

US Convertible Market Snapshot

DATA AS OF 12/31/22 | www.calamos.com

CALAMOS
INVESTMENTS

OVERVIEW

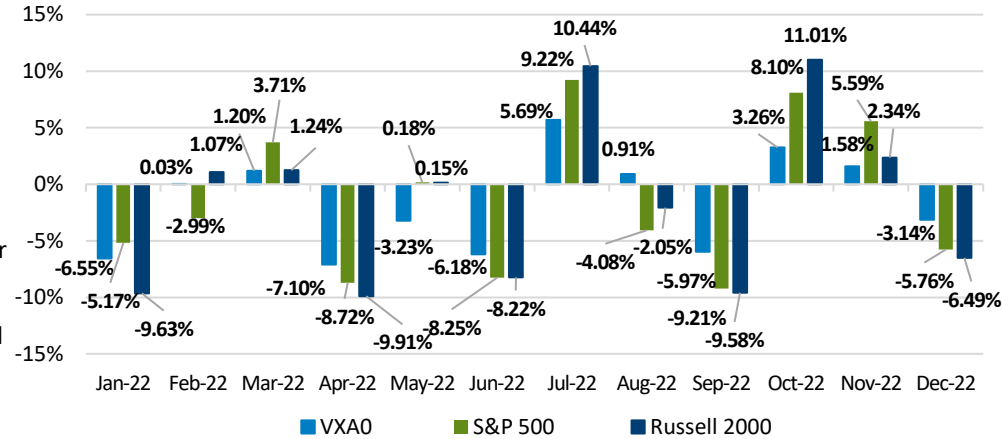
Joseph Wysocki, CFA, Senior Vice President, Senior Co-Portfolio Manager

December brought to close a challenging year for the convertible market. Concerns over macro variables continued to generate headwinds for risk assets during the month, and although convertibles held up better than the broader equity markets, they finished with broad declines. Busted convertibles held up the best, whereas the most equity sensitive convertibles were hurt the most.

As we enter 2023, macro headlines will likely continue to drive markets. However, as the year progresses, we anticipate that markets will acquire greater clarity regarding the risks and potentially shift focus to opportunities that have arisen from recent volatility in both the equity and credit markets. We believe the convertible market is at an interesting juncture and see potentially powerful drivers for forward returns, including reduced equity valuations, positive yields-to-maturity and longer-term optionality embedded in convertible structures. Additionally higher interest rates and refinancing activity could set the stage for increased convertible issuance over the next few years.

