Calamos Antetokounmpo Global Sustainable Equities ETF (SROI)

CALAMOS INVESTMENTS

Investment Team Outlook

April 4, 2024

Jim Madden, CFA, Tony Tursich, CFA, and Beth Williamson

Key Points:

- » We remain wary of chasing highly valued stocks and are vigilant to the potential for elevated volatility after a long rally in the US stock market.
- » Our use of alternative data, particularly environmental factors, gives us a more complete view of the risk/reward opportunities in sectors, industries, and individual companies.

Global equity markets powered ahead in quarter one, setting records along the way. The Japanese market eclipsed its all-time high set in 1989 and returned more than 20% for the quarter, as measured by the MSCI Japan Index. Europe followed suit with the Stoxx 600 Index also hitting an all-time high. Ten of the 11 economic sectors in the MSCI ACWI Index posted positive returns, with real estate the outlier.

Although the Fed, European Central Bank, and Bank of England all signaled rate cuts later in the year, the Swiss Central Bank became the first developed market to actually cut, easing rates by 25 basis points in March. Markets seem to be pricing in a high probability of a soft landing, and risk aversion is taking a back seat. We believe the resulting lack of fear and volatility leaves room for negative surprises to roil the markets with relatively high valuations likely to exacerbate drawdowns.

> “The longer the expansion and the longer the bull market, the more intense the speculation at the end of it is. People’s sense of disbelief gets eroded, and their skepticism gets eroded the longer things go on. They begin to realize that traditional metrics of value don’t count.
>
> —Jim Chanos

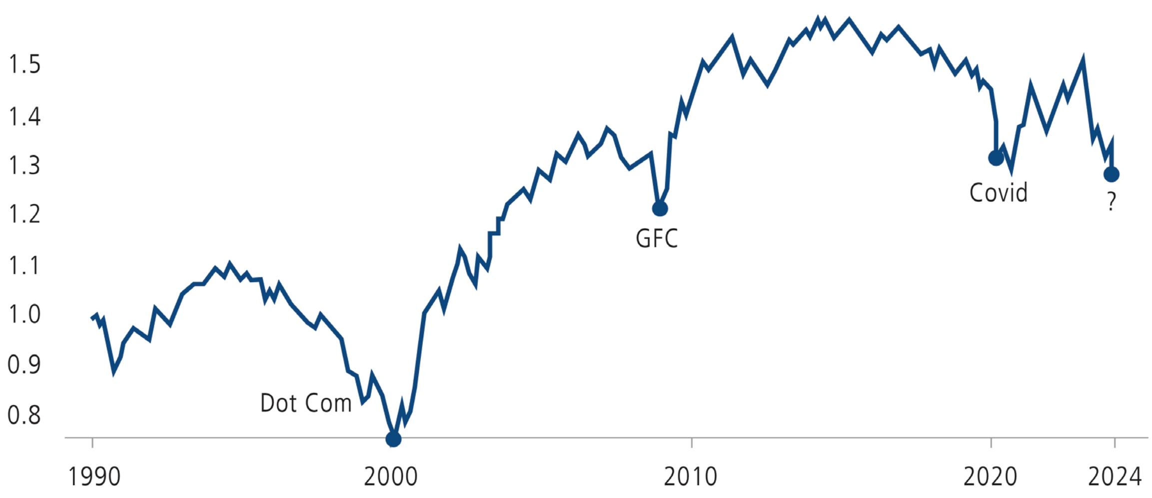
US stocks now account for more than 60% of the MSCI ACWI Index. Although we’ve seen US and global equity markets broaden versus 2023, they are still disproportionately driven by AI-related tech names. For example, just four stocks—NVIDIA, Microsoft, Meta and Amazon—accounted for nearly half of the S&P 500’s gain for the quarter.

To put this in perspective, during the first quarter, the market-cap weighted S&P 500 gained 10.6% while the S&P 500 Equal Weighted Index gained 7.9%. History has shown that when the equal-weighted index underperforms meaningfully, there’s usually been a negative reason.

Calamos Antetokounmpo Global Sustainable Equities ETF (SROI)

WHEN THE AVERAGE STOCK LAGS, IT'S BEEN DUE TO A BUBBLE OR CRISIS. WHY NOW?

