

Global Growth Strategy

CALAMOS[®]
INVESTMENTS

Market Overview

Global equities continued their upward trend and delivered gains across regions in the second quarter. Rising equities reflected a positive environment characterized by generally improved global economic data, an upside in corporate earnings and continued accommodation in central bank monetary policies. Equities generated positive results across almost all major country indexes, reflecting broad participation in the period. U.S. equities trailed other regions but added to year-to-date gains, as the S&P 500 Index returned 3.09% in the quarter, while the broad MSCI ACWI Index returned 4.45%.*

In the U.S., the Fed raised benchmark interest rates by a quarter point in June—the fourth such increase since December 2015. Corporate earnings and analyst estimate revisions were quite positive in the period, reflecting a first quarter double-digit profit increase for the S&P 500. Key economic and employment data was mixed but generally indicated continued growth and relatively low inflation, and manufacturing and services demand data affirmed that the economy is firmly in expansion territory.

European equities delivered a strong gain of 7.73% for the quarter, as represented by the MSCI Europe Index. European shares benefited from growth in economic data and corporate earnings, attractive

valuations, and some resolution of looming political risks. Emmanuel Macron's election victory in France provided much-needed support for the pro-European Union establishment, free trade and labor deregulation, even as the unexpected results of the UK's snap election in early June will complicate Brexit negotiations and Prime Minister Theresa May's ability to implement her agenda. The European Central Bank left interest rates unchanged at its June meeting, suggesting confidence in the euro zone's recovery. In terms of key economic data, readings on euro zone PMI, business confidence and German inflation all pointed to improved economic momentum, driving bond yields higher across the region toward quarter-end.

Asian equities also rose in the period, as the MSCI Pacific index returned 3.95%. Japan's economy continues to grind higher but recent data pointed to lackluster overall demand and inflation levels well below the Bank of Japan's target. However, manufacturing PMI expanded further and core CPI hit a two-year high, albeit at a still low 0.4%. The BOJ held monetary policy steady at its June meeting, underscoring its intent to maintain accommodation.

The MSCI Emerging Markets Index delivered its strongest start to date since 2009, gaining 6.38% to boost the first-half total return to 18.60%. EM regions continued to outperform developed markets,

FIGURE 1. CALAMOS GLOBAL GROWTH STRATEGY RETURNS

	QTR ENDING 6/30/17	1-YEAR	3-YEAR	5-YEAR	SINCE INCEPTION (4/07)
Calamos Global Growth Composite					
Gross of Fees	6.87%	21.77%	7.01%	10.55%	8.44%
Net of Fees	6.60	20.49	5.86	9.33	7.28
MSCI ACWI Growth Index	5.85	18.98	6.93	11.84	5.95

Source: Calamos Advisors LLC

Past performance is no guarantee of future results.

Data as of 6/30/17.

*All values are in USD terms unless otherwise indicated.

All portfolio positioning and sector information is for a representative portfolio. Please see last page for additional information.

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FIGURE 2. REPRESENTATIVE PORTFOLIO PERFORMANCE VERSUS THE MSCI ACWI GROWTH INDEX
SECOND QUARTER 2017

	CONTRIBUTORS	DETRACTORS
Information Technology	55	
Health Care	45	
Financials	16	
Real Estate	13	
Consumer Staples	8	
Utilities	2	
Telecom Services	1	
Consumer Discretionary	0	
Cash		-11
Industrials		-13
Energy		-20
Materials		-26

Attribution based on gross of fee performance with dividends reinvested. Performance attribution excludes any government/sovereign bonds or options on broad market indexes the portfolio may hold.

Past performance is no guarantee of future results.

Source: Calamos Advisors LLC. Data as of 6/30/17.

supported by leading earnings growth, improving economic data, and stronger currencies versus the U.S. dollar. In China, services and manufacturing data remained in expansionary territory, although there has been recent deceleration and private data has been marginally softer than official government statistics. Mexico's equity market generated additional gains in the quarter, even as Mexico's central bank raised interest rates for the seventh time to combat higher inflation. Mexico continues to be among the strongest performing countries year-to-date.

