

Calamos Market Neutral Income Fund: Reflections on 30 Years of Innovation

For 30 years, Calamos Market Neutral Income Fund has provided investors with an innovative approach that seeks to provide steady performance over market cycles, while serving as an alternative to traditional fixed income allocations. For perspective on this milestone, we sat down with John P. Calamos, Sr., who launched the fund in 1990, and Eli Pars, CFA, who leads the fund's investment management team today.

Q. What does the fund's anniversary mean to you?

John Calamos: I'm deeply appreciative that so many investors and investment professionals have chosen Calamos Market Neutral Income Fund throughout the years. Over its 30-year history, the fund has invested through many different interest rate environments, economic cycles, bull and bear markets, market shocks and extended periods of uncertainty and volatility. To have provided investors with a fund that has stood the test of time the way Calamos Market Neutral Income Fund has—one that has provided generations of investors with asset allocation benefits—well, it means a great deal to me.

Eli Pars: We're very thankful to have such a loyal investor base. We think that's a result of the fund having historically done what it says it will. Calamos Market Neutral Income Fund isn't a sports car—but we like to think of it as a car that always starts.



JOHN P. CALAMOS, SR.
 Founder, Chairman,
 Global CIO



ELI PARS, CFA
 Co-CIO, Senior
 Co-Portfolio Manager

Q. John, when you founded Calamos Investments in the 1970s, you were pioneering strategies that used convertible securities. How did the launch of Calamos Market Neutral Income Fund build on that?

John Calamos: When I began my career, the potential benefits of convertible securities were not broadly recognized. For all intents and purposes, they were an alternative asset class. I was very intrigued by the convertible structure and the different ways convertibles could be actively managed to enhance the risk/reward profiles of my clients' portfolios. Calamos Market Neutral Income Fund was built on this expertise in convertible securities and options. The fund gave retail investors access to strategies generally reserved for hedge funds and institutional investors.

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 may be obtained by calling 1-800-582-6959. Read it carefully before investing.

Diversification and asset allocation do not guarantee a profit or protect against a loss. Alternative investments may not be suitable for all investors.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

Q. Why do you believe the fund has stood the test of time so well?

John Calamos: I believe the fund’s longevity is the result of our pursuit of steady performance over time, and our emphasis on capital preservation. These days, Wall Street, investment bankers and institutional investors focus on relative performance versus a benchmark index. And of course that’s important, but relative performance doesn’t support you in retirement. If the index is down 20% and a fund is down 15%, the fund may have outperformed, but the investor has still lost ground. Calamos Market Neutral Income Fund is managed with a recognition that absolute returns matter.

And, I believe this will be just as important in the future. Right now, we’re in a market environment that is extremely uncertain, and Calamos Market Neutral Income Fund is designed to help investors stay in the market and avoid the temptation to make timing decisions in the face of short-term volatility.

Q. Eli, what are your thoughts on the fund’s longevity?

Eli Pars: Definitely, I’d echo what John said—the fund’s historical consistency over time really sets it apart. Also, it offers a unique way to seek bond-like returns without a lot of interest rate risk. This has become particularly attractive over the past 10-plus years, as lower interest rates have made traditional bonds both less attractive and more risky.

Another reason the fund has been successful is our investment organization’s culture. John built our firm on the belief that team structures are the best for leveraging talent, and by extension serving investors. Teamwork also gives us stability and consistency.

Q. Looking back at the history of the fund, is there a period that exemplifies its benefits?

Eli Pars: While there have been many impressive periods in the fund’s history, I believe the fund’s greatest

accomplishment has been its historical consistency in delivering positive returns. The fund has only had three down years in its 30-year history.*

Q. What are some of the tailwinds you see for the fund in this volatile environment?

Eli Pars: The fund employs two primary strategies—convertible arbitrage and hedged equity. We adjust the allocation to each based on our view of market conditions, with the goal of being prepared for as many outcomes as possible. Year-to-date through October, U.S. companies have brought more than \$90 billion in convertible securities to market. This wave of convertible issuance has helped cement the role of the asset class as a key part of the U.S. capital markets. This should be a nice tailwind for the asset class and for the fund.

