Total Return Bond Fund Third Quarter 2014 Report

CALAMOS®

OVERVIEW

The fund invests primarily in U.S. fixed income instruments including government/agency securities, corporate debt and high yield debt.

KEY FEATURES

- Active management blending global investment themes and fundamental research
- Opportunistic sector allocations that provide greater flexibility in managing risk and reward
- Broad diversified exposure to U.S. investment-grade bond market and complementary holdings that may include high yield securities, international bonds and currencies
- Active interest rate analysis focused on conservative portfolio duration positioning, given our expectation of rising interest rates

PORTFOLIO FIT

The fund offers broad exposure to the U.S. investment-grade bond market.

FUND TICKER SYMBOLS

A Shares	C Shares	I Shares
CTRAX	CTRCX	CTRIX

Key Drivers of Performance

- The portfolio is positioned for a potential rise in interest rates, given the environment of very low rates and the Federal Reserve's winding down of quantitative easing. We also are overweight corporate bonds and underweight Treasurys.
- With the decline in Treasury yields and widening of corporate credit spreads, Treasurys outperformed corporate bonds. As the U.S. economy improves, we continue to believe that corporate bonds will benefit.
- Given the potential for an increase in interest rates, we have kept the duration shorter than the benchmark. During the quarter, the shorter duration hindered performance.

Market and Portfolio Overview

- We continue to keep the duration of the portfolio relatively short given that we do not see yields further out on the curve justifying the additional risk of a rise in longer-term interest rates.
- The portfolio remains significantly overweight to corporate debt because we see it as the most attractive segment of the bond market at present.
- There was a twist in the yield curve during the third quarter as interest rates in the intermediate portion of the curve (2–7 years) increased while rates at the long end of the curve declined. The 1-year Treasury saw its yield increase by 2 basis points while the 30-year note saw its yield decline by 13 basis points to 3.21%. 3-year Treasury yields increased by 19 basis points to 0.19%.
- Credit spreads widened during the quarter with Barclays reporting that Baa credit spreads widened by 13 basis points during the quarter.

AVERAGE ANNUAL RETURNS	QTD	YTD	1-YEAR	3-YEAR	5-YEAR	SINCE INCEPTION
Calamos Total Return Bond Fund						
I shares – at NAV (Inception 6/27/07)	-0.52%	2.85%	3.80%	2.98%	3.56%	5.24%
A shares – at NAV (Inception 6/27/07)	-0.49	2.75	3.64	2.75	3.31	4.98
A shares – Load adjusted	-4.23	-1.10	-0.23	1.45	2.52	4.43
Barclays U.S. Aggregate Bond Index	0.17	4.10	3.96	2.43	4.12	5.20
Morningstar Intermediate-Term Bond Category	-0.09	4.01	4.34	3.41	4.80	4.75

Performance data quoted represents past performance, which is no guarantee of future results. Current performance may be lower or higher than the performance quoted.

The principal value and return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. Performance reflected at NAV does not include the Fund's maximum front-end sales load of 3.75%; had it been included, the Fund's return would have been lower. For the most recent fund performance information visit www.calamos.com.

Returns of less than 12 months are cumulative returns. Returns for periods greater than 12 months are annualized. 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. In calculating net investment income, all applicable fees and expenses are deducted from the returns. All performance shown assumes assumes reinvestment of dividends and capital gains distributions. The Fund also offers Class B and C Shares, the performance of which may vary. As of the prospectus dated 3/1/14, the Fund's gross expense ratios for Class A shares is 0.99%; Class I Shares is 0.74%, respectively.

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.

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STRATEGY PERFORMANCE AND ATTRIBUTION

	FUND POSITIONING	MARKET ACTIVITY	RESULT
Duration / Yield Curve	The fund's average duration of 4.4 years was shorter than that of the index at 5.6 years. We have focused on keeping duration relatively short as we maintain concerns of rising longer-term interest rates.	The yield curve experienced a twist during the third quarter. The 1-year Treasury saw its yield increase by 2 basis points, the 3-year note saw its yield increase by 19 basis points, while the 30-year yield declined by 13 basis points. Securities in the index with the maturities of 10+ years delivered the highest return (+1.04%) and outperformed securities with maturities of 1–3 years (+0.04%), 3–5 years (+0.02%), and 7–10 years (+1.04%).	The shorter-duration positioning of the portfolio detracted from performance during the quarter.
Security Type	The fund is overweight corporate securities given strong earnings and the improving economy. We avoided Treasurys, mortgages and agency bonds.	Corporate bonds most lagged the index (-0.08%) versus Treasurys (+0.34%), mortgages(+0.18%), and agencies (+0.13%) performed the best.	The portfolio's overweight positioning to corporates and underweight to Treasurys, mortgages, and agencies held back the quarterly result.
Credit Quality	Relative to the benchmark index, the fund was underweight the AAA credit tier and had heavier exposures to the AA, A, BBB, BB and B credit tiers.	Narrowing credit spreads were observed in the corporate credit market as Barclays reported that Baa credit spreads widened by 13 basis points during the quarter.	The portfolio's overweight to lower-quality securities held back the portfolio's return as they were most impacted by widening credit spreads.

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Market Commentary

THIRD QUARTER REVIEW

The Barclays U.S. Aggregate Bond Index (+0.17%) and the Barclays Intermediate Government/Credit Index (+0.03%) both posted slightly positive returns during the third quarter. Securities in the index with the maturities of 10+ years delivered the highest return (+1.04%) and outperformed securities with maturities of 1–3 years (+0.04%), 3–5 years (-0.13%), 5–7 years (-0.01%), and 7-10 years (+0.17%).

