

CALAMOS GLOBAL FUNDS PLC

# Emerging Markets Fund First Quarter 2017 Report

CALAMOS<sup>®</sup>  
INVESTMENTS

## OVERVIEW

The fund invests in growth companies globally, emphasising companies with revenue streams derived within or from emerging markets. The fund is designed to actively manage the risk profile over full market cycles.

## KEY FEATURES

- » **Active risk management** with an aim of generating alpha and less downside risk than the benchmark and peers
- » **Stress company fundamentals**, including strong and/or accelerating earnings growth and solid returns on invested capital
- » **Seek global growth companies** that may benefit from long-term secular themes in the emerging markets such as the rise of the EM consumer

## PORTFOLIO FIT

Because of its focus on risk management, the fund can serve as a long-term emerging market allocation.

## FUND INFORMATION

I Share U.S. \$ Acc. CUSIP: G17689368

I Share U.S. \$ Acc. ISIN: IE00B52B2V09

## Key Drivers of Performance

- » The fund returned 10.85% (A Shares U.S. \$ Accumulating) through our risk-managed approach and captured a large portion of the 11.49% quarterly return by the MSCI Emerging Markets Index.
- » Fund performance benefited from positioning and strong security selection in local emerging market holdings, while the portfolio's positions in select developed market companies and equity-sensitive convertible bond securities trailed the rally in the EM equity index.
- » Relative security selection in information technology added to quarterly returns, as portfolio holdings in the data processing and outsourced services and the semiconductors industries performed well versus index constituents. The portfolio's relative security selection in energy was the single largest detractor to the period's result, as companies in the oil and gas refining and marketing industry trailed index positions
- » Our investments in higher-quality, growth-oriented businesses experienced favourable returns in the period as the market rewarded leading fundamentals in contrast to the relatively narrow leadership of lower-quality, higher-beta securities for much of last year.

## Market Overview

- » Emerging markets experienced strong returns in the quarter, as emerging market stocks benefited from an outlook for higher economic growth and increased corporate earnings, in addition to positive effects from currency appreciation and capital flows.
- » China's recent economic data has been generally positive and supportive of relative strength in equities. Recent figures on industrial production and fixed asset investment showed continued strength, while retail sales have been disappointing vis-a-vis expectations.
- » India was a standout market in the period, reversing the weakness in the fourth quarter. India's recent elections reflected solid support for Prime Minister Narendra Modi and his reform programs. In response, both equities and the rupee rallied.

## PERFORMANCE DATA

	QTD	YTD	1-YEAR	3-YEAR	5-YEAR	SINCE INCEPTION (15/2/11)
<b>Calamos Emerging Markets Fund</b>						
I shares - U.S. \$ Acc.	11.07%	11.07%	7.06%	-2.73%	-0.37%	-0.80%
A shares - U.S. \$ Acc.	10.85	10.85	6.39	-3.36	-1.01	-1.44
<b>Morningstar World Stock Category Average</b>	<b>11.49</b>	<b>11.49</b>	<b>17.65</b>	<b>1.55</b>	<b>1.17</b>	<b>0.43</b>

Performance data quoted represents past performance, and may not be a reliable guide to future results. Performance data quoted does not include the Fund's maximum 5% front-end sales charge. Had it been included, the Fund's returns would have been lower. Performance shown reflects the management fee. All performance shown assumes reinvestment of dividends and capital gains distributions. Returns for periods less than 12 months are not annualised. See "Important Information" on the last page for more information.

In Switzerland only, this document is available for retail distribution. In other countries, this document does not constitute an offer or solicitation to invest in the Fund. It is directed only at professional/sophisticated investors and it is for their use and information. This document should not be shown or given to retail investors. Any entity responsible for forwarding this material to other parties takes responsibility for ensuring compliance with the financial promotion rules.

\*All values are in USD terms unless otherwise noted.

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## FUND HOLDINGS – CONTRIBUTORS

FIRM NAME	% OF FUND	FIRM PROFILE	ANALYSIS
Indiabulls Housing Finance, Ltd.	2.4%	Indiabulls Housing Finance is a housing finance company based in Mumbai, India.	Shares delivered strong gains in the quarter in response to excellent quarterly financial results. The company saw acceleration across key metrics along with earnings that exceeded estimates. Total loan growth of 30% year-over-year was above management guidance and roughly double the overall industry growth, while net income grew 25% versus levels from one year ago.
Alibaba Group Holdings, Ltd.	3.5%	Alibaba Group is a holding company engaged in online and mobile commerce. The company offers products, services, and technology that enable merchants, brands and other businesses to market, sell and operate in China and internationally.	The exchangeable security performed well in the quarter due to upside in the company's financials and reduced concerns regarding trade policy risks. During the period, Alibaba raised their estimate of full year 2017 revenue growth to 53%.

