Market Neutral Income Fund First Quarter 2016 Report

CALAMOS® INVESTMENTS

★★★★

MORNINGSTAR OVERALL RATING™†

among 109 Market Neutral Funds

The fund's load-waived Class A shares (CVSIX.lw) received 4 stars for 3 years, 5 stars for 5 years, and 4 stars for 10 years out of 109, 69 and 33. Market Neutral funds, respectively, for the period ended 3/31/16.

OVERVIEW

The fund's core market strategies include covered call writing and convertible arbitrage. Together, these strategies are intended to provide the fund with an enhanced potential for risk-managed returns due to their differing responses to volatility.

KEY FEATURES

- One of the first alternative mutual funds, capitalizing on experience in the convertible space going back more than three decades
- Low correlation with most fixed income benchmarks
- Risk management is a primary focus, as the fund's primary strategies are managed together with the intent of maximizing risk/reward characteristics

FUND TICKER SYMBOLS

A Shares	C Shares	I Shares
CVSIX	CVSCX	CMNIX

+ Morningstar ratings shown are for load-waived shares that do not include any front-end sales load. Not all investors have access to or may invest in the load-waived share class shown. Other share classes with front-end or back-end sales charges may have different ratings than the ratings shown. Additionally, some A-share mutual funds for which Morningstar calculates a load-waived A-share star rating may not waive their front-end sales load.

There can be no assurance that the Fund will achieve its investment objective.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

Key Drivers of Performance

- The fund had a slightly positive return in a volatile quarter, as both the covered call and convertible arbitrage strategies contributed. Long term, the fund continued to outperform its Morningstar category over all standardized periods (see below).
- The S&P 500 Index's 1.35% return supported the covered call strategy's performance as the value of our equity basket advanced.
- Convertible valuations cheapened, which may present opportunities going forward. The average convertible in the BofA Merrill Lynch All U.S. Convertible Index (VXA0) traded at a 3.79% discount from the 2.94% discount at the beginning of the quarter.

AVERAGE ANNUAL RETURNS	QTD	YTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE I SHARE INCEPTION (5/10/00)	SINCE A SHARE INCEPTION (9/4/90)
Calamos Market Neutral Income Fund								
I shares – at NAV	0.23%	0.23%	0.93%	2.58%	3.34%	3.39%	4.47%	N/A
A shares – at NAV	0.16	0.16	0.66	2.35	3.08	3.13	N/A	6.39%
A shares – Load adjusted	-4.62	-4.62	-4.13	0.70	2.07	2.63	N/A	6.19
Barclays U.S. Government/Credit Bond Index	3.47	3.47	1.75	2.42	4.04	4.93	5.63	6.44
Citigroup 30-Day T-Bill Index	0.05	0.05	0.06	0.04	0.04	0.99	1.60	2.67
Morningstar Market Neutral Category	0.32	0.32	0.15	1.14	1.10	1.43	1.91	4.07

The Barclays U.S. Government/Credit Bond Index and Citigroup 30-Day T-Bill Index return "Since A share Inception" start date is 8/31/90. The Barclays U.S. Government/Credit Bond Index and Citigroup 30-Day T-Bill Index return "Since I share Inception" start date is 4/30/00.

Performance data quoted represents past performance, which is no guarantee of future results. You can obtain performance data current to the most recent month end by visiting www.calamos.com. Current performance may be lower or higher than the performance quoted. The principal value of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. Load-adjusted returns take into account the Fund's maximum 4.75% front-end sales load. Returns for periods greater than 12 months are annualized.

Performance may reflect waivers or reimbursement of certain expenses. Calendar year returns measure net investment income and capital gain or loss from portfolio investments for each period specified. Average annual total return measures net investment income and capital gain or loss from portfolio investments as an annualized average. All performance shown assumes reinvestment of dividends and capital gains distributions. In calculating net investment income, all applicable fees and expenses are deducted from the returns.As of the prospectus dated 2/29/16, the Fund's gross expense ratios for Class A shares is 1.23% and Class I Shares is 0.98%, respectively.

