U.S. Opportunities Strategy

CALAMOS INVESTMENTS®

Market Overview

The U.S. equity market delivered another quarter of strong returns, albeit with considerable volatility. For the period, , the S&P 500 Index gained 4.30%, adding to its best first half of a year (+18.5%) since 1997. While pundits love to talk about "bests" and "worsts," it's important to remember that this performance is coming off the heels of the worst December (-9.0%) and calendar year (-4.4%) since the Financial Crisis. During the quarter, market worries included concerns over domestic and global economic growth, global trade and tariffs, and an unnerving inversion of the U.S. yield curve. Even with this backdrop, the U.S. equity market rallied in response to a more accommodative Fed policy outlook, lower bond yields, and a seemingly positive, if not conclusive, meeting between the U.S. and China at the G20 Summit.

Growth stocks edged out their value counterparts, as the S&P 500 Growth Index gained 4.56% versus a 4.02% increase for the S&P 500 Value Index. While the growth style was more in favor, low volatility was the top-performing factor, according to S&P Dow Jones. The S&P 500 Index was led by a resurgent financials sector, which delivered an 8.0% quarterly return. Materials (+6.3), information technology (+6.1%), consumer discretionary (+5.3%) and communication services (+4.5%) also outperformed the broad market. Health care (+1.4%), real estate (+2.5%), utilities (+3.5%), industrials (+3.6%) and consumer staples (+3.7%) likewise delivered positive results, though they lagged the overall market. Conversely, energy was the lone sector to land in negative territory for the quarter, posting a -2.8% decrease.

Performance Review

For the quarter ended June 30, 2019, the portfolio returned 4.28% in line with the S&P 500 Index return of 4.30%. Portfolio sector allocations were modestly negative, while security selection contributed to relative performance during the strong, risk-on quarter.

Positive Influences on Performance

Industrials. The portfolio's leading security selection and an average underweight position in industrials helped drive relative results. Holdings in the industrial conglomerates and aerospace & defense industries performed well in particular.

Health Care. Security selection in health care added to the portfolio's performance. The main contributors within this sector were biotechnology and pharmaceuticals.

Negative Influences on Performance

Consumer Discretionary. Over the period, security selection and an average underweight position within the consumer

FIGURE 1. CALAMOS U.S. OPPORTUNITIES STRATEGY RETURNS

	QTR ENDING 6/30/19	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE INCEPTION (1/91)
Calamos U.S. Opportunities Composite						
Gross of Fees	4.28%	9.46%	12.43%	8.75%	11.20%	12.83%
Net of Fees	4.10	8.74	11.68	8.03	10.47	12.05
S&P 500 Index	4.30	10.42	14.19	10.71	14.70	10.23
ICE BofAML All U.S. Convertibles Ex Mandatory Index (V0A0)	3.92	8.00	13.65	7.60	12.04	10.03

Source: Calamos Advisors LLC

Past performance is no guarantee of future results.

Data as of 6/30/19.

Calamos U.S. Opportunities Strategy

FIGURE 2. REPRESENTATIVE PORTFOLIO PERFORMANCE VERSUS S&P 500 INDEX
SECOND QUARTER 2019

	CONTRIBUTORS (BPS)	DETRACTORS (BPS)
Industrials	30	
Health Care	12	
Consumer Staples	11	
Energy	10	
Real Estate	5	
Utilities	2	
Materials	1	
Communication Services		-3
Financials		-4
Information Technology		-10
Consumer Discretionary		-18

Attribution based on gross of fee performance with dividends reinvested. Performance attribution excludes any government/sovereign bonds or options on broad market indices the portfolio may hold.

Past performance is no guarantee of future results.

Source: Calamos Advisors LLC. Data as of 6/30/19.

discretionary sector hurt relative returns, as holdings in the automobile manufacturers and internet & direct marketing retail industries weakened return.

Information Technology. Selection and an average underweight stance in information technology held back relative performance, especially in the semiconductors and systems software industries.

Positioning and Portfolio Changes

In this strategy, we own equities and other corporate securities, including equity-sensitive convertible bonds that we believe are best positioned to take advantage of upward equity movements and potentially limit losses on the downside.

From a sector perspective, the largest portfolio weights are in information technology and health care on an absolute basis. Conversely, materials and real estate represent the smallest absolute weights. Communication services and utilities are the portfolio's largest relative overweights, with interactive media & services (communication services) and electric utilities (utilities) comprising the largest industry overweight positions. Biotechnology and pharmaceuticals constitute the most significant underweight industries.

