

Calamos Alternatives Snapshot

February 22, 2022 (data as of February 18, 2022 unless indicated)

WEEKLY HEADLINES

Dual Stock Pullback Drives Flows to Alts

This is a rare time when both the S&P 500 and the Bloomberg US Aggregate Index are more than 5% off their highs. "The overwhelming majority of investment wealth in the US is tied to stocks and bonds, and both have been broadly hit. Neither asset class has provided ballast to the other," according to a [Sentiment Trader post](#).

Such a dual pullback has occurred just six times since the 1970s, reported the post last week, opining, "the vast majority of investors have never seen anything like this, and have no idea what to do."

One possibility: While flows for January were down both for US equity funds and bond funds (taxable and municipal), investors drove alternative funds to a new high last month. The record \$5.3 billion net inflow was the largest monthly intake on an organic growth basis since 2011, according to Morningstar. The Options Trading category led all alternative categories with \$2.1 billion in inflows.

Economic Releases vs. Consensus (Previous Week)

PPI/Core PPI (y/y): 9.7%/8.3% vs. 9.1%/7.9%

Retail Sales (Jan): 3.8% vs. 2.0%

Housing Starts (Jan): 1.638M vs. 1.7M

Existing Home Sales (Jan): 6.5M vs. 6.1M

Economic Releases this Week

New Home Sales (2/24)

Personal Income (2/25)

Personal Spending (2/25)

MORNINGSTAR WEEKLY EST. NET FLOWS (\$MIL)¹

	Last Week	2 Wks Ago	3 Wks Ago	4 Wks Ago	Weekly Streak	YTD Flows
As of 2/16/22	Week	Ago	Ago	Ago	Streak	Flows
Options Trading	415	141	636	523	64	3,137
Multistrategy	338	243	154	338	10	1,781
Nontraditional Bond	294	406	354	57	7	2,224
Commodities Broad	250	1,005	795	515	7	3,476
Derivative Income	203	578	543	596	64	3,658
Equity Mkt Neutral	188	146	179	178	18	925
Convertibles	184	(182)	(280)	(454)	1	(1,106)
Relative Value Arb	141	157	194	337	64	1,426
Systematic Trend	129	81	52	60	7	547
Long-Short Equity	70	94	59	61	4	452
Event Driven	58	93	38	39	6	500
Macro Trading	54	38	14	59	11	225
Energy LPs	34	212	4	(23)	3	459
Real Estate	29	(243)	(230)	(422)	1	1,232
Infrastructure	(66)	122	129	(85)	-1	331

BROAD INDEX PERFORMANCE¹

	1 week	MTD	QTD	YTD
S&P 500	-1.52	-3.58	-8.57	-8.57
Russell 3000	-1.62	-3.38	-9.06	-9.06
Russell 2000	-1.00	-0.87	-10.42	-10.42
Russell 1000	-1.66	-3.54	-8.97	-8.97
Russell Mid Cap	-1.76	-1.80	-9.03	-9.03
MSCI EM	-0.67	2.01	0.09	0.09
MSCI ACWI	-1.64	-1.86	-6.66	-6.66
MSCI World	-1.78	-2.37	-7.52	-7.52
MSCI EAFE	-1.86	0.68	-4.18	-4.18
ICE BofA Global 300 Conv	-1.39	-1.13	-6.32	-6.32
ICE BofA All US Convertible	-1.59	-1.71	-8.15	-8.15
ICE BofA US High Yield	-0.34	-1.57	-4.28	-4.28
Bloomberg US Corp Bond	-0.87	-2.42	-5.71	-5.71
Bloomberg US Govt/Credit	-0.29	-1.62	-4.02	-4.02
Bloomberg US Agg Bond	-0.24	-1.56	-3.68	-3.68

COMMODITIES²

	2.18.22	1.31.22	12.31.21	2.18.21
Gold	1893	1795	1820	1773
Oil	95.5	89.2	75.5	60.4
Gasoline	3.49	3.37	3.28	2.50
Bitcoin	37,075	38,430	46,245	51,644

