Global Dynamic Income Fund (CHW) 3Q14 Commentary

CALAMOS®

FUND

- CHW is a global enhanced fixed income offering that seeks to provide an attractive monthly distribution, with a secondary objective of capital appreciation.
- Invests in global fixed income securities, alternative investments and equities; at least 40% of assets invested in non-U.S. companies

Current Annualized Distribution Rate[1]	9.06%

ASSET ALLOCATION*

Common Stock	48.0%
Corporate Bonds	22.7
Convertible Bonds	20.4
Convertible Preferred Stock	5.4
U.S. Government Securities	0.1
Options	0.0
Cash and Receivables/Payables	3.4

*The portfolio is actively managed. Holdings and weightings are subject to change at any time without notice. Asset Allocation Weightings are calculated as a percentage of Managed Assets. The tables exclude cash or cash equivalents, any government / sovereign bonds or broad based index hedging securities the portfolio may hold.

[1] Current Annualized Distribution Rate is the Fund's most recent distribution, expressed as an annualized percentage of the Fund's current market price per share. **The Fund's most recent distribution was $0.0700 per share. Based on our current estimates, we anticipate that approximately $0.0531 is paid from ordinary income and $0.0169 of the distribution represents a return of capital.** Estimates are calculated on a tax basis rather than on a enerally accepted accounting principles (GAAP) basis, but should not be used for tax reporting purposes. Distributions are subject to re-characterization for tax purposes after the end of the fiscal year. This information is not legal or tax advice. Consult a professional regarding your specific legal or tax matters. Under the Fund's level rate distribution policy, distributions paid to common shareholders may include net investment income, net realized short-term capital gains and return of capital. When the net investment income and net realized short-term capital gains are not sufficient, a portion of the level rate distribution will be a return of capital. In addition, a limited number of distributions per calendar year may include net realized long-term capital gains. Distribution rate may vary.

There is no assurance that the Fund will achieve or maintain its investment objective.

Overview

U.S. equities were positive for the period as the S&P 500 Index registered a 1.13% return for the quarter. Gains in U.S. equities were supported by ongoing supportive monetary policy. Sector returns varied greatly during the quarter as gains in health care and information technology, buoyed by acquisition activity and a resurgent U.S. consumer, were offset by losses in energy and utilities.

European equities posted negative returns for the third quarter as increasing evidence pointed to an economic slowdown in that region. Macroeconomic data released during the quarter suggested slower growth as GDP had stagnated the previous quarter. In September, the European Central Bank took steps to boost the economy, cutting interest rates to 0.05%, reducing the deposit rate and announcing a program to buy asset backed securities.

In Asia, the Japanese equity market strengthened during the quarter, though economic data was mixed. A sharp weakening of the yen resulted in strong performance in sectors geared toward exports, such as appliances, machinery and autos. Outside of Japan, Asian equities posted slightly lower returns as stronger U.S. economic data fostered concerns of rising interest rates. Weak Chinese economic data also dampened sentiment.

Following a 12.9% monthly distribution increase in April, the fund maintained a monthly distribution of $0.07 throughout the quarter, resulting in an annualized distribution rate of 9.06%. We believe the fund's distributions are very competitive, given that low yields remain the norm. For example, the 10-year U.S. Treasury bond yield was 2.49% and the S&P 500 Index was 1.96% at the end of the quarter.

As do all five Calamos closed-end funds, this fund has a level distribution policy. Our policy is to pay a distribution through income and capital gains that is reflective of the fund's past results and earnings potential. We focus on delivering an attractive monthly distribution while maintaining a long-term focus on risk management.

ANNUALIZED TOTAL RETURN AS OF 9/30/14

	QUARTER	1-YEAR	3-YEAR	5-YEAR	SINCE INCEPTION
On Market Price	-3.33%	18.69%	19.18%	12.36%	2.91%
On NAV	-3.83	10.52	15.91	11.88	4.50

Source: State Street Corporation

Returns of less than 12 months are cumulative returns. Returns for periods greater than 12 months are annualized returns. Total return measures net investment income and capital gain or loss from portfolio investments as an annualized average. In calculating net investment income, all applicable fees and expenses are deducted from the returns.

Performance data quoted represents past performance, which is no guarantee of 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.

You can purchase or sell common shares daily. Like any other stock, market price will fluctuate with the market. Upon sale, your shares may have a market price that is above or below net asset value and may be worth more or less than your original investment. Shares of closed-end funds frequently trade at a market price that is below their net asset value.

