

# International Growth Concentrated Strategy

## Quarterly Commentary

CALAMOS<sup>®</sup>  
INVESTMENTS

### Market Overview

Global markets experienced significant volatility and rotation in the first quarter but ultimately rose over the period. Investors navigated multiple countervailing factors, including tighter monetary policy and volatile interest rates, but also signs of moderating inflation and resilient corporate earnings.

The broad-based MSCI ACWI Index returned 7.44% for the quarter, with markets moving higher across most regions. Developed markets returned 7.88%, as measured by the MSCI World Index, and US equities returned 7.50% as reflected by the S&P 500 Index. Emerging markets also advanced in the quarter, as captured by the MSCI Emerging Markets Index's 4.02% gain.

US equities experienced a back-and-forth quarter, marked by multiple Fed rate hikes, mixed economic data and pivotal events in the banking sector. Widely covered bank failures led to a highly uncertain period in markets, but coordinated action by the Federal Reserve, the US Treasury and the FDIC helped lessen anxiety.

European equities returned 10.74% in the quarter as reflected by the MSCI Europe Index (USD terms, 8.81% in local currency). Eurozone markets navigated an environment of higher European Central Bank policy rates and a stronger euro but also mixed economic data and faltering confidence in the banking sector. In terms of the macro standpoint, lower energy prices and improved global demand amid Asia's reopening contributed to positive sentiment and sales results.

Asia Pacific equities also advanced in the quarter with the MSCI Pacific Index returning 4.84% (in USD terms, 5.71% in local currency). Japan saw a pickup in consumer confidence and retail spending, attaining the highest levels in several months as both employment and income growth edged up. Australia's economic conditions were mixed, reflecting slowing activity in manufacturing and housing, offset by resilient commodities demand and a boost from China's reopening.

Although emerging markets experienced a seesaw quarter with China's reopening, a weaker dollar, and considerable swings in investor risk appetite, the MSCI Emerging Markets Index ultimately rose 4.02% (in USD terms, 3.84% in local currency).

### Performance Review

For the quarter ended March 31, 2023, the strategy returned 10.24% (gross of fees), strongly outperforming the MSCI ACWI ex USA Index return of 7.00%. The portfolio's holdings, which reflected relatively higher quality and earnings growth fundamentals, were rewarded amid this uncertain economic environment.

### Positive Influences on Performance

**Financials.** The portfolio benefited from security selection and an average underweight allocation in financials where holdings in regional banks and diversified banks added to relative returns.

**Consumer Discretionary.** Security selection and an average overweight allocation in the consumer discretionary sector added to the portfolio's return, especially in the internet & direct marketing retail and automotive parts & equipment industries.

### Negative Influences on Performance

**Industrials.** Over the quarter, security selection and an average underweight allocation within the industrials sector negatively affected performance. Holdings in the industrial machinery & supplies & components industry and the aerospace & defense industry lagged.

**Energy.** Security selection and an average underweight stance in energy lost ground on a relative basis, specifically in the oil & gas equipment & services and integrated oil & gas industries.

### Geographic Performance

The portfolio's security selection in Emerging Latin America boosted relative results, particularly in Brazil and Mexico. Also, favorable security selection and an average overweight stance in Europe supported relative returns with holdings in the Netherlands and France advancing.

Conversely, the portfolio's security selection in Canada curbed relative returns. Moreover, security selection in Emerging Asia dampened results. In particular, Hong Kong and Australia were leading detractors.

### Positioning and Portfolio Changes

The strategy's regional and country positioning reflects the combined inputs from our top-down global framework and our bottom-up security analysis.

>> We positioned the portfolio with a combination of secular growth, cyclicals, commodities exposures, reopening opportunities and select defensives.

>>> Consumer discretionary, financials, industrials, information technology and health care represent the largest sector weights. Key industry positions include apparel & luxury goods, diversified banks, internet & direct marketing retail, pharmaceuticals, and semiconductor materials & equipment.

>> In the energy sector, we own a range of holdings in companies positioned to benefit from supply-and-demand dynamics and attractive capital efficiency.

>> We have an underweight stance in more defensive areas including utilities, real estate, consumer staples and traditional telecoms.

