

CALAMOS GLOBAL CONVERTIBLE FUND
Ready for Choppier Waters

By Eli Pars, CFA
Co-CIO and Senior Co-Portfolio Manager

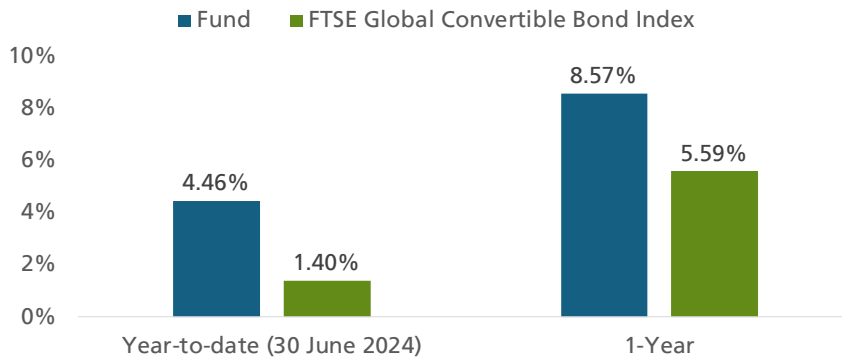


Key Points:

- » We expect choppier markets in 2H 2024, which supports the case for lower-volatility global equity participation.
- » In this environment, we focus on convertibles that offer a healthy balance of upside participation and downside risk mitigation.
- » and capitalize on the vicissitudes of a diverse convertible market.
- » A robust new issuance market gives us much to cheer about.

Although it was a slow quarter for the global convertible market and the fund, Calamos Global Convertible Fund generated solid return of 3.72% through the first half of the year, well ahead of the FTSE Global Convertible Bond Index 1.40% return. This continued a streak of outperformance since the start of 2023.

Calamos Global Convertible Fund versus the Global Convertible Market



We believe that our experience and depth of knowledge have been key to the fund’s performance over time. We’re using Calamos’ time-tested approach and capital structure research to identify compelling bottom-up growth opportunities benefiting from long-term secular trends. This has led us to a wide array of growth opportunities, including convertibles issued by companies participating in niches within the global AI ecosystem as well as those at the forefront of country-specific trends. For example, we have a core holding in a convertible issued by a leader in India’s tourism industry, which is well-positioned to capitalize on favorable demographics.

The global convertible market has always been characterized by a high degree of innovation, with structures evolving to serve the needs of investors and issuers alike. While it is a truly global market, there are differences from country to country. Our depth of experience helps us navigate and capitalize on these nuances—some might call them quirks—of the global convertible market. For example, over the past quarter, we redeployed assets from two companies that had served the fund well. One, a Japanese semiconductor equipment manufacturer, was approaching its first call date. Japanese issuers generally don't call convertible bonds issued in Japan and are more likely to call bonds issued in the offshore or euro market, as in this instance. With the call approaching, and the bulk of the issue getting converted by other holders, we sold the position.

We also sold the fund's position in an Indian mobile phone operator, an issuer offering the high-quality fundamentals and exposure to secular growth tailwinds that we like. Although the issue was not callable in the manner that US investors are familiar with, it was subject to a "clean-up call" popular in Europe and Asia ex-Japan. This clause allows an issuer to call a bond if less than 15% of the issues remain outstanding. Over time, the performance of the underlying equity and the convertible structure resulted in the issue being slowly converted away by investors seeking to lock in gains. We decided to have control over our exit timing and sold at what we saw to be a good price.