Allocations to information technology and financials rose during the period with increased weights in data processing & outsourced services and multi-line insurance. By contrast, allocations to health care and energy decreased over the period with reductions to managed health care and integrated oil & gas.

Conclusion

Overall, we continue to believe the U.S. economy is in good standing. Framing our conviction is a strong U.S. consumer enjoying record employment, gains in personal income and modestly growing personal consumption. Stepping back, we do not foresee an imminent recession in the U.S., but acknowledge that global growth is slowing meaningfully. Investor nerves are a bit frayed, as evidenced by the dramatic moves to and from equity markets in the last nine months. In the S&P 500 Index, we witnessed a nearly perfect V-shaped equity market in Q4 2018 (-13.52%) through Q1 2019 (+13.65%), and again in May 2019 when a -6.35% decline was followed by a 7.05% rise in June. Investor angst and the aforementioned market movement may be partially attributable to the Fed's attempt to thread the needle by managing interest rates, market expectations, employment and price stability. Moving forward, we believe equity opportunities may be more tactical versus structural, which will require adept and active management of the portfolio's holdings and risk positioning. We will continue to focus on higher-quality businesses more closely tied to the

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

Calamos U.S. Opportunities Strategy

FIGURE 3. SECTOR ALLOCATIONS VERSUS S&P 500 INDEX

SECTOR	REPRESENTATIVE PORTFOLIO %	S&P 500 INDEX %	PORTFOLIO SECTOR WEIGHTING CHANGE SINCE 3/31/19 (PCT. POINTS)	UNDER/OVERWEIGHT %
Information Technology	22.2	21.5	0.9	0.7
Health Care	13.7	14.2	-1.3	-0.5
Financials	13.1	13.1	0.8	0.0
Communication Services	11.7	10.2	0.4	1.6
Consumer Discretionary	10.4	10.2	-0.4	0.2
Industrials	9.6	9.4	0.2	0.3
Consumer Staples	6.8	7.3	0.2	-0.5
Energy	4.7	5.0	-0.5	-0.3
Utilities	4.2	3.3	0.4	0.9
Real Estate	2.6	3.1	-0.4	-0.5
Materials	1.0	2.8	-0.3	-1.8

This strategy is actively managed. Holdings, weightings and allocations are subject to change daily. Sector weightings exclude cash or cash equivalents, any government/sovereign bonds or broad-based index hedging securities/options the portfolio may hold. 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 6/30/19.

U.S. consumer and believe that companies offering growth in a low-growth environment will be most favored by the market. Once again, we contend that markets subject to sudden changes in sentiment may prove to be the best environment for this strategy, which seeks to reduce equity market risk while striving for equity-like returns over a full market cycle

Calamos U.S. Opportunities Strategy

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 U.S. Opportunities Composite. 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.

Performance returns presented reflect, unless otherwise noted the **Calamos U.S. Opportunities Composite** which is an actively managed composite investing in equity, convertible and high yield securities seeking long term total return through growth and current income. The Composite inception date is January 1, 1991.

The **ICE BofAML All U.S. Convertibles Index (VXA0)** is comprised of approximately 700 issues of only convertible bonds and preferreds of all qualities and measures the return of all U.S. convertibles. The **ICE BofAML All U.S. Convertibles Ex Mandatory Index (V0A0)** represents the U.S. convertible market excluding mandatory convertibles. Source ICE Data Indices, LLC, used with permission. ICE permits use of the ICE BofAML 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 BofAML 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 C**BOE Volatility Index** or **VIX** (based on its CBOE ticker symbol) shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options. The **Russell 3000 Growth Index** measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. The stocks in this index are also members of either the Russell 1000 or the Russell 2000 Growth Indexes. The **Russell 3000 Value Index** measures the performance of those companies in the Russell 3000 Index with lower price-to-book ratios and lower forecasted growth values. The **S&P 500 Index** is a market-value weighted index consisting of 500 stocks chosen for market size, liquidity, and industry group representation. It is widely regarded as the standard for measuring U.S. stock-market performance. 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. All returns are net of commission and other similar fees charged on securities transactions and include reinvestment of net realized gains and interest. 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® INVESTMENTS

Calamos Advisors LLC
2020 Calamos Court | Naperville, IL 60563-2787
800.582.6959 | www.calamos.com/institutional

Calamos Investments LLP
62 Threadneedle Street | London, EC2R 8HP, UK
Tel: +44 (0)20 3744 7010 | www.calamos.com

7732 0619Q II