Market Overview

After a wild ride, the first half of 2022 is finally over. That’s the good news. The bad news is that we are only at the midpoint of a year that is likely to play out with continued volatility in light of an abundance of investor concerns. What started out as a modest sell-off in the markets this year—brought on by the collective realization that the Federal Reserve had to end its overly accommodative pandemic policies—quickly accelerated into bear market territory in the second quarter as it became clear that the Fed needed to take a much more aggressive tack to combat stubbornly high inflation, even though economic growth had peaked.

For the second quarter, growth stocks, as represented by the S&P 1500 Growth Index, declined -20.52%. The broad market also struggled with the S&P 500 Index dropping -16.10% during 2Q22. Within the growth index, not surprisingly, leadership was much more defensive with utilities (-5.0%), consumer staples (-7.3%), energy (-9.1%), health care (-9.5%) and real estate (-15.9%) leading the way in a difficult market, while growthier areas such as information technology (-21.1%), communication services (-25.0%) and consumer discretionary (-28.5%) gave up the most.

Performance Review

For the quarter ended June 30, 2022, the portfolio returned -22.78%, underperforming the S&P 1500 Growth return of -20.52%.

Positive Influences on Performance

Consumer Staples. The portfolio’s average overweight allocation and security selection in consumer staples outperformed. In particular, food distributors and distillers & vintners were leading contributors.

Materials. Favorable security selection and an average overweight stance in materials also contributed to performance. Specifically, our positioning in industrial gases and our nonparticipation in steel promoted return.

Negative Influences on Performance

Information Technology. Over the period, security selection within the information technology sector held back return, as holdings in the internet services & infrastructure and semiconductors industries curbed relative results.

Industrials. Selection in industrials was detrimental to performance. Specifically, trucking and our lack of participation in industrial machinery held back return.

FIGURE 1. CALAMOS US ALL CAP GROWTH STRATEGY RETURNS (%)

<table>
<thead>
<tr>
<th></th>
<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 (1/91)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calamos US All Cap Growth Composite</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross of Fees</td>
<td>-22.78</td>
<td>-23.71</td>
<td>8.03</td>
<td>10.57</td>
<td>11.44</td>
<td>13.71</td>
</tr>
<tr>
<td>Net of Fees</td>
<td>-22.96</td>
<td>-24.41</td>
<td>7.08</td>
<td>9.63</td>
<td>10.55</td>
<td>12.80</td>
</tr>
<tr>
<td>S&amp;P 1500 Growth Index</td>
<td>-20.52</td>
<td>-16.67</td>
<td>11.14</td>
<td>12.89</td>
<td>14.04</td>
<td>N/A</td>
</tr>
</tbody>
</table>

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

All portfolio positioning and sector information is for a representative portfolio. Please see last page for additional information.
Positioning and Portfolio Changes

We see many opportunities in what we call “fortress growth” companies that arguably have been unduly caught up in the broader sell-off. These are industry champions with well-established economic moats and reliable cash flow generation for years to come. We also remain committed to a smaller handful of disruptive “next-gen” tech companies with undisputed leadership positions in their respective areas along with a more manageable timeframe to true profitability. Finally, we are maintaining our exposure to smaller cap, dynamic growth names that can quickly benefit from a rebound in the US economy.

From a sector standpoint, information technology and consumer discretionary represent the largest weights on an absolute basis, while energy and materials constitute the smallest sector weights with holdings. The portfolio had no exposure to the utilities and real estate sectors. We favor investments in consumer staples and industrials relative to the index. Food distributors represents our largest industry overweight in consumer staples, and aerospace & defense represents our largest industry overweight in industrials. The portfolio is underweight information technology and financials, with technology hardware, storage & peripherals and diversified banks comprising industry underweight positions in these sectors.

Allocations to consumer staples and health care rose during the period with increased weights in hypermarkets & super centers and pharmaceuticals. By contrast, allocations to consumer discretionary and information technology decreased over the period with reductions to internet & direct marketing retail and semiconductors.

