Calamos Antetokounmpo Global Sustainable Equities ETF (SROI)

CALAMOS® INVESTMENTS

Investment Team Outlook

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Summary Points:

» We believe the best long-term strategy for building shareholder value is positioning Calamos Antetokounmpo Global Equities ETF in a globally diversified portfolio of industry-leading companies with high-quality characteristics.

» Narrow and momentum-driven markets point to a dangerous level of complacency among investors. History has shown that extreme complacency can lead to sudden and severe market dislocations.

» AI offers tremendous potential, but in its preoccupation with AI, we believe markets are overlooking and undervaluing many other growth themes and companies with much better valuations.

» While we may not like these narrow, momentum-driven markets, we are sticking to our core of quality and diversified discipline because we are confident that our quality-oriented fundamental investing will prevail.

Three tenets define the way we invest:

1. **We are diversified.** We are diversified across a global investment opportunity set. We seek diversification by exploring a variety of investment opportunities across myriad themes. Diversification is important because it acts to control volatility, and we believe that it can lead to superior risk-adjusted returns in normal market conditions.
2. **We are core.** We seek to buy and hold sector and industry leaders over the long term, which we believe can help us maximize long-term value for our shareholders.
3. **We are quality investors.** Our criteria favor companies with strong operating fundamentals, particularly related to profitability and consistency wins over the long term. Additionally, for us, quality is multi-dimensional; we are looking for strong performance and consistency in terms of nonfinancial (e.g., sustainable factors) as well as traditional financial metrics.

These principles have served our team well over the past 20-plus years, and we believe they will ultimately prevail. However, momentum (buying what's hot in the moment and selling what's not) and concentration have been the two watchwords of equity markets for some time now, and US large-cap technology stocks again led the way during the third quarter.

Exuberance about artificial intelligence has provided a significant tailwind since Microsoft announced its Chat GPT features in February 2023. Although we are participating in AI-driven opportunities, including large-tech, we are attentive to having a well-diversified portfolio of quality growth companies benefiting from a range of global megatrends, such as electrification, decarbonization, digitalization, and automation. (We explore these opportunities at greater length in our recent post, "Investing for Growth: 4 Global Megatrends.")

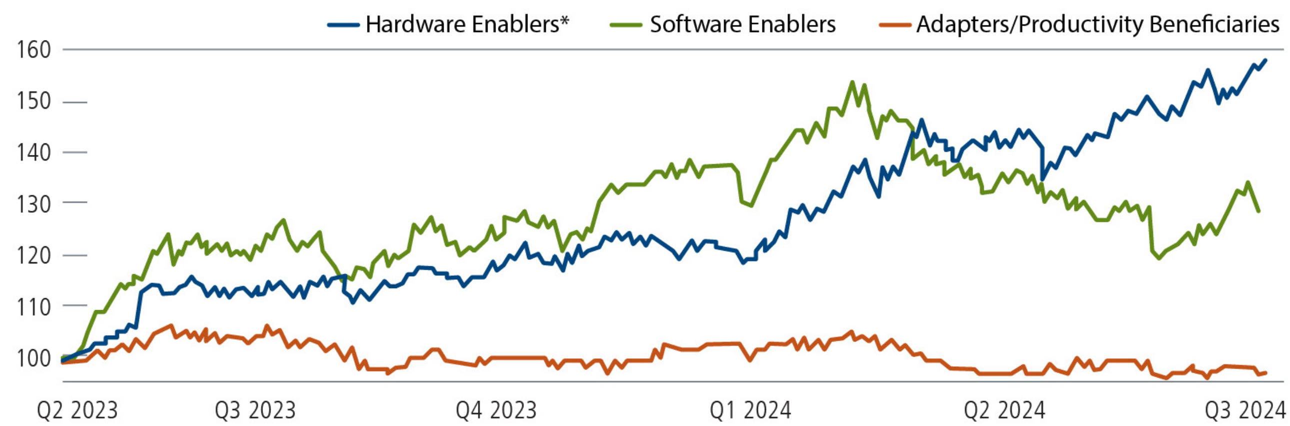
Eventually, history tells us, momentum will fade, and quality will return to favor, but why and when are the questions that matter to investors. No one knows the answers, but there are places to watch.