## FUND HOLDINGS – DETRACTORS

FIRM NAME	% OF FUND	FIRM PROFILE	ANALYSIS
Anta Sports Products, Ltd.	0.9%*	Based in China, Anta Sports Products designs, manufactures, and markets sportswear, including footwear and apparel.	Shares of Anta declined in the period as the company's earnings report disappointed investors. While revenue increased 20% year-over-year, earnings were essentially in line due to increasing competition and concerns about raw materials costs.
Gran Tierra Energy, Inc.	1.1%*	Gran Tierra is an energy company engaged in oil and gas acquisition, exploration, development and production. The company focuses on onshore oil and gas properties in Colombia, and also owns rights to oil and gas properties in Brazil and Peru.	Impacted by relatively low global energy prices, the security underperformed in the quarter despite a 34% increase in production and well-managed operating costs.

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## Outlook

We have a positive yet selective view of investment opportunities in emerging markets, influenced by appreciation of the U.S. dollar, higher interest rates, and the potential effect of protectionist sentiment on trade. Regardless, emerging markets are poised to benefit from stabilisation in many currencies and commodities and signs of a pickup in global demand. Emerging market equity valuations and growth characteristics are favourable as compared to many developed markets, and may benefit from a renewed focus on corporate fundamentals versus broader macro topics.

While we do not expect a rapid acceleration in economic growth, we see improving trends in emerging market data and perhaps a greater appreciation of the divergent conditions among economies. We have also seen notable improvements in current account and fiscal measures—for both net commodity consumers and producers—which has significantly reduced vulnerability to external currencies and capital flows. A significant portion of the upside move in emerging market equities over the last year was driven by a relatively narrow rally in many lower-quality, higher-beta companies. While we recognise the drivers of this dynamic, we expect companies with higher-quality fundamentals and more sustainable growth characteristics to perform well in 2017. We believe our active and risk-aware investment discipline will prove beneficial to the fund, given the numerous challenges and opportunities in emerging markets.

SECTOR POSITIONING	SECTOR WEIGHTINGS AS OF 31/3/17	OVER/UNDERWEIGHT VS. MSCI EMERGING MARKETS INDEX	QUARTER TO QUARTER CHANGE
Information Technology	26.3	1.8	0.1
Financials	21.5	-2.6	3.9
Consumer Discretionary	12.9	2.5	1.0
Industrials	8.1	2.2	2.2
Materials	6.5	-1.0	-0.4
Energy	6.2	-1.1	-1.9
Consumer Staples	4.3	-2.6	-2.0
Telecommunication Services	3.8	-1.8	-1.2
Health Care	3.1	0.7	-1.2
Real Estate	0.8	-1.8	-0.7
Utilities	0.0	-2.8	0.0

Sector weightings exclude cash or cash equivalents, any government/sovereign bonds or instruments on broad indexes the portfolio may hold. Holdings and weightings are subject to change daily. You can obtain a complete list of holdings by visiting [www.calamos.com](http://www.calamos.com). Please see additional disclosures on last page.

## Positioning

Our positioning favours economies benefiting from domestic demand trends, pro-growth fiscal reforms, and a blend of secular demand and more cyclical opportunities. We favour investments in China, India, South Korea and select opportunities in Brazil, Russia, Mexico, South Africa and Indonesia. From a sector perspective, the fund is overweight opportunities in consumer discretionary, information technology and industrials, while the fund has an underweight stance in consumer staples, utilities, telecom services, real estate and financials versus the index.

The fund maintained relatively stable sector weights during the quarter. We modestly increased weights in financials, industrials and information technology, a strategy that reflects our view of increased opportunities in more economically sensitive areas within global and emerging markets. We offset this by decreasing weights in consumer staples, health care and telecom services. These decreases were driven by our view of valuations in certain defensive areas and bottom-up fundamentals.

