

Global Opportunities Strategy Quarterly Commentary

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INVESTMENTS

Strategy Overview

A lower-volatility global equity strategy that leverages Calamos' capital structure research by investing in equities and equity-sensitive securities of global growth companies, in order to generate consistent alpha and manage downside volatility versus the MSCI All Country World Index over a full market cycle.

Market Overview

Global equities rallied in the fourth quarter amid an environment of less hawkish central bank policy, lower bond yields, and increased investor risk appetite. The broad-based MSCI ACWI Index returned 11.15% for the quarter, with markets higher across most regions. Developed markets returned 11.53%, as measured by the MSCI World Index, and US equities returned 11.69% based on the S&P 500 Index. Emerging markets also saw substantial gains in the quarter, as the MSCI Emerging Markets Index returned 7.93%.

Most sectors within the MSCI ACWI Index rose in the quarter. Technology (+17.58%, USD terms) and real estate (+16.06%) led the index, while energy (-2.91%) and consumer staples (+5.58%) saw the lowest returns.

US equities rallied in the fourth quarter, and the economy grew above-trend. Services activity and consumption made a strong showing while manufacturing and factory demand was muted. Regarding employment, the job market continued to see solid data in payrolls and wages, with rising participation rates recently tempered by tapering job openings. Widely followed inflation figures showed moderating consumer and producer prices, supporting a more dovish Fed policy and interest rate outlook. In terms of monetary policy, the Fed held interest rates unchanged for three consecutive meetings and began to express a less hawkish stance on inflation and forward rate expectations. Many interpreted Federal Reserve Chair Jerome Powell's comments as dovish, which bolstered higher equities and lower bond yields.

European equities returned 11.10% in the period, as captured by the MSCI Europe Index (in USD terms, 5.65% in local currency). Europe saw positive returns across countries as markets benefited from easing inflation pressures and higher investor risk appetite. From a demand perspective, the region's private sector activity continued to contract, with better strength in services relative to manufacturing output. European corporate earnings trailed global earnings overall, but a positive revision trend reflects a more constructive outlook for the year ahead. On the inflation front, euro area prices moderated significantly in the quarter, seeing the lowest levels in over two years, with notable declines across both consumer and producer prices. From a policy perspective, the European Central Bank (ECB) held interest rates unchanged at its last two meetings and signaled an earlier conclusion to its bond purchase program. The ECB's policy stance has generally been viewed as relatively more hawkish with members agreeing to maintain restrictive rates for an extended period to steer inflation toward its goal. In terms of country performance, Sweden and the Netherlands led other markets, returning 21.35% and 19.89% in USD terms, while Ireland and Norway trailed relatively, returning 6.26% and 3.56%, respectively.

Developed Asia Pacific equities also saw gains in the quarter, as the MSCI Pacific Index returned 9.28% (in USD terms, +3.74% in local currency). Equities in Japan rose over 8% in the quarter (in USD terms) and generated strong gains for the year, reflecting higher prices and wages, improved consumer confidence, and reforms in corporate governance. Recent data showed improved business sentiment, marking the highest level in two years, helped by consecutive months of higher readings in retail sales. In terms of monetary policy, the Bank of Japan (BOJ) held its short-term rate unchanged at its latest meeting. The BOJ has generally stood by its ultra-easy policy stance while also taking minor steps to loosen its yield curve control over recent months. Australian shares surged higher in the quarter. The economy was mixed: composite PMI readings on business activity softened over the past few months, while retail sales and private credit growth edged higher. The Reserve Bank of Australia held interest rates unchanged at its final meeting of the year, as expected, but also noted that underlying inflation remains above expectations despite the highest borrowing costs since 2011. Hong Kong equities also rose in the period but declined by double digits over the full year. Private sector activity rose to a six-month peak recently, while retail sales and overall employment data reflected a subdued recovery in the region. In terms of select country performance (all in USD terms), Japan returned 8.22%, while Australia and Hong Kong returned 15.27% and 3.42%, respectively.

