

# Global Total Return Fund (CGO) Quarterly Commentary

CALAMOS<sup>®</sup>  
INVESTMENTS

## Fund Overview

The fund seeks total return through a combination of capital appreciation and current income by investing in a globally diversified portfolio of equities, convertible securities, and high-yield corporate bonds.

## Market Overview

Global equities rallied in the fourth quarter amid an environment of less hawkish central bank policy, lower bond yields, and increased investor risk appetite. The broad-based MSCI ACWI Index returned 11.15% for the quarter, with markets higher across most regions. Developed markets returned 11.53%, as measured by the MSCI World Index, and US equities returned 11.69% based on the S&P 500 Index. Emerging markets also saw substantial gains in the quarter, as the MSCI Emerging Markets Index returned 7.93%.

Most sectors within the MSCI ACWI Index rose in the quarter. Technology (+17.58%, USD terms) and real estate (+16.05%) led the index, while energy (-2.91%) and consumer staples (+5.58%) saw the lowest returns.

*Commentary continues page 2...*

DATA AS OF 12/31/23

### CALAMOS GLOBAL TOTAL RETURN FUND AVERAGE ANNUAL RETURNS (%)

	QTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE INCEPTION (10/27/05)
Calamos Global Total Return Fund						
Market Price	7.32	13.88	-6.34	7.79	5.44	6.55
NAV	10.36	16.46	-2.35	9.60	6.13	7.50

Returns of less than 12 months are cumulative returns. Returns for periods greater than 12 months are annualized returns. Total return measures net investment income and capital gain or loss from portfolio investments as an annualized average. In calculating net investment income, all applicable fees and expenses are deducted from the returns.

*Performance data quoted represents past performance, which is no guarantee of future results. Current performance may be lower or higher than the performance quoted. Portfolios are managed according to their respective strategies which may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of the benchmark(s). Portfolio performance, characteristics and volatility may differ from the benchmark(s) shown.*

You can purchase or sell common shares daily. Like any other stock, market price will fluctuate with the market. Upon sale, your shares may have a market price that is above or below net asset value and may be worth more or less than your original investment. Shares of closed-end funds frequently trade at a discount which is a market price that is below their net asset value.

**\*The Fund's most recent distribution payable 1/11/24 was \$0.0800 per share. Based on our current estimates, we anticipate that approximately \$0.0000 is paid from ordinary income or capital gains and \$0.0800 of the distribution represents a return of capital.** Estimates are calculated on a tax basis rather than on a generally accepted accounting principles (GAAP) basis but should not be used for tax reporting purposes. Distributions are subject to re-characterization for tax purposes after the end of the fiscal year. This information is not legal or tax advice. Consult a professional regarding your specific legal or tax matters. Under the Fund's managed distribution policy, distributions paid to common shareholders may include net investment income, net realized short-term capital gains, net realized long-term capital gains and return of capital. When the net investment income and net realized capital gains are not sufficient, a portion of the level rate distribution will be a return of capital. In addition, a limited number of distributions per calendar year may include net realized long-term capital gains. Distribution rate may vary.

There is no assurance that the Fund will achieve or maintain its investment objective. Please refer to back page for important notes. All returns are in USD terms unless otherwise indicated.

## Current Annualized Distribution Rate

10.57%\*

Current Annualized Distribution Rate is the Fund's most recent distribution, expressed as an annualized percentage of the Fund's current market price per share.

US equities rallied in the fourth quarter, and the economy grew above-trend. Services activity and consumption made a strong showing while manufacturing and factory demand was muted. Regarding employment, the job market continued to see solid data in payrolls and wages, with rising participation rates recently tempered by tapering job openings. Widely followed inflation figures showed moderating consumer and producer prices, supporting a more dovish Fed policy and interest rate outlook. In terms of monetary policy, the Fed held interest rates unchanged for three consecutive meetings and began to express a less hawkish stance on inflation and forward rate expectations. Many interpreted Federal Reserve Chair Jerome Powell's comments as dovish, which bolstered higher equities and lower bond yields.

European equities returned 11.10% in the period, as captured by the MSCI Europe Index (in USD terms, 5.65% in local currency). Europe saw positive returns across countries as markets benefited from easing inflation pressures and higher investor risk appetite. From a demand perspective, the region's private sector activity continued to contract, with better strength in services relative to manufacturing output. European corporate earnings trailed global earnings overall, but a positive revision trend reflects a more constructive outlook for the year ahead. On the inflation front, euro area prices moderated significantly in the quarter, seeing the lowest levels in over two years, with notable declines across both consumer and producer prices. From a policy perspective, the European Central Bank (ECB) held interest rates unchanged at its last two meetings and signaled an earlier conclusion to its bond purchase program. The ECB's policy stance has generally been viewed as relatively more hawkish with members agreeing to maintain restrictive rates for an extended period to steer inflation toward its goal. In terms of country performance, Sweden and the Netherlands led other markets, returning 21.35% and 19.89% in USD terms, while Ireland and Norway trailed relatively, returning 6.26% and 3.56%, respectively.

