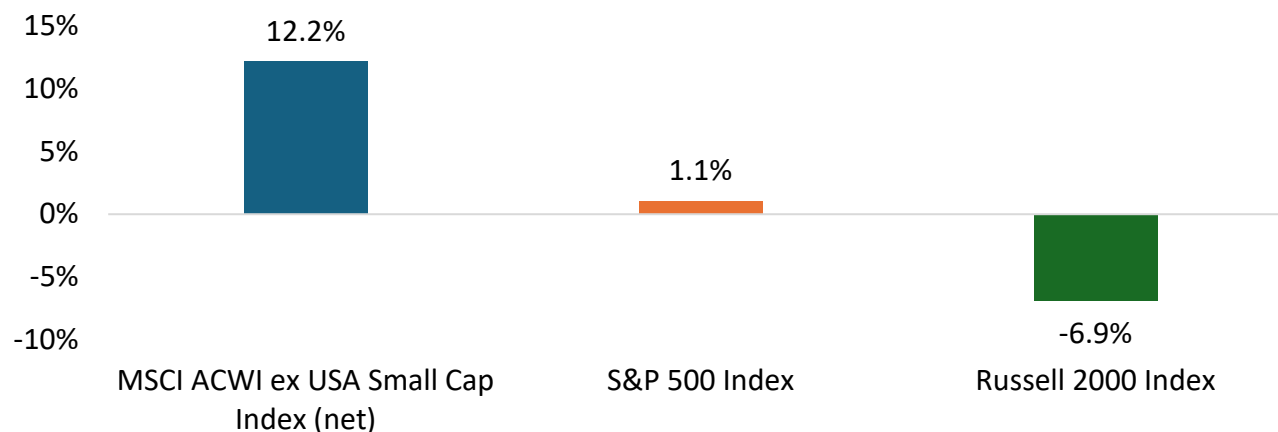


# Calamos Global Investment Team: Chart of the Week

June 20, 2025

- This week's chart demonstrates the benefits of global diversification across the market-cap spectrum to include international small caps.
- While global trade and economic uncertainties have buffeted US equity markets, international small caps have set a blazing pace in 2025.
- We see international small caps as being well-positioned as the macro backdrop becomes more favorable for international equities overall. The valuations for international small caps are also attractive relative to the US small-cap market.
- Smaller companies tend to be more exposed to regional- and country-specific themes and less vulnerable to geopolitics, like tariffs.
- Small-cap markets tend to be less efficient, and the universe of opportunity is diverse, which makes proprietary research, active management, and selectivity especially important.
- In the current environment, we see impressive growth potential in companies harnessing regional growth dynamics in industrials, materials, IT, defense, and banking. (For more on what we're seeing in international small caps, see our post, "[Small but Mighty: Why We Like International Small Caps.](#)")

## Punching above their weight: International small caps have bested the US market in 2025 Year-to-date, May 31, 2025



**Past performance is no guarantee of future results.** Source: Morningstar. Indexes are unmanaged, not available for direct investment and do not include fees and expenses. The **MSCI ACWI ex USA Small Cap Index (Net)** captures small cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 25 Emerging Markets (EM) countries. Net return basis approximates the minimum possible reinvestment of regular cash distributions by deducting withholding tax based on the maximum rate of the company's country of incorporation applicable to institutional investors. The **S&P 500 Index** is a market-cap weighted index that tracks the performance of large-cap US stocks. The **Russell 2000 Index** represents the performance of US small-cap stocks.

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As a result of political or economic instability in foreign countries, there can be special risks associated with investing in foreign securities, including fluctuations in currency exchange rates, increased price volatility and difficulty obtaining information. In addition, emerging markets may present additional risk due to the potential for greater economic and political instability in less developed countries