Outlook

It’s clear that the next several data points on inflation are the key numbers to watch. With mortgage rates putting a serious dent in housing activity, equity prices slowly chipping away at consumer net worth, and food and energy costs starting to take their toll, the latest batch of retail spending data indicates that a slowdown is formally underway. Although a spending slowdown increases the odds of recession, this may be the only way to solve the supply-demand imbalance that has been the core driver of multi-decade-high inflation levels.

Signs of inflation easing would allow the Fed to take its foot off the brake just enough to keep any flickering hope of a “soft landing” alive. That would certainly be the best scenario for equity prices going forward, and one that we believe is still somewhat plausible. No one can say with any level of certainty whether we can avoid a recession. But even if we do dip into one, this does not necessarily mean it needs to be protracted and deep. Perhaps the most likely scenario is that we do experience a contractionary period (from unsustainably

All portfolio positioning and sector information is for a representative portfolio. Please see last page for additional information.
high post-Covid levels), but by the time we get there, the
Federal Reserve could be poised to quickly pivot to a much
more accommodative stance before significant job layoffs and
earnings cuts take their toll.

Although it would certainly be a stretch to argue equity markets
have already priced in a significant recession (and a much more
aggressive cut to earnings projections), it seems more reasonable
to believe a quick and shallow recession may not necessarily lead
to another major leg down in equity prices. It is still too early
to place a high level of confidence in any of these scenarios, so
a more cautious stance to managing the portfolio is the most
reasonable approach at this stage. This positioning translates
into higher-than-normal cash levels, selective hedging, a general
increase in quality, and a commitment to remain flexible and
nimble as the path forward comes into better focus.

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>REPRESENTATIVE PORTFOLIO %</th>
<th>S&amp;P 1500 GROWTH INDEX%</th>
<th>UNDER/OVERWEIGHT %</th>
<th>PORTFOLIO SECTOR WEIGHTING CHANGE SINCE 3/31/22 (PCT. POINTS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Technology</td>
<td>38.0</td>
<td>41.8</td>
<td>-3.8</td>
<td>-0.9</td>
</tr>
<tr>
<td>Consumer Discretionary</td>
<td>17.2</td>
<td>15.2</td>
<td>2.0</td>
<td>-2.5</td>
</tr>
<tr>
<td>Health Care</td>
<td>13.5</td>
<td>12.7</td>
<td>0.8</td>
<td>1.9</td>
</tr>
<tr>
<td>Communication Services</td>
<td>11.0</td>
<td>10.6</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Industrials</td>
<td>6.5</td>
<td>4.4</td>
<td>2.1</td>
<td>-1.4</td>
</tr>
<tr>
<td>Financials</td>
<td>5.5</td>
<td>7.3</td>
<td>-1.8</td>
<td>0.0</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>3.9</td>
<td>1.9</td>
<td>2.0</td>
<td>1.6</td>
</tr>
<tr>
<td>Energy</td>
<td>2.3</td>
<td>1.4</td>
<td>1.0</td>
<td>0.9</td>
</tr>
<tr>
<td>Materials</td>
<td>2.1</td>
<td>1.7</td>
<td>0.4</td>
<td>0.1</td>
</tr>
<tr>
<td>Real Estate</td>
<td>0.0</td>
<td>2.8</td>
<td>-2.8</td>
<td>0.0</td>
</tr>
<tr>
<td>Utilities</td>
<td>0.0</td>
<td>0.2</td>
<td>-0.2</td>
<td>0.0</td>
</tr>
<tr>
<td>Other</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

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 6/30/22.
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 information portrayed is for the Calamos All Cap 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.

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 industries, 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 All Cap Growth Composite, which is an actively managed composite that invests in common stocks, preferred stocks, securities convertible into US common stocks, and US dollar-denominated American Depository Receipts, primarily in high growth industries and companies across all market capitalizations. The Composite was created July 1, 2010, calculated with an inception date of January 1, 1991. The Composite results include all fully discretionary accounts, including those no longer with the Firm.

The S&P 1500 Growth Index consists of the growth segment of the securities found in the S&P 1500 Index. The S&P 1500 combines the S&P 500, S&P MidCap 400 and the S&P SmallCap 600. The S&P 500 Index is an unmanaged index generally representative of the US stock market, without regard to company size. 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.