

Calamos Advisors LLC
Emerging Economies Strategy



Market Review

Emerging market equities posted strong gains during the first quarter of the year with a 14.14% rise in the MSCI Emerging Markets Index (USD). The quarter was characterized by an increase in appetite for risk – a reversal of trend compared with late last year.

We believe emerging market countries, particularly the larger BRIC economies, will be the main source of future global growth. Much attention is being paid to their ability to sustain high growth rates in the face of a global economic slowdown and potentially higher inflation. Among the BRIC economies, India posted the strongest returns during the quarter with a 20.02% increase. China trailed the MSCI Emerging Markets Index with a 9.92% return as concerns about the country’s slowing growth weighed on investors.

The global equity market, as measured by the MSCI World Index, increased 11.72% during the period. The U.S. equity market returned 12.59%, as measured by the S&P 500 Index, completing its biggest rally to start a year since 1998. During the quarter, economic data from the U.S. continued to improve, including strong gains in payrolls, rising manufacturing activity and renewed confidence among individuals and businesses. Not

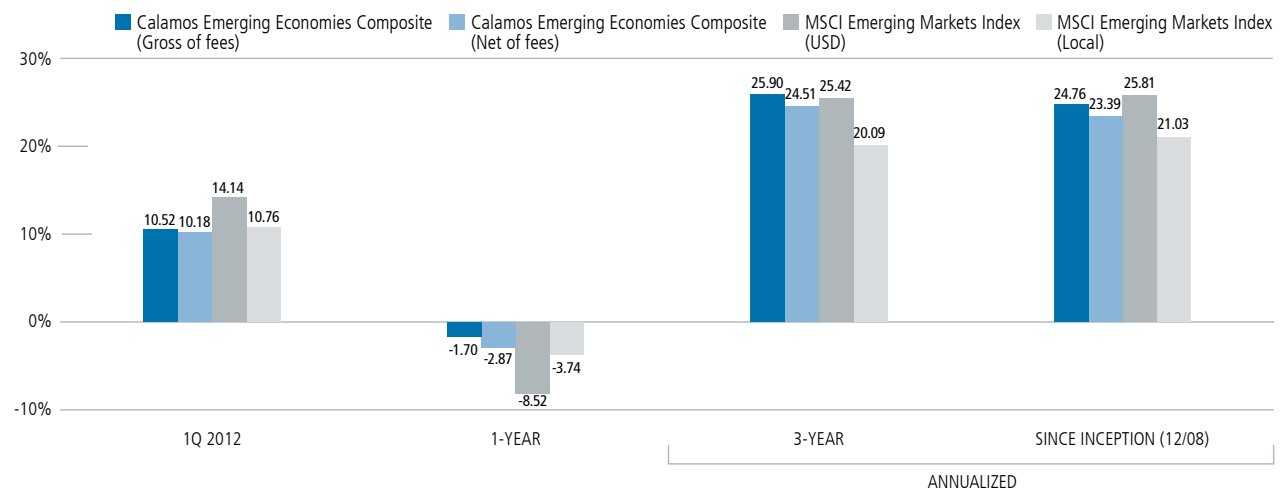
surprisingly, Europe slightly lagged the developed equity market during the time period with a 10.81% return, as measured by the MSCI Europe Index. Although Europe continues to remain a focal point within the global economy and the situation is far from resolved, a perception of stability somewhat alleviated investor anxiety.

Performance Review

The Calamos Emerging Economies strategy trailed the MSCI Emerging Markets Index, returning 10.52% gross of fees (10.18% net) versus 14.14%. For the one-year period, the strategy outperformed the index by 565 basis points, net of fees (see Figure 1). During the first quarter, the most significant contributors to and detractors from performance were:

Materials. Security selection within materials detracted value. Holdings within the gold industry were negative for relative performance as these firms incurred rising extraction costs. Gold was the outlier within the metals and mining industry as other metal-related companies generated positive returns during the period. We continue to believe the materials sector will be supported by increased demand for resources from

FIGURE 1. CALAMOS EMERGING ECONOMIES STRATEGY RETURNS



Source: Calamos Advisors LLC and Mellon Analytical Solutions LLC. Past performance is no guarantee of future results. Data as of 3/31/2012.