>> From a geographic perspective, we hold a moderate overweight position in Europe with a blend of secular growth, defensives, and select commodities exposures. We continue to evaluate the outlook across Europe given the ongoing conflict in Ukraine and tightening monetary conditions, although the region's economic linkages to China stand to benefit from a sustained reopening.

>> We hold a range of holdings across emerging markets. Our positioning reflects our views on China's sustained reopening, the US dollar and relative equity valuations. Specifically, we own names within the semiconductors, interactive media, and higher-quality financials industries.

>> We hold multiple positions in Japan where we favor a balance of exposures across secular growth, cyclicals and reopening beneficiaries that tap into earnings growth catalysts and attractive business models.

## Outlook

International markets are confronting a set of complex crosscurrents. We are analyzing many aspects of economic activity, alongside evolving policy actions, corporate earnings and geopolitical factors. With dogged global inflation and tighter monetary policy, the financial markets remain uncertain, and we expect global volatility will continue until these risks resolve. Against this complicated 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 strategy positioning, we are emphasizing companies with relative earnings momentum, pricing power, free cash flow and attractive valuations. From a sector perspective, we see opportunities in consumer discretionary, information technology, industrials, health care and energy with compelling fundamentals. Our active investment approach and long-term perspective position us to take advantage of the volatility and opportunities in international equities.

*NOTE: The preceding commentary reflects GICS sector classifications as of March 1, 2023, and does not reflect sector reassignments by GICS that occurred on March 17, 2023.*

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

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

## CALAMOS INTERNATIONAL GROWTH CONCENTRATED STRATEGY RETURNS (%)

	QTR	1-YEAR	3-YEAR	5-YEAR	SINCE INCEPTION (12/13)
<b>Calamos International Growth Concentrated Composite</b>					
Return Gross	10.24	-11.38	18.03	7.60	7.18
Return Net of Fees	10.03	-12.07	17.12	6.74	6.23
<b>MSCI ACWI ex USA Index</b>	7.00	-4.57	12.32	2.97	3.81

Source: Calamos Advisors LLC

Past performance is no guarantee of future results.

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 International Growth Concentrated 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.

The information provided in this report should not be considered a recommendation to purchase or sell any industry, sector or particular security. There is no assurance that any industry, sector or security discussed herein will remain in a client's account at the time of reading this report or that industry, sectors or securities sold have not been repurchased. The industries, sectors, or securities discussed herein do not represent a client's entire account and in the aggregate may represent only a small percentage of an account's holdings.

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 International Growth Concentrated Composite**, which is an actively managed composite that primarily invests in a concentrated number of equity securities of non-US domiciled companies. The Composite was created December 13, 2013, calculated with an inception date of December 1, 2013. 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. **Geographic Risks:** 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. **Non-Diversification Risks:** Investments that are concentrated in one or few industries or sectors, or in particular systemic risk styles such as a growth, value, momentum, large/small cap, etc. may involve more risk than more diversified investments, including the potential for greater volatility.

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 ACWI ex USA Index** represents performance of large- and mid-cap stocks across developed and emerging markets excluding the United States. The **MSCI Europe Index** captures large and mid cap representation across 15 Developed Markets countries in Europe. With 446 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across the European Developed Markets equity universe. The **MSCI Pacific Index** captures large- and mid-cap representation across five Developed Markets (DM) countries in the Pacific region. With 470 constituents, 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 **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 any fees, expenses or sales charges. Investors cannot invest directly in an index.

Fees include the investment advisory fee charged 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:

Calamos Advisors LLC  
2020 Calamos Court  
Naperville, IL 60563-2787  
Attn: Compliance Officer

**CALAMOS**<sup>®</sup>  
INVESTMENTS

Calamos Financial Services LLC, Distributor  
2020 Calamos Court | Naperville, IL 60563-2787  
800.582.6959 | calamos.com | calamos.com/institutional

© 2023 Calamos Investments LLC. All Rights Reserved.  
Calamos<sup>®</sup> and Calamos Investments<sup>®</sup> are registered  
trademarks of Calamos Investments LLC.

9045 0323Q R