

Global Growth Strategy



Market Overview

Global equities experienced broad gains across global markets during a positive first quarter. Higher share prices reflected generally improving global economic data, an upside in corporate earnings and more bullish investor sentiment. Equities generated positive returns across almost all major country indexes and global sectors, reflecting extensive market participation in the period. U.S. equities, as measured by the S&P 500 index, were consistently positive in the period, delivering a 6.07% return, while the broad MSCI ACWI Index returned 7.05%.*

Economic data and corporate earnings indicated a pickup in confidence and growth, helping the major domestic equity indexes achieve new highs in the quarter. The Fed raised short-term interest rates a quarter point at the March meeting signaling, on one hand, a cautious approach to rate increases. On the other hand, the FOMC acknowledged signs of a stronger economy, which may form the thesis for additional hikes in 2017. Key data on employment and manufacturing generally exceeded expectations and reflected a broader pickup in the U.S. economy, as did fourth quarter GDP, revised higher to 2.1% from the previously reported 1.9%. Additionally, corporate profits rose 0.5% in the fourth quarter, following strong growth in the third and reflecting positive activity leading into 2017.

European equities, as represented by the MSCI Europe Index, gained 7.61% in the quarter. The ECB held interest rates unchanged at its March meeting and confirmed expectations that rates will remain at a low level for an extended period, even as it tapers the scale of its asset purchase program by €20 billion per month to €60 billion beginning in April. In terms of recent economic data, manufacturing PMI and industrial production figures indicated a firming economy, and euro-area economic confidence approached its highest level in several years. Eurozone inflation also increased in recent months, edging closer to the European Central Bank's goal.

Asian equities followed suit in the quarter, as the MSCI Pacific index returned 7.03%. Japanese equities reflected reasonably good economic fundamentals despite some recent strengthening in the yen versus the U.S. dollar. Specifically, manufacturing PMI data continued to expand while consumer confidence neared the highest level since 2013. Japan's GDP was revised modestly higher to 1.2% in the recent quarter, with exporters performing relatively better even as domestic demand remained tepid. The Bank of Japan's Policy Board members indicated they do not see a current impetus to change aggressive stimulus policies, and inflation continues to run well below the stated 2% target.

FIGURE 1. CALAMOS GLOBAL GROWTH STRATEGY RETURNS

	QTR ENDING 3/31/17	1-YEAR	3-YEAR	5-YEAR	SINCE INCEPTION (4/07)
Calamos Global Growth Composite					
Gross of Fees	9.18%	14.11%	5.96%	7.63%	7.94%
Net of Fees	8.91	12.88	4.81	6.44	6.79
MSCI ACWI Growth Index	9.17	13.38	6.67	9.29	5.50

Source: Calamos Advisors LLC and Mellon Analytical Solutions LLC
 Past performance is no guarantee of future results.
 Data as of 3/31/17.

*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
FIRST QUARTER 2017

	CONTRIBUTORS	DETRACTORS
Industrials	48	
Consumer Staples	41	
Information Technology	28	
Real Estate	16	
Health Care	14	
Consumer Discretionary	11	
Telecom Services	2	
Utilities		-1
Energy		-25
Materials		-41
Financials		-50

Attribution represented in basis points and is 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 3/31/17.

Emerging markets gained 11.49% in the first quarter, according to the MSCI Emerging Markets Index, benefitting from an outlook for higher economic growth, increased corporate earnings, and positive impacts from currency appreciation and capital flows. China's recent economic data has been generally positive as industrial production and fixed asset investment figures showed continued strength. India was a standout market in the period, reversing the weak showing from the previous quarter with a 3.65% increase in consumer prices. Mexican equities also performed well in the quarter, as the peso recovered following the central bank's decision to increase interest rates, and the near-term focus on the potential negative impacts of U.S. trade and immigration policy lessened.

Performance Review

The portfolio generated strong returns and performed in line with the index in the quarter, attributable primarily to favorable top-down positioning and leading security selection.

Industrials. The portfolio's relative security selection in industrials contributed the most value. Issue selection in construction machinery and in construction and engineering was particularly beneficial.

