

# Calamos U.S. Sustainable Equities Strategy

CALAMOS<sup>®</sup>  
INVESTMENTS

## PORTFOLIO MANAGEMENT

- » Jim Madden, CFA  
Co-Portfolio Manager
- » Anthony (Tony) Tursich, CFA  
Co-Portfolio Manager

The team leverages the insights and analysis of the Calamos Investment Committee, as well as dedicated research, risk management, trading and portfolio specialist team support.

## CALAMOS PROFILE

- » Multi-disciplined, global asset manager
- » Headquartered in Chicago-metro area, with offices in New York, San Francisco, Milwaukee and the Miami area.
- » Founded in 1977
- » AUM of U.S. \$38.8 billion
- » Institutional Assets<sup>†</sup> of U.S. \$21.7 billion
- » 304 employees\*, 74 investment professionals

<sup>†</sup>Institutional Assets include institutional share classes of open-end funds and assets managed for institutions.

\*Information as of 6/30/21. Total represents full-time employees of the operating subsidiaries of Calamos Asset Management, Inc. Part-time employees and consultants are excluded.

## Strategy Overview

The Calamos U.S. Sustainable Equities Strategy employs an integrated, fundamental and proprietary ESG screening process—benchmarked to the S&P 500 Index—to evaluate and select what we deem are the highest-quality, ESG-adherent growth opportunities throughout the United States and across market capitalizations.

## Key Differentiators

- » Investment Team has managed ESG funds and portfolios for more than 20 years.
- » We believe that the best way to identify sustainable growth is to consider all aspects of a company's quality profile—including environmental, social, and governance factors that are too often ignored and can represent substantial investment risks.
- » We take a flexible approach to opportunities and believe that attractive investments are found across sectors and market capitalizations.
- » We believe that maximum value is created over the long term. As such, we look to hold investments across business and economic cycles. This promotes sustainable growth with lower transaction costs and tax efficiency.
- » Markets don't always get it right. Therefore, we look to take advantage of short-term market inefficiencies to establish positions or add to existing investments.
- » We will sell an investment in cases of valuation adjustments, availability of more attractive alternatives, or breakdowns in financial fundamentals or ESG performance.

## Investment Process

The core public equity strategy seeks to achieve competitive returns with lower volatility by focusing on companies that generate higher returns on capital and possess better growth prospects than their global peers. Companies must have demonstrated a consistent history of additive shareholder value by producing returns above and beyond the cost of capital.

And companies must exhibit a high degree of business ethics and responsible conduct to qualify for inclusion in the portfolio.

### FINANCIAL ANALYSIS

- » Return on Capital/Quality
- » Profitability
- » Growth

### ESG ANALYSIS

- » Environmental Mitigation
- » Community Relations
- » Corporate Citizenship

### QUALITATIVE RESEARCH

- » Business Model
- » Competitive Advantage
- » Management Quality

### PORTFOLIO CONSTRUCTION

- » Sector
- » Stock Selection
- » Valuation

# Calamos U.S. Sustainable Equities Strategy

## CHARACTERISTICS

	REPRESENTATIVE PORTFOLIO	S&P 500 INDEX
# of Holdings	52	500
Weighted Average Market Cap (mil)	\$282,189	\$543,699
ROIC - Market Cap Weighted Average	26.5%	15.4%
ROIC - Average	15.0%	10.6%
Debt/Capital	48.9%	48.6%
Current Yield	1.6%	1.9%
Price/Book	14.1x	16.0x
Price/Sales	6.6x	7.5x
Price/Cash Flow	17.7x	17.2x

## SECTOR ALLOCATION (%)<sup>1</sup>

	REPRESENTATIVE PORTFOLIO	S&P 500 INDEX	UNDER/OVERWEIGHT
Information Technology	23.0	27.5	-4.5
Financials	13.7	11.2	2.5
Health Care	13.3	13.0	0.3
Consumer Discretionary	11.9	12.3	-0.4
Consumers Staples	7.5	5.8	1.7
Industrials	13.9	8.5	5.5
Communication Services	5.7	11.2	-5.4
Energy	0.0	2.8	-2.8
Materials	3.1	2.6	0.5
Utilities	3.4	2.5	0.9
Real Estate	4.4	2.6	1.8

<sup>1</sup>Sector Allocation percentages are based on invested portfolio and are subject to change.

## REPRESENTATIVE PORTFOLIO LARGEST 10 HOLDINGS<sup>2</sup>

COMPANY	INDUSTRY	PORTFOLIO%
ALPHABET INC-CL A	Communication Services	2.33%
APPLE INC	Information Technology	2.33%
QUANTA SERVICES INC	Industrials	2.25%
PNC FINANCIAL SERVICES GROUP	Financials	1.81%
APPLIED MATERIALS INC	Information Technology	1.64%
MICROSOFT CORP	Information Technology	1.57%
AMERICAN TOWER CORP	Real Estate	1.55%
DARLING INGREDIENTS INC	Consumer Staples	1.50%
TRACTOR SUPPLY COMPANY	Consumer Discretionary	1.45%
NIKE INC - CL B	Consumer Discretionary	1.45%

<sup>2</sup>The information provided should not be considered a recommendation to purchase or sell any security. There is no assurance that any securities presented herein will remain in the portfolio at the time you receive information or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings. It should not be assumed that any securities transactions or holdings presented were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities presented herein. Ten Largest Holdings exclude any government/sovereign bonds or options on broad-based index hedging securities the portfolio may hold.

