

Small Cap Market Snapshot

DATA AS OF 10/31/2022

WHAT'S NEW

No tricks but several treats for small caps...After being down 9% in September, small caps bounced back sharply in October, rallying 11% and outperforming large caps by 299 basis points (Russell 2000 less Russell 1000). Small caps have outperformed large caps in five of the last six months by a magnitude of 553 basis points. Interestingly, over that six-month period, small cap absolute returns are down only 20 basis points—that's despite several interest rate hikes and continued hawkishness by the Federal Reserve.

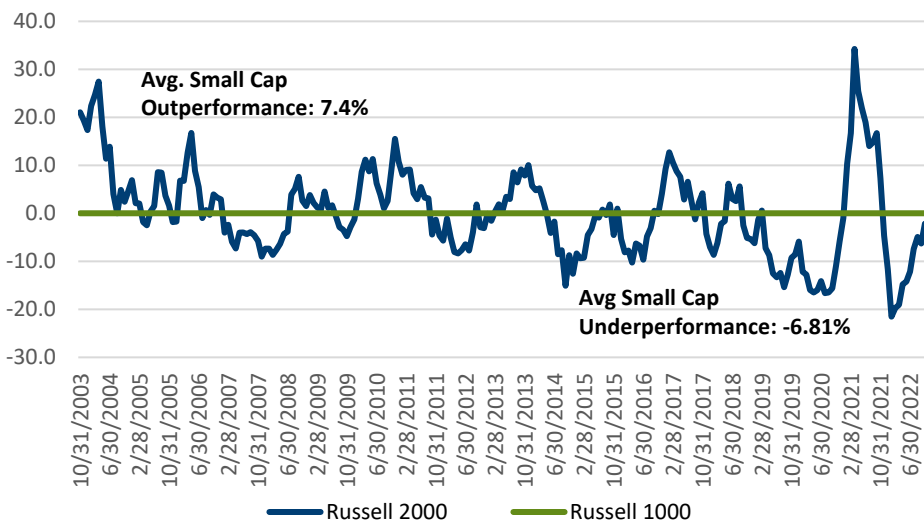
Perhaps most of the macro fear relating to high inflation, monetary policy, and recession risk is already baked into small cap stock prices, which continue to trade at low valuations relative to large caps (17th percentile) despite recent outperformance.

Small cap performance for the rest of this year and early next year could continue to be favorable—history shows that small caps, and especially micro caps, tend to outperform in the months following mid-term elections.

Brandon M. Nelson, CFA, Calamos Senior Portfolio Manager

RUSSELL 2000 VS. RUSSELL 1000

ROLLING 1-YEAR PERFORMANCE



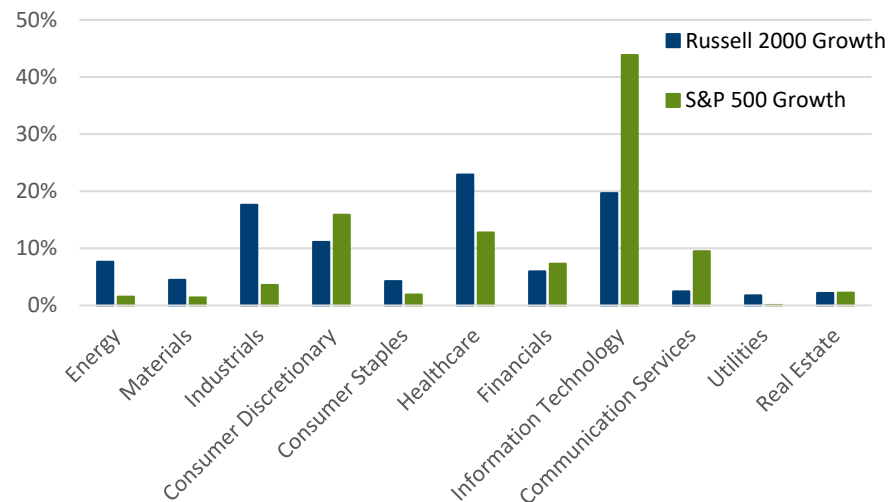
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MARKET PULSE

MONTH-TO-DATE RETURNS		
R 2000 VALUE	RUSSELL 2000	R 2000 GROWTH
12.59	11.01	9.49
R MICROCAP VALUE	RUSSELL MICROCAP	R MICROCAP GROWTH
10.40	9.49	8.14
YEAR-TO-DATE RETURNS		
R 2000 VALUE	RUSSELL 2000	R 2000 GROWTH
-11.19	-16.86	-22.57
R MICROCAP VALUE	RUSSELL MICROCAP	R MICROCAP GROWTH
-13.31	-18.41	-26.04

RUSSELL 2000 GROWTH VS. S&P 500 GROWTH

GICS SECTOR ALLOCATIONS (NET)



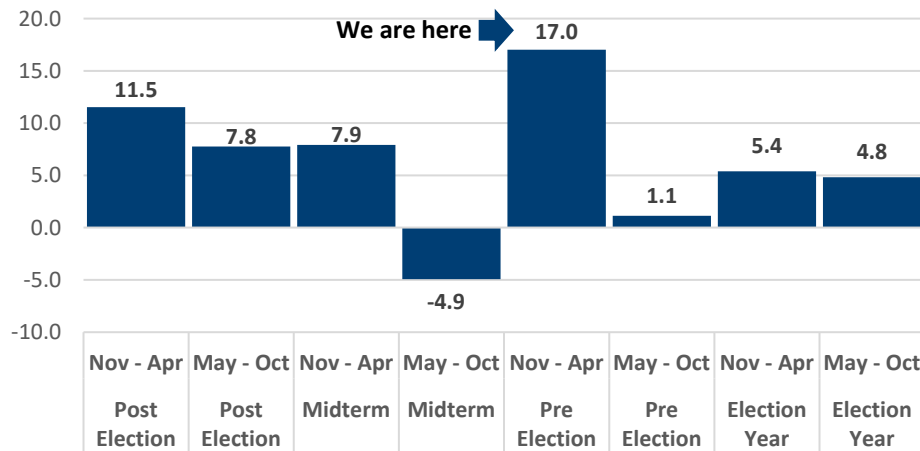
NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

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SMALL CAP AVERAGE TOTAL RETURNS BY PRESIDENTIAL CYCLES

11/1/1979 – 10/31/2022



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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 **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 US stock-market performance. The **Russell 1000 Index** measures the performance of the large-cap segment of the US equity universe and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The **Russell 2000 Index** measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index. You cannot invest directly in an index. The **Russell 2000 Growth Index** measures the performance of the small-cap growth segment of the US equity universe. It includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth values. The Russell 2000 Growth Index is published and maintained by FTSE Russell. The **Russell 2000 Value Index** measures the performance of small-cap value segment of the US equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. The **Russell Microcap Index** measures the performance of the microcap segment of the US equity market. Microcap stocks make up less than 3% of the US equity market (by market cap) and consist of the smallest 1,000 securities in the small-cap Russell 2000® Index, plus the next 1,000 smallest eligible securities by market cap. The **Russell Microcap Growth Index** measures the performance of the microcap growth segment of the US equity market. It includes Russell Microcap companies that are considered more growth oriented relative to the overall market as defined by Russell's leading style methodology. The **Russell Microcap Value Index** measures the performance of the microcap value segment of the US equity market. It includes Russell Microcap companies that are considered more value oriented relative to the overall market as defined by Russell's leading style methodology.

MORNINGSTAR SMALL GROWTH CATEGORY FLOWS

Data as of 10/31/2022, dollars in millions