One potential tailwind for the fund is that it seeks to derive returns by “monetizing volatility” in the equity markets, which means that elevated volatility can create a favorable backdrop for our approach. And, we are certainly in a period where we could see this elevated volatility.

Historically, the fund has demonstrated a lower correlation to traditional fixed income asset classes with similar risk/return attributes. So, we believe the fund can be a compelling choice for investors seeking a stable ballast from potential storms in the equity market.

Q. Do you have any closing thoughts?

John Calamos: We’re looking forward to the next 30 years! We’re as dedicated as ever to positioning the fund to help investors pursue steady returns over time.

This article is an excerpt of a Q&A that appears on our website. Visit www.calamos.com/MNI-30th to read the Q&A in its entirety and to learn more about the fund.

Through 30 years of change and market volatility, Calamos Market Neutral Income Fund has sought to provide consistent performance.	Average Annual Total Returns as of 9/30/2020				Since Inception	
	1 Yr	3 Yr	5 Yr	10 Yr	A Shares	I Shares
Calamos Market Neutral Income Fund						
I shares (Inception: 5/10/2000)	4.52%	4.31%	4.72%	4.31%	—	4.54%
A shares at NAV (Inception: 9/4/1990)	4.26	4.05	4.44	4.05	6.10%	—
A shares, Load Adjusted (Inception: 9/4/1990)	1.90	3.25	3.43	3.55	5.93	—
Bloomberg Barclays U.S. Govt/Credit Index	8.03	5.86	4.66	3.87	6.15	5.40
FTSE 30-Day T-Bill Index	0.86	1.57	1.09	0.57	2.45	1.52

Performance data quoted represents past performance, which is no guarantee of future results. 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 2.75%. 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.

The opinions referenced are as of the date of the publication, are subject to change due to changes in the market or economic conditions, and may not necessarily come to pass. Information contained herein is for informational purposes only and should not be considered investment advice. Past performance is no guarantee of future results. There can be no assurance that any Calamos Fund will achieve its investment objective.

Total return assumes reinvestment of dividends and capital gains distributions and reflects the deduction of any sales charges, where applicable. Performance may reflect the waiver of a portion of the Fund's advisory or administrative fees for certain periods since the inception date. If fees had not been waived, performance would have been less favorable.

Indexes are unmanaged, do not include fees or expenses and are not available for direct investment. The **FTSE 30-Day Treasury Bill Index** is an unmanaged index generally considered representative of the performance of short-term money market instruments. U.S. Treasury Bills are backed by the full faith and credit of the U.S. government and offer a guarantee as to the repayment of principal and interest at maturity. The **Bloomberg Barclays Capital U.S. Government/Credit Bond Index** is composed of long-term government and investment-grade corporate debt securities and is generally considered representative of the performance of the broad U.S. bond market.

Calamos Market Neutral Income Fund: As of prospectus dated 2/28/20, the total expense ratio for Class I shares is 1.01%, and 1.26% for Class A shares. The Adjusted Expense Ratio, which reflects the total expense ratio excluding the dividend and interest expense on short sales, is as follows: Class A: 1.08%, Class I: 0.83%. "Dividend and Interest Expense on Short Sales" reflect interest expense and dividends paid on borrowed securities. Interest expenses result from the Fund's use of prime brokerage arrangements to execute short sales. Dividends paid on borrowed securities are an expense of short sales. Such expenses are required to be treated as a Fund expense for accounting purposes and are not payable to Calamos Advisors LLC. Any interest expense amount or dividends paid on securities sold short will vary based on the Fund's use of those investments as an investment strategy best suited to seek the objective of the Fund.

Important Fund Risk Information: 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 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.

Convertible Arbitrage Principal Risks: 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 fund's increased liability on any outstanding short position would, in whole or in part, reduce this gain.

Covered Call Writing Principal Risks: As the writer of a covered call option on a security, the fund 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. **Short Sale Risk:** The Fund 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 Fund replaces the security. The Fund may be unable to repurchase the borrowed security at a particular time or at an acceptable price.