We keep an eye on the hundreds of billions of dollars that have been and continue to be spent in the AI space. At some point, there needs to be a return on that investment. So far, much of the AI profit has gone to hardware enablers such as data center components.

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.

AI-Exposed Companies: A Hardware Rally

INDEXED RELATIVE PERFORMANCE AGAINST EQUAL-WEIGHT S&P 500



Past performance is no guarantee of future results. Source: Financial Times, "The bear case for AI,: Tej Parikh, July 18, 2024, using Goldman Sachs GIR, FactSet. *Excluding NVIDIA.

For large tech companies like Meta, Google, and Microsoft to keep up this hardware purchasing pace, return on invested capital must ramp up. When, how, and if this happens will have much to do with how high AI can push markets and momentum. If that return on invested capital becomes murkier, it could be the catalyst for a sea change in the market—and a return to quality.

Another area to monitor is which companies can benefit most as AI spreads. Quality companies have a history of innovating and adapting to new technologies, which may give them a higher probability of gaining an advantage from AI.

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Years of unprecedented liquidity and low interest rates have contributed to a dramatic rise in risk assets since the end of the Great Financial Crisis in 2009. Complacency is natural in such a long bull market. Markets awash with cash have affected how investors view risk. Today, many stocks are valued as if the best-case scenario is the default scenario, with risk barely considered. This scenario works until it does not, at which point price dislocations can be severe. At some point, valuations and expectations will return to historical norms. As quality-oriented, valuation-aware investors, we believe we are in a good position to benefit from this shift.

Spotlight on Innovation: Iberdrola

There are many ways to participate in the AI ecosystem. One thing we know for sure is that GenAI power demands are tremendous. Along those lines, power grid operators will be front and center as renewables are added and grids expanded and strengthened. Iberdrola is multinational electric utility headquartered in Spain positioned to capitalize on these trends. It's one of the largest producers of wind power in the world and the fifth-largest electric utility in the world.

We find much to like about Iberdrola from both a traditional financial analysis and a proprietary sustainability analysis standpoint. On the traditional financial front, power demand due to AI and electrification will benefit renewables and grid investments, where the company is a global leader. Iberdrola benefits from good relationships with suppliers and scale, positioning it advantageously from a supply chain perspective. We also like the valuation, and believe the company offers a steadier way to grow shareholder value over time. Also, Iberdrola's footprint is geographically diversified, with assets in Iberia, the UK, the US, and Brazil well represented.

In terms of our proprietary analysis, Iberdrola is positioned to benefit from the energy transition, as it aims to replace fossil fuel-based energy generation systems with systems that emit/use lower carbon as well as by smart usage of electricity to reduce its CO2 emissions and combat climate change. In fiscal year 2023, approximately two-thirds the company's total installed electricity generation capacity was renewable, while its renewable business activities accounted for approximately 15% of the company's sales.

We believe that companies that support human development will also be better positioned over the long-term. Iberdrola is actively involved in initiatives that serve human development, including providing electricity access to people lacking such access, with a target of 16 million people by fiscal year 2030. As of 2023, the program had benefited 12.4 million people in emerging and developing countries through projects in Latin America and Africa.

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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, are 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.

The portfolio is actively managed. Holdings subject to change daily. As of October 24, 2024, the 10 largest holdings were:Microsoft Corp., 4.6%; Alphabet, Inc. - Class A, 4.2%; Apple, Inc., 3.8%; NVIDIA Corp., 3.5%; Taiwan Semiconductor Manufacturing Company, Ltd. (ADR), 3.5%; SAP, SE, 2.0%; Visa, Inc. - Class A, 1.6%; BYD Company, Ltd. - Class H,1.6%; TJX Companies, Inc., 1.4%; Costco Wholesale Corp., 1.4%. Iberdrola represented 0.65%.

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.

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