Market Overview

Emerging markets declined in the quarter, reflecting an environment of tighter global monetary policy, slowing economic growth, and a stronger dollar. Emerging market equities sold off across regions, as the MSCI Emerging Markets Index ended down overall -11.34% (in USD terms). Even so, markets registered a wide range of returns between countries, reflecting differences in growth and inflation conditions, currencies, and commodity exposures.

Shares in China rose in the quarter, the only country to deliver a positive return among emerging markets. As the period progressed, China eased its stringent zero-covid policy approach, making positive changes across major cities and key industries. As most of the world faces increased inflationary pressures requiring central banks to pivot to a much tighter monetary stance, China is once again in the opposite position. During the quarter, government officials announced a series of stimulus measures aimed at the economy and financial markets, including tax incentives and cuts in the reserve rate.

Brazilian shares performed poorly in the quarter but managed to generate slightly positive returns in the first half. Brazil had benefited from strong commodities demand and improving consumer morale as unemployment reached the lowest level in years. Private sector growth continued, generating healthy demand in multiple parts of the economy but also contributing to inflation near its highest level since 2003. Indian equities also declined in the quarter reflecting a combination of a weaker rupee and mixed macro data. Industrial production advanced sharply in recent months with output increasing across sectors, but high fuel prices and overall inflation has curbed consumer spending and caused the Reserve Bank to raise rates. Among larger EM markets, the relative leaders in the period included China (+3.50%) and

FIGURE 1. CALAMOS EMERGING ECONOMIES STRATEGY RETURNS (%)

<table>
<thead>
<tr>
<th>QTR ENDING 6/30/22</th>
<th>1-YEAR</th>
<th>3-YEAR</th>
<th>5-YEAR</th>
<th>10-YEAR</th>
<th>SINCE INCEPTION (12/08)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calamos Emerging Economies Composite</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross of Fees</td>
<td>-14.39</td>
<td>-27.36</td>
<td>7.93</td>
<td>7.14</td>
<td>5.41</td>
</tr>
<tr>
<td>MSCI Emerging Markets Index</td>
<td>-11.34</td>
<td>-25.00</td>
<td>0.92</td>
<td>2.55</td>
<td>3.43</td>
</tr>
</tbody>
</table>

Source: Calamos Advisors LLC
Past performance is no guarantee of future results.
Data as of 6/30/22.

*The Pension Bridge Institutional Asset Management Award for Emerging Markets Equity Strategy of the Year was awarded to the Calamos Emerging Economies Strategy on October 6, 2021. The Pension Bridge Award is based on two-stage quantitative and qualitative criteria that evaluates manager data as of May 31, 2021. Quantitative factors evaluated include: 1-year active performance return next to most appropriate benchmark (20% of overall scoring); 3-year active performance return next to most appropriate benchmark (10% of overall scoring); 5-year active performance return next to most appropriate benchmark (10% of overall scoring); Net AUM growth in real terms over 12 month period (AUM supplied in USD; 10% of overall scoring); Net AUM growth in % terms over 12-month period (AUM supplied in USD; 10% of overall scoring); Number of institutional mandates won over a 12-month period (10% of overall scoring). Qualitative factors evaluated include: ESG/Innovation, key staff turnover, usage of any marketing and sales materials, etc. (30% of overall scoring). Used with permission by Pension Bridge.
All portfolio positioning and sector information is for a representative portfolio. All values are in USD terms unless otherwise indicated. Please see last page for additional information.
Indonesia (-8.82%) in USD terms, while lagging markets included Brazil (-24.35%) and South Africa (-22.86%).

Performance Review
For the quarter ended June 30, 2022, the portfolio returned -14.39%, underperforming the MSCI Emerging Markets return of -11.34%.

Positive Influences on Performance
Energy. The portfolio’s security selection and an average overweight allocation in energy drove relative returns. Holdings in the oil & gas exploration & production and coal & consumable fuels industries performed well in particular.

Communication Services. Favorable security selection in communication services contributed to performance. Specifically, interactive media & services and our nonparticipation in integrated telecommunication services promoted return.

Negative Influences on Performance
Consumer Discretionary. Over the period, selection within the consumer discretionary sector detracted from return, as holdings in the internet & direct marketing retail and automobile manufacturers industries hurt relative results.

Materials. Security selection and an average overweight stance within the copper and diversified metals & mining industries of the materials sector curbed relative performance.

Geographic Performance
From a country perspective, the portfolio’s relative security selection in China and Brazil detracted value relative to the benchmark in the quarter. The portfolio’s relative selection in India and underweight stance in Korea added value to returns in the period.

Positioning and Portfolio Changes
We maintain a vigilant but constructive view on opportunities in emerging markets. Our portfolio positioning favors a blend of secular and cyclical growth companies in addition to reopening opportunities and select defensives. From a sector perspective, the largest weights are in consumer discretionary, financials, technology, and industrials. We own holdings within key demand areas including higher quality financials, semiconductors, internet retail, interactive media & services, autos, and insurance. We hold a low weight or underweight in utilities and traditional telecoms, reflecting our view of opportunities elsewhere in the sectors noted earlier. We made moderate changes to sector weights during the quarter. We increased the weight in consumer discretionary and industrials due to attractive bottom-up opportunities, while we reduced the weight in materials and financials on security-specific rationale. From a geographic perspective, we favor investments in the markets of China, India, Taiwan, Brazil, Indonesia and Thailand.

Outlook
Emerging markets continue to navigate a set of complex crosscurrents. We are analyzing many aspects of economic
activity alongside the geopolitical backdrop, key policy actions and corporate earnings. With inflationary pressures persisting and monetary policy tightening, the markets remain uncertain, and we expect 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 the ability to grow earnings in the current environment, maintain supportive valuations, and sustain higher quality balance sheets.

The representative portfolio information described in both charts above represents a representative account managed in the Emerging Economies strategy. Other clients' portfolios may differ mainly due to individual restrictions and timing of purchases and sales. All portfolio positioning and sector information is for a representative portfolio. Please see last page for additional information.
From a sector perspective, we see opportunities in consumer discretionary, financials, technology, industrials and energy names with attractive bottom-up fundamentals. Our active investment approach and long-term perspective positions us to take advantage of the volatility and opportunities in emerging markets.