Global Total Return Fund (CGO) 2Q22 Commentary

**Overview**

» The Global equities declined significantly in the quarter as investors confronted elevated inflation, tighter monetary policy, and moderating economic growth. The broad-based MSCI ACWI Index returned -15.53% for the quarter with markets down across most regions.

» Inflation remained the foremost issue for US investors and policymakers, as consumer and producer prices remained stubbornly elevated, and recent inflation data was the highest in 40 years. The Federal Reserve hiked interest rates multiple times in the quarter, the most recent a 75-basis point hike, marking the largest single increase since 1994.

» European equities returned -14.17% second quarter as reflected in the MSCI Europe Index (USD terms, -8.34% in local currency). European markets and macro conditions reflected the punishing headwinds of high energy prices, supply chain constraints, and the rippling impacts of Russia’s invasion of Ukraine. Eurozone headline inflation increased by more than 8% in the period, touching a record high. The ECB is expected to raise interest rates in July.

» Japanese equities saw negative returns in the period, reflecting mixed economic data and the weaker yen. The currency continued to depreciate to a 20-year low versus the dollar, as the Bank of Japan has adhered to an ultra-loose monetary policy. Australian shares also sold off significantly in the period, though export volume rose to new record highs with both manufacturing and services benefiting from high commodity prices and global demand.

» Chinese shares rose in the quarter, and China was the only country that delivered a positive return among EMs. China finally eased its stringent zero-Covid policy, making positive changes across major cities and key industries. Brazilian shares performed poorly in the quarter, though still generated slightly positive returns in the first half. Brazil had benefited from strong commodities demand and improving consumer morale as unemployment hit its lowest level in years.

**ASSET ALLOCATION (%)**

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock</td>
<td>52.4</td>
</tr>
<tr>
<td>Convertibles</td>
<td>16.1</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>13.4</td>
</tr>
<tr>
<td>US Government Securities</td>
<td>11.6</td>
</tr>
<tr>
<td>Cash and Receivables/Payables</td>
<td>3.3</td>
</tr>
<tr>
<td>Options</td>
<td>2.3</td>
</tr>
<tr>
<td>Preferred Stock</td>
<td>0.1</td>
</tr>
<tr>
<td>Bank Loans</td>
<td>0.1</td>
</tr>
<tr>
<td>Warrants</td>
<td>0.0</td>
</tr>
</tbody>
</table>

The portfolio is actively managed. Holdings and weightings are subject to change at any time without notice. Asset Allocation Weightings are calculated as a percentage of Managed Assets.

**ANNUALIZED TOTAL RETURN AS OF 6/30/22 (%)**

<table>
<thead>
<tr>
<th>Period</th>
<th>On Market Value</th>
<th>On NAV</th>
</tr>
</thead>
<tbody>
<tr>
<td>QTD</td>
<td>-25.25</td>
<td>-21.81</td>
</tr>
<tr>
<td>1-YEAR</td>
<td>-28.96</td>
<td>-26.83</td>
</tr>
<tr>
<td>3-YEAR</td>
<td>2.96</td>
<td>4.06</td>
</tr>
<tr>
<td>5-YEAR</td>
<td>5.11</td>
<td>5.28</td>
</tr>
<tr>
<td>10-YEAR</td>
<td>7.47</td>
<td>6.86</td>
</tr>
<tr>
<td>SHARE INCEPTION (10/27/05)</td>
<td>7.09</td>
<td>7.19</td>
</tr>
</tbody>
</table>

Source: Calamos Investments

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 market price that is below their net asset value.

Please refer to back page for important notes. All returns are in USD terms unless otherwise indicated.
Global convertibles declined in the quarter -12.86%, as measured by the ICE BofA Global 300 Index (in USD terms), reflecting the lower prices of their underlying equities and wider spreads. Given the challenging markets backdrop, global convertible issuance remained modest in the quarter, totaling $3.3 billion per ICE BofA data, bringing the year-to-date total to $11.2 billion.

High yield credit spreads were substantially wider. Having drifted from post-Covid averages at the close of the previous quarter, credit sold off aggressively into quarter end as the market repriced higher recession risk.

Distributions Remain Competitive
The fund maintained a monthly distribution of $0.10 throughout the quarter. The fund’s current annualized distribution rate was 11.34% of market price as of June 30, 2022. We believe that the fund’s monthly distributions are highly competitive, given that very low interest rates and yields remain the norm throughout much of the global marketplace. For example, the 10-year US Treasury bond yield was 2.98% and the S&P 500 Index yield was 1.71% as of June 30, 2022.