The offering price for Class I shares is the NAV per share with no initial sales charge. There are no contingent deferred sales charges or distribution or service fees with respect to Class I shares. The minimum initial investment required to purchase each Fund's Class I shares is $1 million. Class I shares are offered primarily for direct investment by investors through certain tax-exempt retirement plans (including 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans, defined benefit plans and non qualified deferred compensation plans) and by institutional clients, provided such plans or clients have assets of at least $1 million. Class I shares may also be offered to certain other entities or programs, including, but not limited to, investment companies, under certain circumstances.

Calamos Market Neutral Income Fund First Quarter 2016 Report

Attribution Analysis

Covered Call Strategy. The positive return in equities supported the covered call strategy's quarterly performance as the value of our equity basket advanced. As witnessed by the negative results of the CBOE buy/write indices, covered call writing struggled as calls written near the February bottom of the market were quickly in the money as the market rebounded during the second half of the quarter. Relative to the rest of the market, however, this environment proved the value of our strategy to own put options as well as our ability to write calls after sharp market declines. The tracking error of the equity basket versus the S&P 500 was significantly below the goal of 0.5% and was closer to 0.15%.

Though the CBOE Volatility Index (VIX) finished the quarter (13.95) lower than where it began (18.21), the endpoints of the quarter didn't reflect swings in volatility throughout the quarter. The U.S. equity market sold off during the first half of the quarter and the VIX peaked at 28.14 on February 11. At the bottom, the S&P 500 was down 10.27% as oil and other commodity prices fell and the markets grappled with concerns about slowing global growth. After oil seemed to display signs of stability and the Federal Reserve lowered their forecast for 2016 interest rate hikes from four to two, the markets reversed course and from February 12 onward the S&P 500 rallied 12.95%. The VIX index traded above its long-term average (20) for 28 of the 62 trading days. The fund can benefit from elevated volatility with premiums received on call options we sell versus put options we purchase. At the same time, the value of existing options in the portfolio may increase in value.

Convertible Arbitrage. Convertible valuations cheapened during the quarter, though the return for the strategy was positive. The average convertible in the BofA Merrill Lynch All U.S. Convertible Index (VXA0) traded at a 3.79% discount to fair value, down from the 2.94% discount at the beginning of the quarter. Convertibles have not reflected this level of theoretical cheapness since May 2009. While the cheapening valuation provided a challenge to first-quarter performance, it presents an attractive opportunity looking forward as valuations may trend back towards fair value. Factors that contributed to the convertible arbitrage strategy included declining interest rates and trade rebalancing.

As mentioned previously, volatility declined from the beginning of the quarter, though volatility spiked on February 11. As the equity market declined through the middle of February, we added value through opportunistic trading. As the underlying stocks of the convertible bonds in our portfolios declined, the bond value of the convertibles also initially declined. This presents a forward opportunity for the portfolio as we believe valuations will improve as the market returns to normal.

The yield curve flattened as the 3-year Treasury yield declined 44 basis points to 0.87% while the 5-year Treasury yield fell 55 basis points to 1.21%. High yield credit spreads were volatile but largely unchanged. The low interest rate environment presents a headwind to convertible arbitrage because of low yields on convertibles and little income from cash received on our short equity positions.

POSITIONING

The allocation in the portfolio ended the quarter at 50% in convertible arbitrage and 50% in covered call writing. The covered call allocation had calls written against 84% of the equity basket and puts purchased against 76% of the basket.

OUTLOOK

We see elevated levels of volatility because of election year politics, instability in commodity prices, and continued concerns about a slowing global economy. We are optimistic that this environment will be favorable to the fund. The fund derives benefits from swings in volatility, whether from trading opportunities for convertible arbitrage or higher call premiums for covered calls. Within the portfolio allocation, we see opportunities for investors. As the fund has a lower correlation to other asset classes, portfolios should benefit as the fund may provide stability in a market environment that turns increasingly volatile. Additionally, when used within a fixed income allocation, the fund over the long term has historically provided bond-like returns with bond-like risk without bond-like interest rate sensitivity.