RATIO, S&P 500 EQUAL WEIGHT/S&P 500 (CAP WEIGHTED)



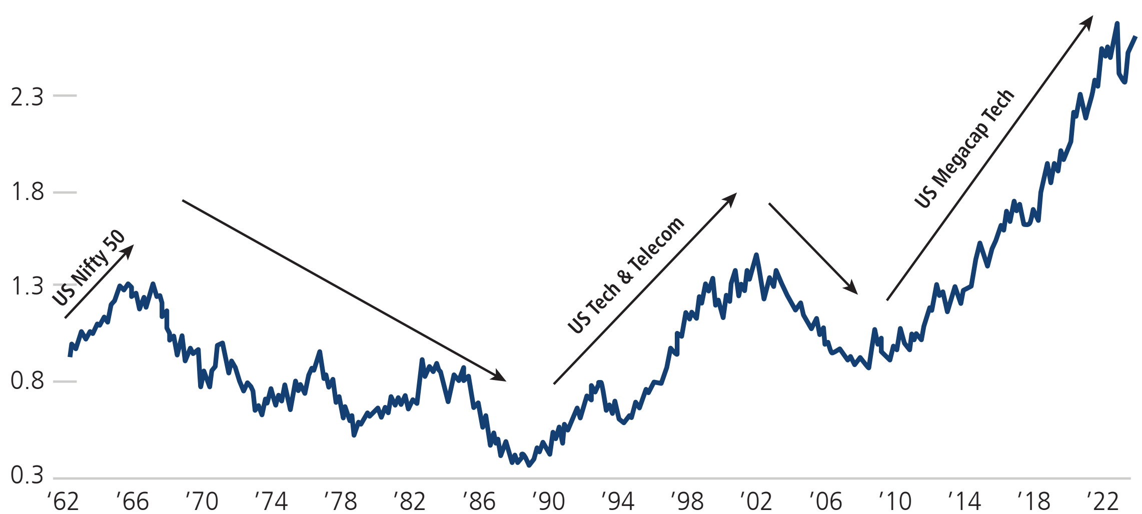
Past performance is no guarantee of future results. Source: Bloomberg, "Magnificent or Marxist: Passive Investing Is Back on Trial," John Authors, February 8, 2024.

Why invest globally?

US markets have dominated the global landscape for many years, but as the chart below shows, these periods have been followed by reversals. The advantage of diversifying across the globe is not worrying about timing these big inflections.

WHAT GOES UP …

S&P 500 VERSUS INTERNATIONAL DEVELOPED MARKETS RELATIVE TOTAL RETURN INDEX RATIO



Past performance is no guarantee of future results. Source: Richard Bernstein Advisors, "What does a once in a generation investment opportunity look like?," Dan Suzuki, CFA, January 11, 2024, using Richard Bernstein Advisors LLC, Bloomberg, MSCI, S&P. Note: International developed stock market performance prior to 1970 is based on local currency monthly price returns weighted as follows: UK FTSE All-Share Index 40%); German DAX Index (15%); Japan Topix Index (15%); Australia ASK All Ordinaries Index (15%); Canada S&P/Toronto Stock Exchange Composite Index (15%). For comparability, the authors also used S&P 500 price returns prior to 1970. From 1970, all returns are based on total returns in USD, with international developed market returns based on the MSCI EAFE Index. Cash returns are based on the ICE BofA US 3-month Treasury Bill Index. Energy returns are based on the S&P 500 Energy Index.

Spotlight on Innovation: SAP

Although US tech stocks have rightfully held much of the spotlight lately, there are tech opportunities overseas that we believe offer opportunities overlooked by many investors. One example is SAP, a German multinational software company that develops enterprise software to manage business operations and customer relations. It is the world's leading enterprise resource planning (ERP) software vendor.

The company is in the midst of a lucrative cloud transition, which is driving growth and profitability. SAP has leadership in all its key markets and, because of its products' importance to clients, very high retention.

SAP has the qualities we look for— strong balance sheet, high profitability, and resilient earnings. We believe that the company will be positioned for continued growth, even if global economic growth slows. We see similar opportunities around the world and have included them in the fund's portfolio.

