

# CMNIX: Embrace Volatility

CALAMOS  
INVESTMENTS

Unsettled market conditions can stop investors in their tracks. Clients may be reluctant to invest in stocks during volatile times in the equity markets. At the same time, they can be leery of fixed income when interest rates are on the rise.

These are the times when the **Market Neutral Income Fund** can serve as a ballast to a portfolio.

The fund's core market strategies include covered call writing and convertible arbitrage. Together, these strategies strive to provide risk-managed returns due to their differing responses to volatility.

As the chart below demonstrates, compared to the S&P 500 Index, the fund has historically offered:

- » Lower sensitivity to drawdowns during heightened volatility as a result the fund's covered call strategy. The strategy acts as a hedge to the S&P 500 through a combination of low beta, income generated from dividends and option premiums, and gains in our put hedges.
- » Smaller drawdowns, which were then followed by relatively strong performance as a result of the fund's convertible arbitrage strategy. The strategy shorts the underlying convertible bond's stock.

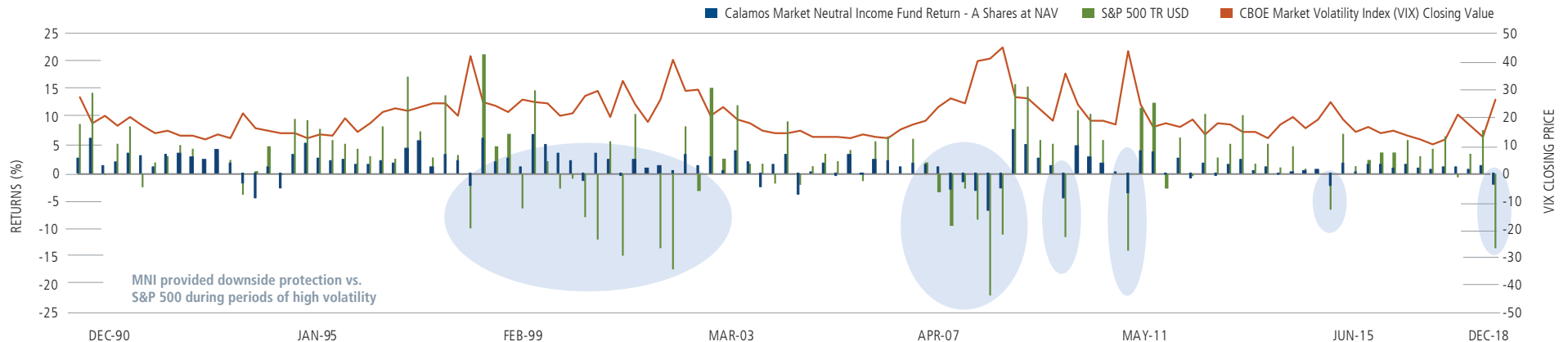
## MARKET NEUTRAL INCOME FUND KEY FEATURES

- » **One of the first alternative mutual funds:** capitalizes on more than four decades of experience in the convertible space
- » **Risk-management focus:** blends strategies as the fund's primary strategies are managed together with the intent of maximizing risk/reward characteristics

For a discussion of the strategies used by the fund, watch our Chart Talk Video at [www.calamos.com/ChartTalk](http://www.calamos.com/ChartTalk)

### CVSIX VS. S&P 500 AGAINST QUARTER-END CLOSING LEVELS OF THE VIX

12/31/1990 - 12/31/18



Source: Monthly Data, Morningstar Direct. Past performance is no guarantee of future results, and there is no assurance that the fund will achieve its investment objectives. The performance data quoted represents past performance. Current performance may be lower or higher than the performance quoted. 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 2.25%. Had it been included, the Fund's return would have been lower. You can obtain performance data current to the most recent month end by visiting [www.calamos.com](http://www.calamos.com). The **VIX (CBOE volatility index)** is the ticker symbol for the Chicago Board Options Exchange (CBOE) Volatility Index, which shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options.

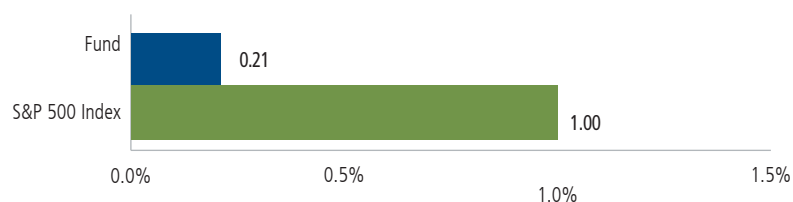
## Embrace Volatility to Find Potential Stability

### A Lower Risk Profile

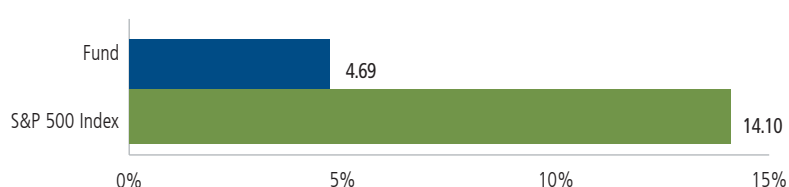
As illustrated on the chart on the previous page, the Market Neutral income Fund has had lower sensitivity to drawdowns during heightened volatility relative to the S&P 500 Index. As you see below, the Fund offered a lower risk profile than the S&P 500 Index.