Calamos Market Neutral Income Fund First Quarter 2016 Report

Fund Information

CREDIT QUALITY ALLOCATION OF BONDS‡

AAA	0.0%
AA	0.2
A	3.4
BBB	9.0
BB	22.4
B	9.0
CCC and below	1.6
Unrated Securities	54.4

‡ Bond credit quality allocation reflects the higher of the ratings of Standard's & Poor's or Moody's Investors Service. Ratings are relative, subjective and not absolute standards of quality, represent the opinions of the independent, Nationally Recognized Statistical Rating Organizations (NRSRO), and are adjusted to the Standard & Poor's scale shown. Ratings are measured using a scale that typically ranges from AAA (highest) to D (lowest). In addition, CAL has assigned its own ranking to the "unrated bonds," based on its fundamental and proprietary investment process and has years of experience actively managing risk. The security's credit rating does not eliminate risk. The table excludes equity securities, cash and cash equivalents. For more information about securities ratings, please see the Fund's Statement of Additional Information at calamos.com. Additional information on ratings methodologies are available by visiting the NRSRO websites: www.standardandpoors.com and www.moodys.com.

RISK MEASURES SINCE FUND INCEPTION

	FUND	S&P 500 INDEX
Alpha	3.79%	N/A
Beta	0.25	1.00
Sharpe Ratio	0.72	0.48
Annualized Standard Deviation	4.87%	14.46%
R-squared	54.82	100.00
Upside Capture	31.00	100.00
Downside Capture	19.60	100.00
Tracking Error	11.34%	N/A

MORNINGSTAR RATINGS (MARKET NEUTRAL CATEGORY)

Load-waived A shares (CVSIX.lw)

		NUMBER OF FUNDS
Overall Morningstar Rating™	★★★★	109
10-Year Morningstar Rating™	★★★★	33
5-Year Morningstar Rating™	★★★★★	69
3-Year Morningstar Rating™	★★★★	109

Morningstar Ratings™ are based on risk-adjusted returns and are through 3/31/16 for load-waived Class A shares (CVSIX.lw) and will differ for other share classes. Morningstar Ratings based on a risk-adjusted return measure that accounts for variation in a fund's monthly historical performance (reflecting sales charges), placing more emphasis on downward variations and rewarding consistent performance.

Within each asset class, the top 10%, the next 22.5%, 35%, 22.5%, and the bottom 10% receive 5, 4, 3, 2, or 1 star, respectively. Each fund is rated exclusively against U.S. domiciled funds. The information contained herein is proprietary to Morningstar and/or its content providers; may not be copied or distributed; and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Source: © 2015 Morningstar, Inc. All Rights Reserved.

Morningstar ratings shown are for load-waived shares that do not include any front-end sales load. Not all investors have access to or may invest in the load-waived share class shown. Other share classes with front-end or back-end sales charges may have different ratings than the ratings shown. Additionally, some A-share mutual funds for which Morningstar calculates a load-waived A-share star rating may not waive their front-end sales load.

FUND FACTS

	FUND
Total Net Assets	$3.74 billion
Portfolio Turnover (12 months)	36.4%

STRATEGY ALLOCATION

Convertible Arbitrage	50.0%
Covered Call	50.0

FUND INFORMATION

	A SHARES	B SHARES	C SHARES	I SHARES
Sales Load/Maximum Sales Charge	Front-End/4.75%	Back-End/5.00%	Level-Load/1.00%	N/A
Gross Expense Ratio°	1.23%	1.98%	1.98%	0.98%

° As of prospectus dated 2/29/16

Past Performance does not guarantee future results.

Calamos Market Neutral Income Fund First Quarter 2016 Report

Term Definitions

Alpha is the measurement of performance on a risk adjusted basis. A positive alpha shows that performance of a portfolio was higher than expected given the risk. A negative alpha shows that the performance was less than expected given the risk. **Beta** is a historic measure of a fund's relative volatility, which is one of the measures of risk; a beta of 0.5 reflects 1/2 the market's volatility as represented by the Fund's primary benchmark, while a beta of 2.0 reflects twice the volatility. **Sharpe ratio** is a calculation that reflects the reward per each unit of risk in a portfolio. The higher the ratio, the better the portfolio's risk-adjusted return is. **Annualized standard deviation** is a statistical measure of the historical volatility of a mutual fund or portfolio. **R-squared** is a mathematical measure that describes how closely a security's movement reflects movements in a benchmark. **Upside capture ratio** measures a manager's performance in up markets relative to the named index itself. It is calculated by taking the security's upside capture return and dividing it by the benchmark's upside capture return. **Downside capture ratio** measures manager's performance in down markets as defined by the named index. A down-market is defined as those periods (months or quarters) in which named index return is less than 0. In essence, it tells you what percentage of the down-market was captures by the manager. **Tracking error** is a measure of the volatility of excess returns relative to a benchmark.