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## Fund Quarterly Attribution

	ENERGY	MATERIALS	INDUSTRIALS	CONSUMER DISCRETIONARY	CONSUMER STAPLES	HEALTH CARE	FINANCIALS	INFORMATION TECHNOLOGY	TELECOM SERVICES	UTILITIES	REAL ESTATE
EMERGING MARKETS FUND VERSUS MSCI EMERGING MARKETS INDEX (%)											
Value Added from Sector	0.02	-0.02	0.08	-0.02	0.01	-0.05	-0.02	0.09	-0.06	0.03	0.02
Value Added from Selection & Interaction	-0.55	-0.19	0.25	-0.21	-0.10	-0.03	0.26	0.40	0.16	0.00	-0.14
Total Added Value	-0.54	-0.22	0.33	-0.23	-0.10	-0.08	0.24	0.50	0.10	0.03	-0.12

### SECTOR WEIGHTS (AVERAGE % WEIGHT DURING THE QUARTER)

Emerging Markets Fund	7.23	7.20	7.87	12.29	5.59	3.10	19.88	22.76	7.62	0.00	1.27
MSCI Emerging Markets Index	7.55	7.57	5.78	10.28	6.96	2.45	24.35	23.85	5.73	2.84	2.60
Over/underweight	-0.31	-0.37	2.09	2.01	-1.37	0.66	-4.47	-1.09	1.89	-2.84	-1.33

### SECTOR RETURNS (%)

Emerging Markets Fund	-2.55	10.11	16.35	11.78	5.04	4.78	10.78	19.48	9.44	0.00	-0.62
MSCI Emerging Markets Index	4.42	12.11	13.50	12.88	7.60	5.41	9.97	17.01	7.69	10.22	10.45
Relative Return	-6.66	-2.00	2.85	-1.11	-2.55	-0.63	0.81	2.47	1.75	-10.22	-11.07

Calculations may be subject to rounding.

Calamos Emerging Markets Fund is a sub-fund of Calamos Global Funds PLC, an investment company with variable capital incorporated with limited liability in Ireland (registered number 444463), and is authorised and regulated by the Irish Financial Regulator as an Undertaking for Collective Investment in Transferable Securities ("UCITS"). The Company is a recognised scheme in the U.K. for the purposes of the Financial Services and Markets Act 2000, but is not authorised under such Act and therefore investors will not be entitled to compensation under the U.K. Financial Services Compensation Scheme. Calamos Global Funds PLC has been established as an umbrella fund with segregated liability between subfunds and is authorised pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003 as amended. Calamos Investments LLP, is authorised and regulated by the Financial Conduct Authority, and is the distributor of the Calamos Global Funds PLC.

**Important Information.** Portfolios are managed according to their respective strategies which may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of the benchmark(s). Portfolio performance, characteristics and volatility may differ from the benchmark(s) shown. Average annual total return measures net investment income and capital gain or loss from portfolio investments as an an-

nualised average. All performance shown assumes reinvestment of dividends and capital gains distributions.

Returns net of fees include the investment advisory fee charged by Calamos Advisors LLC. Returns greater than 12 months are annualised. All performance shown assumes reinvestment of dividends and capital gains distributions.

Sources for performance data: Calamos Advisors LLC, RBC, Morningstar and BNY Mellon Performance & Risk Analytics, LLC.

The Fund is offered solely to non-U.S. investors under the terms and conditions of the fund's current prospectus. The prospectus contains important information about the Fund and should be read carefully before investing. A copy of the full and simplified prospectus for the Fund may be obtained by visiting [www.calamos.com/global](http://www.calamos.com/global), or by contacting the local Paying Agent listed by jurisdiction at [www.calamos.com/global](http://www.calamos.com/global), or through the fund's Transfer Agent, RBC Investor Services Ireland Limited.

In Switzerland, all important information such as the constituents documents, the sales prospectus, the Key Investor Information Document ("KIID") and the annual or semi-annual report can be obtained free of charge from the Swiss representative.

The Swiss representative is Acolin Fund Services AG, Affolternstrasse 56, 8050 Zürich. The Swiss paying agent is NPB Neue Privat Bank AG, Limmatquai 1/äm Bellevue, CH-8022 Zürich.

The MSCI Emerging Markets Index is a free float-adjusted market capitalisation index that is designed to measure equity market performance of emerging markets. The index is calculated without dividends, with net or with gross dividends reinvested, in both U.S. dollars and local currencies. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect any fees, expenses or sales charges. Investors cannot invest directly in an index.

Calamos Investments LLP Distributor

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INVESTMENTS

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