Performance Review

The portfolio delivered an attractive total return in the quarter, attributable to the relatively higher growth profile and quality fundamentals of portfolio holdings.

Information Technology. The portfolio's overweight allocation to and relative security selection in information technology contributed the most to relative performance, as strong growth characteristics drove gains in the Internet software and services industry and the

application software industry. The portfolio's active overweight in the technology sector reflects our view of positive fundamentals, reasonable valuations and compelling secular tailwinds.

Telecom Services. The portfolio's relative security selection in telecom services also generated value, as holdings in the wireless telecom services industry outpaced the index constituents. We continue to invest in select growth opportunities in this traditionally more defensive sector. Specifically, we look for significant addressable markets and earnings growth potential in key markets.

Energy. The portfolio's slight overweight allocation to and relative selection in energy detracted the most value in the period, as select holdings in the oil and gas equipment and services industry trailed index positions. We have a generally neutral view of opportunities in energy, weighing some price stabilization against persistent excess global supply.

Financials. The portfolio's underweight to and security selection in financials also detracted relative value in the quarter, as names in the regional banks and investment banking and brokerage industries trailed. Portfolio holdings are positioned to benefit from higher interest rates, improving business fundamentals, and the prospect of decreased regulations and accompanying potential tailwinds.

Positioning and Portfolio Changes

The portfolio holdings reflect a combination of core growth and more cyclical opportunities in key sectors, including information technology, consumer discretionary, financials, health care and industrials, in terms of largest absolute weights. From a sector standpoint, we maintained relatively stable weights during the quarter. We modestly increased the portfolio weights in health care and consumer staples based on a combination of more stable and core growth opportunities. We offset this adjustment with modestly lower weights in industrials, energy

All portfolio positioning and sector information is for a representative portfolio. Please see last page for additional information.

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FIGURE 3. SECTOR ALLOCATIONS VERSUS THE MSCI ACWI GROWTH INDEX

SECTOR	REPRESENTATIVE PORTFOLIO %	MSCI ACWI GROWTH INDEX %	PORTFOLIO SECTOR WEIGHTING CHANGE SINCE 3/31/17 (PCT. POINTS)	UNDER/OVERWEIGHT %
Information Technology	30.7	25.5	0.2	5.2
Industrials	12.8	13.6	-0.4	-0.8
Financials	12.6	7.0	-0.5	5.6
Consumer Discretionary	11.7	17.4	-0.3	-5.7
Health Care	11.7	12.2	2.3	-0.5
Consumer Staples	10.1	11.5	0.5	-1.4
Materials	5.6	5.2	-1.7	0.4
Energy	3.6	2.9	-0.7	0.7
Real Estate	0.7	2.5	0.1	-1.8
Telecom Services	0.5	1.5	0.5	-1.0
Utilities	0.0	0.7	0.0	-0.7

Source: Calamos Advisors LLC.
Data as of 6/30/17.

This strategy is actively managed. Holdings, weightings and allocations are subject to change daily. Sector weightings exclude cash or cash equivalents, any government/sovereign bonds or broad based index hedging securities/options the portfolio may hold.

FIGURE 4. COUNTRY WEIGHTS VERSUS THE MSCI ACWI GROWTH INDEX

COUNTRY	REPRESENTATIVE PORTFOLIO %	MSCI ACWI GROWTH INDEX %	PORTFOLIO SECTOR WEIGHTING CHANGE SINCE 3/31/17 (PCT. POINTS)	UNDER/OVERWEIGHT %
United States	41.9	52.2	-0.9	-10.3
Switzerland	7.8	3.4	-1.2	4.4
United Kingdom	6.8	5.5	0.5	1.3
China	6.8	3.1	0.0	3.7
Japan	6.5	7.9	0.4	-1.4
India	5.8	1.0	-0.4	4.8
France	4.5	3.3	0.7	1.2
Denmark	3.1	1.0	0.6	2.1
Germany	2.6	3.2	-0.3	-0.6
Taiwan	2.2	1.4	0.1	0.8
Developed Markets	82.8	88.9	-0.5	
Emerging Markets	17.2	11.1	0.5	

Source: Calamos Advisors LLC

*Excludes cash weighting. Companies are classified geographically according to their country of domicile.