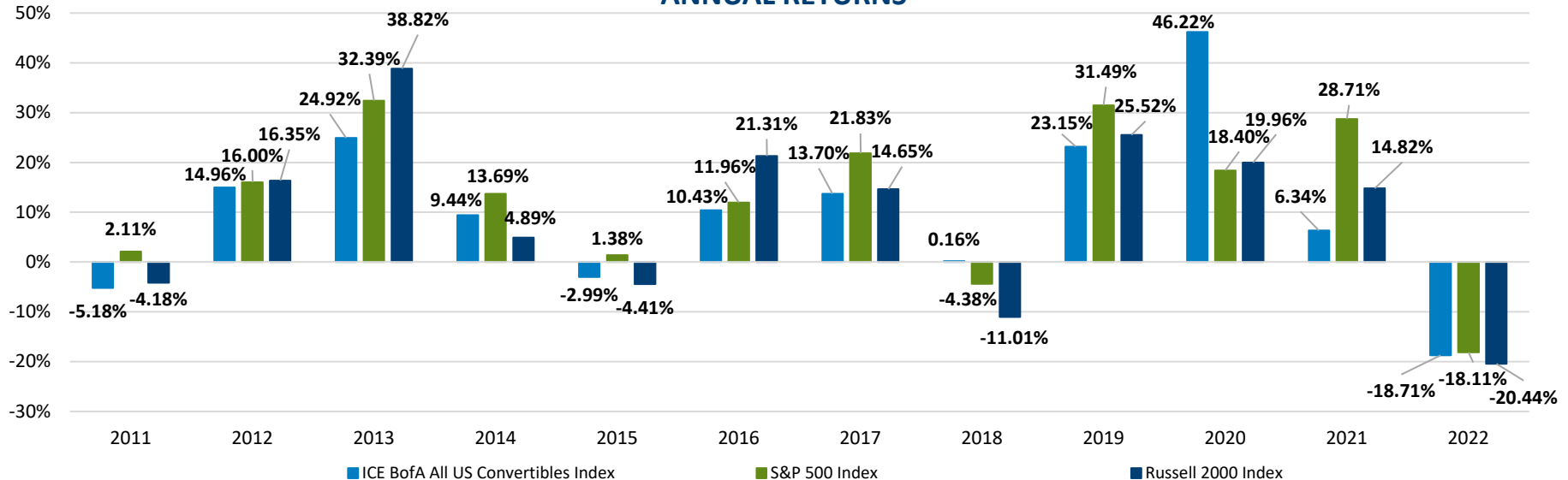
VXA0 vs. S&P 500 vs. RUSSELL 2000

2022 MONTHLY RETURNS



Data as of 12/31/22. Past performance is no guarantee of future results.

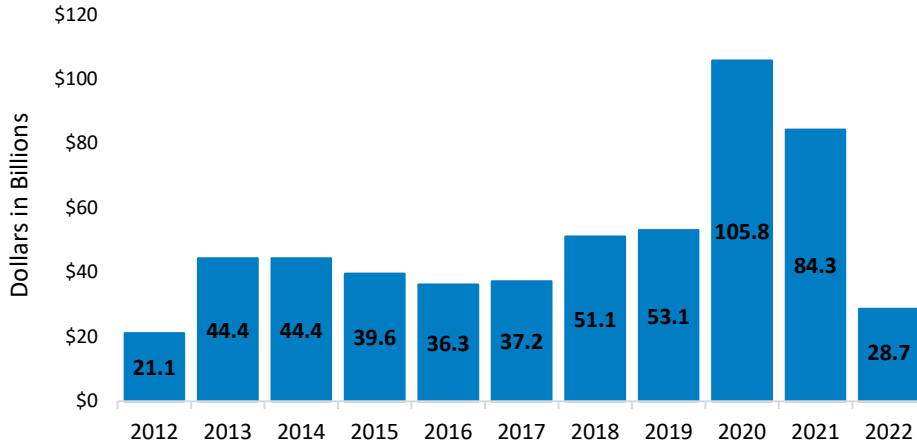
ANNUAL RETURNS



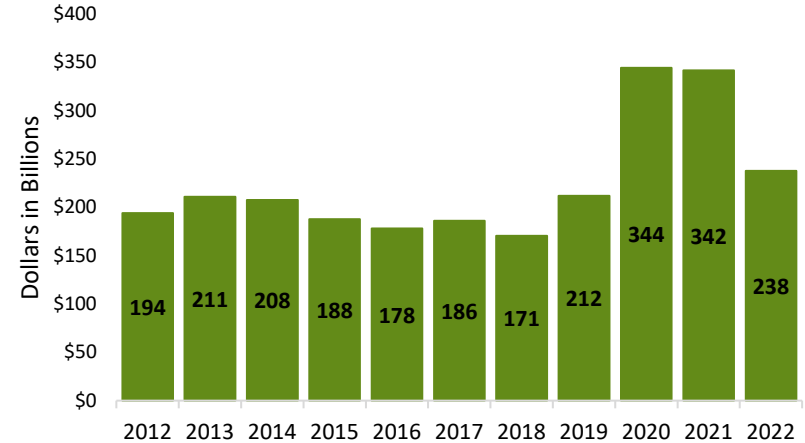
Data as of 12/31/22. Past performance is no guarantee of future results.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

