



Investment Team Voices

Sustainable Investing is Here to Stay—Here are Two Reasons Why

Calamos Antetokounmpo Global Sustainable Equities ETF (SROI), Calamos Antetokounmpo Sustainable Equities Fund (SROIX)

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Summary points:

- > Two essential factors support sustainable investing's longevity.
- > Sustainable investing disclosures are being codified around the world, helping to level the playing field and giving an edge to companies that are transparent in complying.
- > Alternative data is helping investment managers discern which companies will produce long-term value.

Sustainable investing has become politicized in the US to the extent that it inhibits rational dialogue. It has struggled because some early adopters have implemented it unsophisticatedly, thinking they are saving the world; adversaries have opposed it hastily on their war against wokeism; and opportunists exploited it for their self-interest, rolling out disingenuous ESG-labeled products with higher fees. Supporters and critics have become so absorbed with endorsing and disparaging sustainable investing that they've lost sight of the primary goal—producing long-term value, a goal that is hard to politicize.

Whether you love or hate sustainable investing, two important factors support its longevity.

1. SUSTAINABILITY DISCLOSURES ARE BEING ADOPTED AROUND THE WORLD.

Around the globe, considerable standardization and legislation are being implemented concerning the disclosure of sustainable investing considerations. Regulators and a growing number of investors recognize that analyzing and quantifying sustainability indicators, as well as their effects, are material to a company's bottom line and long-term prospects. For investors, sustainability disclosures provide a tool for understanding growth potential because companies that are fully transparent about their sustainability challenges and efforts are more likely to meet those challenges and succeed at those efforts.

HERE ARE SEVERAL GLOBAL HEAVYWEIGHT ENTITIES NOW REQUIRING SUSTAINABILITY DISCLOSURES:

- > **Securities and Exchange Commission (SEC)**—The SEC now requires climate-related disclosures from publicly traded corporations and large private companies over a certain size. These disclosures cover climate risks, transition plans, and greenhouse gas emissions (GHG).
- > **California State Regulations**—California legislators have enacted mandatory greenhouse gas emissions reporting for electricity generators, industrial facilities, fuel suppliers, and electricity importers to report their GHG emissions. Furthermore, independent verification of GHG emissions data reports is required. Additionally, companies with more than \$500 million in annual revenue must submit assured annual reports of their GHG emissions starting with their fiscal year 2025 emissions.
- > **International Sustainability Standards Board (ISSB)**—ISSB provides global sustainability disclosure standards for companies. Approximately 400 organizations from 64 jurisdictions are adopting these standards. Turkey was the first market to fully mandate ISSB in January 2024, and since March 2024, 15 other markets, including the UK, Brazil and Australia, have announced implementation timelines—with more expected to come.
- > **Corporate Sustainability Reporting Directive (CSRD) in Europe**—Beginning this year, large companies and listed subject matter experts must publish regular reports on their environmental and social impact activities. Companies are required to make disclosures on both financial and material impacts available. This approach helps investors, consumers, policymakers, and other stakeholders to evaluate companies' non-financial performance. CSRD emphasizes transparency, accountability, and informed decision-making, aligning with global efforts toward a more sustainable future. Non-compliance with CSRD can lead to administrative and financial penalties for companies.

2. SAVVY INVESTMENT MANAGERS ARE USING ALTERNATIVE DATA TO GAIN A LONG-TERM PERFORMANCE EDGE.

Alternative data doesn't come from standard channels like financial reports or market data. Instead, it encompasses diverse sources, from government agencies to non-governmental organizations to employee feedback. This data enriches fundamental analysis by providing multidimensional insights beyond traditional metrics, fostering enhanced investment insights and unique potential investments.

The Calamos Sustainable Equities Team believes alternative data will play a greater role in assessing asset values across public markets. It all boils down to whether a manager will use this data to get an investment edge or ignore it and misinterpret risks and opportunities.

For 25 years, our team has used alternative data to make informed investment decisions.

Our team is experienced in identifying and analyzing alternative data as part of our investment process. Since the late 1990s, we have used it to mitigate risk, identify opportunities and build stronger, more durable portfolios. As the amount and quality of this data improves, our job becomes easier because we can evaluate companies more efficiently and comparatively.

