Global Investment Team Commentary

CALAMOS
TODAY FOR TOMORROW

Currents of Opportunity: Wading into International Waters through a Global Approach

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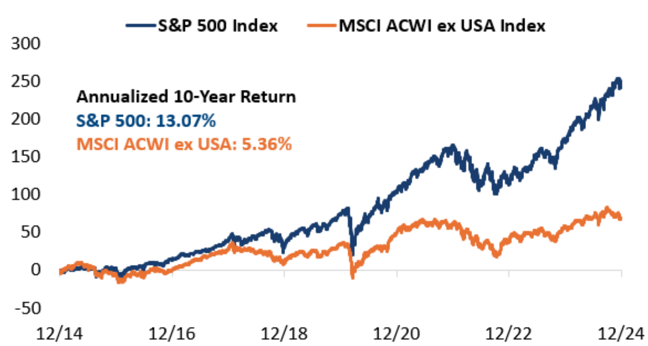
Key Points

- US equity returns have significantly outpaced the rest of the world for more than a decade, supported by strong corporate fundamentals and foreign investment.
- However, policy changes—both in the US and abroad—threaten to disrupt the US exceptionalism that has driven US dominance.
- Year-to-date international equity and currency performance indicates that markets are taking notice of the improving backdrop outside the US, but US investors remain under-allocated to international equities.
- Actively managed global strategies offer a potential solution for investors who wish to participate in the growth opportunities of non-US markets but may be hesitant about jumping into the deep end of the pool.
- Calamos Global Opportunities Fund (CGCIX) and Calamos Global Equity Fund (CIGEX) provide global diversification with a focus on identifying higher-quality US and international investment opportunities.

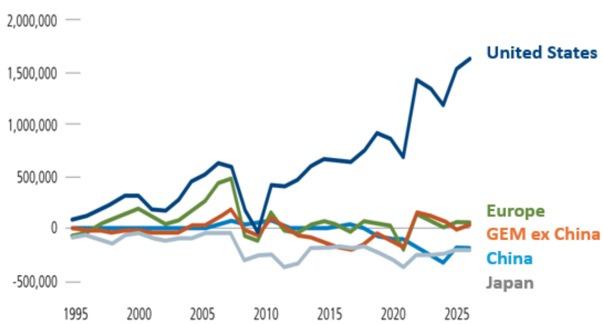
US Exceptionalism Is Giving Way

It is well known that US equity benchmarks like the S&P 500 Index and the Nasdaq 100 Index have outperformed their global counterparts significantly over the past decade. The S&P 500 Index returned more than 13% annualized over the 10 years ending December 31, 2024, more than 750 basis points ahead of the rest of the world on an annualized basis. This outperformance has not been unwarranted: US companies generated the best revenue growth, returns on invested capital, and cash flow profiles on the planet for over a decade, contributing to aggregate economic profit that easily surpasses the rest of the world.

