Growth and Income Fund Quarterly Commentary

CALAMOS INVESTMENTS

Summary

- Calamos Growth and Income Fund invests primarily in US equities, convertibles, fixed-income securities and options, endeavoring to balance risk/reward while providing growth and income.
- The Covid pandemic led to significant monetary and fiscal measures still being unwound. We predict that 2024 will mark the start of the return to regular conditions.
- Labor productivity has experienced above-average growth in recent years, a trend we anticipate will persist. This increase in productivity can boost corporate profit margins and real wage growth.
- We expect positive economic growth over the next year, and our assessment of opportunities focuses on industries and companies positioned for real growth and return improvement. Over the short- and intermediate-term, improved real returns on capital should drive higher equity prices.

Investment Manager Discussion

Over the past six months, we have outlined our framework, which emphasizes the economy entering the end of the normalization process as the extraordinary measures put in place in response to the pandemic unwound. Real GDP and employment growth have, in aggregate, slowed to more normal levels, although growth dispersion continues across industries. Inflation continues to slow but not to a

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DATA AS OF 3/31/24

CALAMOS GROWTH AND INCOME FUND AVERAGE ANNUAL RETURNS (%)

	QTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE I SHARE INCEPTION	SINCE A SHARE INCEPTION
Calamos Growth and Income Fund							
I Shares - at NAV (Inception—9/18/97)	8.33	23.25	7.47	12.50	10.21	9.92	N/A
A Shares - at NAV (Inception—9/22/88)	8.26	22.94	7.19	12.22	9.94	N/A	11.02
A Shares Load adjusted	3.12	17.12	5.47	11.13	9.41	N/A	10.87
S&P 500 Index	10.56	29.88	11.49	15.05	12.96	8.66	11.02
ICE BofA All US Convert Ex Mand Index	2.29	11.71	-1.78	10.59	9.21	8.12	9.57
Morningstar Moderately Aggressive Allocation Category	6.77	17.97	4.93	8.44	7.09	5.75	8.08

Index and Morningstar category data shown reflects full month periods only. If share class inception date is on or before the 15th of the month, the index or category calculation inception date begins on the first day of that month. If share class inception date is after the 15th of the month, the index or category calculation inception date begins on the first day of the following month.

The funds' gross expense ratios as of the prospectus dated 3/1/2024 are as follows: A Shares 1.06%, C Shares 1.81%, I Shares 0.81% and R6 Shares 0.71%.

Performance data quoted represents past performance, which is no guarantee of future results. Current performance may be lower or higher than the performance quoted. Please refer to Important Risk Information. The principal value and return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. Performance reflected at NAV does not include the Fund's maximum front-end sales load of 4.75%. Had it been included, the Fund's return would have been lower. You can obtain performance data current to the most recent month end by visiting www.calamos.com.

Class I shares are offered primarily for direct investment by investors through certain tax-exempt retirement plans and by institutional clients, provided such plans or clients have assets of at least $1 million. For eligibility requirements and other available share classes see the prospectus and other Fund documents at www.calamos.com.

normalized level, again exhibiting dispersion across consumption categories. We believe central banks will start to normalize short-term interest rates over the next year, one of the last pieces of the normalization process. As we look across the world, we can also see signs of future economic improvement, including in Europe, and a possible stabilization of economic growth in China.

Although many aspects of the economy are reverting to more normal levels, we believe the improvement in labor productivity over the past several years has staying power. Companies have become more efficient with their use of labor and have deployed efficiency-producing capital. We expect these trends to continue, especially as we expect many of the recent technology investments to pay off over the next several years. Productivity can drive both higher corporate profit margins and real wage growth. Furthermore, the steady improvement in the US working-age population growth over the past few years should be a key driver of overall GDP growth.

In a normal economic growth environment, certain economic areas generally exhibit above-trend growth. In the current environment, we believe these include areas exposed to:

- Above-average corporate spending in select IT categories
- Ongoing infrastructure spending in select materials and industrials categories
- Sustained spending by higher-end consumers, supported by the wealth effect of rising markets and home prices
- Improved discretionary spending by middle- and lower-income households, supported by growth in real wages
- New products and geographic growth opportunities (examples can be found in health care and AI-related infrastructure and software)

Of course, we remain vigilant to the fact that these growth drivers may be counterbalanced by upcoming tighter US fiscal budgets, continued higher interest rates, and the impact of ongoing global conflicts.

Given our expectation of positive economic growth over the next year, we are assessing investment opportunities with our long-standing focus on real growth and return improvement areas. In addition to areas with favorable cyclical factors, we believe companies that can improve profitability in a slower-growth environment are favorable investments. Many companies are focused on boosting their returns on capital through improved efficiencies, normalized supply chains, and revised investment strategies based on the current interest-rate environment. The pace of corporate cost-cutting and restructuring has increased recently in several areas, providing more opportunities to identify companies with improving returns on capital. Over the short- and intermediate-term, improved real returns on capital should drive higher equity prices.

