

THE FED SEEKS THE LONGEST EXPANSION ON RECORD

Ask the PORTFOLIO MANAGER

Will the U.S. expansion continue?

Transcript of a video recorded on November 8, 2017.

Michael Grant, SVP, Senior Portfolio Manager, explains why he's confident the U.S.'s expansion could continue.

Here in the U.S., we're in the ninth year of expansion. But if you look closely under the hood, what you'll see is that 80% of American households, the bottom 80%, only really began to participate in this expansion about 2 1/2 years ago. And by participate, I mean, do the things that they normally do, like, buy homes, buy more cars and so forth.

So when you look at the U.S. expansion and why we seem to be getting this late burst of energy, it's because for those households, the expansion is barely three years old, and in some ways, could be described as mid-cycle rather than late-cycle. That gives me confidence that we should have another couple of years left in the expansion. And the relative question is the Fed, and what the Fed's intentions are. Most expansions end because the Fed wants them to end.

And I think the Fed is well aware that many of the social and political issues here in the U.S. are at least partly the outcome of the nature of economic growth. So the idea that the economy needs to be slowed down is hard to fathom. I think the Fed's real intention is to make this the longest expansion on record. And they would rather see an economy that grew slowly, 2 per year for five years, as the way to address some of these problems. Rather than an economy that grows suddenly 3 1/2 - 4% in 2018 and suddenly the Fed has to tap on the brakes.

So, none of know how the future will unfold. I think there are a few scenarios that we're still grappling with. Right now, I think the expansion is fine. There's little sign of recession, any evidence of recession on the horizon. But by late spring of '18 or the middle of 2018, my guess is we'll be able to sketch out some of these scenarios in a bit finer detail.



MICHAEL GRANT
SVP, Senior Portfolio
Manager

[WATCH VIDEO](#)

Video recorded 11/8/2017.

Before investing carefully consider the fund's investment objectives, risk, charges, and expenses. Please see the prospectus and the summary prospectus containing this other information or call 1-800-583-6959. Read it carefully before investing.

Opinions and estimates offered constitute our judgment and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The views and strategies described may not be suitable for all investors. The material has been prepared for informational purposes only, and is not intended to provide, and should not be relied upon for, accounting, legal or tax advice. References to future returns are not promises or even estimates of actual returns a client portfolio may achieve. Any forecasts contained herein are for illustrative purposes only and care not to be relied upon as advice or interpreted as a recommendation.

CALAMOS
INVESTMENTS

Calamos Financial Services LLC, Distributor
2020 Calamos Court | Naperville, IL 60563-2787
800.582.6959 | www.calamos.com | caminfo@calamos.com
© 2017 Calamos Investments LLC. All Rights Reserved.
Calamos® and Calamos Investments® are registered trademarks
of Calamos Investments LLC.
800967 0118