High-yield credit spreads widened 23 basis points during the quarter. The corporate bond segment (-0.08%) of the Barclays U.S. Aggregate Bond Index struggled because of the widening credit spreads. Sovereign bonds (-0.03%) also lagged. Treasurys (+0.34%) provided the best returns followed by mortgages (+0.18%) and agencies (+0.13%).

The U.S. credit markets changed little despite being supported by stronger economic data and accommodative Fed policy. At its September meeting, the Fed maintained its commitment to keep interest rates near zero for a "considerable time". The Fed appeared in no rush to increase rates, as U.S. economic growth remained moderate and inflation remained contained. Various data points showed the U.S. economy gaining momentum, as auto sales and factory new orders posted record gains. In addition, sales at retailers saw a seventh consecutive months of increase. Consumer sentiment has also been on the rise as gasoline prices have declined. Cheaper oil has also aided a number of industries and helped to sustain economic growth.

OUTLOOK

We expect global GDP expansion of 2.0% to 3.0% for 2015, as global monetary conditions remain accommodative, and inflation almost non-existent in developed markets and on the decline in emerging markets. Europe may contribute little if anything to global growth in 2015, but we believe this weakness will be offset by the U.S. and emerging markets.

The U.S. recovery looks set to firm up as we enter 2015, and we still believe we are in the fifth or sixth inning of the recovery. U.S. GDP growth has remained steady and inflation contained. Unemployment has dropped below 6%, with the economy adding 10 million jobs since 2011, versus 8.8 million lost during the recession. Consumers continue to spend, although September retail sales were weak, and auto sales have remained strong. U.S. companies have record cash stockpiles, and corporate profit growth is likely to be in the 6% to 7% range for 2015. Small companies are also reporting greater access to credit and more planned hiring (Figure 7). Against this backdrop, we expect U.S. GDP growth of around 3% for the second half of 2014 and 2015.

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Fund Information

TOP 10 HOLDINGS[1]

Joy Global, Inc.	1.7%
Newmont Mining Corp.	1.7
Wells Fargo & Company	1.6
Bank of America Corp.	1.6
JPMorgan Chase & Company	1.5
Kohl's Corp.	1.5
Chrysler Group, LLC	1.4
Anixter, Inc.	1.3
Hess Corp.	1.3
Alliance Data Systems Corp.	1.2
TOTAL	**14.8**

Holdings and weightings are subject to change daily. Holdings are provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned.

[1] Top 10 Holdings are calculated as a percentage of Net Assets. The tables exclude cash or cash equivalents, any government / sovereign bonds or broad based index hedging securities the portfolio may hold. You can obtain a complete listing of holdings by visiting www.calamos.com.

FUND FACTS

	FUND
Number of Holdings	100
Total Net Assets	$98.5 million
Weighted Average Duration	4.4 years
Weighted Average Maturity	5.2 years
30-Day SEC Yield (A shares)	1.88%
Portfolio Turnover (12 months)	39.4%

FUND INFORMATION

	A SHARES	B SHARES	C SHARES	I SHARES
Sales Load/Maximum Sales Charge	Front-End/3.75%	Back-End/3.50%	Level-Load/1.00%	N/A
Gross Expense Ratio°	0.99%	1.74%	1.74%	0.74%
Net Expense Ratio°*	0.90%	1.65%	1.65%	0.65%

° As of prospectus dated 3/1/14

* Calamos Advisors, the Fund's investment advisor, has contractually agreed to reimburse Fund expenses through March 31, 2015 to the extent necessary so that Total Annual Fund Operating Expenses (excluding taxes, interest, short interest, short dividend expenses, brokerage commissions, acquired fund fees and expenses, and extraordinary expenses, if any) of Class A, Class B, Class C and Class I are limited to 0.90%, 1.65%, 1.65% and 0.65% of average net assets, respectively.

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. 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.

Definitions

Credit spread is the additional yield an investor receives for a security with credit risk, over the yield it would receive for a risk-free security, such as U.S. Treasuries. A tightening of spreads implies the market is factoring in less risk. **Yield curve** is a line that plots the interest rates, at a set point in time, of bonds having equal credit quality but differing maturity dates. The most frequently reported yield curve compares the three-month, two-year, five-year and 30-year U.S. Treasury debt.

Barclays U.S. Aggregate Bond Index covers the U.S.-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities. The index includes bonds from the Treasury, Government-Related, Corporate, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS sectors. 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. **Barclays Intermediate Government/Credit Index** measures the performance of U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year and less than ten years.

The **Morningstar Intermediate-Term Bond Category** represents funds that focus on corporate, government, foreign or other issues with an average duration of greater than or equal to 3.5 years but less than or equal to six years, or an average effective maturity of more than four years but less than 10 years. 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

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 and 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). Current (SEC) Yield reflects the dividends and interest earned by the Fund during the 30-day period ended as of the date stated above after deducting the Fund's expenses for that same period.

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. Nothing presented herein is or is intended to constitute investment advice, and no investment decision should be made based on any information provided herein. 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 information mentioned. The information contained herein, while not guaranteed as to the accuracy or completeness, has been obtained from sources we believe to be reliable. 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 Fund include: interest rate risk consisting of loss of value for income securities as interest rates rise, credit risk consisting of the risk of the borrower to miss payments, high yield risk, liquidity risk, mortgage-related and other asset-back securities risk, including extension risk and prepayment risk, U.S. Government security risk, foreign securities risk, non-U.S. Government obligation risk and portfolio selection risk

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®

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