SEPARATELY MANAGED ACCOUNT

Global Sustainable Equities SMA Strategy Quarterly Commentary

CALAMOS® INVESTMENTS

Strategy Overview

The Calamos Global Sustainable Equities Strategy employs an integrated, fundamental and proprietary ESG screening process, benchmarked to the MSCI ACWI Index, to evaluate and select what we deem are the highest-quality, ESG-adherent growth opportunities throughout the world in developed and developing economies as well as across market capitalizations.

Market Overview

Global equities rallied in the fourth quarter amid an environment of less hawkish central bank policy, lower bond yields, and increased investor risk appetite. The broad-based MSCI ACWI Index (Net) returned 11.03% for the quarter, with markets higher across most regions. Developed markets returned 11.53%, as measured by the MSCI World Index, and US equities returned 11.69%, as reflected by the S&P 500 Index. Emerging markets also saw substantial gains in the quarter, as the MSCI Emerging Markets Index returned 7.93%.

After taking a breather in the third quarter, equities resumed their climb in the fourth to close out the year on a strong note. The powerful rally in the final quarter of the year was propelled by expectations of interest rate cuts in 2024. Traders bet that central banks would cut interest rates sooner rather than later, with contrarian views centered on the magnitude of the easing and the timing. Generative AI and GLP-1 weight-loss drugs were the dominant themes for the year, and stocks associated with these innovations were among the best performing globally.

Within the MSCI ACWI Index (Net), every sector delivered positive returns, except energy (-2.9%). Information technology (+17.5%), real estate (+16.05%), industrials (+13.3%), financials (+12.5%), and materials (+11.4%) outperformed the overall index for the quarter. Utilities (+10.9%), consumer discretionary (+9.8%), communication services (+9.3%), health care (+6.1%), and consumer staples (+5.5%) trailed the index but were soundly positive.

Performance Review

For the quarter ended December 31, 2023, the portfolio returned 12.84% (gross of fees) versus the MSCI ACWI Index (Net) return of 11.03%.

Positive Influences on Performance

Energy. The portfolio’s lack of exposure to energy contributed to relative performance.

Health Care. Security selection in health care, specifically in the biotechnology and pharmaceuticals industries, contributed to performance.

Negative Influences on Performance

Information Technology. Over the quarter, security selection and an average underweight stance within the information technology sector weakened return. Semiconductors and electronic components lagged.

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

Consumer Discretionary. Security selection and an average overweight allocation within the consumer discretionary sector underperformed. The portfolio's distributors position and lack of representation in broadline retail weighed on returns.

Geographic Performance

The portfolio benefited from security selection and an average overweight stance in Europe. Holdings in France and Germany performed well in particular. Moreover, favorable security selection in the United States propelled relative performance.

Conversely, security selection and an average underweight position in Canada had a negative impact. Security selection in Emerging Asia set back performance, particularly in Hong Kong and South Korea.

Positioning and Portfolio Changes

We position the portfolio to provide a core allocation of quality growth companies that can thrive as the global economy evolves. Even if we cannot predict with certainty how economic and market conditions will unfold in 2024, we believe investors will be best served over the long term by a diversified portfolio of industry leaders with strong operating fundamentals and reasonable valuations. We view this as the optimal formula for attaining desirable risk-adjusted returns over time. Accordingly, we are committed to managing with a time-tested approach that integrates traditional financial and alternative data, enabling us to make better investment decisions.

Sustainable criteria represent one key set of this alternative data. Investors should recognize that the COP28 resolution is a clear indication of how important sustainability has become and how important it will be going forward. Declarations and pledges by 130 countries to double energy efficiency by 2030 are deliberate and present investment risks for some companies and industries but exciting opportunities for others. The portfolio includes a broad array of quality growth companies at the forefront of innovation. Regardless of whether countries can meet their Paris Climate goals, we believe companies purposefully moving to become more resource- and energy-efficient in their operations, products, and services are positioned to win.

From a sector standpoint, the portfolio's largest weights reside in information technology and financials on an absolute basis, while real estate and utilities comprise the smallest sector weights (with holdings). The portfolio had no exposure to the energy sector. The portfolio takes an overweight stance in industrials and health care versus the index, building products (in industrials) and life sciences tools & services (in health care) comprising the largest industry overweight positions. Significant industry underweight positions are semiconductors and automobile manufacturers.

The information technology allocation increased during the period, while the weight to financials also rose modestly. Both the health care and consumer discretionary allocations decreased modestly.

