

# Global Growth Strategy Quarterly Commentary

CALAMOS  
INVESTMENTS

## Summary

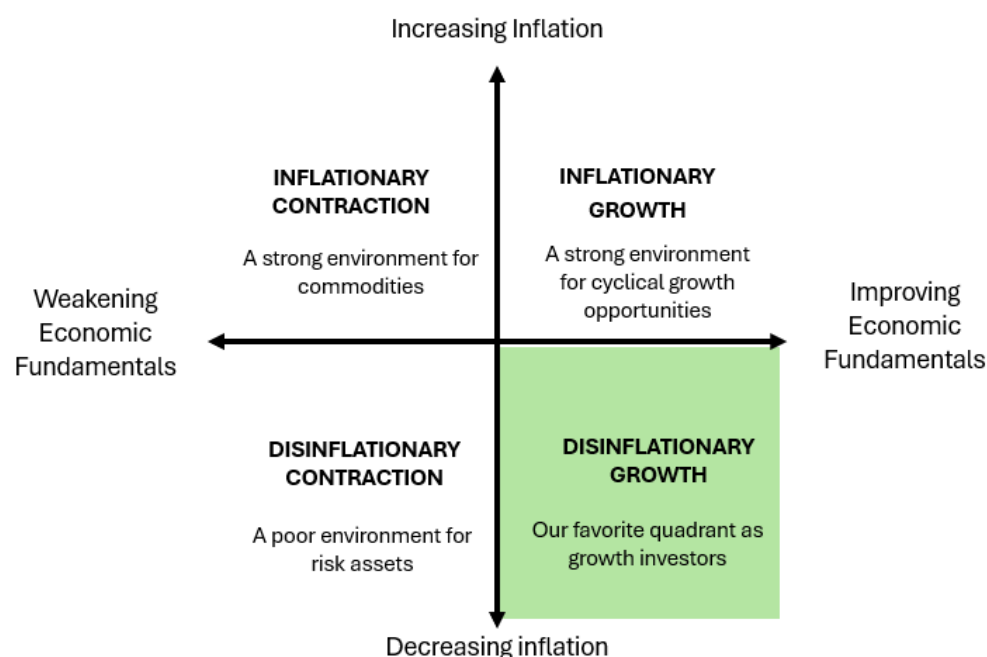
- Calamos Global Growth Strategy invests in the common stocks of global growth companies and seeks to outperform the MSCI ACWI Index over a full market cycle.
- A global macro backdrop of falling inflation and improving economic fundamentals provides strong tailwinds for our growth approach.
- Our approach to AI focuses on the entire ecosystem, including growth-oriented industrials as well as technology companies.
- Economic reform sets the stage for investment opportunity—through this lens, South Korea is a market that has our attention.

## Investment Manager Discussion

Our team's investment framework incorporates top-down elements to help guide our bottom-up research and portfolio construction. Identifying and investing alongside global secular themes is a pillar of this top-down framework (for more, see our paper [“Identifying Global Growth Opportunities Through a Thematic Lens”](#)). We also pay close attention to more cyclical macroeconomic conditions to understand the environment we're in and to identify potential inflection points.

Economic growth and inflation levels and their rates of change are the primary high-level determinants of the investing environment. Within each environment, there are historical patterns of how asset classes, sectors, industries, and factors have tended to perform. Since mid-2023 and led by the United States, we've been in a global environment of falling inflation while growth has been resilient. Even in Europe and Japan, where conditions have been more challenging, nominal growth remains positive.

### Market cycle regimes: We see macro tailwinds for global growth



All portfolio positioning and sector information is for a representative portfolio. Please see additional information that follows commentary.

Historically, this has been the best environment for risk assets and for growth stocks in particular. Capitalist systems thrive on innovation, productivity enhancements, and creative destruction.

Market participants seem to value these characteristics most when they are not worried about the prospect of a significant change in the growth outlook or inflationary backdrop. In an environment of reasonable albeit slowing economic expansion, still elevated but falling inflation, and ubiquitous innovation, it is not surprising that the equity returns of companies with strong growth fundamentals have outperformed the broader market.

We do not see a material shift in the growth or inflation dynamic on the horizon. As such, we see a long runway of opportunity for the quality growth companies our approach favors. In addition to the top-down tailwinds, many of these companies are seeing significant fundamental improvements in their businesses that support valuations that we believe are still reasonable.

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April 4, 2024

## Market Environment

Global equities rallied in the first quarter as investors responded to resilient growth, moderating inflation, and positive corporate earnings. The broad-based MSCI ACWI Index returned 8.32% for the quarter, with markets higher across most regions. Developed markets returned 9.01%, measured by the MSCI World Index, and US equities returned 10.56% based on the S&P 500 Index. Emerging markets also rose in the quarter but saw more modest gains; the MSCI Emerging Markets Index returned 2.44%. Most sectors within the MSCI World Index rose in the quarter. Communication Services (+12.99%, USD terms) and technology (+12.34%) led the index, while real estate (-0.32%) and utilities (+1.46%) saw the lowest returns.

## Performance Review

Global equities rallied in the first quarter, as investors responded to a combination of resilient economic growth, moderating inflation, and positive corporate earnings. The strategy's relative outperformance was primarily driven by strong relative security selection. Our emphasis on companies exhibiting leading growth and quality fundamentals, in addition to alignment with our key secular themes, contributed to positive investment returns.

For the quarter ended March 31, 2024, the portfolio returned 19.42% (gross of fees) and 19.13% (net of fees), strongly outdistancing the MSCI ACWI Index return of 8.32%.

## Positive Influences on Performance

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**Information Technology.** The portfolio's leading security selection and an average overweight allocation in information technology promoted relative returns. Specifically, positions in the semiconductors and the semiconductor materials & equipment industries aided performance.

