

Timpani SMID Growth Strategy

CALAMOS[®]

INVESTMENTS

Market Overview

U.S. equities posted a fourth consecutive quarter of positive returns as noted by the S&P 500 Index's 6.17% first-quarter gain. The stock market continued to look forward amidst a peculiar assemblage of events, which included the storming of the U.S. Capitol, an inauguration, another impeachment, short squeezes and stock chatter via social media that led to a hedge fund's demise, concerns around COVID variants, mostly good news regarding vaccine rollouts, and a near doubling of yields on the 10-year U.S. Treasury.

Reopening stocks led the markets, while those benefitting the most from modified social mobility last year tended to lag. Value led growth, as evidenced by the S&P 500 Value Index's 10.8% return strongly outpacing the modest 2.1% quarterly gain of the S&P 500 Growth Index. Reflation and potential inflation became the focus of much discussion, as U.S. economic data readings on employment, housing and manufacturing all indicated strong growth. The Fed's accommodative monetary policy and massive stimulus advanced by the Biden Administration should continue to fuel economic growth.

SMID-cap growth stocks, as measured by the Russell 2500 Growth Index, turned in a still strong 2.49% gain in 1Q21, despite the market favoring value and cyclically oriented names. Likewise, sector results in the growth benchmark bore out investors' preference for cyclical sectors and areas that had previously lagged. Among the sectors outpacing the benchmark, energy (+35.2%) led by a wide margin, followed by consumer discretionary (+14.0%), consumer staples (+12.0%), industrials (+11.8%), materials (+11.2%) and real estate (+5.8%), while financials (+1.9%), communication services (-0.4%), utilities (-0.5%), health care (-2.3%) and information technology (-2.5%) all lagged.

As noted previously, cyclical and value stocks came into favor during the quarter, and this rotation was also evident in the small-cap arena, as the Russell 2500 Value Index's 16.83% gain strongly outpaced the Russell 2500 Growth Index. Overall, small caps (Russell 2000 Index: +12.70%) outperformed mid caps (Russell Midcap Index: +8.14%) for the quarter, and mid caps in turn beat large caps (Russell 1000 Index: +5.91%), all finishing in the same order as the previous quarter. In addition, micro caps (up +23.89%) strongly outperformed small caps, with strong gains across styles with the Russell Microcap Value Index climbing 29.43% and the Russell Microcap Growth Index posting a 16.86% increase.

Performance Review

For the quarter ended March 31, 2021, the portfolio generated a positive return of 6.06%, strongly outperforming the Russell 2500 Growth Index return of 2.49%.

Positive Influences on Performance

Industrials. The portfolio's favorable security selection and an average overweight position in industrials boosted relative performance. In particular, names in the environmental & facilities services and airlines industries represented major contributors.

Health Care. Leading security selection and an average underweight stance in health care added to performance, especially in the biotechnology and health care facilities industries.

Negative Influences on Performance

Communication Services. Over the period, selection and an average overweight allocation within the communication services sector held back relative results, as holdings in the advertising and interactive media & services industries lagged.

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REPRESENTATIVE PORTFOLIO PERFORMANCE VERSUS RUSSELL 2500 GROWTH INDEX FIRST QUARTER 2021

	CONTRIBUTORS (BPS)	DETRACTORS (BPS)
Industrials	148	
Health Care	135	
Consumer Discretionary	106	
Financials	100	
Real Estate	25	
Utilities	3	
Consumer Staples		-6
Materials		-6
Energy		-14
Information Technology		-84
Communication Services		-96

Attribution based on gross of fee performance with dividends reinvested. Performance attribution excludes any government/sovereign bonds or broad-based index hedging securities the portfolio may hold.

Past performance is no guarantee of future results.

Source: Calamos Advisors LLC. Data as of 3/31/21.

Information Technology. Security selection in information technology curbed relative returns, especially in the application software and internet services & infrastructure industries.

Positioning Discussion

From a sector standpoint, consumer discretionary and industrials represent the largest weights on an absolute basis, while energy and materials represent the smallest weights. The portfolio holds relative overweight positions in the automotive retail and investment banking & brokerage industries, offset by underweight allocations to health care and information

technology, with biotechnology (in health care) and systems software (in information technology) among the underweight industries.

Allocations to industrials and consumer discretionary rose during the period with increased weights in trucking and homefurnishing retail. By contrast, allocations to health care and information technology decreased over the period with reductions to biotechnology and internet services & infrastructure.

Outlook

While by no means complete, the deployment of vaccines has allowed the U.S. economy to incrementally reopen. We are pleased to own many attractive cyclical and secular growth candidates, which should be well-suited to take advantage of both shorter-term and longer-term opportunities. Despite the market's more recent strong preference for value-oriented stocks, we are pleased to see strong performance in names that we believe offer fundamental momentum accompanied by strong-yet-underestimated growth. Among the secular growers, we have accessed a variety of themes including e-commerce, cloud communications, and certain pockets of health care and consumer discretionary. We also have investments in several companies that are ESG friendly, whereby each is using substantial amounts of recycled materials within its

CALAMOS TIMPANI SMID GROWTH STRATEGY RETURNS (%)

	QTR ENDING 3/31/21	1-YEAR	3-YEAR	5-YEAR	SINCE INCEPTION (3/15)
Calamos Timpani SMID Growth Composite					
Gross of Fees	6.06	103.90	25.47	25.36	17.67
Net of Fees	5.82	102.08	24.27	24.15	16.52
Russell 2500 Growth Index	2.49	87.50	19.96	19.91	14.47

Source: Calamos Advisors LLC

Past performance is no guarantee of future results.