Finding Quality: Why Alternative Data is Essential

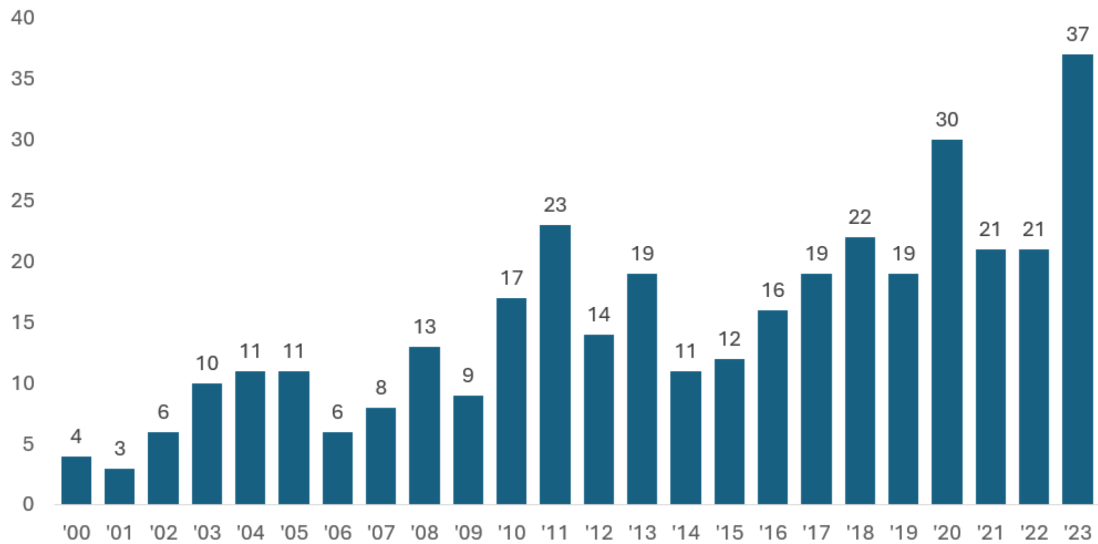
Whatever the reason, equity diversification has not worked well during this rally. Despite the current environment, we continue to believe that holding a high-quality, diversified basket of stocks is the best way to achieve outperformance with less volatility over the long term.

We're often asked to weigh in on the intensifying debates about ESG, which are getting more political by the day. The issues are complicated, but our answer is simple: As stewards of investors' capital, we are concerned with the financial not the political. We follow how and where capital is flowing, and carefully consider all available data about potential risks.

Alternative data is an essential part of the risk/reward equation. For example, we are highly selective in our approach to insurance companies because environmental factors (weather) are creating challenging capital implications for that industry. Traditional analysts who don't take environmental risks into account may miss important risks. Consider that in 2023 there were 37 insured billion-dollar economic loss events because of extreme weather, which set a new record, according to Aon.

EXTREME WEATHER, EXTREME BALANCE SHEET RISKS

BILLION-DOLLAR LOSSES FROM EXTREME WEATHER



Source: Aon, "2024, Climate and Catastrophe Insight."

Calamos Antetokounmpo Global Sustainable Equities ETF (SROI)

These numbers are too big to ignore if you are trying to understand the industry and companies in it. This is why, for more than 25 years, the Calamos Sustainable Equities Team has incorporated alternative data, especially environmental data, into our investment decisions.

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.

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.

Indexes are unmanaged, do not include fees or expenses and are not available for direct investment. The **S&P 500 Index** is considered generally representative of the US equity market and is market cap weighted. The **S&P 500 Equal Weighted Index** includes these same companies but is not market cap weighted..

The portfolio is actively managed. Holdings subject to change daily. As of April 17, 2024, the 10 largest holdings were: Microsoft Corp., 4.75%; Alphabet Inc.-CL A, 4.45%; Taiwan Semiconductor-SP ADR, 3.50%; Apple, Inc., 3.33%; Nvidia Corp., 1.88%, Visa Inc.-Class A Shares, 1.77%; SAP SE, 1.72%, Applied Materials Inc. 1.62%; Novo Nordisk A/S-B, 1.45%; HDFC Bank, Ltd-ADR, 1.36%.

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 the potential for greater economic and political instability in less developed countries.

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.

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.

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.

Calamos Financial Services LLC, Distributor

CALAMOS®
INVESTMENTS

Calamos Antetokounmpo Asset Management
2020 Calamos Court | Naperville, IL 60563-2787
800.582.6959 | calamos.com | caminfo@calamos.com

18178 0424