### BETA

FROM A SHARE (9/4/90) INCEPTION TO 12/31/18



### STANDARD DEVIATION



Source: Morningstar Direct.

Alternative investing strategies are not appropriate for all investors. **Covered Call Writing Risk:** As the writer of a covered call option on a security, the portfolio foregoes, during the option's life, the opportunity to profit from increases in the market value of the security, covering the call option above the sum of the premium and the exercise price of the call. The value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors also may have an effect on the convertible security's investment value. **Convertible Arbitrage Principal Risks:** involves buying convertible bonds and short selling their underlying equities to attempt to hedge against equity risk, while still providing the potential for upside returns. **Convertible Securities Risk:** The value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors also may have an effect on the convertible security's investment value. **Convertible Hedging Risk:** If the market price of the underlying common stock increases above the conversion price on a convertible security, the price of the convertible security will increase. The portfolio's increased liability on any outstanding short position would, in whole or in part, reduce this gain. **Short Sale Risk:** A portfolio may incur a loss (without limit) as a result of a short sale if the market value of the

borrowed security increases between the date of the short sale and the date the portfolio replaces the security. The portfolio may be unable to repurchase the borrowed security at a particular time or at an acceptable price.

**Standard deviation** represents volatility. **Correlation** refers to a measure of the interdependence of two random variables that ranges in value from -1 to +1, indicating perfect negative correlation at -1, absence of correlation at zero, and perfect positive correlation at +1.

The principal risks of investing in the **Market Neutral Income Fund** include: equity securities risk consisting of market prices declining in general, convertible securities risk consisting of the potential for a decline in value during periods of rising interest rates and the risk of the borrower to miss payments, synthetic convertible instruments risk, convertible hedging risk, covered call writing risk, options risk, short sale risk, interest rate risk, credit risk, high yield risk, liquidity risk, portfolio selection risk, and portfolio turnover risk. The **Bloomberg Barclays U.S. Government/Credit Index** is comprised of long-term government and investment grade corporate debt securities. The **S&P 500 Index** is generally considered representative of the U.S. stock market. A **drawdown** is the peak-to-trough decline during a specific record period of an investment, fund or commodity. **Beta** is a measure of the volatility, or systematic risk of a security or a portfolio in comparison to the market as a whole.



### MORNINGSTAR OVERALL RATING™

Among 122 Market Neutral Funds

The fund's load-waived Class I shares had 4 stars for 3 years, 4 stars for 5 years, and 5 stars for 10 years out of 122, 98 and 31 Market Neutral Funds, respectively, for the period ended 12/31/18.

### FUND TICKER SYMBOLS

A Shares C Shares I Shares  
CVSIX CVSCX CMNIX

### TOTAL EXPENSE RATIO\*

A Shares C Shares I Shares  
1.28% 2.03% 1.02%

\*Morningstar ratings shown are for load-waived shares that do not include any front-end sales load. Not all investors have access to or may invest in the load-waived share class shown. Other share classes with front-end or back-end sales charges may have different ratings than the ratings shown. Additionally, some A-share mutual funds for which Morningstar calculates a load-waived A-share star rating may not waive their front-end sales load.

### AVERAGE ANNUAL RETURNS

AS OF 12/31/18	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE A SHARE INCEPTION	SINCE I SHARE INCEPTION
<b>Calamos Market Neutral Income Fund</b>						
I shares – at NAV (Inception–5/10/00)	1.80%	3.85%	3.01%	4.88%	N/A	4.42%
A shares – at NAV (Inception–9/4/90)	1.54	3.60	2.76	4.62	6.14	N/A
A shares – Load adjusted <sup>†</sup>	-0.71	1.92	1.76	4.11	5.96	N/A
<b>BBgBarc U.S. Government/Credit Index</b>	-0.42	2.19	2.53	3.46	5.91	4.96
<b>Citigroup Treasury Bill - 30 Days</b>	1.82	0.94	0.57	0.32	2.50	1.52
<b>Morningstar Market Neutral Category</b>	-0.26	1.05	0.49	1.30	3.79	1.81

The BBgBarc U.S. Government/Credit Index return "Since A share Inception" start date is 8/31/90. The BBgBarc U.S. Government/Credit Index return "Since I share Inception" start date is 4/30/00.

Past performance is no guarantee of future results, and there is no assurance that the fund will achieve its investment objectives. The performance data quoted represents past performance. Current performance may be lower or higher than the performance quoted. Current performance may be lower or higher than the performance quoted. 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 2.25%. Had it been included, the Fund's return would have been lower. You can obtain performance data current to the most recent month end by visiting [www.calamos.com](http://www.calamos.com).

<sup>†</sup>Prior to 2/28/17, the Fund had a maximum front-end sales charge of 4.75%. <sup>‡</sup>As of prospectus dated 3/1/18.

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.

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

*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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