

**FROM THE
 INVESTMENT
 SERVICES GROUP**

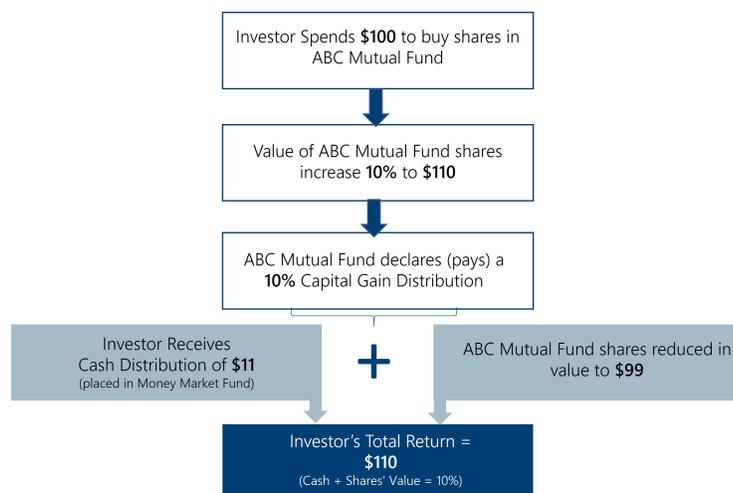
A Reminder on Capital Gains from Mutual Funds

Mutual funds are required by law to distribute nearly all of the net realized capital gains that occurred during their fiscal year. The net realized capital gains is the sum of all gains, less losses, from securities sold during the fiscal year. October 31st is the fiscal year-end for most mutual funds and these distributions are typically paid to investors in November and December as cash. Gains typically are a result of a successful investment strategy over that 12-month period.

What to expect when mutual fund capital gains are distributed to you:

- When distributions are paid to your investment account as cash, that amount is added to the money market holding in your account. Upon the distribution, the total value of your mutual fund investment will reflect a decline equal to the distribution out (and any changes due to the one-day total return) and your money market holding value increases by the amount of that distribution.
- These distributions are classified as either a short-term or long-term capital gain, based upon the fund's holding period. The holding period determines the rate at which the distribution is taxed and will be reflected on the 1099 issued by your custodian.

As an example, a mutual fund has a net asset value (NAV) of \$100 when the investor purchases it. Over time, the fund gains 10% and the investor's total value is \$110. Later in the year, the fund declares a 10% capital gain distribution. The investor will receive the 10% capital gain distribution in the form of cash to their money market account and see a corresponding 10% decline in the NAV of the fund. Importantly, the investor's total return remains unchanged at 10% with a corresponding \$110 in the account.



When reviewing your statement keep these thoughts in mind. The total return for any security must consider the current market value (reflected by the NAV x shares owned) AND capital gain distributions received. Additionally, charts and prices on various internet sites may not reflect these distributions. It can be confusing at first, but if the NAV (or, price of the fund) drops more than what you might expect from market activity, remember to check if a distribution has been paid.

As always, should you have any questions feel free to contact any member of your Calamos Wealth Management advisory team.

Calamos Wealth Management and its representatives do not provide accounting, tax or legal advice. Each individual's tax and financial situation is unique. You should consult your tax and/or legal advisor for advice and information concerning your particular situation. Nothing in this material should be relied upon in isolation for the purpose of making an investment decision. Please remember to contact Calamos Wealth Management LLC, **in writing**, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services, or if you want to impose, add, to modify any reasonable restrictions to our investment advisory services, or if you wish to direct that Calamos Wealth Management LLC to affect any specific transactions for your account. A copy of our current written disclosure Brochure discussing our advisory services and fees is available upon request or at wm.calamos.com.

CALAMOS[®]
WEALTH MANAGEMENT

Calamos Wealth Management | 2020 Calamos Court | Naperville, IL 60563 | 888.857.7604

www.calamos.com/wm | cwm@calamos.com

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