

WHY WE LIKE UNRATED CONVERTIBLES

Ask **the** PORTFOLIO
MANAGER

Tell us about your use of unrated convertibles.

Transcript of a video recorded on May 1, 2018

Issuers often have no other debt.

A big part of the convertible market are unrated, and we're comfortable working in that part of the space. The reason they're typically unrated is because the companies often have no other debt in the capital structure and usually no other traded debt, publicly traded debt.

In the high yield market if you're going to issue, whether it's CCC- or BB-rated paper, investors require a rating. In the convertible market if you're not getting investment-grade rating, investors are comfortable doing their own work, and those companies will typically come to the market non-rated.

But we oftentimes like those credits. Those are companies where the convertible is the only debt in the cap structure or most of it and even if those companies get in trouble, the default rate in a lot of non-rated securities is better than you might expect for a general, below investment-grade security.



ELI PARS

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and Co-Head of
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Manager

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Video recorded 5/1/18.

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.

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Convertible securities consist of the potential for a decline in value during periods of rising interest rates and the risk of the borrower to miss payment.

CALAMOS[®]
INVESTMENTS

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