MARKET PULSE¹

MONTH-TO-DATE			As of	YEAR-TO-DATE		
VALUE	CORE	GROWTH	2/21/2022	VALUE	CORE	GROWTH
-1.51	-3.54	-5.46	LARGE	-3.80	-8.97	-13.57
-0.91	-1.80	-3.55	MID	-5.14	-9.03	-16.00
0.22	-0.87	-2.05	SMALL	-5.62	-10.42	-15.18

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. Source: ¹Morningstar (Net Flows as of previous Wed.), ²St. Louis Federal Reserve (FRED Database). FOR INVESTMENT PROFESSIONAL USE ONLY.

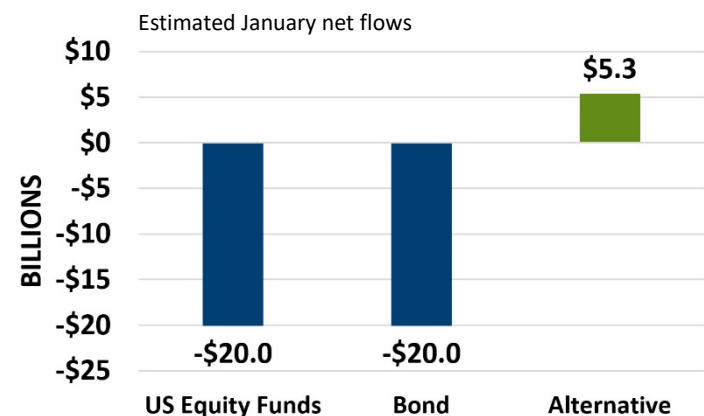
MORNINGSTAR ALTERNATIVE CATEGORIES¹

	1 week	MTD	QTD	YTD
Commodities Broad Basket	1.00	3.76	11.73	11.73
Equity Market Neutral	0.21	0.85	2.44	2.44
Event Driven	-0.14	-0.16	-0.86	-0.86
Nontraditional Bond	-0.18	-0.61	-1.49	-1.49
Relative Value Arbitrage	-0.31	-0.43	-1.11	-1.11
Multistrategy	-0.39	-0.40	-1.43	-1.43
Options Trading	-0.58	-1.70	-4.05	-4.05
Macro Trading	-0.62	-0.24	-1.11	-1.11
Infrastructure	-0.65	-1.34	-5.06	-5.06
Long-Short Equity	-0.74	-1.21	-3.23	-3.23
Systematic Trend	-0.76	1.62	3.51	3.51
Derivative Income	-0.78	-1.79	-4.20	-4.20
Real Estate	-1.19	-3.78	-10.81	-10.81
Convertibles	-1.36	-1.45	-7.28	-7.28
Energy Limited Partnership	-3.52	0.80	8.64	8.64

BOND RATES²

	2.18.22	1.31.22	12.31.21	2.18.21
Effective Fed Funds Rate	0.08	0.08	0.08	0.08
2-Year Treasury	1.49	1.18	0.75	0.11
10-Year Treasury	1.97	1.79	1.55	1.29
ICE BofA US Corp. AAA	2.68	2.44	2.03	1.77

STOCK, BOND FUNDS LOSE WHILE LIQUID ALTS SEE RECORD INFLOWS



Source: Morningstar Direct Asset Flows. Data as of Jan. 31, 2022. Bond funds include taxable and municipal.