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emerging market regions, as well as by reflation efforts and accommodative central bank policies.

Health care. Security selection within health care detracted from relative performance. Holdings within the pharmaceuticals industry underperformed. Within health care, our focus remains on corporate performance, cash flows and fundamentals.

Energy. Security selection within energy detracted from relative returns. We believe the portfolio's energy holdings should benefit from reflation efforts as well as from strong global demand for energy resources, especially within developing economies. Our focus remains on the oil/gas equipment and services, drilling and exploration, and production industries.

Positioning

Health care. The portfolio's weighting to health care was increased slightly during the quarter, adding to the defensive posture of the portfolio. Within the sector, we favor areas such as the medical supply and equipment industry and biotech industry, as well as those furthest removed from increased government regulation.

Information technology. During the quarter, the information technology overweight was increased slightly. We continue to favor this sector due to its generally higher growth potential, higher cash flows and lower debt levels, as well as valuations we

view as attractive. Moreover, information technology companies are actively participating in many of long-term global secular growth themes, including consumer demand for products and services that provide access to information and entertainment, and businesses' drive to enhance productivity in a competitive global economy.

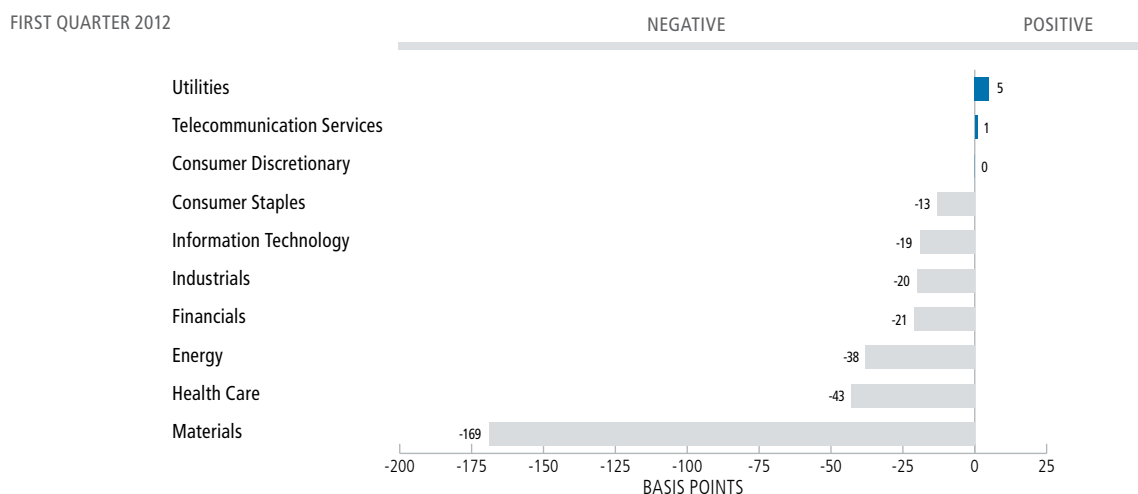
Materials. The portfolio's weighting to the materials sector was trimmed to reduce some of the cyclicality within the portfolio. We maintain a favorable view of the sector and believe that reflation will provide some long-term opportunities.

Outlook

"Risk-on" won out during the first quarter, as global reflation efforts and brighter economic data helped propel the equity markets upward. Reflation sectors continued to perform well and the S&P 500 Index posted its strongest quarterly start in more than a decade.

Within the U.S., economic data supports the view that a mild recovery is underway. There have been improvements in leading indicators, as well as signs of a bottom in the housing market. Overall, the U.S. economic engine—excluding the government portion of GDP—is demonstrating resilience. However, higher oil prices, inventory surges, weak velocity of money and a drawdown in savings during the fourth quarter are headwinds,

FIGURE 2. REPRESENTATIVE PORTFOLIO PERFORMANCE VERSUS THE MSCI EMERGING MARKETS INDEX



Source: Calamos Advisors LLC

Attribution based on gross of fee performance. Performance attribution excludes any government/sovereign bonds or options on broad market indexes the portfolio may hold. **Past performance is no guarantee of future results.**

Data as of 3/31/2012.