**Industrials.** Security selection and an average overweight stance in industrials boosted the portfolio's performance. The main contributors within the sector were aerospace & defense and electrical components & equipment names.

## Negative Influences on Performance

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**Financials.** Over the period, an average underweight allocation within the financials sector detracted from performance. Specifically, investment banking & brokerage and our lack of exposure to multi-sector holdings held back relative returns.

**Communication Services.** An average underweight position within the communication services sector underperformed. Specifically, a scarcity of holdings in interactive media & services and our lack of representation in advertising held back relative returns.

## Geographic Performance

The portfolio's favorable security selection in the United States boosted relative returns.

In contrast, the portfolio's average overweight stance in Emerging Latin America lagged on a relative basis. The portfolio's securities fell short of benchmark constituents in Mexico and Brazil.

## Positioning and Portfolio Changes

The portfolio's regional and country positioning reflects the combined inputs from our top-down global framework and our bottom-up security analysis. Our investment team evaluates macroeconomic factors and growth opportunities, actively integrating them into the investment decision-making.

- International equities continue to navigate a set of diverse crosscurrents. We analyze multiple market drivers, including central bank policy, inflation dynamics, corporate earnings, and geopolitical tensions. Considering evolving monetary policy and the economic backdrop, financial markets remain uncertain, and we expect periods of volatility until these risks are resolved. Against this complex backdrop, we continue to identify ways to capitalize on volatility, including a range of opportunities at the thematic, regional, and market-cap levels.
- In terms of sector positioning, technology, industrials, consumer discretionary, and health care represent the largest weights in the portfolio. Diverse industry positions include semiconductors and semi equipment, application software, aerospace & defense, pharmaceuticals, autos, and diversified banks. We are underweight more defensive and interest-rate-sensitive areas, including utilities, consumer staples, and traditional telecoms.

- From a geographic perspective, we hold a broadly diversified position in Europe, with a blend of secular growth, select cyclicals, and higher-quality defensives. We continue to evaluate the growth and inflation backdrop amid the region's mixed economic conditions and extensive linkages to global trade.
- We increased our weight in Japan, emphasizing companies benefiting from regulatory and governance reforms, secular demand trends, and attractive valuations.
- We own a range of holdings in emerging markets. Positioning reflects our view of evolving trade dynamics, domestic policy reforms, and attractive valuations. We favor positions within the semiconductors, travel, real estate, and aerospace & defense industries.

**For additional information please visit the strategy's profile page:**

<https://www.calamos.com/strategies/global-growth/>

DATA AS OF 3/31/24

#### GLOBAL GROWTH AVERAGE ANNUAL RETURNS (%)

	QTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE INCEPTION (4/07)
Global Growth (gross of fees)	19.42	38.38	7.77	16.50	12.23	10.80
Global Growth (net of fees)	19.13	36.93	6.62	15.30	11.06	9.63
MSCI ACWI Index	8.32	23.81	7.46	11.45	9.22	7.07
MSCI World Index	9.01	25.72	9.13	12.63	9.97	7.57

**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.**

#### For Institutional Use Only

The information portrayed is for the Calamos Global Growth 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.

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.

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It should not be assumed that any of the securities transactions or holdings discussed 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 discussed herein.

Returns and Risk/Reward statistics presented reflect the **Calamos Global Growth Composite**, which is an actively managed composite that invests in a globally diversified portfolio of equity securities. The Composite was created March 22, 2007, calculated with an inception date of April 1, 2007. The Composite results include all fully discretionary accounts, including those no longer with the Firm.

**Foreign (Non-US) Securities Risk:** Risks associated with investing in foreign (non-US) securities include fluctuations in the exchange rates of foreign currencies that may affect the US dollar value of a security, the possibility of substantial price volatility as a result of political and economic instability in the foreign country, less public information about issuers of securities, different securities regulation, different accounting, auditing and financial reporting standards and less liquidity than in US markets.

**Geographic Risk:** From time to time, based on market or economic conditions, certain strategies could invest a significant portion of its assets in one country or geographic region. If a strategy does so, there is a greater risk that economic, political, social and environmental conditions in

that particular country or geographic region will have a significant impact on performance and performance will be more volatile than the performance of more geographically diversified accounts. The economies and financial markets of certain regions can be highly interdependent and could decline all at the same time. In addition, certain areas are prone to natural disasters such as earthquakes, volcanoes, droughts or tsunamis and are economically sensitive to environmental events. Alternatively, the lack of exposure to one or more countries or geographic regions could adversely affect performance.

**Growth Investing Risks:** Growth companies are generally more susceptible than established companies to market events and sharp declines in value. Additionally, growth stocks typically lack the dividend yield that can cushion stock prices in market downturns.

**Equity Securities Risk:** The securities markets are volatile, and the market prices of the securities may decline generally. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. If the market prices of the securities owned fall, the value of your investment will decline.

The **MSCI ACWI 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 **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 Japan Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Japan. The **MSCI Pacific Index** captures large- and mid-cap equities performance across five Developed Markets countries in the Pacific region. The index covers approximately 85% of the free float-adjusted market capitalization in each country. The **MSCI World Index** is a market capitalization weighted index composed of companies representative of the market structure of developed market countries in North America, Europe, and the Asia/Pacific region. The MSCI indices are calculated in both US dollars and local currencies. The **S&P 500 Index** is generally considered representative of the US stock market.

Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees, expenses or sales charges. Investors cannot invest directly in an index.

Fees include the investment advisory fee charge by Calamos Advisors LLC. Returns greater than 12 months are annualized. Chart Data Source: 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.

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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