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

Performance Review
For the quarter ended June 30, 2022, the fund returned -25.25% on market price and -21.81% on NAV compared with the blended comparative index (50% MSCI ACWI Index, 25% Refinitiv Global Convertible Bond Index and 25% Bloomberg US HY 2% issuer Capped Index) that returned -13.94% over the same period.

Contributing Factors. Compared with the blend comparative index, our selection in the health care sector, specifically an overweight and selection in the pharmaceuticals, was beneficial to return. In addition, our selection in the industrials sector, namely in the environmental & facilities services industry, boosted performance relative to the index.

Our selection in Danish securities buoyed returns relative to the index for the period.

Detracting Factors. Compared with the blended comparative index, our selection in the materials sector, namely an overweight in copper, weighed on results. In addition, our selection in the information technology sector, particularly an overweight and selection in semiconductors, underperformed relative to the index.

Our overweight and selection in Taiwanese securities proved to be detrimental to returns relative to the index for the period.

Positioning
In pursuit of income-oriented total return, the fund employs a dynamic approach to asset allocation. Over full market cycles, we believe that our multi-asset-class global approach offers advantages in providing competitive distributions and total return. As of June 30, 2022, approximately 52% of our portfolio was invested in common stocks.

Our heaviest weights were allocations to the information technology, consumer discretionary, health care and financials sectors, which in the aggregate comprised approximately 46% of the portfolio. The lightest weights were in energy, utilities and real estate. We reduced our positions in convertibles to approximately 16%. 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 recovery in convertibles issuance, which should provide access to
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 poised to
benefit from the post-pandemic reopening. The reopening of
society and the economy notwithstanding, technology will continue
to be sourced to enhance the greater demand for online events,
content and commerce. We believe that pent-up demand and
higher employment rates will inspire consumer spending, and that
our holdings in financials offer relative value and should benefit
from the financing of consumer activities and rising interest rates.
Health Care companies should do well as disease prevention and
welfare maintenance are emphasized for the foreseeable future in
the wake of the Covid pandemic.

We are cognizant of the fact that rising interest rates and volatility
can have an effect on longer-term fixed income securities and
consider investments accordingly. The weighted average duration of
our bond holdings is 2.3 years. Our heaviest concentrations are in
the US at approximately 58% of holdings. Asia/Pacific and Europe
represent smaller allocations, but each offer significant exposure to
those respective regions. The aggregate holdings in those regions
at quarter end was approximately 36% of the fund’s assets.

Leverage
We believe that this environment is conducive to the prudent use
of leverage as a means of enhancing total return and supporting
the fund’s distribution rate as we seek opportunities available in the
market as the economy recovers. As of June 30, 2022, our amount
of leveraged assets was approximately 33%, which is in the mid
range of our historical average.

Outlook
Global markets continue to navigate a set of formidable
crosscurrents. We are analyzing many aspects of economic
activity alongside key policy actions, corporate earnings, and the
geopolitical backdrop. With inflationary pressures persisting and
monetary policy tightening, the markets remain uncertain, and we
expect global equity volatility will continue until these risks resolve.
Despite this complicated backdrop, we continue to identify ways
to capitalize on volatility, including opportunities at both the sector
and thematic level.

In terms of portfolio positioning, we favor companies with
advantaged business models, flexible balance sheets, supportive
valuations, and the ability to grow earnings in the current
environment. From a sector perspective, we see opportunities
in technology, health care, industrials, energy, and consumer
discretionary with compelling fundamentals. Our active investment
approach and long-term perspective positions us to take advantage
of the volatility and opportunities in global markets.
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Important Fund Information

The goal of the managed distribution policy is to provide investors 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 “non-investment 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.

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.

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. 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. The information contained herein is based on internal research derived from various sources and does not purport to be statements of all material facts relating to the sectors, securities and markets mentioned. The information contained herein, while not guaranteed as to the accuracy or completeness, has been obtained from sources we believe to be reliable. Opinions expressed herein are as of the date of publication and are subject to change without notice due to various factors and may not necessarily come to pass. Information contained herein is for informational purposes only and should not be considered investment advice.

The ICE BofA US All Convertibles Index (VXCA) is comprised of approximately 300 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. The S&P 500 Index is a capitalization-weighted index of 500 large-cap U.S. equities. The MSCI World Index is a 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.

Terms

A Managed 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.

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