Calamos Growth and Income Fund pursues lower-volatility equity participation through a multi-asset-class approach. We believe the best positioning for this environment is a focus on specific areas that have real growth tailwinds, on companies with improving returns on capital in 2024, and on equities and fixed income assets with valuations at favorable expected risk-adjusted returns. We selectively use options and convertible bonds to gain exposure to higher-risk industries in this low-volatility environment. From an asset-class perspective, cash and short-term Treasuries remain useful tools to lower volatility in a multi-asset-class portfolio, given their yields.

John Hillenbrand, CPA
Co-CIO and Senior Co-Portfolio Manager

April 4, 2024

Market Environment

While the calendar may have flipped to 2024, US growth stocks remain on the same upward trajectory that characterized the final months of last year. During the quarter, the S&P 500 Index rose 10.56%, with the S&P 500 Growth Index achieving a 12.75% gain. Meanwhile, the S&P 500 Value Index also showed strength, increasing by 8.05%. The major themes dominating financial headlines are also largely unchanged, with investors still favoring companies benefiting from game-changing artificial intelligence (AI) technologies and groundbreaking obesity therapeutics known as GLP-1 drugs.

While traditional growth sectors have outperformed thus far in 2024, market participation has broadened further, as expected, with energy, financials, and industrials stocks joining technology stalwarts with strong returns. At the same time, the market is starting to become more discerning each day, even within some themes. The “Magnificent Seven,” which dominated the market for the past 18 months, are no longer moving in lockstep. Instead, individual companies are trading on their own merits, with some clear outperformers and notable laggards.

Within the S&P 500 Index (+12.75%) for the quarter, growth and cyclically oriented sectors led the way, with defensives lagging. Communication services (+15.8%), energy (+13.6%), information technology (+12.7%), financials (+12.5%), and industrials (+11.0%) all outperformed the benchmark. Materials (+8.9%), health care (+8.8%), consumer staples (+7.5%), consumer discretionary (+5.0%), and utilities (+4.6%) all performed well yet lagged. Real estate (-0.6%) was the lone sector posting a negative quarterly return.

Performance Review

For the quarter ended March 31, 2024, the fund returned 8.33% versus the S&P 500 Index return of 10.56%.

Positive Influences on Performance

Health Care. The fund’s security selection and an average underweight position in health care promoted relative returns. Biotechnology notably helped, as did life sciences tools & services.

Real Estate. An average underweight stance in real estate helped relative performance. In particular, a lack of exposure to industrial REITs and self-storage REITs was a leading contributor.

Negative Influences on Performance

Industrials. Over the period, security selection and an average underweight stance within the industrials sector negatively affected performance. Holdings in industrial conglomerates hurt relative performance. Additionally, our lack of exposure to construction machinery & heavy transportation held back relative returns.

Information Technology. Security selection and an average underweight position in information technology, specifically in the semiconductors and internet services & infrastructure industries, lagged on a relative basis.

Fund Holdings - Contributors

CyberArk Software Ltd. (CYBR)

0.010% Convertible due 2024 | 0.9% of fund as of 2/29/24

Profile: CyberArk Software is an information security company with offices in the US, Europe, Asia, and Australia. CyberArk's technology is utilized by governments and businesses across industries. CyberArk is listed among systems software companies within the information technology sector.

Analysis: The portfolio invested in CyberArk through a convertible security. For the quarter, the convertible security was up over 20%, capturing most of the underlying CYBR stock's 21.3% gain. CyberArk reported a 4Q beat (revenue, EBIT) and guided higher than consensus for 1Q and the full year 2024. Revenue growth accelerated to +32% year over year as demand for its identity security is robust, with 340 new logos added this quarter versus 230 last quarter, and new customers are adopting multiple products (outside of CyberArk's core PAM solution). Net new annual recurring revenue set a record in the quarter as large customers land with 5+ modules, representing broad-based growth across offerings.

Marathon Petroleum Corp. (MPC)

0.5% of fund as of 2/29/24

Profile: Marathon Petroleum Corporation is an integrated downstream energy company. Based in Findlay, OH, Marathon refines crude oil and other feedstocks, and purchases and distributes refined products, including renewable diesel. Marathon is categorized as an oil & gas refining & marketing company in the energy sector.

Analysis: The portfolio invested in Marathon's common stock (MPC), which saw a 36% return for the quarter. Early in the quarter Marathon reported a strong fourth quarter, printing easy beats on top-line, EBITDA, and earnings per share. Marathon saw strong cash flows ahead of consensus, bought back stock, and provided dividends to shareholders. We view Marathon as a leader among refiners.

