

Market Neutral Income Fund

Fourth Quarter 2012 Report

FUND INFORMATION

| | |
|-----------------|--|
| A share ticker: | CVSIX |
| I share ticker: | CMNIX |
| Category: | Convertible Arb/ Covered Call |
| Inception date: | 9/4/1990 |
| Net assets: | \$2.46 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 0.38% decline in the S&P 500 provided some drag to the covered call strategy performance in the quarter as the value of the fund's equity basket declined.
- » While volatility increased during the quarter, it remained below long-term averages. Lower volatility reduced the amount of premium written on calls, but, more importantly, also reduced the cost of put protection.
- » A 5% allocation to the buy-write strategy in gold detracted slightly from performance during the quarter.

CONVERTIBLE ARBITRAGE STRATEGY

- » While the S&P 500 was down, the equities underlying the convertibles in our portfolio were up, lending support to the convertible arbitrage strategy during the quarter.
- » The increase in volatility during the quarter led to higher values of the embedded options in the convertibles and was therefore beneficial to convertible arbitrage performance.
- » Credit spreads narrowed considerably during the fourth quarter, helping to support the bond value of the convertible. However, the near zero Fed Funds Rate continued to provide some headwind to the convertible arbitrage strategy overall.

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) | -0.65% | 6.05% | 4.65% | 2.59% | 4.05% | 4.85% | N/A |
| A shares – at NAV (Inception 9/4/90) | -0.70 | 5.81 | 4.40 | 2.34 | 3.78 | N/A | 6.93% |
| A shares – Load adjusted | -5.43 | 0.81 | 2.71 | 1.35 | 3.28 | N/A | 6.69 |
| Barclays U.S. Government/Credit Bond Index | 0.37 | 4.82 | 6.70 | 6.06 | 5.25 | 6.54 | 7.07 |
| Citigroup 30-Day T-Bill Index | 0.02 | 0.05 | 0.07 | 0.33 | 1.60 | 2.01 | 3.05 |

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 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 4.75% had it been included, the Fund's return would have been lower. For the most recent fund performance information visit Calamos.com.*

Periods less than one year are not 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. All performance shown assumes reinvestment of dividends and capital gains distributions. The Fund also offers Class B and C Shares, the performance of which may vary.

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

Calamos Market Neutral Income Fund Fourth Quarter 2012 Report

Attribution Analysis

QUARTERLY REVIEW

Covered Call Strategy. The 0.38% decline in the S&P 500 provided some drag to the covered call strategy performance in the quarter as the value of the fund's equity basket declined. The equity basket experienced negative alpha versus the S&P 500 in the quarter and its 2012 return was just slightly behind the S&P 500.

Volatility increased during the quarter as the CBOE Volatility Index (VIX) began at 15.73 and ended at 18.02. The 18.02 level is below the VIX long-term average of 20, but we continued to see "volatility in volatility" during the quarter. A high of 22.72 was observed on December 28. Overall, lower volatility reduced the amount of premium written on calls, but, more importantly, also reduced the cost of put protection.

The 5% allocation to the buy-write strategy in the SPDR Gold Trust (GLD) detracted slightly from performance during the quarter. GLD declined 6.40% in the fourth quarter, but finished up 5.26% for 2012. Since we have seen and continue to see "volatility in volatility" in the S&P 500, we maintain a 5% position in the GLD strategy, which was established in the fourth quarter of 2011. We expect gold, as a store of value, to have a strong negative correlation with a swift downside equity market and a positive response to the continued inflationary (dollar devaluing) pressure put on by the Federal Reserve policies and the government's deficit spending. The buy-write structure gives 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.

Convertible Arbitrage Strategy. Credit spreads narrowed considerably during the fourth quarter, helping to support the bond value of the convertible. At the same time, however, 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. Given recent comments from Federal Reserve

Chairman Bernanke, it is expected that low near-term interest rates will persist for some period of time.

While the S&P 500 was down slightly, the equities underlying the convertibles in our portfolio were up. This was reflective of the fact that convertibles in the fund tend to primarily come from smaller and middle capitalization issuers, and small and mid cap stocks performed positively in the quarter. The increase in volatility during the quarter was beneficial to the strategy, as it led to higher values of the embedded options in the convertibles. The "volatility in volatility" that was observed in the quarter also provided several rebalance opportunities that provided trading profits.