US equity market outperformance …
Returns, 10 years to December 31, 2024



… Supported by US fundamental strength
Aggregate economic profit

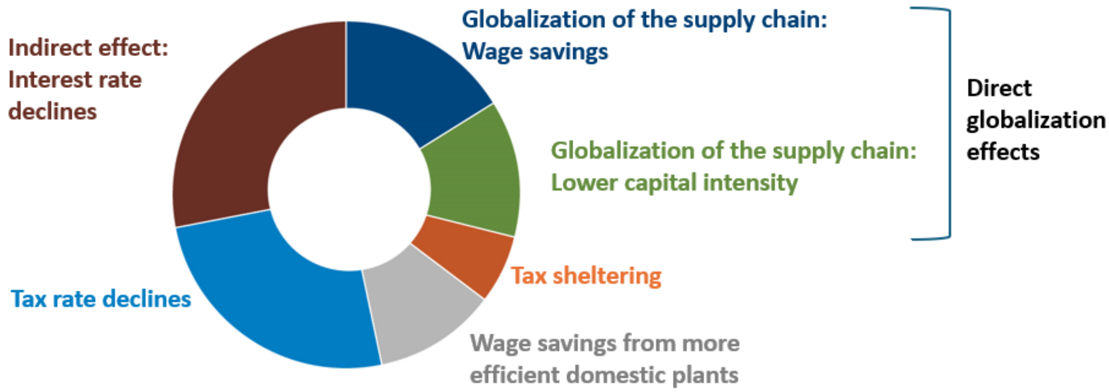


Past performance is no guarantee of future results. Source: Bloomberg (performance), UBS (aggregate profit) using UBS HOLT, data date April 22, 2025, all companies. Indexes are unmanaged, do not include fees or expenses and are not available for direct investment.

Why have US companies' equity returns been “exceptional,” while returns across much of the rest of the world have been “unexceptional”? Certainly, many of the most innovative growth themes and the companies driving them forward are US-based, and we expect this to continue. But the backdrop of globalism that has been in place for nearly three decades has helped many of these companies—along with US manufacturers in general—to optimize supply chains globally for maximum levels of profitability. The chart below shows that more than 25% of improved profitability for US manufacturers over the past 25 years has come from the benefits of globalization.

US manufacturers harnessed globalism to maximize profits

S&P 500 Manufacturers, Margin Expansion Dynamics, 2024 versus 2000



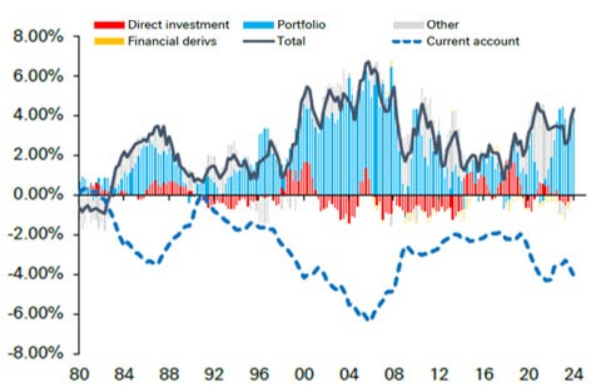
Source: Empirical Research using US Census Bureau, US Bureau of Labor Statistics, Corporate Reports, Empirical Research Partners Analysis and Estimates.

Additionally, as the US has run persistent and rising trade deficits with the rest of the world, foreign holdings of US assets have increased in tandem. This has been a tailwind for US investment performance. If the administration achieves its objective of reducing the US trade deficit, we should no longer expect financial inflows, particularly portfolio flows (e.g., purchases of US Treasuries and stocks), to provide the same tailwind to performance.

Although it's unclear how US trade and domestic industrial policies will evolve during this period of geopolitical disruption, it's clear that change is on the agenda. The Trump administration views the arrangement of global trade as a major contributing factor to a "hollowing out" of manufacturing. The proposed solution includes increasing tariffs on imports into the US, reducing the US trade deficit, weakening the US dollar, and increasing domestic manufacturing. But these policies risk upending "US exceptionalism," at least as the term has been understood by equity markets in recent years, as cost structures optimized for a "world-is-flat" backdrop have to adjust to a new world.

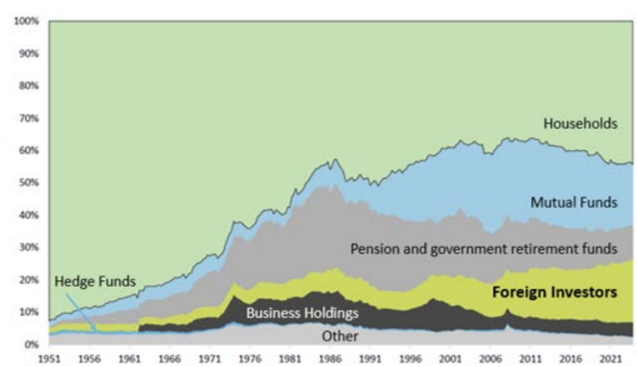
Financial inflows into the US mirror the growth in the current account deficit