Regionally, the largest allocations reside in the United States and Europe. Conversely, the portfolio's smallest absolute weights reside in Canada and Emerging Latin America. We maintain relative overweight positions in Europe and Emerging Latin America, while the portfolio has an underweight stance in both the United States and Emerging Asia versus the index.

Outlook

The Federal Reserve may be done with rates hikes, but higher rates may not be done with us. The impact of higher rates has only begun to take hold, and it can take up to 24 months for a change in interest rates to be fully reflected in the economy. Consumers and businesses are beginning to feel the pinch of higher rates. Whether the US economy and corporate earnings can withstand the lagged effects of monetary tightening next year is unclear. As always, we shall see.

The worst decisions are made during the best of times. Over the past decade, we've seen a secular bull market, during which investors often made more by dipping further down in quality. Can this continue? Data suggests that it is not likely. If returns are to stay at the current level, it will take even more multiple expansion and even faster earnings growth. Going forward, good risk management will likely be better compensated than brazen risk-taking. Because the past 10 years are unlikely to be repeated, we believe diversification will pay off as investors return their focus to fundamentals and valuations.

DATA AS OF 12/31/23

GLOBAL SUSTAINABLE EQUITIES SMA AVERAGE ANNUAL RETURNS (%)

	QTD	1-YEAR	3-YEAR	5-YEAR	SINCE INCEPTION (1/19)
Global Sustainable Equities SMA (gross of fees)	12.84	20.84	5.56	N/A	13.35
Global Sustainable Equities SMA (net of fees)	12.48	19.34	4.25	N/A	11.95
MSCI ACWI Index (Net)	11.03	22.20	5.75	11.72	11.71

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 Sustainable Equities Strategy. 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.

The opinions referenced are as of the date of publication and are subject to change due to changes in the market or economic conditions and may not necessarily come to pass. Information contained herein is for informational purposes only and should not be considered investment advice.

The information provided in this report should not be considered a recommendation to purchase or sell any industry, sector or particular security. There is no assurance that any industry, sector or security discussed herein will remain in a client's account at the time of reading this report or that industry, sectors or securities sold have not been repurchased. The industries, sectors, or securities discussed herein do not represent a client's entire account and in the aggregate may represent only a small percentage of an account's holdings. 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 or Risk/Rewards statistics presented reflect the **Calamos Global Sustainable Equities Composite II**, which is an actively managed, globally focused composite that seeks to achieve long-term capital appreciation. The Composite invests primarily in the common stock of companies around the world that excel at managing environmental risks and opportunities, societal impact and corporate governance (ESG) factors and exhibit attractive financial attributes and competitive advantages. On August 25, 2021Calamos acquired Pearl Impact Capital LLC which has managed the strategy since its inception in 2019. Firm assets shown represent assets managed by Calamos Advisors and not assets managed by Pearl Impact Capital LLC. The Calamos Global Sustainable Equities Composite II was formerly named the PIC Global Opportunities Composite. This name change was effected August 25, 2021. The Composite was created August 31, 2021, calculated with an inception date of January 1, 2019. Results include all fully discretionary advisory accounts, including those no longer with the Firm. Past performance is no guarantee of future results.

Foreign (Non-US) Securities Risks: 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.

ESG Investing Risks: When the investment process considers environmental, social and governance factors, the adviser may choose to avoid investments that might otherwise be considered, or sell investments due to changes in ESG risk factors as part of the overall investment decision process. The use of environmental, social and governance factors may impact investment exposure to issuers, industries, sectors, and countries, which may impact a portfolio's relative performance.

Equity Securities Risk: The securities markets are volatile, and the market prices of the securities may decline generally. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. If the market prices of the securities owned fall, the value of your investment will decline.

The Firm maintains performance composites by "institutional" and "advisory" account types. Institutional portfolios, which include the Firm's co-mingled funds, generally provide the investment manager with a relatively high level of flexibility in trade direction, security types and asset classes, while advisory portfolios, which include bundled fee (or WRAP) sponsored accounts, may impose restrictions on trade direction as well as certain security types and asset classes.

The **MSCI ACWI Index (Net)** is a free float-adjusted market-capitalization-weighted index designed to measure the equity market performance of developed markets and emerging markets. The index is calculated in both US dollars and local currencies. The **MSCI World Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. 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 index is calculated on a total return basis, which includes reinvestment of gross dividends before deduction of withholding taxes.

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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