US Convertible Market ISSUANCE



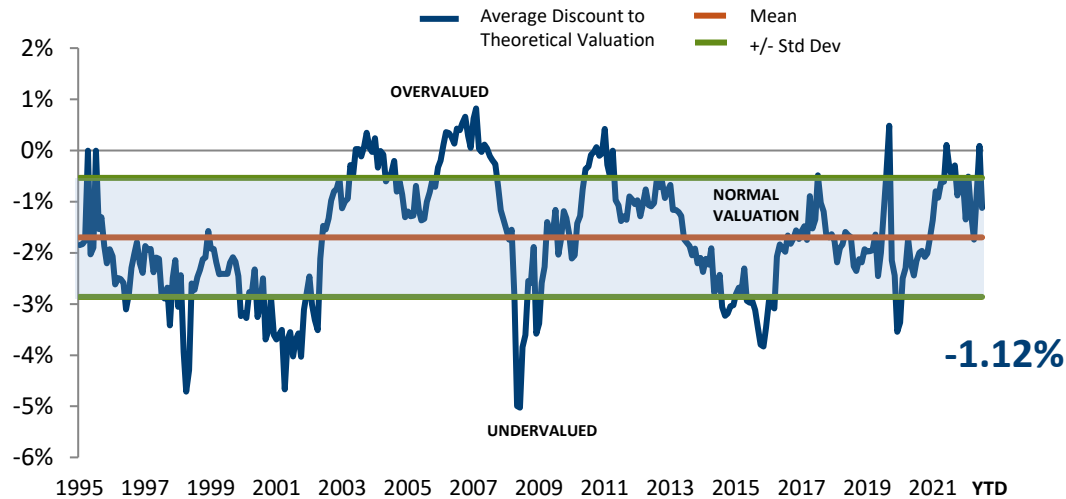
ASSETS



Data as of 12/31/22. Past performance is no guarantee of future results. Source: BofA Global Research, ICE Data Indices, LLC.

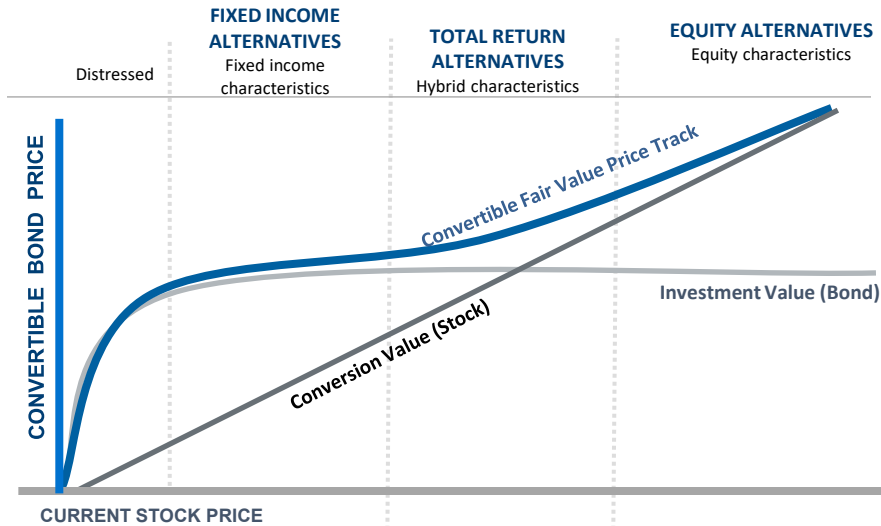
VALUATION OF THE CONVERTIBLE MARKET

JUNE 30, 1995 TO DECEMBER 31, 2022



Valuations are not an indication of how a fund will perform. Past performance is no guarantee of future results. Current performance may be higher or lower than the performance quoted. Data is provided by ICE BofA and is based on the ICE BofA All US Convertible Index.

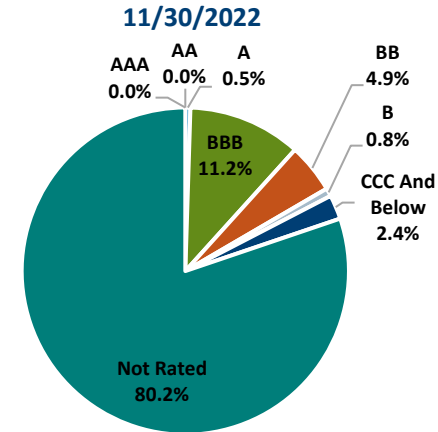
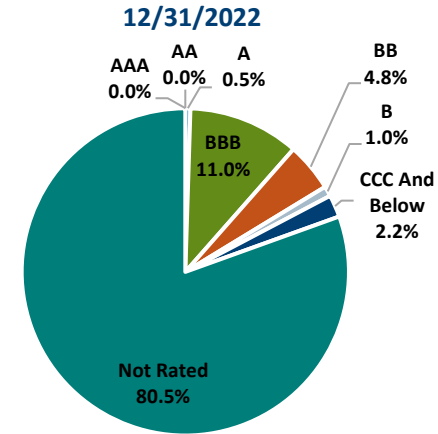
CONVERTIBLE MARKET COMPOSITION AS OF 12/31/22



