

Investment Management and Client Service

An Interview with John S. Koudounis, Chief Executive Officer, Calamos Investments

EDITORS' NOTE John Koudounis joined Calamos Investments in April 2016. Previously, he was President and Chief Executive Officer for Mizuho Securities USA Inc.; Managing Director, ABN AMRO Inc; and Vice President, Merrill Lynch. He received his AB in international diplomacy and foreign affairs and economics from Brown University.



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FIRM BRIEF Calamos Investments (calamos.com) is a diversified global investment firm offering innovative investment strategies including alternatives, multi-asset, convertible, fixed income, and equity. The firm offers strategies through separately managed portfolios, mutual funds, closed-end funds, private funds and UCITS funds. Clients include major corporations, pension funds, endowments, foundations, and individuals, as well as the financial advisors and consultants who serve them. Headquartered in the Chicago metropolitan area, the firm also has offices in London, New York, San Francisco, and Miami.

Will you discuss the history of Calamos Investments and how the firm has evolved?

Calamos is an active manager that has been in the market for nearly 50 years. Since our founding in 1977, we have assisted investors to navigate numerous market cycles and today we have about \$40 billion in assets under management. Our founder, John

Calamos Sr., pioneered investing in convertible bonds as an asset class and he literally wrote the book on the subject, which is still taught as part of the curriculum in business school today.

Over the years, we have evolved and expanded our product offerings to meet investor demand, both by organic growth and by strategic acquisitions. Calamos provides a variety of funds with actively managed investment strategies that include

stocks, bonds, convertible securities, and alternatives. Our risk-managed strategies have resonated with investors and are especially relevant now in the current market as investors seek solutions to weather the inflationary and rising rate environment. I am proud of the fact that, since I became CEO in 2016, our AUM has more than doubled, a testament to our success in the marketplace.

How do you define Calamos Investments' mission and values?

Calamos is committed to excellence in investment management and client service. We are dedicated relentlessly to customer service and assisting our clients to meet their financial goals, and I have aligned the firm around that mission. For example, I have placed a greater focus on communications among our investment professionals and between the operational side of the firm so that everyone is pulling in the same direction, working together as a cohesive team to fulfill the Calamos mission.

What is the philosophy around Calamos' investment strategy and how critical is investment discipline as part of the strategy?

As active managers, we believe there are opportunities in every market, even the most volatile ones. Our strategies are designed to help investors mitigate market risk, minimize market downside, and optimize upside. At Calamos, we maintain a disciplined investment process that marries quantitative and fundamental analysis, and our goal is to provide the best risk-adjusted long-term sustainable returns. Today's market is essentially a stock picker's market. We believe that careful selection of investments and a disciplined, active approach is more important now than ever. Investors embraced our funds in their portfolio allocation when the market was going up, and our strategies are especially resonating now as we all face this ongoing volatility and uncertainty.

Calamos has achieved strong results and is consistently an industry leader. How important is it to build more brand awareness for Calamos and to create a broader understanding of the Calamos advantage?

We believe it is very important. In fact, we recently hired our first Chief Marketing Officer, Jessica Fernandez, who has more than 20 years of experience as a specialist in marketing strategies for the asset management industry. Jessica will work with us to articulate the Calamos brand message more clearly and help us communicate our brand mission and values for our clients and partners through a comprehensive marketing effort.

Will you highlight Calamos Investments' commitment to building a diverse and inclusive workforce to bring diverse perspectives and experiences to the table when making investment decisions?

Calamos is committed to fostering, cultivating, and preserving a culture of diversity, equity, and inclusion. We believe that human capital is one of the most valuable assets of the firm. The inclusion of different voices, different viewpoints, and different life experiences not only makes us stronger as a company, it also allows us to serve our investors and clients more effectively.

We incorporate our diversity, equity and inclusion initiatives into the firm's recruitment, professional development and training, and social programs. Our goal is to foster a general work

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environment built on the premise of both intellectual and experiential diversity. For example, we require all associates to complete annual diversity awareness training to enhance their awareness and knowledge. We also promote communication, understanding and career opportunities in a variety of ways, including diversity, equity and inclusion focus groups, lunch and learns, and leadership development programs. In one initiative, we aim to support the career growth of individuals from underrepresented groups through our Diversity and Inclusion Mentorship Program, where select individuals meet monthly with senior Calamos executives.