The principal risks of investing in the **Calamos Hedged Equity Fund** include: covered call writing risk, options risk (see definition below), equity securities risk, correlation risk, mid-sized company risk, interest rate risk, credit risk, liquidity risk, portfolio turnover risk, portfolio selection risk, foreign securities risk, American depository receipts, and REITs risks.

Options Risk—the Fund's ability to close out its position as a purchaser or seller of an over-the-counter or exchange-listed put or call option is dependent, in part, upon the liquidity of the options market. There are significant differences between the securities and options markets that could result in an imperfect correlation among these markets, causing a given transaction not to achieve its objectives. The Fund's ability to utilize options successfully will depend on the ability of the Fund's investment advisor to predict pertinent market movements, which cannot be assured.

The principal risks of investing in the **Calamos Growth and Income Fund** include: the potential for convertible securities to decline in value during periods of rising interest rates and the possibility of the borrower missing payments; synthetic convertible instruments risks include fluctuations inconsistent with a convertible security and components expiring worthless. Others include equity securities risk, growth stock risk, small and midsize company risk, interest rate risk, credit risk, liquidity risk, high yield risk, forward foreign currency contract risk, and portfolio selection risk.

The principal risks of investing in the **Calamos Evolving World Growth 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, foreign securities risk, emerging markets risk, 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, and portfolio selection risk.

The principal risks of investing in the **Calamos Global Equity 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, value stock risk, foreign securities risk, forward foreign currency contract risk, emerging markets risk, small and mid-sized company risk and portfolio selection risk.

The principal risks of investing in the **Calamos Global Growth and Income Fund** include: 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 consisting of fluctuations inconsistent with a convertible security and the risk of components expiring worthless, foreign securities risk, emerging markets risk, equity securities risk, growth stock risk, interest rate risk, credit risk, high yield risk, forward foreign currency contract risk, portfolio selection risk, and liquidity risk.

The principal risks of investing in the **Calamos International Growth 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, foreign securities risk, emerging markets risk, small and mid-sized company risk and portfolio selection risk.

The principal risks of investing in the **Calamos Timpani Small Cap Growth 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, and portfolio selection risk. The Fund invests in small capitalization companies, which are often more volatile and less liquid than investments in larger companies.

Calamos Evolving World Growth Fund, Calamos Global Equity Fund, Calamos Global International Growth Fund, Calamos Timpani Small Cap Growth: 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.

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.

Morningstar Allocation—70% to 85% Equity funds seek to provide both income and capital appreciation by investing in multiple asset classes, including stocks, bonds and cash. These portfolios are dominated by domestic holdings and have equity exposures between 70% and 85%.

Morningstar Market Neutral Category represent funds that attempt to eliminate the risks of the market by holding 50% of assets in long positions in stocks and 50% of assets in short positions.

Morningstar Options-Based Category funds may use a variety of strategies, including but not limited to: put writing, covered call writing, option spread, options-based hedged equity, and collar strategies. In addition, options based funds may seek to generate a portion of their returns, either indirectly or directly, from the volatility risk premium associated with options trading strategies.

Morningstar Diversified Emerging Markets Category is comprised of funds with at least 50% of stocks invested in emerging markets.

Morningstar World Large Stock Category comprises international funds having 20% to 60% of stocks invested in the United States.

Morningstar World Allocation funds seek to provide both capital appreciation and income by investing in three major areas: stocks, bonds and cash. While these portfolios do explore the whole world, most of them focus on the U.S., Canada, Japan and the larger markets in Europe. It is rare for such portfolios to invest more than 10% of their assets in emerging markets. These portfolios typically have at least 10% of assets in bonds, less than 70% of assets in stocks, and at least 40% of assets in non-U.S. stocks or bonds.

Morningstar Foreign Large Growth Category focuses on high-priced growth stocks, mainly outside of the United States. Most of these portfolios divide their assets among a dozen or more developed markets, including Japan, Britain, France, and Germany. These portfolios primarily invest in stocks that have market caps in the top 70% of each economically integrated market (such as Europe or Asia ex-Japan). Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields). These portfolios typically will have less than 20% of assets invested in U.S. stocks.