SUSTAINABLE INVESTING: HIDE UNDER A ROCK OR TURN OVER NEW STONES?

Sustainability disclosures that help level the playing field by providing a framework for analyzing relevant information about a company's non-financial operations and improved alternative data, enabling enhanced risk/opportunity analysis are coming to the fore. Ultimately it is up to investors to decide whether to consider or ignore these powerful factors. We believe both traditional fundamental and alternative data are material to a company's bottom line and long-term prospects and will continue to evaluate and integrate them into our already robust analysis.

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 1-866-363-9219. Read it carefully before investing.

Diversification and asset allocation do not guarantee a profit or protect against a loss. Alternative strategies entail added risks and may not be appropriate for all investors. Indexes are unmanaged, not available for direct investment and do not include fees and expenses.

Opinions, estimates, forecasts, and statements of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice. The views and strategies described may not be appropriate for all investors. References to specific securities, asset classes and financial markets are for illustrative purposes only and are not intended to be, and should not be interpreted as recommendations.

Environmental, social and governance (ESG) is based on the premise of investing in companies that have good environmental records, are ethically run and have a positive social impact.

An investment in the Fund(s) is subject to risks, and you could lose money on your investment in the Fund(s). There can be no assurance that the Fund(s) will achieve its investment objective. Your investment in the Fund(s) 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(s) can increase during times of significant market volatility. The Fund(s) 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 Antetokounmpo Global Sustainable Equities ETF** include: equity securities risk consisting of market prices declining in general, growth stock risk consisting of potential increased volatility due to securities trading at higher multiples, value stock risk, foreign securities risk, forward foreign currency contract risk, emerging markets risk, small and mid-sized company risk and portfolio selection 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 rates, increased price volatility and difficulty obtaining information. In addition, emerging markets may present additional risk due to potential for greater economic and political instability in less developed countries.

The principal risks of investing in the **Calamos Antetokounmpo Sustainable Equities Fund** include: equity securities risk consisting of market prices declining in general, growth stock risk consisting of potential increased volatility due to securities trading at higher multiples, large-capitalization stocks as a group could fall out of favor with the market, small and mid-sized company risk, sector risk, portfolio turnover risk, and portfolio selection risk.

The Fund's ESG policy could cause it to perform differently compared to similar funds that do not have such a policy. The application of the social and environmental standards of Calamos Advisors may affect the Fund's exposure to certain issuers, industries, sectors, and factors that may impact the relative financial performance of the Fund-positively or negatively-depending on whether such investments are in or out of favor.

Calamos Antetokounmpo Asset Management LLC ("CGAM"), an investment adviser registered with the SEC under the Investment Advisers Act of 1940, serves as the Fund's adviser ("Adviser"). CGAM is jointly owned by Calamos Advisors LLC and Original C Fund, LLC, an entity whose voting rights are wholly owned by Original PE, LLC which, in turn, is wholly owned by Giannis Sina Ugo Antetokounmpo. Giannis Sina Ugo Antetokounmpo is the majority shareholder of Original C, with a 68% ownership interest.

Mr. Antetokounmpo serves on the Adviser's Board of Directors and has indirect control of half of the Adviser's Board.

Mr. Antetokounmpo is not a portfolio manager of the Fund and will not be involved in the day-to-day management of the Fund's investments, and neither Original C nor Mr. Antetokounmpo shall provide any "investment advice" to the Fund. Mr. Antetokounmpo provided input in selecting the initial strategy for the Fund.

Mr. Antetokounmpo will be involved with marketing efforts on behalf of the Adviser.

If Mr. Antetokounmpo is no longer involved with the Fund or the Adviser then "Antetokounmpo" will be removed from the name of the Fund and the Adviser. Further, shareholders would be notified of any change in the name of the Fund or its strategy.

The Adviser is jointly owned and controlled by Calamos Advisors LLC and, indirectly, by Mr. Antetokounmpo, a well-known professional athlete. Unanticipated events, including, without limitation, death, adverse reputational events or business disputes, could result in Mr. Antetokounmpo no longer being associated or involved with the Adviser. Any such event could adversely impact the Fund and result in shareholders experiencing substantial losses.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

CALAMOS[®]
INVESTMENTS

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