Please refer to back page for important notes.

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Performance Review

In this fund, we employ a highly flexible approach, investing in equities, convertible securities and high-yield securities. This serves to allow optimal employment of active management to seek the best opportunities for our shareholders. We also utilize alternative strategies, such as convertible arbitrage to enhance returns.

During third quarter, the fund's U.S. equity sleeve underperformed relative to the S&P 500 Index. The sleeve suffered from security selection and an overweight within energy , specifically in oil-and-gas exploration and production. Conversely, selections and an overweight relative to the index within technology, especially related to hardware, storage and peripherals, coupled with selections and an overweight in health care, specifically biotechnology, helped performance.

The fund's allocation to international stocks outperformed relative to the MSCI EAFE Index for the quarter, though obviously we lost ground on an overall basis. Relative to the Index, our security selection and overweight within consumer discretionary, especially casinos and gaming, detracted from returns. However, our overweight and selections within telecommunication services outperformed relative to the index.

Our global securities sleeve underperformed relative to the MSCI World Index. Security selection within information technology, particularly semiconductors, detracted from performance. However, selection within energy, especially having no exposure to integrated oil and gas, was helpful. Our selection in materials, especially gold, supported returns during the quarter relative to the MSCI World Index.

Convertible arbitrage entails owning a convertible bond long and then shorting its underlying stock. It is employed as a strategy to enhance returns. With the average duration of the convertibles in the portfolio at around three years, performance in the strategy's bond component slightly lagged. Further, credit spreads on average widened, which decreased bond values. The low-interest-rate environment has meant that the fund did not received interest from the proceeds of short stock sales. However, the volatility increase supported convertible valuations and provided opportunity to capture trading profits generated through convertible arbitrage.

Positioning

In an effort to achieve greater exposure to the equity market, which we believe is now entering a growth regime, the fund has maintained its high percentage of holdings in convertibles and equities over the course of the quarter. As of September 30, 2014, approximately 74% of the fund's portfolio was invested in either common stock or convertibles, thereby offering significant exposure to general improvements in the equity market.

We continued to find opportunities across asset classes. Our equity holdings offer our customers exposure to improving stock markets, while our position in convertibles presents a way to participate in the upside of the equity markets in a more risk/managed approach, while continuing to earn income for distributions.

We maintained a preference for larger-cap growth-oriented companies with global presence and geographically diversified revenue streams. As we have discussed in past commentaries, we believe that such companies may be particularly well positioned to capitalize on global growth trends. We see economic growth continuing, especially in the U.S. and in other selected developed markets. In keeping with our emphasis on risk management, we continue to stress those companies that we believe have respectable balance sheets, good prospects for sustainable growth, and reliable debt servicing.

The portfolio's largest allocations, in absolute terms, are in the consumer discretionary, financials, and information technology sectors, while our lightest exposures are in telecommunication services, materials, and utilities.

We believe that many information technology companies offer compelling fundamentals as well as participation in secular growth trends. In regard to energy, we believe that companies in the sector may benefit from ongoing reflation efforts and growth trends in emerging markets. Financial companies tend to outperform in a rising-interest-rate environment, hence our meaningful exposure.

As noted, our pursuit of yield is informed by our risk-managed approach to total return. Reflecting this, the fund portfolio includes a blend of high-yield and investment-grade credits. We have taken a very selective approach to CCC-rated credits. Given our expectation that economic growth may proceed at a stop-and-go pace, we believe it is particularly important to favor companies that offer the best prospects for reliable debt servicing.

Leverage

We believe the environment is conducive to the prudent use of leverage as a way to enhance total return and support distributions. Leverage was 28% of total assets at the end of the quarter. We believe our enhanced leverage facilities through employing BNP Bank and State Street Bank have been beneficial to the fund. We also continue to use interest rate swaps to protect from sudden rises in interest rates.

Conclusion

Our view remains that the market will shake off its current concerns about global growth slowing and move to new highs. As to Europe, we believe the ECB and German finance officials will find ways to work together to both implement QE and put in place structural reforms to rekindle long-term growth. Meanwhile, in the U.S., economic growth continues to strengthen, driving good corporate profit growth amidst a backdrop of continued low inflation and low interest rates. Finally, valuations remain compelling, causing corporations to continue to pursue deals and buy back stock, which put a floor on the market. While it will likely be a rocky path, we believe the market can move to new highs by early 2015.