## ESG CHARACTERISTICS<sup>3</sup>

	REPRESENTATIVE PORTFOLIO	S&P 500 INDEX
Sustainalytics Rank	80.9	62.8
Sustainalytics Environmental Score	87.1	68.2
Sustainalytics Social Score	71.8	59.8
Sustainalytics Governance Score	65.3	51.4
ISS Quality Score	3.8	5.5
S&P Global ESG Rank	71.4	65.5
Board Gender Diversity (% of women on board)	32.3	31.1
Board Independence (% of independent directors)	85.7	85.8

<sup>3</sup>ESG Characteristics are based on a market-cap weighted average. See important definitions and sources on page 4.

# Calamos U.S. Sustainable Equities Strategy

## ANNUALIZED TOTAL RETURNS

	1-YEAR	SINCE INCEPTION (2/20)
Calamos U.S. Sustainable Equities (gross of fees)	47.17%	27.32%
Calamos U.S. Sustainable Equities (net of fees)	45.34	25.74
S&P 500 Index	40.79	24.68

## CALENDAR YEAR RETURNS

	YTD 2021	2020 <sup>4</sup>
Calamos U.S. Sustainable Equities (gross of fees)	14.70%	22.59%
Calamos U.S. Sustainable Equities (net of fees)	13.99	21.20
S&P 500 Index	15.25	18.45

<sup>4</sup>Represents the partial year return from inception 2/01/2020 to 12/31/2020

## Portfolio Manager Biographies



### JIM MADDEN, CFA

SENIOR VICE PRESIDENT, CO-PORTFOLIO MANAGER

Jim Madden joined Calamos Investments in 2021 and contributes 30 years of investment industry experience, all of which has been focused on socially and environmentally responsible investing strategies. Prior to joining Calamos, Jim worked for a multi-billion-dollar asset management firm, where he served as portfolio manager on an ESG global equity strategy. Previously, Jim was Chief Investment Officer and senior portfolio manager at Portfolio 21. He worked with Portfolio 21 for more than 20 years, both on the investment team and as the developer of the company's shareholder activism program. Jim earned a bachelor's degree and an M.B.A. from the University of Wisconsin.



### ANTHONY (TONY) TURSICH, CFA

SENIOR VICE PRESIDENT, CO-PORTFOLIO MANAGER

Tony Tursich contributes 24 years of experience in socially and environmentally responsible investing strategies. He joined Calamos Investments following its 2021 acquisition of Pearl Impact Capital, LLC, the company he founded in 2018, where he served as Chief Investment Officer and portfolio manager since the inception of a trio of ESG-integrated portfolios. Prior to launching Pearl Impact Capital, he was a partner, senior portfolio manager and member of the executive committee at Portfolio 21.

In addition to his responsibilities at Calamos, Tony is an adjunct professor at Portland State University, an investment advisory board member for Multnomah County, Oregon, and a board member for the CFA Society of Portland. He graduated from Montana State University with a bachelor's degree in Business Administration and received an M.B.A. from Portland State University.

# Calamos U.S. Sustainable Equities Strategy

Past performance does not guarantee or indicate 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.

The results portrayed on the preceding pages are for the Calamos U.S. Sustainable Equities Strategy. Representative holdings and portfolio characteristics are specific only to the portfolio shown at that point in time. Other portfolios will vary in composition, characteristics, and will experience different investment results. The representative portfolio shown has been selected by the advisor based on account characteristics that the advisor feels accurately represents the investment strategy as a whole.

Returns or Risk/Rewards statistics presented reflect the Calamos U.S. Sustainable Equities Composite II, which is an actively managed composite that utilizes an integrated proprietary ESG process benchmarked to the S&P 500 Index to invest in common stocks, preferred stocks, securities convertible into U.S. common stocks, and U.S. dollar-denominated American Depository Receipts, primarily in high growth industries and companies across all market capitalizations. On August 25, 2021, Calamos acquired Pearl Impact Capital, LLC, which has managed the strategy since its inception in 2020. The Calamos U.S. Sustainable Equities Composite was formerly named the PIC U.S. Opportunities Portfolio. This name change was effected August 25, 2021. The Composite was created February 1, 2020, calculated with an inception date of February 1, 2020. The Composite results include all fully discretionary accounts, including those no longer with the Firm.

Fees include the investment advisory fee charge by Calamos Advisors LLC. Returns greater than 12 months are annualized. Chart Data Sources: Mellon Analytical Solutions LLC and Calamos Advisors LLC.

Average annual total return measures net investment income and capital gain or loss from portfolio investments as an annualized average assuming reinvestment of dividends and capital gains distributions.

The S&P 500 Index is generally considered representative of the U.S. stock market. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect any fees, expenses or sales charges. Investors cannot invest directly in an index.

Active share is the fraction of a portfolio's holdings that deviate from the benchmark index.

Sustainalytics rank/score is the overall percentile rank assigned to the company based on its environmental, social and governance (ESG) total score relative to its industry peers. For the top 1% the percentile is 99%; for the bottom 1% the percentile is 1%. This is Sustainalytics' most comprehensive percentile rank. Aggregate ESG performance encompasses a company's level of preparedness, disclosure and controversy across all three ESG themes.

ISS Quality Score is the overall score assigned by Institutional Shareholder Services (ISS) to the company's governance practices. The score ranges from 1 for best to 10 for worst.

S&P Global ESG Rank or the Total Sustainability Score is based on individual questions that roll up into criteria, which in turn roll up into the three dimensions of Economic, Environmental and Social. The types and weights of individual questions and criteria are adjusted for each industry-specific questionnaire to reflect the materiality of specific sustainability themes within each industry.

The information in this report should not be considered a recommendation to purchase or sell any particular security. There is not assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent the account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings.

Calamos Advisors LLC is a federally registered investment advisor. Form ADV Part 2A, which provides background information about the firm and its business practices, is available upon written request to:

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