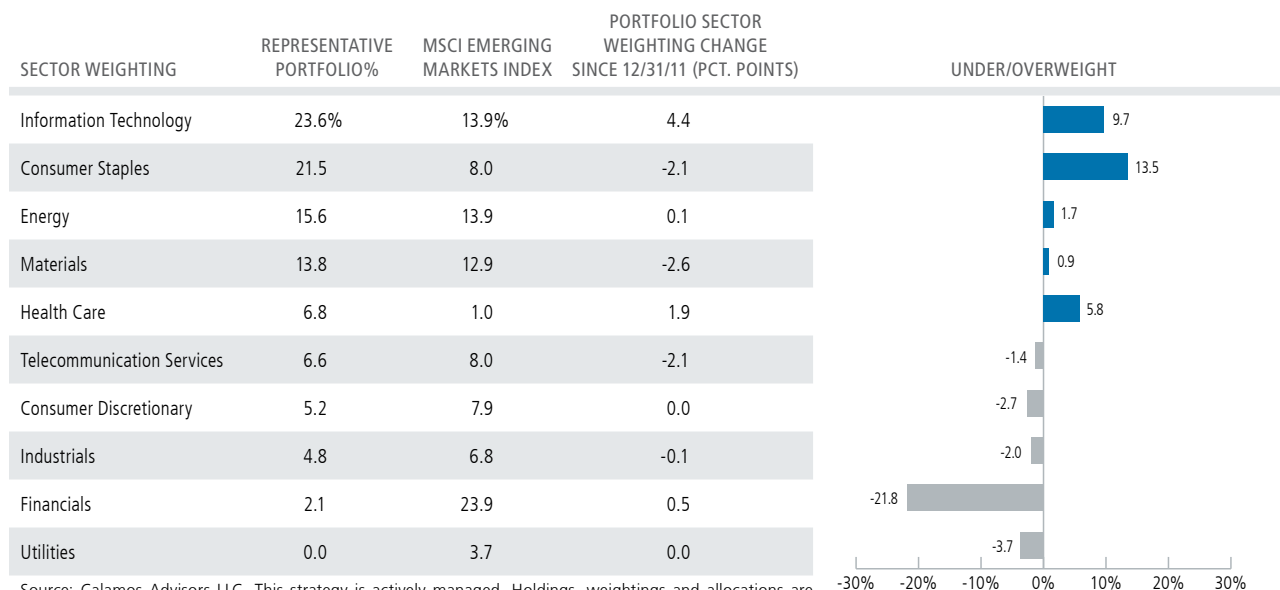
All portfolio positioning and sector information is for a representative portfolio. Please see page four for additional information.

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heightened by uncertainty surrounding taxes, health care costs and other regulations. We maintain our expectation for quarters that feel like recovery, followed by periods that feel like retreat. Asia and Europe are showing signs of healing, though less robust than in the U.S. And, as in the U.S., the trajectory remains

unclear. In Europe, real progress toward structural change has been elusive, Japan continues to struggle with soaring debt, and China faces increased financial strain and inflation. We would not be surprised to see the yen and euro weaken in the next year.