Definitions and Disclosures

The **Nontraditional Bond** category contains funds that pursue strategies divergent in one or more ways from conventional practice in the broader bond-fund universe. **Multistrategy** portfolios offer investors exposure to two or more alternative investment strategies, as defined by Morningstar's alternative category classifications, through either a single-manager or multi-manager approach. **Macro Trading** strategies, using either systematic or discretionary methods, look for investment opportunities by studying such factors as the global economy, government policies, interest rates, inflation, and market trends. **Systematic Trend** funds primarily trade liquid global futures, options, swaps, and foreign exchange contracts, both listed and over-the-counter. **Commodities Broad-basket portfolios** can invest in a diversified basket of commodity goods including but not limited to grains, minerals, metals, livestock, cotton, oils, sugar, coffee, and cocoa. **Commodities Precious Metals** can invest in precious metals such as gold, silver, platinum, and palladium. **Energy Limited Partnership** strategies invest a significant amount of their portfolio in energy master limited partnerships, also known as MLPs. **Relative Value Arbitrage** strategies seek out pricing discrepancies between pairs or combinations of securities regardless of asset class. **Equity Market Neutral** strategies attempt to profit from long and short stock selection decisions while minimizing systematic risk created by exposure to factors such as overall equity market beta, sectors, market-cap ranges, investment styles, or countries. **Event-driven** strategies attempt to profit when security prices change in response to certain corporate actions, such as bankruptcies, mergers and acquisitions, emergence from bankruptcy, shifts in corporate strategy, and other atypical events. **Real Estate** portfolios invest primarily in real estate investment trusts of various types. REITs are companies that develop and manage real estate properties. **Convertible-bond portfolios** are designed to offer some of the capital-appreciation potential of stock portfolios while also supplying some of the safety and yield of bond portfolios. **Options trading** strategies use a variety of options trades, including put writing, options spreads, options-based hedged equity, and collar strategies, among others. **Derivative Income** strategies primarily use an options overlay to generate income while maintaining significant exposure to equity market risk. **Long-Short Equity** funds hold sizeable stakes in both long and short positions in equities, exchange traded funds, and related derivatives. **Infrastructure equity funds** invest more than 60% of their assets in stocks of companies engaged in infrastructure activities. Industries considered to be part of the infrastructure sector include: oil & gas midstream; waste management; airports; integrated shipping; railroads; shipping & ports; trucking; engineering & construction; infrastructure operations; and the utilities sector.

The **S&P 500 Index** is considered generally representative of the US equity market. The **MSCI World Index** is considered generally representative of the market for developed market equities. The **MSCI Emerging Markets Index** is a free float adjusted market capitalization index cited as a measure of the performance of emerging market equities. The **MSCI ACWI Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The **MSCI EAFE Index (Europe, Australasia, Far East)** is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The **Russell 3000 Index** measures the performance of 3,000 publicly held US companies based on total market capitalization, which represents approximately 98% of the investable US equity market. The **Russell 2000 Index** measures the performance of the small-cap segment of the US equity universe and includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. 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 Midcap Index** measures the performance of the mid-cap segment of the US equity universe and includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The **ICE BofA US High Yield Master II Index** tracks the performance of US dollar denominated below investment grade rated corporate debt publicly issued in the US domestic market. The **Bloomberg Capital US Aggregate Bond Index** covers the US-denominated, investment-grade, fixed-rate, taxable bond market of SEC registered securities. The **Bloomberg US Government/Credit Index** is comprised of long-term government and investment-grade corporate debt securities and is generally considered representative of the performance of the broad US bond market. The **Bloomberg US Corporate Bond Index** measures the investment grade, fixed-rate, taxable corporate bond market. The **ICE BofA Global 300 Cv Index (VG00)** is a \$US/Local-denominated unmanaged index generally indicative of the overall global convertible market. The **ICE BofA All US Convertibles Index (VXA0)** is comprised of 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.

Oil - West Texas Intermediate (WTI - Cushing): A crude stream produced in Texas and southern Oklahoma which serves as a reference or "marker" for pricing a number of other crude streams and which is traded in the domestic spot market at Cushing, Oklahoma. **Gasoline**: Weighted average based on sampling of approximately 900 retail outlets, 8:00AM Monday. The price represents self-service unless only full-service is available and includes all taxes. **Gold - Gold Fixings Price**: The Fixings are an open process at which market participants can transact business on the basis of a single quoted price. Orders can be changed throughout the proceedings as the price is moved higher and lower until such time as buyers' and sellers' orders are satisfied and the price is said to be 'fixed'. Orders executed at the fixings are conducted as principal-to-principal transactions between the client and the dealer through whom the order is placed.

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