Developed Asia Pacific equities also saw gains in the quarter, as the MSCI Pacific Index returned 9.28% (in USD terms, +3.74% in local currency). Equities in Japan rose over 8% in the quarter (in USD terms) and generated strong gains for the year, reflecting higher prices and wages, improved consumer confidence, and reforms in corporate governance. Recent data showed improved business sentiment, marking the highest level in two years, helped by consecutive months of higher readings in retail sales. In terms of monetary policy, the Bank of Japan (BOJ) held its short-term rate unchanged at its latest meeting. The BOJ has generally stood by its ultra-easy policy stance while also taking minor steps to loosen its yield curve control over recent months. Australian shares surged higher in the quarter. The economy was mixed: composite PMI readings on business activity softened over the past few months, while retail sales and private credit growth edged higher. The Reserve Bank of Australia held interest rates unchanged at its final meeting of the year, as expected, but also noted that underlying inflation remains above expectations despite the highest borrowing costs since 2011. Hong Kong equities also rose in the period but declined by double digits over the full year. Private sector activity rose to a six-month peak recently, while retail sales and overall employment data reflected a subdued recovery in the region. In terms of select country performance (all in USD terms), Japan returned 8.22%, while Australia and Hong Kong returned 15.27% and 3.42%, respectively.

Emerging markets rose in the quarter, with the MSCI Emerging Markets Index returning 7.93% (in USD terms, +5.65% in local currency). Emerging markets experienced a wide return dispersion across countries, reflecting a range of macro conditions, capital flows, and earnings fundamentals. Stocks in India generated returns of nearly 12% in the quarter. India's economy continued to see robust growth, with positive composite PMI data reflecting an expansion supported by manufacturing and services. In

terms of policy, the Reserve Bank held interest rates unchanged at several consecutive policy meetings, reflecting moderating inflation, amid lower prices for fuel and housing. Chinese equities declined 4% in the quarter, continuing their relative underperformance over the year. From a macro perspective, China's economic growth has been below expectations, with retail sales, factory activity, and fixed investment reflecting subdued demand. In terms of policy developments, President Xi and Biden met at the APEC Summit in November. The meetings signaled increased communications between the powers but also resulted in only incremental progress on issues related to technology and security.

Mexico and Brazil equities rallied and outperformed in the quarter, adding to the strong returns for both markets for the full year. Mexican shares continued to reflect the positive effects of nearshoring and evolving supply chains, contributing to a sustained lift in business confidence, factory activity, and retail sales. Brazil's economy benefited from its growth in exports and private sector activity in addition to moderating inflation, which enabled Brazil's central bank to pivot and begin cutting interest rates. Among the larger EM markets, the leaders in the period included Mexico (+18.81%) and Brazil (+18.05%) in USD terms, while the laggards included China (-4.21%) and Indonesia (+2.04%).

**Global Convertible Market.** As measured by the ICE BofA Global 300 Index (in USD terms), global convertibles generated a strong 7.17% gain in the quarter, reflecting the positive returns of their underlying equities. US convertibles, as represented by the ICE BofA All US Convertibles Index, returned 6.79% in the quarter. European convertibles rose 8.46% for the quarter, and Japan euro convertibles gained 4.22% (both in USD terms). Asia ex-Japan convertibles also advanced, returning 4.37% (in USD terms). Global convertible issuance totaled \$18.5 billion in the quarter per BofA data, bringing the full-year total to \$79.4 billion. For the year, the US led issuance with \$53.4 billion, Europe raised \$13.4 billion in volume, Asia ex-Japan placed \$9.0 billion, and Japan raised \$3.6 billion.

**Currency.** The DXY Dollar Index declined -4.56% in the fourth quarter. The index provides a measure of the performance of the US dollar against a basket of major world currencies. The Swiss franc (+8.78%), Japanese yen (+5.91%), euro (+4.41%), and the British pound (+4.36%) each appreciated versus the dollar in the period.

## Distributions During the Period Remain Competitive

The fund's annualized distribution rate was 10.57% of market price as of December 31, 2023. We believe the fund's monthly distributions are highly competitive, given current interest rates and yields throughout much of the global marketplace despite of recent Fed activity. For example, the 10-year US Treasury bond yield was 3.88%, the S&P 500 Index yield was 1.47%, and the ICE BofA US High Yield Master II Index yield was 7.69% as of December 31, 2023.