US Balance of payments, net of GDP



Foreign ownership of US equity market has risen but may not continue to do so

Ownership breakdown of US equity market



Past performance is no guarantee of future results. Source for financial inflows chart: Deutsche Bank Research Institute, "The shift in US leadership: building the euro for a new age," May 1, 2025, using Deutsche Bank, Haver Analytics. **Current account**: represents the value of exports minus imports. A deficit means imports are exceeding exports. Source for foreign ownership chart: Gary Fowler, UBS, "European equity strategy: 'MDAX: A lot to like,'" March 5, 2025. Data as of June 30, 2024.

This is not to say the US will become an unattractive destination for capital. We believe other policy objectives, including deregulation and increased domestic manufacturing, will create new economic and market opportunities. In particular, we see favorable tailwinds in the years ahead for companies in the financial services, utilities, and industrials sectors. These sectors are also underrepresented in passive equity benchmarks, given how strongly other areas have performed in recent years. There are also many secular growth themes that should be less disrupted by trade policy dynamics, including the evolution of artificial intelligence. (For more on our thematic approach, see "Identifying Global Growth Opportunities Through a Thematic Lens.") Many US companies participating in these themes should enjoy strong and sustainable growth, and this sets up well for continued allocations to US companies, within a global framework. Active portfolio construction will be essential for identifying new winners and avoiding disrupted businesses that sit at large weights in passive benchmarks.

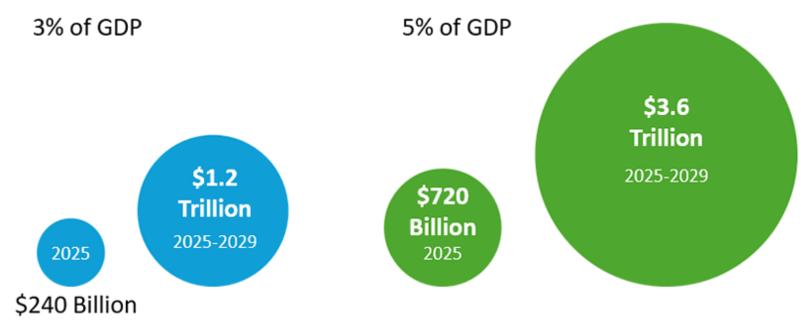
International Revival

While we are confident in the continued growth opportunities offered by many US companies, our outlook for non-US markets is increasingly constructive. In our recent post, "Overseas Investment Opportunities: US Policy Shifts Awaken the Sleeping Giants," we explained how US policies have lifted the outlook for global markets. China and Europe are key examples of this awakening, but countries like India that have demonstrated strong growth for many years are also positively positioned. Perhaps ironically, "Make America Great Again" policies also seem to have spurred other countries to strengthen their own economies. So far this year, and particularly since the US tariffs were announced on April 2, equity and currency markets have corroborated a narrative of elevated risks in the US and increased opportunities outside the US.

Europe. Europe has made a significant shift toward accommodative monetary and fiscal policies and incremental deregulation. Europe's move away from fiscal conservatism, led by Germany and catalyzed by US demands that Europe spend more on NATO and its own defense, is poised to awaken the region's stagnating economy and support growth. Several investment themes in Europe are positioned to strengthen from this awakening, including defense, infrastructure, and banking.

Defense. Washington's shifting approach to European security, especially regarding Ukraine, has sparked a structural uplift in European defense spending (see our post, "In Defense of Higher Spending: Geopolitics Creates Secular Opportunities"). During his first term, President Trump pressured European NATO members to agree to raise defense spending to 2% of GDP; many now meet or exceed this target. Recently, he has suggested that the target should be raised further. A lift to 3% would be $240 billion in annual defense spending, and a lift to 5% would be $720 billion in annual spending, which are both significant amounts. European-based defense firms are better positioned than their US peers for this uplift in spending given greater exposure to local markets.