Data as of 3/31/21.

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CHARACTERISTICS

	REPRESENTATIVE PORTFOLIO	RUSSELL 2500 GROWTH INDEX
Assets in Strategy	\$188.1 M	N/A
# of Stocks	109	1,352
Portfolio Turnover (12 month)	204.3%	N/A
Median Market Cap (mil)	\$3,870	\$1,738
Weighted Average Market Cap (mil)	\$8,247	\$7,683
Price/Earnings (Forward)	32.1x	32.4x
Price/Sales	3.3x	3.6x
Est 1-Year EPS Growth	16.2%	12.9%
Est 1-Year Sales Growth	23.9%	15.0%
P/E to Growth (1-Year Forward)	2.2x	2.3x

Strategy AUM reflects all assets that are currently being managed (collectively) under the Calamos strategy, which may contain multiple performance composites.

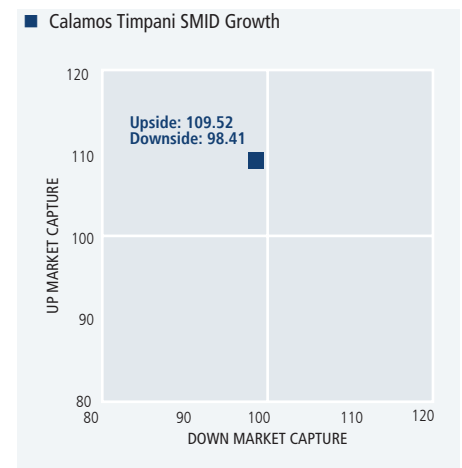
SINCE INCEPTION RISK/REWARD STATISTICS

	CALAMOS TIMPANI SMID GROWTH	RUSSELL 2500 GROWTH INDEX
Alpha	3.42%	N/A
Beta	0.97	1.00
Standard Deviation	19.99%	19.25%
Upside Semivariance	22.12%	19.45%
Downside Semivariance	13.07%	12.66%
Sharpe Ratio	0.84	0.70
Information Ratio	0.45	N/A

All risk-adjusted statistics are relative to the Russell 2500 Growth Index versus the Calamos Timpani SMID Growth Composite. Past performance is no guarantee of future results.

Source: Calamos Advisors LLC

SINCE INCEPTION UP/DOWN CAPTURE VS. RUSSELL 2500 GROWTH INDEX



Source: Calamos Advisors LLC

SECTOR ALLOCATIONS VERSUS RUSSELL 2500 GROWTH INDEX

SECTOR	REPRESENTATIVE PORTFOLIO %	RUSSELL 2500 GROWTH INDEX %	UNDER/OVERWEIGHT %	% CHANGE PREVIOUS QTR
Consumer Discretionary	25.6	13.1	12.5	2.7
Industrials	20.8	13.4	7.4	5.8
Information Technology	20.5	29.0	-8.6	-2.5
Health Care	16.4	28.5	-12.1	-4.6
Financials	6.4	3.9	2.6	0.7
Communication Services	3.4	2.4	1.1	-2.0
Consumer Staples	2.7	2.9	-0.2	0.1
Real Estate	2.0	2.6	-0.6	0.1
Materials	1.6	3.1	-1.5	-0.1
Energy	0.5	0.1	0.4	0.5
Utilities	0.0	1.0	-1.0	0.0
Other	0.0	0.0	0.0	-0.6

This strategy is actively managed. Holdings, weightings and allocations are subject to change daily. Sector Allocation percentages are based on invested portfolio and are subject to change. Other includes securities that do not have a sector classification. Sector allocations in table are based on end weights, while commentary weightings can be based on average weights. Therefore, the sector allocations table and commentary text may reference different sector assignments.

Source: Calamos Advisors LLC. Data as of 3/31/21.

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manufacturing processes. On the cyclical-growth side, we are tilted toward semiconductors and semiconductor capital equipment, auto retailers, transportation, outdoor leisure, and certain stocks with varying ties to residential real estate.

SMID caps have generally performed well during a resurgent economy, and we believe this is the case still today. Small-cap stocks have had recent success compared with the broad market, yet SMID-cap stocks still trade at attractive valuations relative to large caps, according to a variety of third-party research analyst reports. Many businesses have had to dramatically cut costs during the pandemic, so future revenues may be even more impactful to bottom-line results. We are excited about the many opportunities we have identified in SMID-cap growth equities, and we continue to be optimistic regarding micro-cap stocks as evidenced by our overweight to that segment of the small-cap market.

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 Timpani SMID 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.

Returns and Risk/Reward statistics presented reflect the Calamos Timpani SMID Growth Composite, which is an actively managed composite which invests in small and mid-capitalization companies with sound growth potential. On May 31, 2019 Calamos acquired Timpani Capital Management LLC which has managed the strategy since its inception in 2008. The Calamos Timpani SMID Growth Composite was formerly named the Timpani SMID Growth Composite. This name change was effected June 1, 2019. The Composite was created March 1, 2015, calculated with an inception date of March 1, 2015. 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.

The primary benchmark is the Russell 2500® Growth Index. The Russell 2500 Growth Index measures the performance of the small to mid-cap growth segment of the U.S. equity universe. It includes those Russell 2500 companies with higher growth earning potential. The Russell 2500 Growth Index is published and maintained by FTSE Russell. 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.

The information in this report should not be considered a recommendation to purchase or sell any particular security. There is no 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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