	FIXED INCOME ALTERNATIVES	TOTAL RETURN ALTERNATIVES	EQUITY ALTERNATIVES
3/1/2000	19%	28%	53%
2/28/2009	67%	21%	12%
12/31/2022	57%	27%	16%
PREVIOUS MONTH			
11/30/2022	48%	32%	19%

Active management does not guarantee investment returns and does not eliminate the risk of loss. A convertible bond is a fixed income alternative with “fixed income characteristics” when it is valued at about the same level as a similar non-convertible bond and is not as sensitive to the underlying equity. A convertible bond is a total return alternative with “hybrid characteristics” when it has fixed income characteristics as previously explained but is becoming increasingly sensitive to changes in the underlying equity price. An equity alternative with “equity characteristics” represents a convertible bond that is highly sensitive to movements in the underlying equity. Percentages shown represent the proportion of convertible bonds in the ICE BofA All US Convertibles Index (VXA0) that fall into each classification. Source: the ICE BofA All US Convertibles Index (VXA0). Data as of 12/31/22.

CREDIT QUALITY ALLOCATION OF BONDS¹



¹Bond Credit Quality- Reflects the higher of the ratings of Standard & Poor’s Corporation; Moody’s Investors Service, Inc. or Fitch, Inc. Ratings are relative, subjective and not absolute standards of quality, represent the opinions of the independent Nationally Recognized Statistical Rating Organizations (NRSRO), and are adjusted to the Standard & Poor’s scale shown. Ratings are measured using a scale that typically ranges from AAA (highest) to D (lowest). The security’s credit rating does not eliminate risk. The table excludes equity securities, cash and cash equivalents. For more information about securities ratings, please see the Fund’s Statement of Additional Information at www.calamos.com. Additional information on ratings methodologies are available by visiting the NRSRO websites: www.standardandpoors.com, www.moodys.com, www.fitchratings.com.

**CONVERTIBLE
MARKET
STATISTICS**

12/31/22 ICE BOFA ALL US CONV. INDEX (VXA0)	11/30/22 ICE BOFA ALL US CONV. INDEX (VXA0)
Average Current Yield	2.1%
Average Conversion Premium	56.9%
Average Investment Premium	18.0%

**NEW ISSUES
STATISTICS**

12/31/22 ICE BOFA ALL US CONV. INDEX - NEW ISSUES (VNEW)	11/30/22 ICE BOFA ALL US CONV. INDEX - NEW ISSUES (VNEW)
Average Current Yield	2.5%
Average Conversion Premium	64.7%
Average Investment Premium	17.1%

Average Current Yield	2.1%	2.0%
Average Conversion Premium	56.9%	49.3%
Average Investment Premium	18.0%	24.9%

Average Current Yield	2.5%	2.4%
Average Conversion Premium	64.7%	54.3%
Average Investment Premium	17.1%	25.2%

Source: BofA Global Research, ICE Data Indices, LLC; VXA0 Index, VNEW Index.

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.

Convertible Securities Risk: The value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors also, may have an effect on the convertible security's investment value.

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 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 **ICE BofA All US Convertibles Index (VXA0)** comprises approximately 700 issues of only convertible bonds and preferreds of all qualities. Source ICE Data Indices, LLC, used with permission. ICE permits use of the ICE BofA 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 BofA 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 **ICE BofA All US Convertibles Index - New Issues (VNEW)** tracks the US convertible bonds issued in the last six months.

Conversion Premium is the amount by which the market price of a convertible bond or convertible preferred exceeds conversion value, expressed as a percentage. It is a gauge of equity participation.

Current Yield reflects the dividends and interest earned during the 30-day period ended as of the date stated above after deducting expenses for that same period.

Investment Premium is the amount that the market price of the convertible is above its investment value, expressed as a percent of the investment value.

Advisors, please talk to your Calamos Investment Consultant at 800-582-6959 or email caminfo@calamos.com for more information about convertibles or about our convertible-using funds across multiple asset classes.

Also, see the Calamos Global Convertible Market Snapshot at www.calamos.com/insights/convertiblebondstoday/

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**US Convertible
Market Snapshot**

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