

# Calamos Antetokounmpo Global Sustainable Equities ETF (SROI)

CALAMOS<sup>®</sup>  
INVESTMENTS

## Investment Team Outlook

January 3, 2024

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### Key Points:

- » We do not believe lower-quality companies will be rewarded to the extent they were over the past decade.
- » Looking forward, we expect the market to increasingly reward reasonably valued stocks of high-quality, fundamentally strong growth companies.
- » The global focus on sustainability will increasingly drive opportunities for innovative companies across industries and geographies and create risks for those businesses that cannot evolve.

After taking a breather in the third quarter, global stocks resumed their climb in the fourth to close out the year on a strong note. Most regions and countries saw positive equity returns in the fourth quarter and double-digit percentage appreciation in 2023; China was a notable exception as persistent troubles in the property sector hampered a post-Covid recovery.

Ten of the 11 economic sectors within the MSCI ACWI Index and the S&P 500 Index appreciated both in the fourth quarter and for the full year. Generative AI and GLP-1s weight-loss drugs were the dominant themes, and stocks associated with them were among the best performing globally.

The powerful rally in the final quarter of the year was propelled by the expectation of interest rate cuts in 2024. Traders bet that central banks will cut interest rates sooner rather than later, with contrarian views centered on the magnitude of the easing and the timing. The European Central Bank and the Bank of England are expected to lead the way, with markets anticipating rate cuts from these banks in the second quarter of 2024, followed by the Federal Reserve in the third, according to IMF projections.\* Some believe cuts could come sooner because inflationary pressure is fading in developed economies.

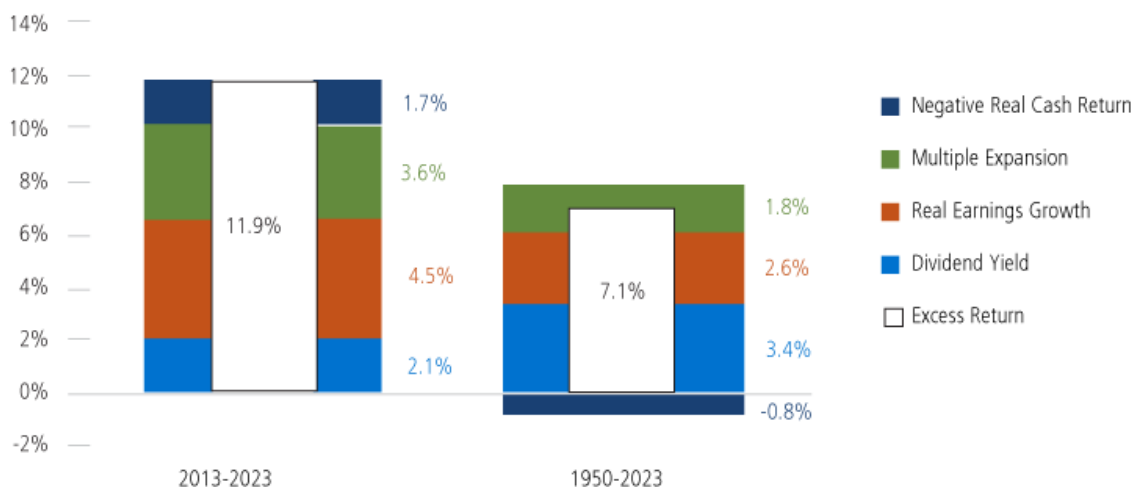
Central banks may be done with rates hikes, but higher rates may not be done with us. The impact of higher rates has only begun to take hold. It can take up to 24 months for a change in interest rates to be fully reflected in the economy. Consumers and businesses are beginning to feel the pinch of higher rates. Whether the global economy and corporate earnings can withstand the lagged effects of monetary tightening next year is unclear. As always, we shall see.