Morningstar Small Growth Category funds focus on faster-growing companies whose shares are at the lower end of the market-capitalization range. Stocks in the bottom 10% of the capitalization of the U.S. equity market are defined as small cap. Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields).

In every market environment, experience matters

We believe there is opportunity in all environments, including changing and uncertain ones. Since our founding during the difficult financial markets of the 1970s, we have been dedicated to turning volatility into opportunity for the shareholders of the Calamos Funds. Guided by long-term perspective, we provide a wide array of actively managed asset allocation choices, including many funds with 5-star and 4-star Morningstar Overall Ratings™, a measure of risk-adjusted historical performance.

MORNINGSTAR OVERALL RATINGS™ DATA AS OF NOVEMBER 30, 2020



CALAMOS MARKET NEUTRAL INCOME FUND

Among 100 Market Neutral Funds

The Fund's risk-adjusted returns based on load-waived Class I Shares had 4 stars for 3 years, 4 stars for 5 years and 5 stars for 10 years out of 100, 79 and 22 Market Neutral Funds, respectively.



CALAMOS HEDGED EQUITY FUND

Among 110 Options-Based Funds

The Fund's risk-adjusted returns based on load-waived Class I Shares had 4 stars for 3 years and 5 stars for 5 years out of 110 and 64 Options-Based Funds respectively.



CALAMOS GROWTH AND INCOME FUND

Among 301 Allocation—70% to 85% Equity Funds

The Fund's risk-adjusted returns based on load-waived Class I Shares had 5 stars for 3 years, 5 stars for 5 years and 4 stars for 10 years out of 301, 274 and 183 Allocation—70% to 85% Equity Funds, respectively.



CALAMOS GLOBAL GROWTH AND INCOME FUND

Among 401 World Allocation Funds

The Fund's risk-adjusted returns based on load-waived Class I Shares had 5 stars for 3 years, 5 stars for 5 years and 5 stars for 10 years out of 401, 350 and 205 World Allocation Funds, respectively.



CALAMOS EVOLVING WORLD GROWTH FUND

Among 701 Diversified Emerging Markets Funds

The Fund's risk-adjusted returns based on load-waived Class I Shares had 5 stars for 3 years, 4 stars for 5 years and 5 stars for 10 years out of 701, 592 and 266 Diversified Emerging Markets Funds, respectively.



CALAMOS GLOBAL EQUITY FUND

Among 750 World Large Stock Funds

The Fund's risk-adjusted returns based on load-waived Class I Shares had 4 stars for 3 years, 4 stars for 5 years and 4 stars for 10 years out of 750, 634 and 381 World Large Stock Funds, respectively.



CALAMOS INTERNATIONAL GROWTH FUND

Among 402 Foreign Large Growth Funds

The Fund's risk-adjusted returns based on load-waived Class I Shares had 4 stars for 3 years, 4 stars for 5 years and 4 stars for 10 years out of 402, 322 and 237 Foreign Large Growth Funds, respectively.



CALAMOS TIMPANI SMALL CAP GROWTH FUND

Among 578 Small Growth Funds

The Fund's risk-adjusted returns based on load-waived Class I Shares had 4 stars for 3 years and 4 stars for 5 years out of 578 and 507 Small Growth Funds, respectively.

Performance data quoted represents past performance, which is no guarantee of future results.

Morningstar Data: Morningstar Ratings™ are based on risk-adjusted returns and are through 11/30/20 for Class I shares and will differ for other share classes. Morningstar ratings are based on a risk-adjusted return measure that accounts for variation in a fund's monthly historical performance (reflecting sales charges), placing more emphasis on downward variations and rewarding consistent performance. Within each asset class, the top 10%, the next 22.5%, 35%, 22.5%, and the bottom 10% receive 5, 4, 3, 2 or 1 star, respectively. Each fund is rated exclusively against U.S. domiciled funds. The information contained herein is proprietary to Morningstar and/or its content providers; may not be copied or distributed; and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Source: ©2020 Morningstar, Inc.

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