Trillions on the Table: European Defense Spending
Projected Incremental NATO Spending at 3% and 5% of GDP Target

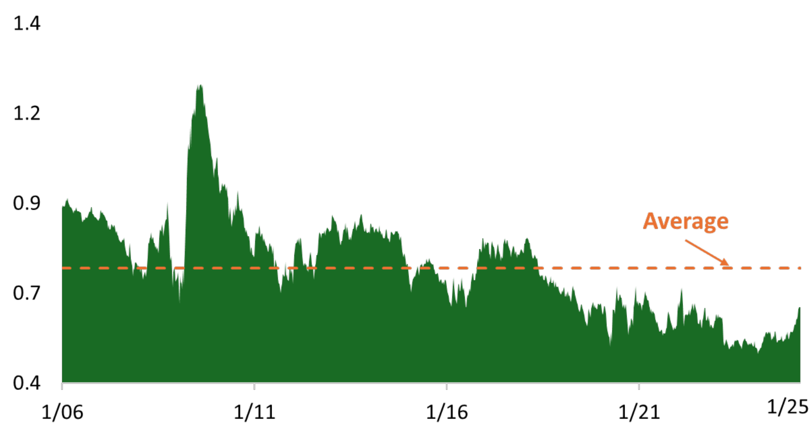


Data shown in 2024 dollars. Source: NATO, "Defence Expenditure of NATO Countries (2014-2024)"; press release, accessed from https://www.nato.int/nato_static_fl2014/assets/pdf/2024/6/pdf/240617-def-exp-2024-en.pdf

Infrastructure. Infrastructure is another standout investment theme, supported by reconstruction of Ukraine and European stimulus more broadly. Notably, Germany recently approved a €500 billion infrastructure spending bill to support its economy, marking a major shift from the country's traditionally conservative fiscal policy. We believe the construction industry—especially cement producers—will be the prime beneficiary of this shift, but a range of other industries, including hospital operators, can also benefit.

Banks. The recovery of the European banking industry provides attractive opportunities for deploying capital. European banks were slow to recover from the Global Financial Crisis but now find themselves on a stronger footing with healthy balance sheets. Banks are positioned to benefit as a looser fiscal and monetary policy environment in Europe is likely to jumpstart the economy and support higher loan growth. Also, European banks trade at a discount to historical averages despite a more favorable outlook. Further, we are beginning to see increased consolidation activity, which should drive improved competitive positioning and operating efficiencies.

European bank stocks are attractively valued
Forward 12-month P/E differential, European equity market/European bank stocks



Past performance is no guarantee of future results. Source: Bloomberg. The European equity market is represented by the STOXX Europe 600 Index, European bank stocks are represented by the STOXX Europe 600 Banks Index.

China. Fiscal and monetary policies are becoming more supportive in China. In response to trade tensions and particularly recent tariff announcements from the US, China has focused greater attention on diversifying its economy across other countries and regions, and more importantly, within its own domestic market. There has been a change in tone regarding the technology sector, with more government support for innovation and private sector leadership.