Our policy is to pay a distribution reflective of the fund's past results and projected earnings potential through income and capital gains. We focus on delivering an attractive monthly distribution while maintaining a long-term focus on risk management.

## Performance Review

For the quarter ending December 31, 2023, the fund returned 7.32% on market price and 10.36% on NAV versus the blended comparator index (50% MSCI ACWI Index, 25% Refinitiv Global Convertible Bond Index, and 25% Bloomberg US HY 2% issuer Capped Index) return of 8.97% over the period.

Although the market price underperformed relative to the comparator index, the fund's NAV return surpassed it.

**Contributing Factors.** In light of the comparator index, our selection in the industrials sector, particularly in the aerospace & defense industry, was beneficial to returns. In addition, our selection and overweight in the information technology sector, specifically in the semiconductors industry, aided performance relative to the index.

Our overweight and selection in European securities boosted returns relative to the index for the period, and our overweight in stocks relative to the comparator index also supported returns.

**Detracting Factors.** Regarding the comparator index, our selection in the consumer discretionary sector, namely in the movies & entertainment industry, was a drag on returns. In addition, our selection in the communication services sector, particularly in the interactive home entertainment industry, underperformed relative to the index.

For the period, our selection and underweight in US securities were detrimental to returns relative to the index. Our overweight use of put options relative to the comparator index also impeded returns relative to the index.

In pursuit of income-oriented total return, the fund employs a dynamic approach to asset allocation. Over complete market cycles, we maintain that our multi-asset class global approach offers advantages in providing competitive distributions and total returns. As of December 31, 2023, approximately 55% of our portfolio was invested in common stocks.

## Positioning and Portfolio Changes

Our heaviest allocations are in the information technology, consumer discretionary, and industrial sectors, which, in the aggregate, comprise approximately 49% of the portfolio. The lightest weights are in materials, utilities, and real estate. At the end of the quarter, our position in convertibles is approximately 23%. Convertibles can offer both income and risk-managed exposure to equity markets, while providing a cushion against market volatility and rising interest rates. We expect to see a continued recovery of issuance in convertibles, providing access to new investment opportunities through those securities. Given market dynamics, we currently favor companies with higher-quality balance sheets, strong brands, solid free cash flows, and experienced management. We seek to invest in quality businesses that benefit from continued economic recovery and moderating interest rates. We expect that our holdings in technology and consumer discretionary will benefit as the economy continues to see inflation drop off. Technology will be sourced to meet the growing demands of online transactions and artificial intelligence. Lower inflation and a still financially-healthy US consumer who enjoys a high employment rate should continue to support our consumer discretionary holdings. We believe that our holdings in financials offer relative value. Financials are typically well situated to benefit from lending in a higher-interest-rate environment. Likewise, we believe our exposure to industrials names will benefit as the economy is propelled by consumer demand and relatively high employment.

We are cognizant that rising interest rates and volatility can influence longer-term fixed-income securities and consider investments accordingly. The weighted average duration of our bond holdings is 2.3 years as of quarter end, which is relatively low and should mitigate the impact of bond prices in an uncertain interest-rate environment. Our heaviest concentrations are in the US, approximately 51% of

our holdings, with Asia/Pacific and Europe positions each offering significant exposure to those regions. At quarter end, the aggregate holding in those regions is approximately 43% of the fund's assets.

## Leverage

As financial markets continue to recover and inflation abates, we believe that the environment is conducive to the prudent use of leverage to enhance total return and support the fund's distribution rate as we seek opportunities available in the market. As of December 31, 2023, our amount of leveraged assets was approximately 32%, which is in the mid-range of our historical average.

## Outlook

Global markets continue to navigate a set of complex crosscurrents. We analyze many important market drivers, including central bank policy, inflation dynamics, corporate earnings, and geopolitical tensions. Given evolving global monetary policy and the economic backdrop, financial markets remain uncertain, and we expect volatility will continue until these risks are resolved. Against this complicated backdrop, we continue to identify strategies to capitalize on volatility, including a range of opportunities at the thematic, regional, and market-cap levels.

Regarding fund positioning, we emphasize companies with attractive earnings, pricing power, cash flow, and supportive valuations. From a sector perspective, we see opportunities in technology, industrials, health care, consumer, and energy companies with leading fundamentals. Our active, risk-managed investment approach and long-term perspective position us to take advantage of the volatility and opportunities in global markets.