Emerging markets rose in the quarter, with the MSCI Emerging Markets Index returning 7.93% (in USD terms, +5.65% in local currency). Emerging markets experienced a wide return dispersion across countries, reflecting a range of macro conditions, capital flows, and earnings fundamentals. Stocks in India generated returns of nearly 12% in the quarter. India's economy continued to see robust growth, with positive composite PMI data reflecting an expansion supported by manufacturing and services. In terms of policy, the Reserve Bank held interest rates unchanged at several consecutive policy meetings, reflecting moderating inflation, amid lower prices for fuel and housing. Chinese equities declined 4% in the quarter, continuing their relative underperformance over the year. From a macro perspective, China's economic growth has been below expectations, with retail sales, factory activity, and fixed investment reflecting subdued demand. In terms of policy developments, President Xi and Biden met at the APEC Summit in November. The meetings signaled increased communications between the powers but also resulted in only incremental progress on issues related to technology and security.

Mexico and Brazil equities rallied and outperformed in the quarter, adding to the strong returns for both markets for the full year. Mexican shares continued to reflect the positive effects of nearshoring and evolving supply chains, contributing to a sustained lift in business confidence, factory activity, and retail sales. Brazil's economy benefited from its growth in exports and private sector activity in addition to moderating inflation, which enabled Brazil's central bank to pivot and begin cutting interest rates. Among the larger EM markets, the leaders in the period included Mexico (+18.81%) and Brazil (+18.05%) in USD terms, while the laggards included China (-4.21%) and Indonesia (+2.04%).

Global Convertible Market. As measured by the ICE BofA Global 300 Index (in USD terms), global convertibles generated a strong 7.17% gain in the quarter, reflecting the positive returns of their underlying equities. US convertibles, as represented by the ICE BofA All US Convertibles Index, returned 6.79% in the quarter. European convertibles rose 8.46% for the quarter, and Japan euro convertibles gained 4.22% (both in USD terms). Asia ex-Japan convertibles also advanced, returning 4.37% (in USD terms). Global convertible issuance totaled \$18.5 billion in the quarter per BofA data, bringing the full

year total to \$79.4 billion. For the year, the US led issuance with \$53.4 billion, Europe raised \$13.4 billion in volume, Asia ex-Japan placed \$9.0 billion, and Japan raised \$3.6 billion.

Currency. The DXY Dollar Index declined -4.56% in the fourth quarter. The index provides a measure of the performance of the US dollar against a basket of major world currencies. The Swiss franc (+8.78%), Japanese yen (+5.91%), euro (+4.41%), and the British pound (+4.36%) each appreciated versus the dollar in the period.

Performance Review

Pursuant to our risk-managed objective, the strategy delivered positive returns in the fourth quarter and captured much of the upside of the all-equity benchmark index. We utilized a blend of equities and convertible securities to actively manage the portfolio skew and risk-reward profile amid an uncertain environment for global markets.

For the quarter ended December 31, 2023, the portfolio returned 9.19% (gross of fees) versus the MSCI ACWI Index return of 11.15%.

Positive Influences on Performance

Industrials. The portfolio benefited from security selection and an average overweight allocation in industrials. Positions in the aerospace & defense industry and the electrical components & equipment industry contributed to relative performance.

Health Care. Favorable security selection and an average underweight allocation in health care added to the portfolio's performance. The pharmaceuticals position was a leading contributor, and our lack of exposure to biotechnology notably assisted relative returns.

Negative Influences on Performance

Financials. Over the period, security selection and an average underweight stance within financials weakened return, as holdings in diversified banks and insurance brokers hurt relative performance.

Information Technology. Security selection in information technology lost ground on a relative basis, specifically in the systems software and semiconductors industries.

Geographic Performance

The portfolio's leading security selection and average overweight stance in Europe boosted relative returns. Holdings in the United Kingdom and Denmark performed well in particular.

Conversely, the portfolio's security selection and average underweight allocation in the United States curbed relative returns.

