Small Cap Market Snapshot

DATA AS OF 10/31/2023

CALAMOS INVESTMENTS

WHAT'S NEW

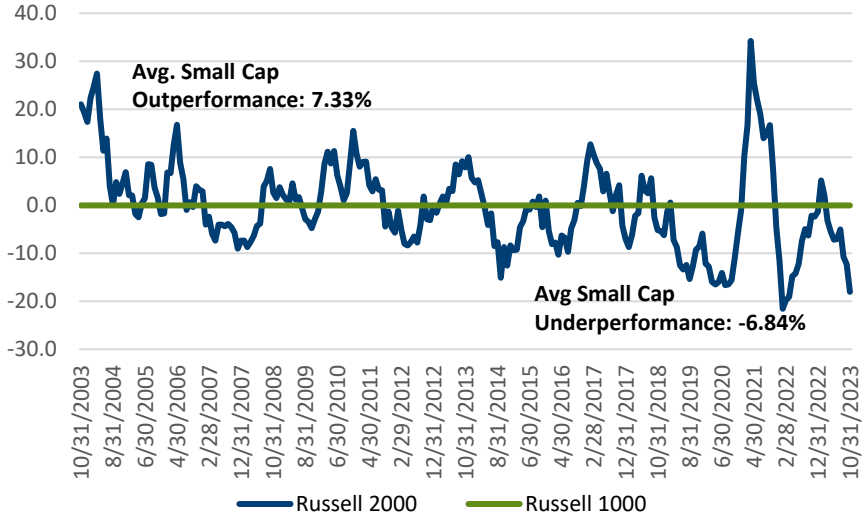
Once again, yields up, stocks down … continuing the multi-month trend of higher 10-year US Treasury bond yields hurting equity price performance. Rising geopolitical tensions also contributed to the weakness. Small caps were hurt the most, falling -6.82% during the month and lagging large caps by 440 basis points (Russell 2000 versus Russell 1000). Looking at year-to-date performance, I'm struck by the linearity of performance by size: large caps are higher by 10.28%, while mid caps are lower by 1.28%, small caps are lower by 4.45%, and micro caps are lower by 12.60%.

Here's something that might offer a flicker of hope for small-cap investors—the last time the Russell 2000 Index was down in August, September, and October was in 1990. That year, small caps bounced back sharply, rallying 7.36% in November and another 3.60% in December.

Brandon M. Nelson, CFA, Calamos Senior Portfolio Manager

RUSSELL 2000 VS. RUSSELL 1000

ROLLING 1-YEAR EXCESS RETURNS



Past performance is not indicative of future results. This material is provided for internal and educational purposes only and should not be construed as investment advice or an offer or solicitation to buy or sell securities.

MARKET PULSE

MONTH-TO-DATE RETURNS

R 2000 VALUE	RUSSELL 2000	R 2000 GROWTH
-5.97	-6.82	-7.71
R MICROCAP VALUE	**RUSSELL MICROCAP**	**R MICROCAP GROWTH**
-6.56	-7.22	-8.43

YEAR-TO-DATE RETURNS

R 2000 VALUE	RUSSELL 2000	R 2000 GROWTH
-6.46	-4.45	-2.87
R MICROCAP VALUE	**RUSSELL MICROCAP**	**R MICROCAP GROWTH**
-12.54	-12.60	-13.60

WHEN PERFORMANCE HAS BEEN THIS BAD, SMALL CAPS HAVE HISTORICALLY ENJOYED LONG BOUNCE BACKS

OUTPERFORMANCE OF SMALL CAPS OVER LARGE CAPS

	Relative Subsequent Performance			Batting Average		
5-Year Relative Performance	Next Year	Next 3 Years	Next 5 Years	Next Year	Next 3 Years	Next 5 Years
Q1 (best)	5.4%	1.1%	0.1%	48.6%	48.6%	50.5%
Q2	2.3	0.4	1.1	48.0	48.0	48.4
Q3	3.0	2.7	2.0	50.2	51.6	54.0
Q4	2.1	3.4	2.8	52.5	53.2	59.8
Q5 (Worst)	**9.6**	**7.2**	**8.3**	**66.8**	**71.1**	**85.2**
Overall	**4.5**	**2.9**	**2.7**	**53.1**	**54.3**	**58.7**

