Global Convertible Strategy Quarterly Commentary

CALAMOS INVESTMENTS

Summary

- From knockout issuance to returns, the global convertible market delivered in a quarter what we would be happy to see in a year.
- Calamos Global Convertible Strategy gained 15.30% (gross of fees) for the quarter, outperforming the FTSE Global Convertible Bond Index, up 13.82%, as well as the MSCI World Index, up 13.90%.
- We are finding many opportunities in the new issuance market to rebalance and lock in gains.

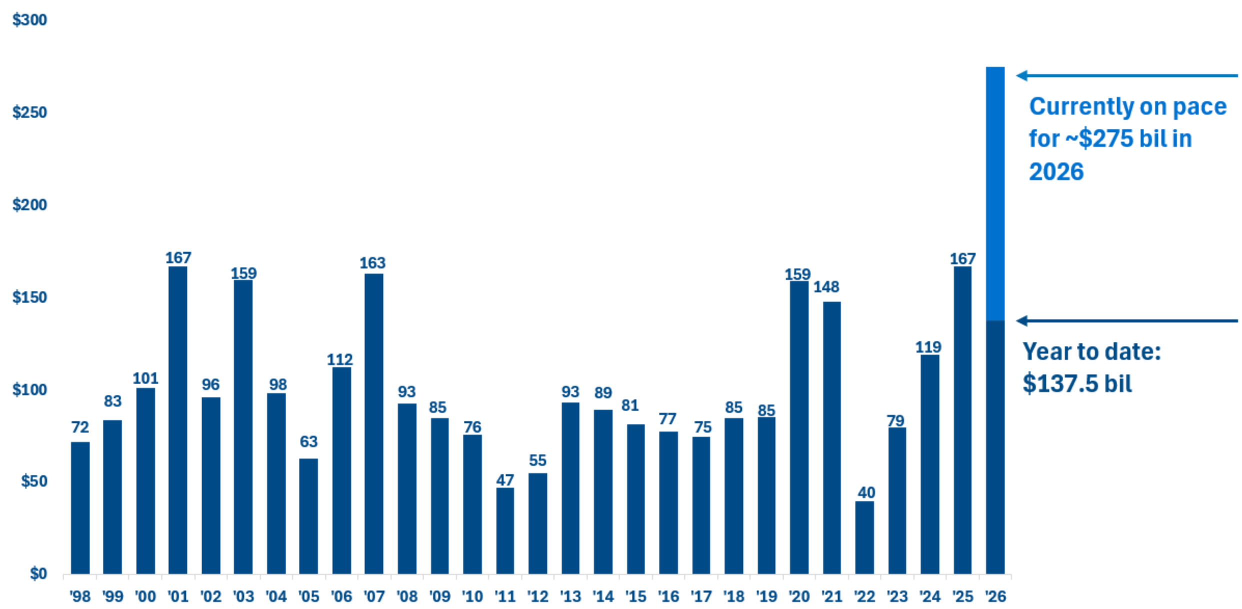
Investment Manager Discussion

The second quarter saw plenty of ups and downs, but investors ultimately managed to shrug off whatever came their way, from war and geopolitics to the prospect of interest rates rising rather than falling under a new Federal Reserve chair. The global convertible market soared as investors cheered continued strength in corporate earnings, particularly in the AI complex, and a ceasefire agreement between the US and Iran, which boosted expectations that inflation would fall alongside energy prices.

The quarter brought record-breaking levels of new convertible issuance. Alphabet—a first-time issuer—led the way with a $19.3 billion mandatory convertible issue, the largest on record. While Alphabet's monster deal may have grabbed most of the headlines, it was just one of a flurry of companies to seek growth capital from the convertible market. When all was said and done, companies around the world issued $83.6 billion during the quarter, bringing year-to-date totals to $137.5 billion. For perspective, this half-year total already surpasses the calendar year totals of all but six of the past 28 years.

Growth Capital for Growth Companies: Booming Issuance in Global Convertibles

Global convertible new issuance ($ bil)



Source: BofA Global Research, Calamos. Year to date through 6/30/2026.

All portfolio positioning and sector information is for a representative portfolio. Please see additional information that follows commentary.