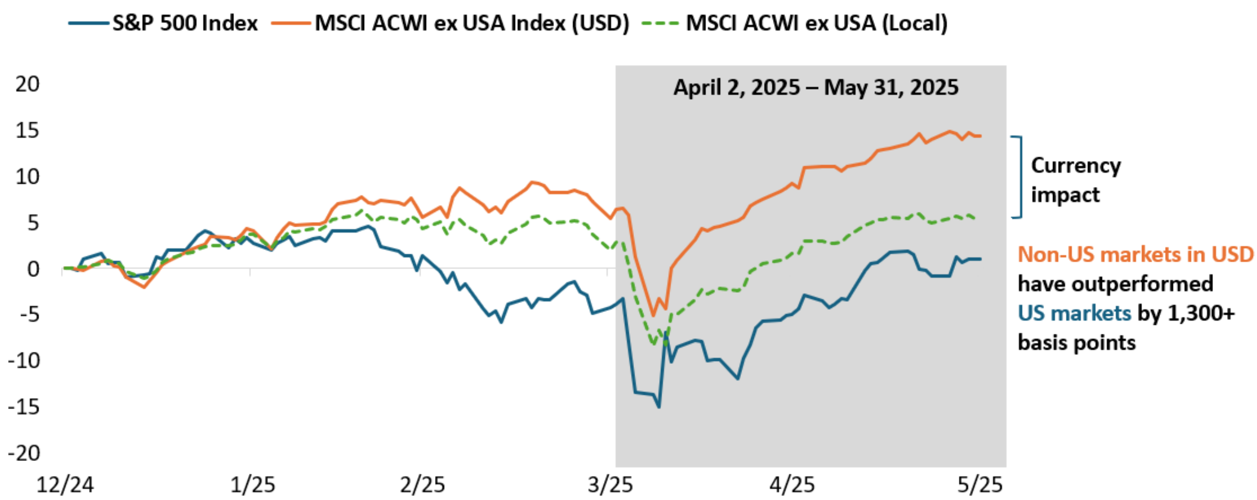
India. Unlike Europe and China, India is not a "sleeping giant"—it has been one of the best regional growth stories globally for a number of years. While the country continues to be a strong performer, India is becoming a closer strategic partner to the US because of pressure from China. We expect this strengthened friendship between the two to drive further growth for India.

The Currency Valve

Foreign currency exposure can provide valuable diversification benefits, furthering the case for including international equities in an asset allocation. Indeed, a currency often adjusts more rapidly to macroeconomic shifts than equities priced in that currency.

Investors often underappreciate the impact of currency dynamics, in particular the impact of US dollar weakness on returns for US-based investors. Just as US investors' home-country bias was understandable in a period of US exceptionalism, so too was discounting currency impact given the strength of the US dollar over the past decade. But given that a competitive weakening of the US dollar appears to be a cornerstone of the administration's trade policy, investors would be wise to consider currency. As the chart on the following page shows, international equities have outperformed the US market by more than 1,300 basis points year-to-date, with a significant surge since April 2. Currency appreciation represents more than half of the year-to-date outperformance, as indicated by the dashed green line.

Currency exposure can deliver a potentially powerful boost to diversification and performance



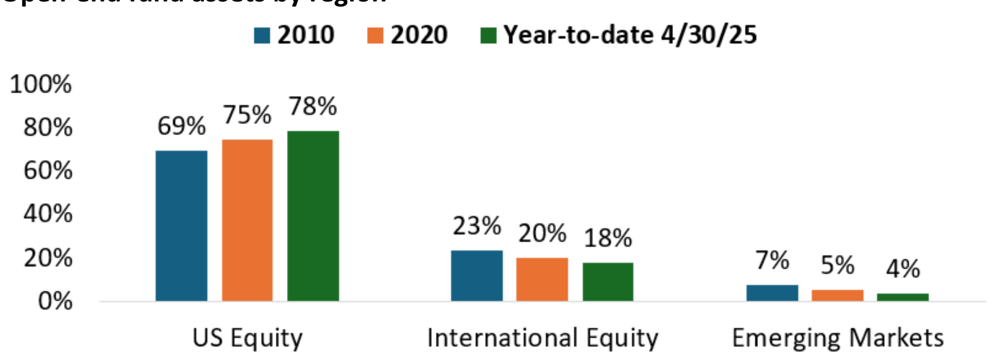
Past performance is no guarantee of future results. Source: Bloomberg.