The worst decisions are made during the best of times. We've seen a secular bull market over the past decade when investors often made more by dipping further down in quality. Can this continue? The chart below suggests it is unlikely. Cash returns will probably not be negative as they were for the past 10 years, and dividends tend to stay steady. So, if returns are to stay at the current level, it will take even more multiple expansion and even faster earnings growth. Going forward, good risk management is likely to be better compensated than brazen risk taking. Because the past 10 years are unlikely to be repeated, we believe diversification will pay off as investors return their focus to fundamentals and valuations.

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## US EQUITY RETURN DECOMPOSITION, JANUARY 1, 1950, TO JUNE 30, 2023

### EXCESS RETURNS



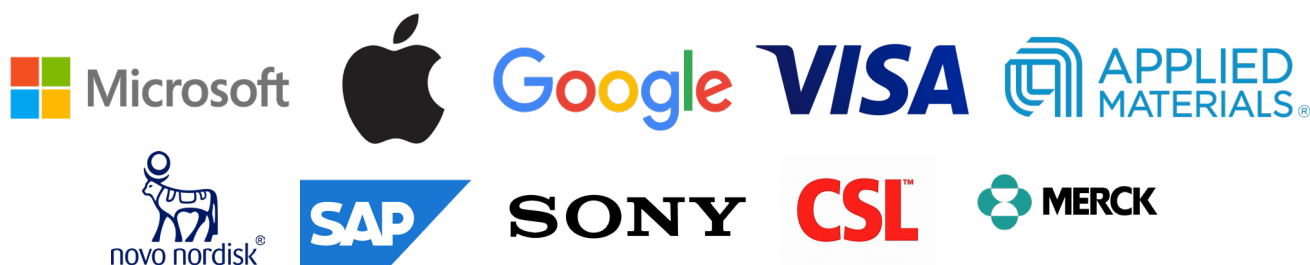
**Past performance is no guarantee of future results.** Source: AQR, Robert Shiller's Data Library, US equities are represented by the S&P 500 Index and cash is represented by 3-month Treasury Bills. All returns are gross of fees.

### SROI is Aligned with Global Growth Themes

We position Calamos Antetokounmpo Global Sustainable Equities ETF (SROI) to provide a core allocation to quality growth companies that we believe can thrive as the global economy evolves. Even if we cannot predict with certainty how economic and market conditions will unfold in 2024, we believe investors will be best served over the long term by a diversified portfolio of industry leaders with strong operating fundamentals and reasonable valuations. We view this as the optimal formula to attain desirable risk-adjusted returns over time. Accordingly, we are committed to managing SROI with a time-tested integrated approach that uses traditional financial data and alternative data to make better investment decisions.

### SROI SEEKS GLOBAL LEADERS WITH QUALITY GROWTH FUNDAMENTALS

#### TEN LARGEST HOLDINGS AS OF JANUARY 3, 2024



Sustainable criteria are one key set of this alternative data. Investors should take the resolution of COP28 as a clear indication of how important sustainability has become and how important it will be going forward. Declarations and pledges by 130 countries to double energy efficiency by 2030 are deliberate and present investment risks for some companies and industries but exciting opportunities for others. SROI includes a broad array of quality growth companies that are at the forefront of innovation. Regardless of whether countries can meet their Paris Climate goals, we believe companies purposefully moving to become more resource- and energy-efficient in their operations, products, and services are positioned to win.

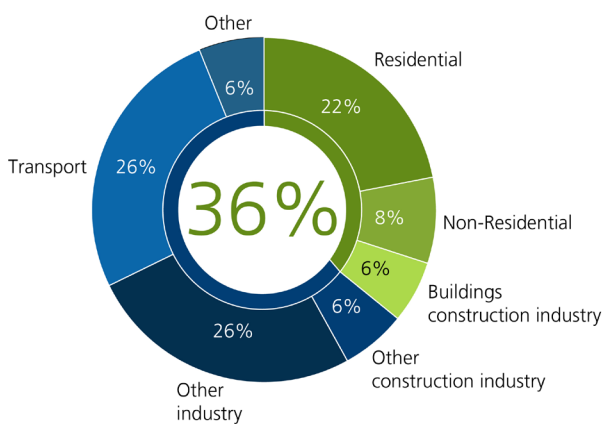
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## Spotlight: Sustainability Considerations Drive Growth Opportunity in the Construction Industry

