

**CALAMOS GLOBAL CONVERTIBLE FUND**

# Global Convertible Outlook: Neither the Fed nor Inflation Should Derail the Markets in 2022

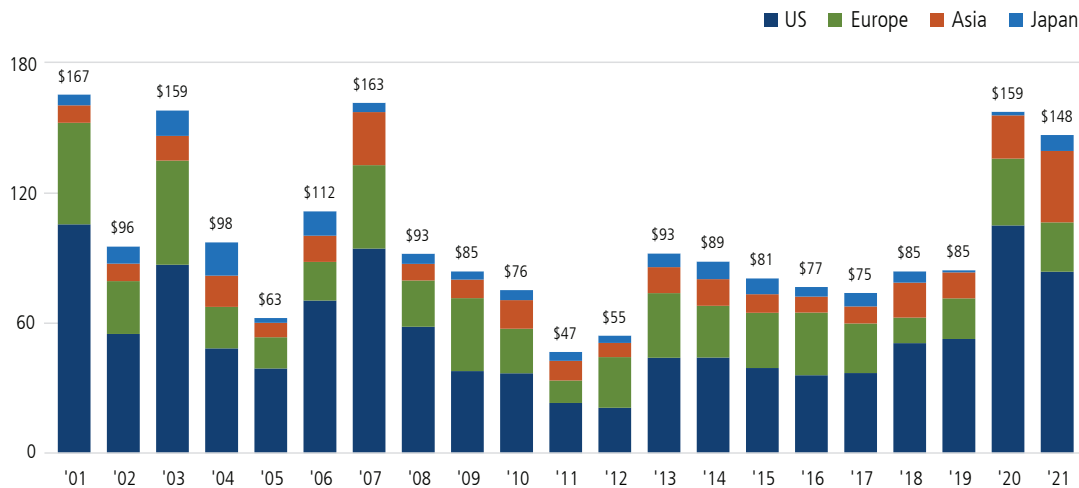
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We didn't think we still would be talking about the Covid-19 pandemic going into a third year, but here we are. Despite the disruptions the virus continues to cause, the economy and the markets keep moving past the pandemic. The outlook for growth in 2022 is solid, although more normal than some of the big GDP numbers we saw in the first half of 2021. Investors will be focused on inflation and the Federal Reserve in 2022, but we don't expect either to derail the markets. The likely combination of strong nominal GDP growth and interest rates that are still near all-time lows (even after a few short-term interest rate hikes by the Fed) should provide tailwinds for equities, and in turn, global convertible securities.

Global convertible issuance during the fourth quarter was strong at \$24 billion (USD), led by the US and Asia. For the full year, issuance totaled \$148 billion—the fifth highest on record—with \$84 billion coming from US companies. Although matching 2020's and 2021's levels will be a challenge, issuance is expected to remain strong in 2022 as companies seek capital in a growing economy. Furthermore, even a modest rise in interest rates can further boost issuance. (In exchange for the opportunity for upside equity participation, convertibles are typically issued with lower coupons than non-convertible debt, which makes convertibles an attractive choice for issuers. Additionally, convertibles have tended to outperform traditional bonds in rising rate environments, which makes them an attractive choice for investors as well.)

**ECONOMIC RECOVERY AND INVESTOR DEMAND FUELED GLOBAL CONVERTIBLE ISSUANCE IN 2021**

(\$ BILLION, USD)



Source: BofA Global Research. Data as of 12/31/2021.

Convertible securities vary in their levels of equity sensitivity. Those with the highest equity sensitivity behave more like their underlying stocks, with more exposure to equity market downside. Those with the lowest levels of equity sensitivity may not offer enough participation in equity upside. Because we focus on pursuing lower volatility global equity market participation over a full market cycle, we are mindful of taking on outsized equity market risk. At present, Calamos Global Convertible Fund is slightly less equity sensitive than the global convertible market, as measured by the Refinitiv Global Convertible Bond Index. We believe this sets up the fund for a better risk/reward profile.

From a geographic standpoint, the fund remains underweight to European convertibles. This positioning continues to reflect our view of the relative bottom-up opportunity set rather than a macro call. The technology sector is the fund's largest absolute weighting and largest overweighting versus the index.

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A copy of the English version of the Supplement, the Prospectus, and any other offering document and the KIID is available at [www.gemincapital.ie](http://www.gemincapital.ie). As required under national rules, the KIIDs and any other applicable documents are also available in the official language of the relevant jurisdiction where the Fund is marketed, or in another language accepted by the national competent authorities of that jurisdiction.

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