Harnessing the Currents of International Equities for Enhanced Asset Allocation

Investor allocations to the US went one direction over the past 15 years: higher. As the US economy outshone other regions and US companies excelled in both financial results and stock performance, investor allocations to US equity moved upward, as the chart of total open-end fund assets by region illustrates below. For many investors, the US was “the only game in town” for over a decade, and global capital added additional fuel, providing nearly unrelenting support to the trend of US exceptionalism.

Today, the landscape feels substantially different. A different set of world markets are leading returns, and we are seeing a broadening of global equity winners across countries, sectors, and industries. For some investors, this environment is a welcome change, but many others are likely unprepared and underinvested in this dynamic. As shown below, investor allocations were heavy in US allocations coming into this year, at exactly the time they might have broadened out to include a much wider universe of names.

Open-end fund assets by region



Source: Morningstar. US-domiciled mutual funds and ETFs, based on current Morningstar category. Data through April 30, 2025.

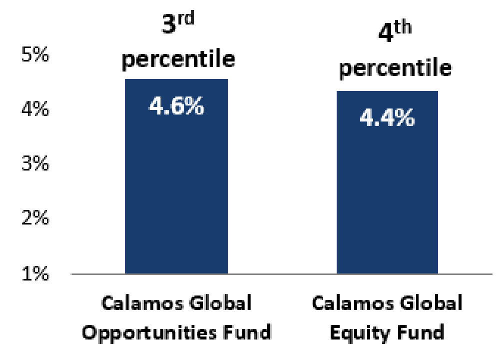
Conclusion

Active management and a tested process will be important to navigating a rapidly changing global landscape. We see opportunities among several attractive secular and cyclical themes in both US and international markets. Some of these themes have been established for decades, while others have emerged more recently as a result of significant policy changes around the world.

Our Calamos global solutions provide investors with a way to wade back into international waters, while also keeping exposure to the best US growth companies. Calamos Global Opportunities Fund (CGCIX) and Calamos Global Equity Fund (CIGEX) own leading companies in the US and invest in compelling businesses across Europe, Asia, and Latin America—because the next "must own" companies may not be the set that worked in the past. We seek to deliver higher-quality, higher-growth strategies in global markets, managed with a historical record of success built over many years of experience in global equities and convertible securities.

Outperformance versus peers, 5-Year Period

Relative outperformance versus peer average and peer group percentile ranking



	Calamos Global Opportunities Fund	Calamos Global Equity Fund
Fund	12.43%	15.18%
Peer Avg.	7.87%	10.83%

Past performance is no guarantee of future results. Performance is annualized. Source: Morningstar. Data as of May 31, 2025, based on percentile rankings for the I share class within each fund's Morningstar peer group. Calamos Global Equity Fund is ranked in the Global Large-Stock Growth category and was ranked 189 of 339 funds, 68 of 328, 9 of 296 funds, and 31 of 237 funds, for the 1-year, 3-year, 5-year, and 10-year periods, respectively. Calamos Global Opportunities Fund is ranked in the Global Allocation category and was ranked 132 of 460 funds, 6 of 456, 6 of 445 funds, and 1 of 398 for the 1-year, 3-year, 5-year, and 10-year periods, respectively.

Important Information

Total Return as of March 31, 2025	1 Year	3 Year	5 Year	10 Year
Calamos Global Opportunities Fund (Class I shares)	4.23%	4.71%	14.32%	7.53%
Calamos Global Equities Fund (Class I shares)	2.37%	7.18%	17.52%	10.38%
MSCI ACWI	7.63%	7.42%	15.71%	9.39%
MSCI World	7.50%	8.10%	16.67%	10.07%

Source: Morningstar. **Performance data quoted represents past performance, which is no guarantee of future results. Current performance may be lower or higher than the performance quoted. Please refer to Important Risk Information. The principal value and return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. Performance reflected at NAV does not include the Fund's maximum front-end sales load of 4.75%. Had it been included, the Funds' return would have been lower. All performance shown assumes reinvestment of dividends and capital gains distributions.**

Average annual total return measures net investment income and capital gain or loss from portfolio investments as an annualized average. All performance shown assumes reinvestment of dividends and capital gains distributions. Returns of more than one year are annualized.