Past performance is no guarantee of future results. Note: performance is annualized. Batting average is the % of time that small beats large. Source: Center for Research in Security Prices (CRSP®), the University of Chicago Booth School of Business, Jefferies. Large and small are defined by CRSP based on placing market caps into deciles. Deciles 1 and 2 are large and 6 through 8 are small.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

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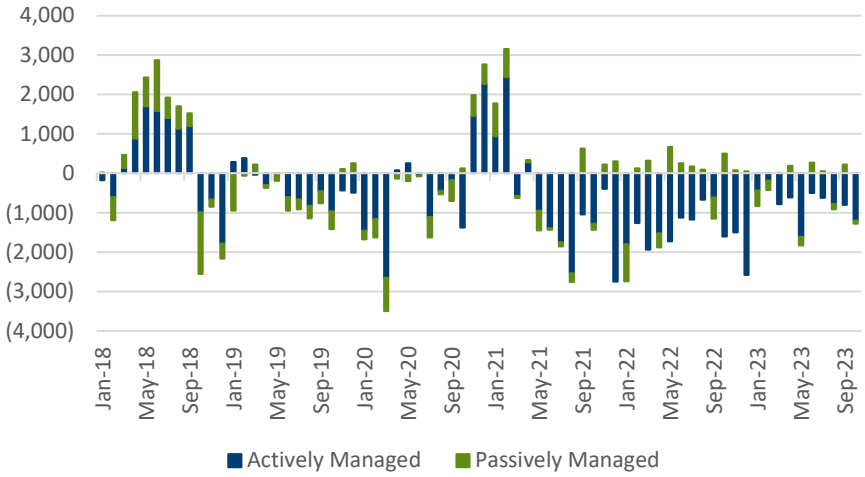
SMALL CAP PERFORMANCES AFTER BEAR MARKET BOTTOMS, AND CONFIRMATIONS OF NEW BULL MARKETS (1980-YTD)

>20% Return From Bear Market Bottom	# of Days to Reach >20% Return From Bear Market Bottom	+6-month Returns		Relative Performance RUT - S&P 500	+12-month Returns		Relative Performance RUT - S&P 500
		S&P 500	Russell 2000		S&P 500	Russell 2000	
09/14/1982	33	25.62%	46.00%	20.37%	40.76%	66.35%	25.59%
03/08/1988	95	0.50%	3.92%	3.43%	13.20%	12.05%	-1.15%
02/06/1991	118	10.83%	13.62%	2.79%	19.25%	37.94%	18.69%
11/21/2002	43	-0.18%	4.05%	4.23%	12.90%	34.00%	21.11%
03/23/2009	14	30.38%	42.43%	12.06%	45.77%	61.26%	15.49%
04/08/2020	16	26.49%	37.54%	11.06%	51.50%	90.34%	38.84%
06/08/2023	239	?	?	?	?	?	?
Average	**53**	**15.60%**	**24.59%**	**8.99%**	**30.57%**	**50.33%**	**19.76%**
Median	**38**	**18.23%**	**25.58%**	**7.36%**	**30.01%**	**49.60%**	**19.59%**
% Outperform	**-**	**-**	**-**	**100%**	**-**	**-**	**83%**

Source: Piper Sandler Technical Research/Bloomberg. Data as of 6/8/23.

MORNINGSTAR SMALL GROWTH CATEGORY FLOWS

Data as of 10/31/2023, dollars in millions



Past performance is no guarantee of future results.

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.

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