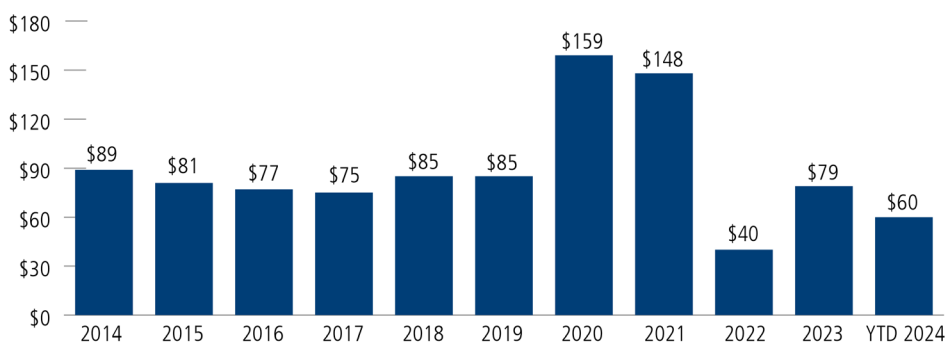
Our Outlook

We believe that the global convertible market will continue to provide an attractive way to access the growth potential of innovative companies. As we discussed in our previous commentary, the resilience of the US economy has been somewhat surprising to us, and there's likely more downside risk than many investors realize. Normalizing inflation and economic data give the Fed more air cover to begin rate cuts, which should provide tailwinds for risk assets. However, economic data is softening, there's geopolitical risk around the world, and no one has a crystal ball when it comes to the Fed. In terms of the presidential election, the biggest surprise would be no surprises. All in all, there's every reason to favor lower-volatility approaches.

New Issuance Provides a Breadth of Choices

Moreover, we continue to be excited about the prospects offered by a growing new issue calendar. The second quarter saw more than \$34 billion in global issuance, bringing the year's first-half total to \$60.2 billion.

GLOBAL CONVERTIBLE ISSUANCE: GIVES US A BREADTH OF CHOICE



Source: BofA Global Research.

Over the past year, we have written extensively about the maturity walls in investment-grade and high-yield debt providing fuel to the convertible new issue market as companies seek to refinance debt at the lower borrowing costs associated with issuing convertibles instead of nonconvertible debt. We are seeing this play out, albeit at a modest pace. Part of our thesis has been that we would see an uptick in investment-grade convertible issuance as well, given a higher interest rate backdrop. This is also happening, with investment-grade issuers accounting for almost one-third of the second quarter's issuance. This included a \$5 billion new issue for an A-rated Chinese online retailer, one of the largest convertible bond issues we have ever seen.

Positioning Highlights

Calamos Global Convertible Fund continues to emphasize balanced convertibles that offer attractive levels of upside equity market participation and downside risk mitigation. We've remained active in the new issuance market and also locked in gains from well-performing names.

The consumer discretionary, information technology and health care sectors are among the fund's largest allocations as of the end of the quarter. From a regional standpoint, the fund's largest allocations are to the United States and Emerging Asia. We are underweight to the former and overweight to the latter. The fund also maintains its long-standing underweight to European convertibles, which reflects our concerns about geopolitics (most notably the war in Ukraine), inflation, and overall economic conditions.

ANNUALISED RETURNS (%)	1-MONTH	1-YEAR	3-YEAR	5-YEAR	10-YEAR	A SHARE INCEPTION	I SHARE INCEPTION
Calamos Global Convertible Fund							
I Shares - USD Acc. (5/10/09)	0.56	8.57	-3.89	5.96	5.04	N/A	5.95
A Shares - USD Acc. (27/11/07)	0.52	7.94	-4.46	5.33	4.42	3.44	N/A
FTSE Global Convertible Index	0.30	5.59	-3.67	5.78	4.42	4.83	6.08
MSCI World Index	2.07	20.75	7.38	12.32	9.73	7.45	10.65

Performance data quoted represents past performance, and may not be a reliable guide to future results. Performance data quoted does not include the Fund's maximum 5% front-end sales charge. Had it been included, the Fund's returns would have been lower. Performance shown reflects the management fee. All performance shown assumes reinvestment of dividends and capital gains distributions. Returns for periods less than 12 months are not annualised. See important end disclosures.

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 **Refinitiv Global Convertible Bond Index** is designed to broadly represent the global convertible bond market. The **MSCI World Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. Unmanaged index returns assume reinvestment of any and all distributions and, unlike fund returns, do not reflect fees, expenses or sales charges. Investors cannot invest directly in an index.

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CALAMOS[®] INVESTMENTS

Calamos Advisors LLC
2020 Calamos Court | Naperville, IL 60563-2787
800.582.6959 | www.calamos.com | caminfo@calamos.com

RBC Investor Services Ireland Limited
Georges Quay House | 43 Townsend Street | Dublin 2 | Ireland
Tel: +353 1 440 6555 | Fax: +353 1 613 0401
www.calamos.com/global
E-mail: dublin_ta_customer_support@rbc.com

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