Positioning and Portfolio Changes

Regarding portfolio positioning, we emphasize companies with attractive earnings, pricing power, cash flow, and supportive valuations. From a sector perspective, we see opportunities in technology, industrials, health care, consumer names, and energy companies with leading fundamentals. Our active,

risk-managed investment approach and long-term perspective position us to take advantage of the volatility and opportunities in global markets.

- From a sector perspective, technology, industrials, and health care are the largest absolute sector weights in the portfolio. Key industry positions include semiconductors, systems software, pharmaceuticals, electrical components & equipment, and aerospace & defense.
- We own select holdings in energy companies positioned to benefit from supply-and-demand dynamics and attractive capital efficiency.
- We are underweight more defensive and interest-rate-sensitive areas including utilities, real estate, and traditional telecoms.
- In the US, we own a diversified and underweight position. We see a range of attractive bottom-up opportunities across secular growth, cyclicals, and select defensives, reflecting our emphasis on advantaged business models and attractive earnings.
- We have a moderate overweight position in Europe, with a blend of secular growth, select cyclicals, and higher-quality defensives. We continue to evaluate the growth and inflation backdrop in light of the region's restrictive monetary policy and linkages to global growth.
- We own a range of holdings in emerging markets. Positioning reflects our view of evolving trade dynamics, domestic policy reforms, and attractive valuations. We own positions within semiconductors, interactive media, and higher-quality financials.
- We see opportunities in Japan and are emphasizing companies benefiting from regulatory and governance reforms, secular demand trends, and attractive valuations.

Outlook

Global markets continue to navigate a set of complex crosscurrents. We analyze many important market drivers, including central bank policy, inflation dynamics, corporate earnings, and geopolitical tensions. Given evolving global monetary policy and the economic backdrop, financial markets remain uncertain, and we expect volatility will continue until these risks are resolved. Against this complicated backdrop, we continue to identify strategies to capitalize on volatility, including a range of opportunities at the thematic, regional, and market-cap levels.

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

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

DATA AS OF 12/31/23

GLOBAL OPPORTUNITIES AVERAGE ANNUAL RETURNS (%)

	QTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE INCEPTION (10/96)
Global Opportunities (gross of fees)	9.19	16.38	2.44	11.62	7.71	9.34
Global Opportunities (net of fees)	9.00	15.57	1.75	10.91	6.96	8.41
MSCI ACWI Index	11.15	22.81	6.25	12.27	8.48	7.37
MSCI ACWI Index (Local)	9.49	22.22	7.80	12.79	9.60	7.69

Past performance does not guarantee or indicate future results. 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 Calamos Global Opportunities Strategy and as such only relate to the representative portfolio shown. 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.

Returns and Risk/Reward statistics presented reflect the **Calamos Global Opportunities Composite**, which is an actively managed composite that invests in a globally diversified portfolio of equity, convertible and fixed income securities, with equal emphasis on capital appreciation and current income. The Composite was created February 16, 2006, calculated with an inception date of October 1, 1996. The Composite results include all fully discretionary accounts, including those no longer with the Firm.

Foreign (Non-US) Securities Risks: 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.

Convertible Securities Risks: The value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors also may have an effect on the convertible security's investment value.

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.

Country Return Statistics: Unless otherwise noted, country equity returns are based on the appropriate MSCI Index for the country listed.

The **ICE BofA Global 300 Convertible Index (VG00)** is a global convertible index composed of companies representative of the market structure of countries in North America, Europe and the Asia/Pacific region. The **ICE BofA Investment Grade Global 300 Convertibles Index** comprises issues of investment-grade convertible bonds and preferreds in North America, Europe and the Asia/Pacific Region. The **ICE BofA Speculative Grade Global 300 Convertibles Index** comprises speculative grade convertible bonds and preferreds 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. The **ICE BofA All US Convertibles Index** measures the return of all US convertibles. 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 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 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 representation across five Developed Markets (DM) countries in the Pacific region. 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 **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 Sources: 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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