This issuance environment gave us plenty of opportunities. This included leaning into the new issuance market to sell in-the-money paper and buy at-the-money paper. But we're also being selective about company fundamentals and conscious of position size. As we've discussed in the past, convertibles vary in their levels of equity sensitivity and fixed-income sensitivity. The greater the equity sensitivity, the greater the convertible's exposure to both the upside and downside of its underlying equities. Mandatory convertibles—like Alphabet's—are a different animal than traditional convertible bonds. They tend to be more equity-like, so we factor this into our overall portfolio construction process. But understanding these sorts of trade-offs is our bread and butter, and we believe our experience makes the difference.

Our overall allocations reflect our bottom-up focus—in other words, it's always about finding good names with good structures. Information technology companies make up roughly one-third of the portfolio as of quarter-end (slightly less than the benchmark weight), followed by consumer discretionary at about one-fifth (a significant overweight), with industrials and health care next. Regionally, US issues make up about two-thirds of the portfolio, followed by Emerging Asia at about one-sixth.

Where to From Here?

We see many positives on the horizon. We're optimistic about the issuance momentum in the market; as we've discussed in the past, there tends to be a "follow-the-leader" theme in convertible issuance, and the decision of mega-caps like Alphabet and Oracle to issue convertibles could be a powerful catalyst for other large-cap companies to follow suit, further enhancing the diversity of the market as a whole. We're encouraged by many of the convertible structures in the market today.

Still, we're being prudent. The endgame of the war with Iran isn't obvious, US midterms will contribute to investor anxiety, and we expect the newsfeed to continue whipsawing investors as it has over recent months. We're also aware that we could already be in a late-cycle environment, and it's essential to have the right risk-reward ahead of a turn.

Not every quarter will be like this second quarter, but as active, experienced managers, we don't need a shoot-the-lights-out market to be optimistic about what's ahead for Calamos Global Convertible Strategy.

Eli Pars, CFA

Co-CIO and Senior Co-Portfolio Manager

July 1, 2026

Market Environment

Global convertibles and equities both posted strong gains, with the FTSE Global Convertible Bond Index up 13.82% and the MSCI World Index up 13.90%, while the equities underlying the global convertible index outpaced the broader equity market, advancing 19.91%.

US companies led global convertible issuance with $62.7 billion, followed by Asia at $11.5 billion, Europe at $7.2 billion, and Japan at $2.3 billion. Convertibles have historically served as growth capital for growth companies, and the AI build-out provides an ideal backdrop for that dynamic to continue.

The second quarter's returns across economic regions were mixed. The best regions included Japan (+22.7%), Europe (+17.9%), and the United States (+15.5%). The regions that most underperformed the FTSE Global Convertible Bond Index included Emerging Europe & South Africa (-10.8%), Emerging Latin America (-5.6%), and Emerging Asia (+5.6%).

Returns across economic sectors within the FTSE Global Convertible Bond Index were also varied during the second quarter. The economic sectors that led the convertible market advance included information technology (+39.8%), health care (+10.5%), and industrials (+10.2%). The sectors that most trailed the index result included materials (-2.1%), energy (-2.0%), and consumer staples (-1.2%).

Convertibles in the index with the most equity sensitivity (parity delta > 0.8; +27.9%) strongly outperformed convertibles with total-return attributes (parity delta between 0.4 and 0.8; +10.5%) and those with the most bond sensitivity (parity delta < 0.4; +3.3%).

Performance Review

For the quarter ended June 30, 2026, the portfolio returned 15.30% (gross of fees) and 14.90% (net of fees) versus the FTSE Global Convertible Bond Index return of 13.82%.

Positive Influences on Performance

Financials. The strategy benefited from security selection and an average underweight position in financials. Specifically, a lack of representation in life & health insurance and diversified banks helped buoy performance.

Communication Services. Security selection and an average underweight stance in communication services added to the portfolio's results. Our position in interactive media & services proved beneficial. In addition, our lack of exposure to cable & satellite assisted relative returns.

Negative Influences on Performance

Energy. Security selection and an average overweight position within the energy sector detracted from performance, as holdings in the integrated oil & gas and oil & gas exploration & production industries hurt relative results.

Consumer Discretionary. An average overweight stance within the broadline retail and hotels, resorts & cruise lines industries of the consumer discretionary sector lost ground.

Geographic Performance

The portfolio benefited from favorable security selection and an average overweight stance in the United States. Also, a lack of participation in Emerging Europe & South Africa added value to portfolio performance.

In contrast, the portfolio's security selection and an average underweight position in Europe lagged on a relative basis. Specifically, positions in Italy and the Netherlands underperformed. Moreover, security selection in Japan dampened relative results.

