

# Calamos Global Investment Team: Chart of the Week

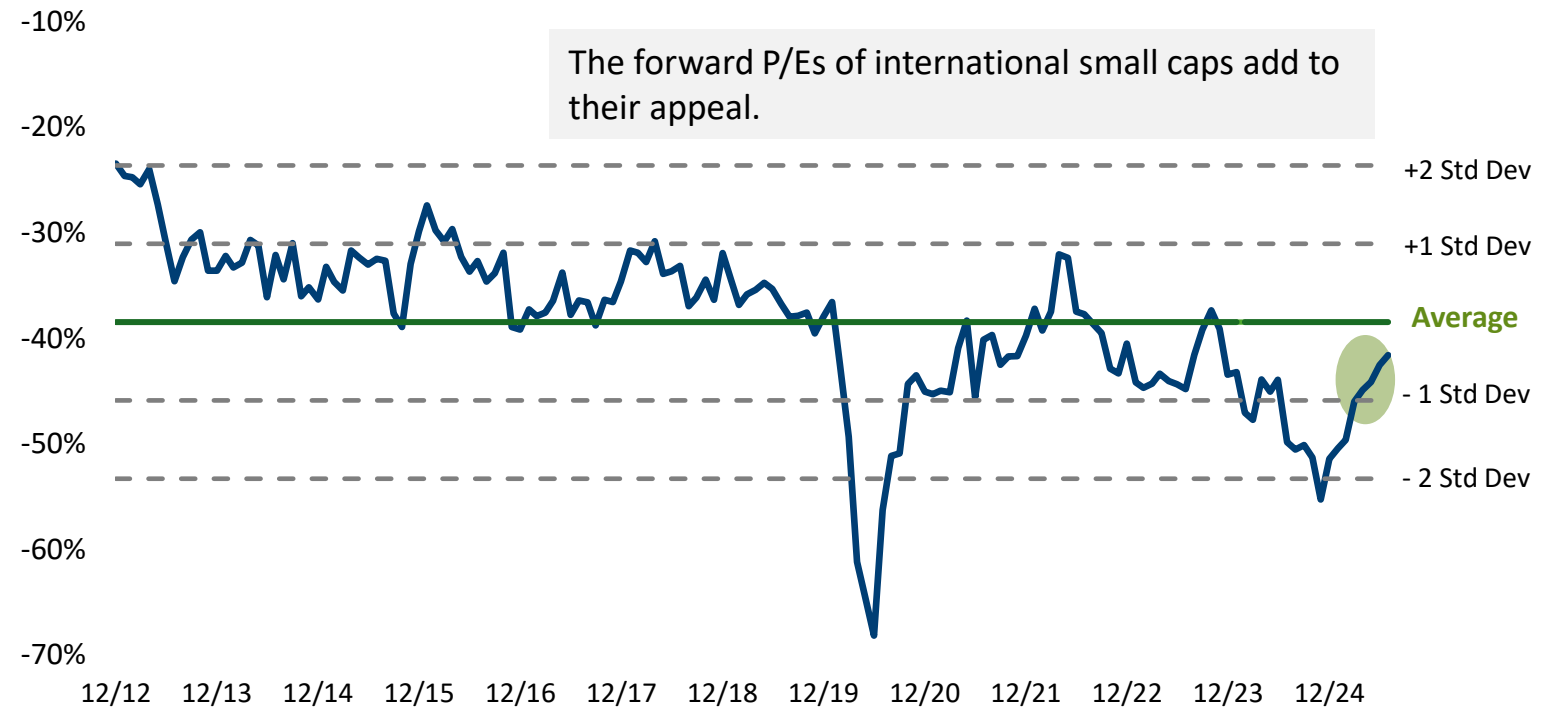
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- International small caps can provide [powerful access](#) to compelling regional- and country-specific growth themes (small caps tend to be heavily exposed to localized growth tailwinds)
- International small caps are also benefiting from the [strong performance tailwinds](#) that international markets have enjoyed in 2025.
- Moreover, as we show in this week's chart, international small caps offer more attractive relative valuations than their US counterparts.
- As investors increasingly recognize the growth potential in small caps, we've seen the gap close but still favor international small caps—in other words, valuations continue to enhance the fundamental and thematic reasons for owning international small caps.

Opinions, estimates, forecasts, and statements of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice. The views and strategies described may not be suitable for all investors. References to specific securities, asset classes and financial markets are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations.

## International small caps: an attractive valuation discount versus the US

MSCI ACWI ex USA Small Cap Index versus Russell 2000 Index, Forward P/E discount



**Past performance is no guarantee of future results.** Source: Calamos Investments using Bloomberg. Data as of July 31, 2025. The lower the value, the wider the discount of forward P/Es of international small cap stocks compared to US small cap stocks. The MSCI ACWI ex USA Small Cap Index captures small cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 25 Emerging Markets (EM) countries. Indexes are unmanaged, do not include fees or expenses and are not available for direct investment. The Russell 2000 Index measures the performance of US small cap stocks.

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.