Information Technology. The portfolio's active overweight allocation to information technology also boosted return. The larger relative weighting and issue selection in the Internet software and services industry was particularly beneficial. Individual holdings in the data processing and outsourced services and in the semiconductors industries also performed well vis-à-vis the index constituents. The overweight position in the information technology sector continues to reflect our view of positive fundamentals, reasonable valuations, and unique growth opportunities with large addressable markets.

Financials. The portfolio's overweight to and selection in financials conspired as leading detractors first quarter. The greatest setbacks occurred in asset management and custody banks. The optimism that marked the beginning of the quarter waned, as it became evident that the political process for future policy changes would be difficult—and bank stocks took a hit late in the quarter. Even so, we believe the portfolio's holdings in this sector are well positioned to benefit from higher interest rates, improving business fundamentals, and the prospect of reduced regulations and accompanying tailwinds.

Materials. Relative security selection in the materials sector also weighed down first quarter returns, as holdings in the construction materials and specialty chemicals industries lagged the benchmark's companies. We continue to identify select opportunities in materials against a backdrop of stabilizing commodity prices, improving demand, and the potential for increased global building and infrastructure projects.

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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 12/31/16 (PCT. POINTS)	UNDER/OVERWEIGHT %
Information Technology	30.5	23.5	-0.7	7.0
Industrials	13.2	12.3	-2.0	0.9
Financials	13.1	6.1	-0.3	7.0
Consumer Discretionary	12.0	16.9	-5.1	-4.9
Consumer Staples	9.6	12.7	2.9	-3.1
Health Care	9.4	14.2	2.5	-4.8
Materials	7.3	5.2	3.7	2.1
Energy	4.3	3.9	-1.0	0.4
Real Estate	0.6	2.6	0.6	-2.0
Telecom Services	0.0	1.7	-0.6	-1.7
Utilities	0.0	0.9	0.0	-0.9

Source: Calamos Advisors LLC.

Data as of 3/31/17.

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 12/31/16 (PCT. POINTS)	UNDER/OVERWEIGHT %
United States	42.8	53.3	-5.9	-10.5
Switzerland	9.0	4.4	3.0	4.6
China	6.8	2.8	1.7	4.0
United Kingdom	6.3	5.8	-1.1	0.5
India	6.2	0.9	2.9	5.3
Japan	6.1	7.5	-0.1	-1.4
France	3.8	2.8	0.0	1.0
Germany	2.9	3.0	-0.5	-0.1
Denmark	2.5	0.8	-0.7	1.7
Australia	2.1	2.5	2.1	-0.4
Developed Markets	83.3	89.6	-4.0	
Emerging Markets	16.7	10.4	4.0	

Source: Calamos Advisors LLC

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

Data as of 3/31/17.

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.

Positioning and Portfolio Changes

From a sector perspective, weightings across the portfolio were relatively stable during the quarter. We modestly increased portfolio allocations to health care and materials, reflecting our view of more stable growth and select cyclical opportunities. These minor shifts were offset by decreasing weights in consumer discretionary and trimming

positions in energy and industrials, based primarily on security-specific rationale. In terms of largest absolute sector allocations, we maintain an emphasis in information technology, industrials, financials, consumer discretionary and health care.

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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Outlook

Recent economic data points to a synchronized pickup in global economic growth across regions. Accommodative monetary policy overall and an increasing pivot toward fiscal stimulus is also supporting global activity, and we see continued opportunities in global equities, reflective of fundamentals and valuations. In terms of broad portfolio positioning, we continue to favor a blend of investments in secular and core growth companies as well as more economically sensitive, cyclical businesses. Specifically, we have identified significant opportunities in companies with earnings growth catalysts, solid cash flow generation and improving-to-strong balance sheets.

In terms of cyclical companies, we are looking to those in the industrials, financials and energy sectors, particularly those demonstrating improving fundamentals and catalysts. From a thematic and sector perspective, the information technology sector and consumer companies with targeted areas of demand provide investable opportunities. Based on integrating a top-down thematic lens with bottom-up fundamental research, our active investment approach and long-term perspective position us to capitalize on 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 (All Country World 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 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 Sources: 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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