**For additional information or to download a fact sheet please visit the fund's profile page:**

[CGO - Global Total Return Fund | Calamos Investments](#)

### Important Fund Information

The goal of the managed distribution policy is to provide investors with a predictable, though not assured, level of cash flow. Monthly distributions paid may include net investment income, net realized short-term capital gains, net realized long-term capital gains and, if necessary, return of capital. Maintenance of this policy may increase transaction and tax costs associated with the fund.

A credit rating is a relative and subjective measure of a bond issuer's credit risk, including the possibility of default. Credit ratings are assigned to companies by third-party groups, such as Standard & Poor's. Assets with the highest ratings are referred to as "investment grade" while those in the lower tiers are referred to as "noninvestment grade" or "high-yield." Ratings are measured using a scale that typically ranges from AAA (highest) to D (lowest).

Leverage creates risks which may adversely affect return, including the likelihood of greater volatility of net asset value and market price of common shares, and fluctuations in the variable rates of the leverage financing. The ratio is the percent of total managed assets.

The Fund may invest up to 100% of its assets in foreign securities and invest in an array of security types and market-cap sizes, each of which has a unique risk profile. As a result of political or economic instability in foreign countries, there can be special risks associated with investing in foreign securities. These include fluctuations in currency exchange rates, increased price volatility, and difficulty obtaining information.

Investments by the Fund in lower-rated securities involve substantial risk of loss and present greater risks than investments in higher-rated securities, including less liquidity and increased price sensitivity to changing interest rates and to a deteriorating economic environment. Fixed income securities are subject to interest-rate risk; as interest rates go up, the value of debt securities in the Fund's portfolio generally will decline. There are certain risks associated with an investment in a convertible bond such as default risk—that the company issuing a convertible security may be unable to repay principal and interest, and interest rate risk—that the convertible may decrease in value if interest rates increase.

Owning a bond fund is not the same as directly owning fixed income securities. If the market moves, losses will occur instantaneously, and there will be no ability to hold a bond to maturity. The Fund may invest in derivative securities, including options. The use of derivatives presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities. There is no assurance that any derivative strategy used by the fund will succeed. One of the risks associated with purchasing an option is that the Fund pays a premium whether or not the option is exercised.

The Fund may seek to purchase index put options to help reduce downside exposure however, the effectiveness of the fund's index option-based risk management strategy may be reduced if the fund's equity portfolio does not correlate to the performance of the underlying option positions. The Fund also risks losing all or part of the cash paid for purchasing index options. Unusual market conditions or lack of a ready market of any particular option at a specific time may reduce the effectiveness of the fund's option strategies, and for these and other reasons the fund's option strategies may not reduce the fund's volatility to the extent desired. From time to time, the Fund may reduce its holdings of put options, resulting in an increased exposure to a market decline.

Parties entering an interest rate swap take on exposure to a given interest rate; the exposure can be long or short depending on whether a counterparty is paying or receiving the fixed rate. At the same time, each party takes on the risk—known as counterparty credit risk—that the other party will default at some time during the life of the contract.

#### Term Definitions

A **Level Distribution Policy** is an investment company's commitment to common shareholders to provide a predictable, but not assured, level of cash flow. **Market Price** refers to the price at which shares of the fund trade in the market. **NAV** or **Net Asset Value** refers to the net value of all the assets held in the fund. **IPO Price** refers to the initial public offering price for shares of the fund.

#### Index Definitions

The **ICE BofA All US Convertibles Index (VXA0)** consists of approximately 700 issues of only convertible bonds and preferreds of all qualities. The **ICE BofA US High Yield Index** tracks the performance of below investment grade, but not in default, US dollar-denominated corporate bonds publicly issued in the US domestic market, and includes issues with a credit rating of BBB or below, as rated by Moody's and S&P. **S&P 500 Index** is generally considered representative of the US stock market. The **MSCI World Index** is a market capitalization weighted index composed of companies representative of the market structure of 21 developed market countries in North America, Europe, and the Asia/Pacific region. The **MSCI ACWI (All Country World Index)** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The index is calculated in both US dollars and local currencies. The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The **MSCI Europe Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe. The **MSCI Pacific Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in the Pacific region. The **ICE BofA Global 300 Convertible Index** is a global convertible index composed of companies representative of the market structure of countries in North America, Europe and the Asia/Pacific region. Source ICE Data Indices, LLC, used with permission. ICE permits use of the ICE BofA indices and related data on an 'as is' basis, makes no warranties regarding same, does not guarantee the suitability, quality, accuracy, timeliness, and/or completeness of the ICE BofA indices or data included in, related to, or derived therefrom, assumes no liability in connection with the use of the foregoing and does not sponsor, endorse or recommend Calamos Advisors LLC or any of its products or services.

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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