Convertible Arbitrage involves buying convertible bonds and short selling their underlying equities to attempt to hedge against equity risk, while still providing the potential for upside returns. A **Covered Call Writing strategy** begins with a portfolio of stocks, most of which pay dividends. (Stock provisions include securities convertible into the underlying stocks.) We then write (sell) calls and buy protective puts against a portion of this basket. A **call option** gives the buyer the right to purchase stocks at a predetermined strike price. If these securities rise above the strike price, the buyer may exercise the option and the fund (seller) must pay the buyer the difference as determined by the option contract. By writing calls on securities held in the portfolio, the fund can generate income from option premiums. A **put option** gives the purchaser the right to sell a security to the writer at a pre-determined price. Put options rise in value as the underlying securities decline in value. Through put options, the fund seeks to offset some of the risk of a potential decline in a portfolio holding.

Index Definitions

The BofA ML All U.S. Convertibles Index (VXA0) comprises approximately 700 issues of only convertible bonds and preferreds of all qualities. **The Barclays U.S. Government/ Credit Bond Index** comprises long-term government and investment-grade corporate debt securities and is generally considered representative of the performance of the broad U.S. bond market. Unlike convertible bonds, U.S. Treasury bills are backed by the full faith and credit of the U.S. government and offer a guarantee as to the timely repayment of principal and interest. **The Citigroup 30-Day T-Bill Index** is generally considered representative of the performance of short-term money market instruments. The **S&P 500 Index** is generally considered representative of the U.S. stock market. The Chicago Board Options Exchange **Volatility Index (VIX)** shows the market's expectation of 30-day volatility by using the implied volatilities of a wide range of S&P 500 index options. Morningstar Market Neutral Category represent funds that attempt to eliminate the risks of the market by holding 50% of assets in long positions in stocks and 50% of assets in short positions. 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.

Additional Information

Past performance does not indicate future results. No investment strategy or objective is guaranteed and a client's account value can fluctuate over time and be worth more or less that the original investment. 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.

Important Fund Risk Information.

An investment in the Fund(s) is subject to risks, and you could lose money on your investment in the Fund(s). There can be no assurance that the Fund(s) will achieve its investment objective. Your investment in the Fund is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. The risks associated with an investment in the Fund(s) can increase during times of significant market volatility. The Fund(s) also has specific principal risks, which are described below. More detailed information regarding these risks can be found in the Fund's prospectus.

The principal risks of investing in the Market Neutral Income Fund include: equity securities risk consisting of market prices declining in general, convertible securities risk consisting of interest rate risk and credit risk, synthetic convertible instruments risk, convertible hedging risk, covered call writing risk, options risk, short sale risk, interest rate risk, credit risk, high yield risk, liquidity risk, portfolio selection risk, and portfolio turnover risk.In addition, emerging markets may present additional risk due to potential for greater economic and political instability in less developed countries.

Covered Call Writing Risk: As the writer of a covered call option on a security, the fund foregoes, during the option's life, the opportunity to profit from increases in the market value of the security, covering the call option above the sum of the premium and the exercise price of the call. **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.

Before investing carefully consider the fund's investment objectives, risks, charges and expenses. Please see the prospectus and summary prospectus containing this and other information or call 1-800-582-6959. Read it carefully before investing.

CALAMOS®
INVESTMENTS

Calamos Financial Services LLC, Distributor
2020 Calamos Court | Naperville, IL 60563-2787
800.582.6959 | www.calamos.com | caminfo@calamos.com

© 2016 Calamos Investments LLC. All Rights Reserved. Calamos® and Calamos Investments® are registered trademarks of Calamos Investments LLC.

MNICOM 7695 0316Q R