Positioning and Portfolio Changes

From a sector standpoint, information technology and consumer discretionary represent the portfolio's largest weights on an absolute basis, while the smallest sector weights are in consumer staples and real estate. On a relative basis, hotels, resorts & cruise lines and broadline retail are among the overweight industries. The portfolio maintains relative underweight positions in financials and information technology, with transaction & payment processing services (financials) and internet services & infrastructure (information technology) comprising industry underweight positions.

The allocations to communication services and health care rose during the period, with increased weights in interactive media & services and health care services. By contrast, allocations to consumer discretionary and utilities decreased over the period with reductions in broadline retail and electric utilities.

From a regional standpoint, the largest allocations reside in the United States and Emerging Asia. Conversely, Japan and Europe comprise the portfolio's smallest absolute weights. We maintain an overweight allocation in Japan, while the portfolio has underweights in Europe and Emerging Asia. Allocations to Japan rose during the period. By contrast, the allocations to Emerging Asia decreased over the period with reductions in Korea and China.

For additional information, please visit the strategy's profile page:
https://www.calamos.com/strategies/global-convertible/

DATA AS OF 6/30/26

GLOBAL CONVERTIBLE AVERAGE ANNUAL RETURNS (%)

	QTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE INCEPTION (10/01)
Global Convertible (gross of fees)	15.30	25.12	17.28	6.23	10.53	8.71
Global Convertible (net of fees)	14.90	23.34	15.58	4.69	8.99	7.49
FTSE Global Convertible Index	13.82	28.75	17.77	6.70	9.79	7.75
ICE BofA Global 300 Convertible Index	15.21	30.65	17.52	7.28	10.57	8.14

Past performance does not guarantee or indicate future results. 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. There is no guarantee that the investment goals/objectives will be met. Indices are unmanaged and one cannot invest directly in an index.

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The information portrayed is for the Calamos Global Convertible Strategy. Representative holdings and portfolio characteristics are for the Representative Portfolio shown and 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.

Returns and Risk/Reward statistics presented reflect the **Calamos Global Convertible Composite**, which is an actively managed composite that invests in a globally diversified portfolio of convertible securities. The Composite was created May 15, 2008, calculated with an inception date of October 1, 2001. The Composite results include all fully discretionary accounts, including those no longer with the Firm. Investments in overseas markets pose special risks, including currency fluctuation and political risks, and the strategy is expected to be more volatile than that of a US only strategy. These risks are generally intensified for investments in emerging markets.

Foreign (Non-US) Securities Risk: Risks associated with investing in foreign (non-US) securities include fluctuations in the exchange rates of foreign currencies that may affect the US dollar value of a security, the possibility of substantial price volatility as a result of political and economic instability in the foreign country, less public information about issuers of securities, different securities regulation, different accounting, auditing and financial reporting standards and less liquidity than in US markets.

Convertible Securities Risk: The value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors also may have an effect on the convertible security's investment value.

Country Return Statistics: Unless otherwise noted, country equity returns are based on the appropriate MSCI Index for the country listed. The **FTSE Global Convertible Bond Index** is designed to broadly represent the global convertible bond market. **ICE BofA Global 300 Convertible Index** is a global convertible index composed of companies representative of the market structure of countries in North America, Europe and the Asia/Pacific region. Source ICE Data Indices, LLC, used with permission. ICE permits use of the ICE BofA indices and related data on an 'as is' basis, makes no warranties regarding same, does not guarantee the suitability, quality, accuracy, timeliness, and/or completeness of the ICE BofA Indices or data included in, related to, or derived therefrom, assumes no liability in connection with the use of the foregoing and does not sponsor, endorse or recommend Calamos Advisors LLC or any of its products or services. The **ICE BofA Investment Grade Global 300 Convertibles Index** comprises issues of investment-grade convertible bonds and preferreds in North America, Europe and the Asia/Pacific Region. The **ICE BofA Speculative Grade Global 300 Convertibles Index** comprises speculative grade convertible bonds and preferreds in North America, Europe and the Asia/Pacific Region. Source ICE Data Indices, LLC, used with permission. ICE permits use of the ICE BofA indices and related data on an 'as is' basis, makes no warranties regarding same, does not guarantee the suitability, quality, accuracy, timeliness, and/or completeness of the ICE BofA Indices or data included in, related to, or derived therefrom, assumes no liability in connection with the use of the foregoing and does not sponsor, endorse or recommend Calamos Advisors LLC or any of its products or services. 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.

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 charged 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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