Data as of 6/30/17.

This strategy is actively managed. Holdings, weightings and allocations are subject to change daily. Companies are classified geographically according to their country of domicile. Geographical distribution tables exclude any options on broad market indexes the portfolio may hold.

and materials, driven mainly by security-specific rationale and market performance.

Outlook

Recent corporate and economic data points to a synchronized pickup in growth across regions. Global monetary policy remains accommodative

overall and an increasing pivot toward fiscal stimulus supports global activity. We see continued opportunities in global equities, reflective of sound fundamentals and valuations. As mentioned, we favor a blend of investments in secular and core growth companies, but are also looking to more economically sensitive cyclical businesses. We see significant opportunities in companies with earnings growth catalysts, solid cash

The representative portfolio information described in both charts above represents a representative account managed in the Global Growth strategy. Other clients' portfolios may differ mainly due to individual restrictions and timing of purchases and sales. All portfolio positioning and sector information is for a representative portfolio. Please see last page for additional information.

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flow generation and improving-to-strong balance sheets. From a thematic and sector perspective, we see opportunities in the information technology sector, consumer companies with targeted areas of demand, and an expanding set of more cyclical companies in the industrials and financials sectors with improving fundamentals and catalysts. Our active investment approach and long-term perspective positions us to take advantage of opportunities in global equities.

Past performance does not guarantee or indicate future results. Current performance may be lower or higher than the performance quoted. 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.

The information portrayed is for the Calamos Global Growth Composite. Representative holdings and portfolio characteristics are specific only to the portfolio shown at that point in time. Other portfolios will vary in composition, characteristics, and will experience different investment results. The representative portfolio shown has been selected by the advisor based on account characteristics that the advisor feels accurately represents the investment strategy as a whole.

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It should not be assumed that any of the securities transactions or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

Performance returns presented reflect, unless otherwise noted the Calamos Global Growth Composite which is an actively managed composite primarily investing in a globally-diversified portfolio of equity securities. The composite includes all fully discretionary fee-paying accounts. All returns are net of commission and other similar fees charged on securities transactions and include reinvestment of net realized gains and interest.

The MSCI ACWI Growth Index is a free float-adjusted market capitalization weighted index that is designed to measure the growth equity market performance of developed and emerging markets. The index is calculated in both U.S. dollars and local currencies.

The S&P 500 Index is a market-value weighted index and is widely regarded as the standard for measuring U.S. stock-market performance. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Europe Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe. The MSCI Japan Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Japan. The MSCI Pacific Index captures large and mid cap representation across five Developed Markets (DM) countries in the Pacific region.

The MSCI World Index is a market capitalization weighted index composed of companies representative of the market structure of developed market countries in North America, Europe, and the Asia/Pacific region.

The indexes are calculated in both U.S. dollars and local currencies.

Unmanaged index returns assume reinvestment of any and all distributions and, do not reflect fees, expenses or sales charges. Investors cannot invest directly in an index.

Fees include the investment advisory fee charge by Calamos Advisors LLC. Returns greater than 12 months are annualized. Chart Data Source: Calamos Advisors LLC.

Average annual total return measures net investment income and capital gain or loss from portfolio investments as an annualized average assuming reinvestment of dividends and capital gains distributions.

Calamos Advisors LLC is a federally registered investment advisor. Form ADV Part 2A, which provides background information about the firm and its business practices, is available upon written request to:

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