

Market Neutral Income Fund

First Quarter 2013 Report

FUND INFORMATION

A share ticker:	CVSIX
I share ticker:	CMNIX
Category:	Convertible Arb/ Covered Call
Inception date:	9/4/1990
Net assets:	\$2.67 billion
Objective:	High current income consistent with stability of principal

BENCHMARKS

Barclays U.S. Government/Credit Bond Index, Citigroup 30-Day Treasury Bill Index

FUND STRATEGY

The fund utilizes two distinct strategies, convertible arbitrage and covered call writing, with the aim of maximizing current income and achieving a low correlation against the broad U.S. equity market.

Key Drivers of Performance

COVERED CALL STRATEGY

- » The 10.61% return in the S&P 500 Index was supportive to performance in the quarter, as the value of our equity basket increased up to the strike price to which we had written calls. The equity basket experienced some negative alpha versus the S&P 500 in the quarter as smaller cap outperformed and we were somewhat underweight in our allocation.
- » Volatility declined during the quarter as the VIX Index began at 18.02 and ended at 12.70, a level well below the long-term average of 20. Lower volatility reduced the amount of premium received on written calls. The higher skew between puts and calls meant that our cost of put protection was relatively higher.

CONVERTIBLE ARBITRAGE STRATEGY

- » Credit spreads narrowed during the first quarter and supported the bond values of the convertibles. At the same time, the near zero Fed Funds Rate continued to provide some headwind to the convertible arbitrage strategy.
- » The decline in volatility was a hindrance to convertible arbitrage performance. The decline in volatility during the first quarter led to lower values of the embedded options in the convertibles.
- » The net effect between the narrowing credit spreads and lower volatility led to a marginal improvement of convertible valuations.
- » The strong performance of the S&P 500 was supportive to convertible arbitrage.

AVERAGE ANNUAL RETURNS

	3-MONTH	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE I SHARE INCEPTION	SINCE A SHARE INCEPTION
Calamos Market Neutral Income Fund							
I shares – at NAV (Inception 5/10/00)	2.08%	4.14%	4.82%	3.61%	4.10%	4.92%	N/A
A shares – at NAV (Inception 9/4/90)	1.92	3.84	4.54	3.33	3.83	N/A	6.94%
A shares – Load adjusted	-2.92	-1.12	2.85	2.32	3.32	N/A	6.71
Barclays U.S. Government/Credit Bond Index	-0.16	4.56	6.10	5.50	5.06	6.39	6.98
Citigroup 30-Day T-Bill Index	0.01	0.06	0.08	0.23	1.57	1.97	3.02

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. 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. You can obtain performance data current to the most recent month end by visiting www.calamos.com.

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.

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.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

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Attribution Analysis

QUARTERLY REVIEW

Covered Call Strategy. The positive return of the S&P 500 (+10.61%) was supportive to strategy performance in the quarter, as the value of our equity basket increased up to the strike price to which we had written calls. The equity basket experienced some negative alpha versus the S&P 500 in the quarter as smaller cap outperformed and we were somewhat underweight in our allocation.

Volatility declined during the quarter as the VIX Index began at 18.02 and ended at 12.70, a level well below the long-term average of 20. Additionally, we saw an increase to the disparity between the implied volatility priced into puts and calls during the quarter. Lower volatility reduced the amount of premium received on written on calls. The higher skew between puts and calls meant that our cost of put protection was relatively higher.

The allocation to the GLD buy-write strategy detracted slightly from overall portfolio performance, as the SPDR Gold Trust (GLD) declined 4.05% in the first quarter. The buy-write structure was established to give up immediate upside participation in GLD in exchange for income, limited downside participation and unlimited upside participation past 110% of the initial purchase price of GLD while also providing a strong positive carry of nearly 10% on an annualized basis and adding 0.5% of income to the entire portfolio. The investment thesis behind this position was our expectations that gold, as a store of value, would have a strong negative correlation with a swift downside equity market and a positive response to any inflationary (dollar devaluing) pressures stemming from the Federal Reserve's quantitative easing activities and U.S. deficit spending. As recent data has pointed to a lower risk of inflationary pressure, we have been evaluating the merits of maintaining the strategy.