Class I share expense information, as of the prospectus dated 2/28/25: Calamos Global Opportunities Fund's gross expense ratio is 1.20% and its net expense ratio is 0.97%. Calamos Global Equity Fund's gross expense ratio is 1.17% and its net expense ratio is 1.15%. The Fund's investment advisor has contractually agreed to reimburse Fund expenses through March 1, 2026 to the extent necessary so that Total Annual Fund Operating Expenses (excluding taxes, interest, short interest, short dividend expenses, brokerage commissions, acquired fund fees and expenses, and extraordinary expenses, if any) of Class I are limited as a percent of average assets as follows: Global Opportunities Fund, 0.97%; Global Equity Fund, 1.15%; Calamos Advisors may recapture previously waived expense amounts within the same fiscal year for any day where the respective Fund's expense ratio falls below the contractual expense limit up to the expense limit for that day. This undertaking is binding on Calamos Advisors and any of its successors and assigns. This agreement is not terminable by either party.

Diversification and asset allocation do not guarantee a profit or protect against a loss.

Aggregate economic profit measures the total value of all income earned within an economy over a specified period.

Indexes are unmanaged, not available for direct investment and do not include fees and expenses. **The MSCI ACWI Index** represents the performance of large- and mid-cap stocks across developed and emerging markets; **the MSCI ACWI ex USA** excludes the United States from this universe. The **S&P 500 Index** is a market-cap weighted index that tracks the performance of large-cap US stocks. The **Nasdaq 100** tracks the performance of the largest nonfinancial stocks listed on the Nasdaq stock exchange. Indexes are unmanaged, do not include fees or expenses and are not available for direct investment. The **MSCI World Index** measures the performance of stocks from developed markets.

Morningstar Global Allocation Category funds seek to provide both capital appreciation and income by investing in three major areas: stocks, bonds, and cash. While these portfolios do explore the whole world, most of them focus on the US, Canada, Japan, and the larger markets in Europe. It is rare for such portfolios to invest more than 10% of their assets in emerging markets. The **Morningstar Global Large-Stock Growth** Category is comprised of funds that invest in a variety of international stocks and typically skew towards large caps that are more expensive or projected to grow faster than other global large-cap stocks.

Important Risk Information. An investment in the Fund(s) is subject to risks, and you could lose money on your investment in the Fund(s). There can be no assurance that the Fund(s) will achieve its investment objective. Your investment in the Fund(s) is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. The risks associated with an investment in the Fund(s) can increase during times of significant market volatility. The Fund(s) also has specific principal risks, which are described below. More detailed information regarding these risks can be found in the Fund's prospectus.

Foreign security risk: 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 potential for greater economic and political instability in less developed countries.

The principal risks of investing in the **Calamos Global Opportunities Fund** include: convertible securities risk consisting of the potential for a decline in value during periods of rising interest rates and the risk of the borrower to miss payments, synthetic convertible instruments risk consisting of fluctuations inconsistent with a convertible security and the risk of components expiring worthless, foreign securities risk, emerging markets risk, equity securities risk, growth stock risk, interest rate risk, credit risk, high yield risk, forward foreign currency contract risk, portfolio selection risk, and liquidity risk.

The principal risks of investing in the **Calamos Global Equity Fund** include: equity securities risk consisting of market prices declining in general, growth stock risk consisting of potential increased volatility due to securities trading at higher multiples, value stock risk, foreign securities risk, forward foreign currency contract risk, emerging markets risk, small and mid-sized company risk and portfolio selection risk.

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 appropriate 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.

Before investing, carefully consider the fund's investment objectives, risks, charges and expenses. Please see the prospectus and summary prospectus containing this and other information which can be obtained by calling 1-866-363-9219. Read it carefully before investing.

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