P 500 Index** is a market-value weighted index and is widely regarded as the standard for measuring U.S. stock-market performance. 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 **Barclays U.S. Aggregate Bond Index** comprises long-term government and investment grade corporate debt securities and is generally considered representative of the performance of the broad U.S. bond market. Indexes are unmanaged and returns assume reinvestment of dividends and do not reflect any fees, expenses or sales charges. Investors cannot invest directly in an index. **Citigroup World Government Bond Index Non-U.S. Index** includes the most significant and liquid government bond markets globally outside of the United States that carry at least an investment grade rating.

Composite Information: The **Emerging Economies** composite was created December 1, 2010, calculated with an inception date of December 1, 2008. Returns presented for Emerging Economies strategy reflect those of the institutional composite. The Calamos Emerging Economies Composite is an actively managed composite primarily investing in a globally diversified portfolio of equity, convertible and fixed income securities, with generally, at least 35% of constituent portfolio assets invested in securities of issuers that are organized in emerging market countries. The composite includes all fully discretionary fee paying accounts including those no longer with the Firm. The **Global Opportunities** composite was created February 16, 2006, calculated with an inception date of October 1, 1996. Returns presented for Global Opportunities strategy reflect those of the institutional composite. The Calamos Global Opportunities Composite is an actively managed composite primarily investing in a globally diversified portfolio of equity, convertible and fixed income securities, with equal emphasis on capital appreciation and current income and includes all fully discretionary fee paying accounts including those no longer with the Firm.

Terms

Alpha: The incremental return of a manager when the market is stationary, or the return due to non-market factors. **Beta:** a measure of the sensitivity of a portfolio's rate of return to fluctuations in the benchmark index. **Downside risk:** semi-variance breaks total variability into two segments—risk and uncertainty—and shows the degree to which a portfolio's returns have fluctuated around the mean return in down markets. It differentiates between "good risk" (upside volatility or "uncertainty") and "bad risk" (downside volatility or "risk"). Semi-variance only measures the periods where the portfolio returns underperform the target, whereas standard deviation treats both upside and downside risk the same. **Excess returns:** Returns in excess of the benchmark. A positive excess return indicates that the manager outperformed the benchmark for that period. **Information ratio:** A measure of the value added per unit of active risk by a manager over the index. A positive ratio indicates "efficient" use of risk by the manager. **Sharpe ratio:** This ratio is calculated by finding the portfolio's excess return and then dividing by the portfolio's standard deviation. **Sortino Ratio:** a downside risk-adjusted measure of value added. This ratio is calculated by first finding the portfolio's excess return of the target and then dividing the portfolio's semi-deviation of active returns. An important benefit of this measure is that it offers an indication of both the likelihood of failing to achieve the target return and also the consequences of the shortfall. **Standard deviation:** a measure of the variability or volatility of monthly rates of return of a portfolio; standard deviation shows the degree to which a portfolio's returns have fluctuated around the mean. **Tracking error:** A measure of the amount of active risk that is being taken by a manager. Tracking error accounts for the deviation away from the benchmark and does not indicate in which direction it occurred, either positive or negative. **Treynor Ratio:** This ratio is calculated by first finding the portfolio's return in excess of the risk-free return and then dividing by the portfolio's beta.

Source: eVestment Alliance.

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