We incepted the long/short equity market neutral portion of the portfolio in early January. The strategy seeks to minimize market risk while taking long positions in an economic sector or industry, while simultaneously utilizing short positions in the same sector or industry. The strategy was supportive not just from the perspective of a positive return, but by its ability to provide this return with a very low beta. We believe the low beta and correlation that this strategy has to the S&P 500 is a helpful tool in aiding our management of the portfolio's overall risk attributes.

Convertible Arbitrage Strategy. Credit spreads narrowed during the first quarter and supported the bond values of the convertibles. At the same time, the near zero Fed Funds Rate continued to provide some headwind to the strategy. The low interest rate environment has meant that the fund has not received short interest credit from the proceeds of the short sale of common stock in the portfolio. Additionally, with interest rates at historic lows, coupon yields on convertibles and other interest-bearing securities were also low. The low interest rate environment has continued to hamper new convertible issuance.

The decline in volatility led to lower values of the embedded options in the convertibles and was a hindrance to strategy performance. The lower volatility that was observed in the quarter also provided several rebalance opportunities that provided trading profits.

The net effect of narrowing credit spreads and lower volatility led to a marginal improvement of convertible valuations. Meanwhile, the strong performance of the S&P 500 was supportive to convertible arbitrage.

Portfolio Allocation. As of March 31, 2013, approximately 47% of the portfolio was allocated to the covered call strategy and approximately 53% was allocated to convertible arbitrage. We have been seeking to increase our allocation to convertible arbitrage given the observed below-average volatility.

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Fund Information

CREDIT QUALITY ALLOCATION OF BONDS*

AAA	10.1%
AA	2.5
A	8.9
BBB	14.7
BB	23.0
B	12.5
CCC and below	0.3
Unrated Securities	28.0

* Bond credit quality allocation reflects the higher of the ratings of Standard & Poor's Corporation; Moody's Investors Service, Inc. or Fitch, Inc. 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, www.moody's.com, and www.fitchratings.com.

FUND FACTS	FUND
Total Net Assets	\$2.7 billion
SEC Yield (A Shares-at NAV)	0.27%
Portfolio Turnover (12 months)	58.2%

STRATEGY ALLOCATION

Covered Call	47.3%
Convertible Arbitrage	52.7

DISTRIBUTIONS PREVIOUS 4 QTRS. (A SHARES)

1Q 2013	Income	0.04269
4Q 2012	Income	0.05026
3Q 2012	Income	0.04018
2Q 2012	Income	0.03573

MORNINGSTAR RANKINGS AND RATINGS (MARKET NEUTRAL CATEGORY)

	PERCENTILE	NUMBER OF FUNDS
1 year	10	107
3 year	4	55
5 year	9	46
10 year	23	19
20 year	50	3

Overall Morningstar Rating™	★★★★	55
10-Year Morningstar Rating™	★★★★	19
5-Year Morningstar Rating™	★★★★	46
3-Year Morningstar Rating™	★★★★★	55

Morningstar Ratings™ are based on risk-adjusted returns and are through 3/31/13 for Class A shares 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: © 2013 Morningstar, Inc. All Rights Reserved.

RISK MEASURES SINCE FUND INCEPTION

	FUND	S&P 500 INDEX
Alpha	4.42%	N/A
Beta	0.25	1.00
Sharpe Ratio	0.73	0.42
Annualized Standard Deviation	5.01%	14.84%
R-squared	53.03	100.00
Information Ratio	-0.22	N/A
Upside Capture	31.85	100.00
Downside Capture	17.89	100.00
Tracking Error	11.71%	N/A

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*	1.18%	1.93%	1.93%	0.93%
Net Expense Ratio*	1.18%	1.93%	1.93%	0.93%

* As of prospectus dated 3/1/13

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. Information ratio is the measurement of the performance returns of a portfolio against the performance volatility of an index or benchmark. Information ratio is generally used as a gauge to measure the ability of a portfolio to generate excess returns of the index or 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 captured by the manager. Tracking error is a measure of the volatility of excess returns relative to a benchmark. Index definitions 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. 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 than 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 Market Neutral Income Fund include: convertible securities 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 and portfolio selection risk. As a result of political or economic instability in foreign countries, there can be special risks associated with investing in foreign securities, including fluctuations in currency exchange rates, increased price volatility and difficulty obtaining information. In addition, emerging markets may present additional risk due to potential for greater economic and political instability in less developed countries.

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.

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