Portfolio Allocation. As of December 31, 2012, approximately 45% of the portfolio was allocated to the covered call strategy and 55% was allocated to convertible arbitrage. This positioning reflected a slight decrease to the covered call strategy during the fourth quarter.

2012 Review

Covered Call Strategy. The equity basket has slightly underperformed the S&P 500 Index for the year. Volatility during the period declined overall, but the volatility itself has been volatile. As we have seen spikes in volatility during the year, we have taken opportunities to write calls at higher premiums, and this has been supportive to the fund.

Convertible Arbitrage Strategy. The "volatility in volatility" during the year has provided several rebalance opportunities for trading profits. In addition, positive equity prices year to date have contributed overall to the performance of the convertibles in the strategy for the period.

Portfolio Allocation. The current allocation of 45% to covered calls and 55% to convertible arbitrage to close 2012 is right in line with where we started the year.

Calamos Market Neutral Income Fund Fourth Quarter 2012 Report

Fund Information

CREDIT QUALITY ALLOCATION OF BONDS*

| | |
|--------------------|-------|
| AAA | 14.1% |
| AA | 2.6 |
| A | 9.1 |
| BBB | 13.1 |
| BB | 23.1 |
| B | 14.2 |
| CCC and below | 0.0 |
| Unrated Securities | 23.8 |

† Bond credit quality allocation reflects the higher of the ratings of Standards & 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 Standards & 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.com, and www.fitchratings.com.

FUND FACTS

| FUND FACTS | FUND |
|--------------------------------|---------------|
| Total Net Assets | \$2.5 billion |
| SEC Yield (A Shares-at NAV) | 0.40% |
| Portfolio Turnover (12 months) | 70.6% |

STRATEGY ALLOCATION

| | |
|-----------------------|-------|
| Covered Call | 45.1% |
| Convertible Arbitrage | 54.9 |

DISTRIBUTIONS PREVIOUS 4 QTRS. (A SHARES)

| | | |
|---------|--------|---------|
| 4Q 2012 | Income | 0.05026 |
| 3Q 2012 | Income | 0.04018 |
| 2Q 2012 | Income | 0.03573 |
| 1Q 2012 | Income | 0.02507 |

MORNINGSTAR RANKINGS AND RATINGS (MARKET NEUTRAL CATEGORY)

| | PERCENTILE | NUMBER OF FUNDS |
|---------|------------|-----------------|
| 1 year | 2 | 111 |
| 3 year | 4 | 57 |
| 5 year | 16 | 46 |
| 10 year | 23 | 19 |
| 20 year | 50 | 3 |

| | | |
|-----------------------------|-------|----|
| Overall Morningstar Rating™ | ★★★★ | 57 |
| 10-Year Morningstar Rating™ | ★★★★ | 19 |
| 5-Year Morningstar Rating™ | ★★★★ | 46 |
| 3-Year Morningstar Rating™ | ★★★★★ | 57 |

Morningstar Ratings™ are based on risk-adjusted returns and are through 12/31/12 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 | 4.49% | N/A |
| Beta | 0.25 | 1.00 |
| Sharpe Ratio | 0.72 | 0.39 |
| Annualized Standard Deviation | 5.03% | 14.89% |
| R-squared | 52.99 | 100.00 |
| Information Ratio | -0.19 | N/A |
| Upside Capture | 32.15 | 100.00 |
| Downside Capture | 17.89 | 100.00 |
| Tracking Error | 11.73% | 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* | 1.22% | 1.97% | 1.97% | 0.97% |
| Net Expense Ratio* | 1.22% | 1.97% | 1.97% | 0.97% |

* As of prospectus dated 2/29/12

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.

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. Contact 800.582.6959 for a prospectus containing this and other information. Read it carefully.

Calamos Market Neutral Income Fund Fourth Quarter 2012 Report

CALAMOS®

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

© 2013 Calamos Investments LLC. All Rights Reserved. Calamos®
and Calamos Investments® are registered trademarks of Calamos
Investments LLC.
MNICOM 7695 1212Q R