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Important Fund Information

The goal of the level-rate distribution policy is to provide investors a predictable, though not assured, level of cash flow. Monthly distributions paid may include net investment income, net realized short-term capital gains and, if necessary, return of capital. Maintenance of this policy may increase transaction and tax costs associated with the Fund.

A credit rating is a relative and subjective measure of a bond issuer's credit risk, including the possibility of default. Credit ratings are assigned to companies by third-party groups, such as Standard & Poor's. Assets with the highest ratings are referred to as "investment grade" while those in the lower tiers are referred to as "noninvestment grade" or "high yield." Ratings are measured using a scale that typically ranges from AAA (highest) to D (lowest).

Leverage creates risks which may adversely affect return, including the likelihood of greater volatility of net asset value and market price of common shares; and fluctuations in the variable rates of the leverage financing. The ratio is the percent of total managed assets.

The Fund may invest up to 100% of its assets in foreign securities and invest in an array of security types and market-cap sizes, each of which has a unique risk profile. As a result of political or economic instability in foreign countries, there can be special risks associated with investing in foreign securities. These include fluctuations in currency exchange rates, increased price volatility, and difficulty obtaining information.

Investments by the Fund in lower-rated securities involve substantial risk of loss and present greater risks than investments in higher rated securities, including less liquidity and increased price sensitivity to changing interest rates and to a deteriorating economic environment.

Fixed income securities are subject to interest-rate risk; as interest rates go up, the value of debt securities in the Fund's portfolio generally will decline.

There are certain risks associated with an investment in a convertible bond such as default risk—that the company issuing a convertible security may be unable to repay principal and interest—and interest rate risk that the convertible may decrease in value if interest rates increase. Owning a bond fund is not the same as directly owning fixed income securities. If the market moves, losses will occur instantaneously, and there will be no ability to hold a bond to maturity. The principal risks of convertible arbitrage are Convertible Securities Risk and Convertible Hedging Risk. 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. Convertible Hedging Risk: If the market price of the underlying common stock increases above the conversion price on a convertible security, the price of the convertible security will increase. The fund's increased liability on any outstanding short position would, in whole or in part, reduce this gain.

The Fund may invest in derivative securities, including options and swap agreements. The use of derivatives presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities. There is no assurance that any derivative strategy used by the Fund will succeed. One of the risks associated with purchasing an option is that the Fund pays a premium whether or not the option is exercised.

The Fund may seek to purchase index put options to help reduce downside exposure however, the effectiveness of the Fund's index option-based risk management strategy may be reduced if the Fund's equity portfolio does not correlate to the performance of the underlying option positions. The Fund also risks losing all or part of the cash paid for purchasing index options. Unusual market conditions or lack of a ready market of any particular option at a specific time may reduce the effectiveness of the Fund's option strategies, and for these and other reasons the Fund's option strategies may not reduce the Fund's volatility to the extent desired. From time to time, the Fund may reduce its holdings of put options, resulting in an increased exposure to a market decline.

Parties entering an interest rate swap take on exposure to a given interest rate; the exposure can be long or short depending on whether a counterparty is paying or receiving the fixed rate. At the same time, each party takes on the risk - known as counterparty credit risk - that the other party will default at some time during the life of the contract.

The **MSCI World Index** is a market capitalization weighted index composed of companies representative of the market structure of 21 developed market countries in North America, Europe, and the Asia/Pacific region. **MSCI EAFE Index** measures developed market equity performance (excluding the U.S. and Canada). The **S&P 500 Index** is generally considered representative of the U.S. stock market.

Unmanaged index returns assume reinvestment of any and all distributions and, unlike fund returns, do not reflect fees, expenses or sales charges. Investors cannot invest directly in an index.

The information contained herein is based on internal research derived from various sources and does not purport to be statements of all material facts relating to the sectors, securities and markets mentioned. The information contained herein, while not guaranteed as to the accuracy or completeness, has been obtained from sources we believe to be reliable. Opinions expressed herein are as of the date of publication and are subject to change without notice due to various factors and may not necessarily come to pass. Information contained herein is for informational purposes only and should not be considered investment advice.

Terms

A Level Rate Distribution Policy is an investment company's commitment to common shareholders to provide a predictable, but not assured, level of cash flow. **Market Price** refers to the price at which shares of the fund trade in the market. **NAV or Net Asset Value** refers to the net value of all the assets held in the fund. **IPO Price** refers to the initial public offering price for shares of the fund.

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