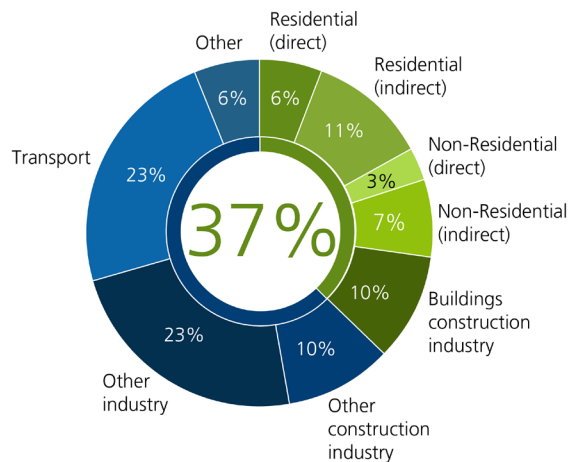
Commercial and residential buildings use a lot of energy and produce significant carbon emissions, both in the development stage and use stage. In fact, buildings account for more than 30% of global energy consumption and nearly 40% of global CO<sub>2</sub> emissions. This share is expected to increase in the coming decades as the global population grows and becomes more urbanized. As such, companies offering products and services that reduce embodied and operational carbon will see increasing demand as buildings become more efficient.

### BUILDINGS AND CONSTRUCTION'S SHARE OF GLOBAL FINAL ENERGY AND ENERGY-RELATED CO<sub>2</sub> EMISSIONS, 2020

#### Energy



#### Emissions



Source: Global Alliance for Buildings and Construction, 2021 Global Status Report for Buildings and Construction, October 19, 2021. <https://globalabc.org/resources/publications/2021-global-status-report-buildings-and-construction>. Note: "Buildings construction industry" is the portion (estimated) of overall industry devoted to manufacturing building construction materials such as steel, cement and glass. Indirect emissions are emissions from power generation for electricity and commercial heat. Source: IEA 2021a. All rights reserved. Adapted from "Tracking Clean Energy Progress."

One such company is Compagnie de Saint-Gobain, a French provider of construction solutions, such as window glazing to enhance heating and cooling, insulation for water pipes, and energy-efficient ventilation ducts

Sustainable innovation drives Compagnie de Saint-Gobain's strategy, and the company is more profitable than ever following non-core divestitures to focus on sustainable and efficient construction products.



In our opinion, the business is also somewhat insulated from a downturn in construction as around half of sales now comes from renovation. We believe that further upside exists because the current valuation does not yet reflect corporate culture improvements, improved capital allocation, and organizational improvements made over the past five years.

# Calamos Antetokounmpo Global Sustainable Equities ETF (SROI)

As of January 3, 2024, the top holdings in the portfolio were: Microsoft Corp., 4.40%; Apple Inc., 4.03%; Alphabet Inc-Class A, 3.49%; Visa Inc-Class A Shares, 1.72%; Applied Materials Inc, 1.53%; Novo Nordisk A/S-B, 1.47%; SAP SE, 1.47%; Sony Group Corp SP ADR, 1.38%; CSL LTD, 1.38%; Merk & Co., Inc., 1.35%. Compagnie de Saint Gobain is 0.86%.

\*Source: IMF Global Financial Stability Report, October 2023.

**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.

The **MSCI ACWI Index** measures global equity performance. The **S&P 500 Index** measures US large cap stock performance. Indexes are unmanaged, do not include fees or expenses and are not available for direct investment.

The portfolio is actively managed. Holdings subject to change daily.

**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.

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.

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.

**Foreside Financial Services, LLC, Distributor**

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