Fund Holdings - Detractors

Akamai Technologies Inc. (AKAM)

1.125% Convertible due 2029 | 0.6% of fund as of 2/29/24

0.375% Convertible due 2027 | 0.1% of fund as of 2/29/24

Profile: Akamai Technologies is a cloud computing company based in Cambridge, MA. Akamai provides content delivery network (CDN), cybersecurity, and cloud services solutions. Akamai is listed as an internet services & infrastructure business within the information technology sector.

Analysis: The portfolio invested in Akamai through two convertible securities, providing a dividend advantage over the common stock (AKAM). For the quarter, the portfolio's positions in Akamai declined by -5.1%, while the common stock fell -8.1%. Akamai reported disappointing 4Q results with revenue missing, ho-hum in-line growth guidance for 1Q, and lower-than-expected operating margin guidance.

NVIDIA Corp. (NVDA)

4.3% of fund as of 3/31/24

Profile: NVIDIA Corporation is a global semiconductor business based in Santa Clara, CA. NVIDIA designs graphic processing units (GPUs) for gaming and professional markets, as well as systems for mobile computing and automotive markets. NVIDIA is listed in the semiconductor industry within the information technology sector.

Analysis: The portfolio saw gains from NVIDIA, but due to its valuation and our eye on risk management, the portfolio was underweight NVIDIA relative to the all-equity S&P 500 Index. The portfolio invested in NVIDIA through common stock but also held positions in options in an effort to better manage risk/reward around the stock. For the quarter, NVDA stock rose 82% as quarterly results and forward guidance came in above elevated expectations as demand remains greater than elevated supply. The portfolio's holding in NVDA was the largest absolute contributor for the quarter but a relative detractor due to position sizing and risk-management efforts.

Positioning and Portfolio Changes

In terms of economic sectors, the fund's largest allocations reside in information technology and financials on an absolute basis, whereas the smallest sector weight allocations with holdings are found within real estate and materials. Communication services and utilities are the portfolio's largest relative overweights, with movies & entertainment (communication services) and multi-utilities (utilities) comprising the largest industry overweight positions. Relative to the index, the portfolio holds underweight allocations to information technology and financials, with semiconductors (information technology) and financial exchanges & data (financials) among the underweight industries.

Both communication services and consumer staples allocations increased modestly, whereas consumer discretionary and industrials allocations decreased modestly.

For additional information or to download a fact sheet, please visit the fund's profile page:
CGIIX - Growth and Income Mutual Fund | Calamos Investments

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.

The opinions referenced are as of the date of publication and are subject to change due to changes in the market or economic conditions and may not necessarily come to pass. Information contained herein is for informational purposes only and should not be considered investment advice.

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.

Term Definitions

Beta is a historic measure of a portfolio's relative volatility, which is one of the measures of risk; a beta of 0.5 reflects half the market's volatility as represented by the strategy's primary benchmark, while a beta of 2.0 reflects twice the volatility. **EBITDA** stands for Earnings Before Interest, Taxes, Depreciation, and Amortization and measures a company's overall financial performance. It is often used to derive a company's profitability and cash flow from its core operations.

Index Definitions

The **ICE BofA All US Convertibles Index (VXA0)** comprises approximately 700 issues of convertible bonds and preferreds of all qualities and measures the return of all US convertibles. The **ICE BofA All US Convertibles ex Mandatory Index (**V0A0) represents the US convertible market excluding mandatory convertibles. 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**.** The **Cboe Volatility Index or VIX** (based on its CBOE ticker symbol) shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options. It is constructed using the implied volatilities of a wide range of S&P 500 Index options**. Morningstar Allocation—70% to 85% Equity** category funds seek to provide both capital appreciation and income by investing in three major areas: stocks, bonds, and cash. These portfolios tend to hold larger positions in stocks than conservative-allocation portfolios. These portfolios typically have 50% to 70% of assets in equities and the remainder in fixed income and cash. The **Russell 2000® Index** measures the performance of the small-cap segment of the US equity universe. The growth indices are constructed to provide a comprehensive and unbiased barometer of the growth market. The value indices are constructed to provide a comprehensive and unbiased barometer of the value market. The **S&P 500 Index** is generally considered representative of the US stock market. The **S&P 500 Value Index** measures the performance of stocks within the S&P 500 Index that have value-oriented characteristics, such as lower price-to-earnings ratios and price-to-book ratios. The **S&P 500 Growth Index** measures the performance of stocks within the S&P 500 Index that have growth-oriented characteristics, such as higher earnings growth rates and higher price-to-earnings ratios.

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.

Important Risk Information

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 Growth and Income Fund** include: convertible securities risk consisting of interest rate risk and credit risk, synthetic convertible instruments risk consisting of fluctuations inconsistent with a convertible security and the risk of components expiring worthless.

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 potential for greater economic and political instability in less developed countries.

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