What do you see as Calamos' responsibility to support the communities it serves and to be a force for good in society?

At Calamos, we care about our communities, particularly our headquarters city of Chicago. Chicago is my native city. I grew up here in a family of immigrants who came to this country from Greece and worked very hard to realize the American dream, and to give me a future. Giving back to the city that is my home is very important to me.

Calamos associates share these ideals, and we care deeply about the world we live in. Our employees have participated in many activities and given wholeheartedly of their time over the years. We've walked in the March of Dimes March for Babies and American Cancer Society Relay for Life. We've worked to fight hunger at the Northern Illinois Food Bank and Loaves & Fishes Community Services. We've collected for Toys for Tots, among other activities.

With the onset of COVID in 2020, I was very concerned by the suffering in our city and could not sit on the sidelines. I brought together local CEOs and business leaders to form the Chicago CEO COVID-19 Coalition, uniting local business leaders in a humanitarian campaign for COVID-19 relief and recovery. Chicago-area celebrities and sports stars joined in our efforts, and we created the "Sweet Home Chicago" telethon that was streamed in May 2020. We raised \$1.3 million that benefited ten charities representing the themes of personal protective equipment; food insecurity; homelessness; community and mental health; and families of law enforcement and LGBTQ community COVID assistance.

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100 percent of our associates contributed to the campaign and we matched 100 percent of our employee contributions. The program united everyone in an absolutely amazing response to help during a very challenging time.

How are the impact of Environmental, Social and Governance (ESG) factors incorporated in Calamos' fundamental investment process?

We have signed the internationally recognized UN Principles for Responsible Investment (PRI), expressing our commitment to responsible investment and participating in a global community seeking to build a more sustainable financial system. Our approach to sustainable investing, and in particular the impact of ESG factors, is incorporated in our fundamental investment process as part of our commitment to our clients' long-term best interests. ESG analysis is part of the greater mosaic of what we assess for our investment decision-making. It complements our ultimate objective of delivering superior long-term investment risk-adjusted returns to our advisory clients.

In 2021, we also expanded our sustainable investment capabilities with a seasoned ESG management team to provide our investors with even more choices in the ESG arena. ESG pioneers Tony Tursich and Jim Madden joined us last year to lead the development of focused sustainable investment products. Tony and Jim helped set industry standards for ESG focused investing by developing one of the first sustainable research platforms in 1999, combining environmental criteria with fundamental research to

identify companies positioned to thrive in an evolving environment. They are co-managing our new ESG funds.

What do you see as the keys to effective leadership and how do you describe your management style?

I believe there are qualities that most leaders need to demonstrate, regardless of nature or nurture, whether they are instinctive or are developed over time. Hopefully, I share them. One is resilience – the ability to deal with uncertainty and disruption, and to seize the opportunities that come with constant change. Particularly now, in this time of uncertainty and confronting the prospect of a possible future recession, it is absolutely critical to be able to pivot for the benefit of your enterprise.

Another is a mindset of innovation – to be open and look for new and better practices and procedures. Throughout the history of business, there have been numerous examples of legacy companies and iconic brands that failed to see change coming and to adapt.

Listening is also a key factor to my success. I believe that paying attention to what your clients and what your employees are saying is imperative to be able to achieve success.

Finally, leaders need to be passionate in their pursuit of excellence and to demonstrate it in a way that serves as an inspiration to their organization.

What advice do you offer to young people interested in building a career in finance?

The financial markets are endlessly fascinating, which is as true for me today as it was when I started on Wall Street 30 years ago. Many young people have never seen market conditions as they are now, and inflation is a phenomenon from several generations ago. I would encourage young people interested in finance to begin to learn about the markets and economic policy and how they work. Start to read the business and financial media on a regular basis. Maybe select a company or two and look at their earnings announcements. Pay attention to news about the Federal Reserve and the impact of interest rates and monetary policy.

My general advice to young people, whether their choice is a career in finance or another industry, is to make sure to do what you love. Work toward realizing your dreams and passions, and the rest will follow. ●