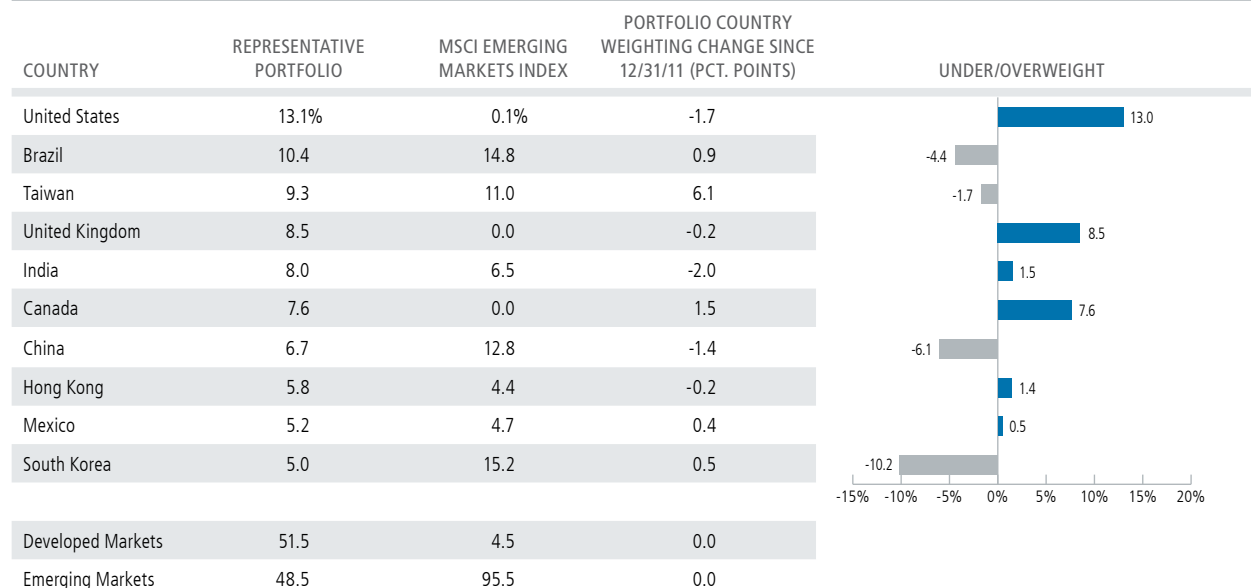
FIGURE 3. SECTOR ALLOCATIONS VERSUS THE MSCI EMERGING MARKETS INDEX



Source: Calamos Advisors LLC. This strategy is actively managed. Holdings, weightings and allocations are subject to change daily. Sector weightings exclude any government/sovereign bonds or options on broad market indexes the portfolio may hold.

Data as of 3/31/2012.

FIGURE 4. COUNTRY WEIGHTS VERSUS THE MSCI EMERGING MARKETS INDEX*



*Excludes cash weighting. Companies are classified geographically according to their country of domicile. Geographical distribution tables exclude any options on broad market indexes the portfolio may hold.

Source: Calamos Advisors LLC. This strategy is actively managed. Holdings, weightings and allocations are subject to change daily.

Data as of 3/31/2012.

The representative portfolio information described in both charts above represents a representative account managed in the Emerging Economies strategy. Other clients' portfolios may differ mainly due to individual restrictions and timing of purchases and sales. All portfolio positioning and sector information is for a representative portfolio. Please see page four for additional information.

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The global markets have responded to quantitative easing and the liquidity surge, but until the major world economies get back to more reasonable debt levels, we see global economic growth remaining below historic averages. We believe that in the U.S., the Fed will do anything to avoid a debt devaluation cycle. This means printing money, repurchasing debt and holding government rates below inflation and GDP growth. The implications of this include inflation in oil prices and imported goods as dollar devaluation occurs, and the potential for exporting inflation to emerging economies tied to the U.S. dollar or the Chinese yuan. Currency wars will not go away in this environment, creating hindrances to free trade and other economic liberties.

Nonetheless, we remain optimistic. We are finding attractive valuations that are supported by secular trends, such as the growth of an emerging market middle class and the ongoing push for enhanced business productivity in a globally competitive environment. Cyclical trends, notably reflation, also provide a tailwind for a range of commodity companies. We believe large multinationals with global access to capital, distribution networks, marketing and production should command premium business valuations. We expect companies in technology and energy to be particularly well positioned over the next decade.

Past performance does not guarantee or indicate 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.

The information portrayed is for the Calamos Emerging Economies Composite. Representative holdings and portfolio characteristics are specific only to the portfolio shown at that point in time. Other portfolios will vary in composition, characteristics, and will experienced different investment results. The representative portfolio shown has been selected by the advisor based on account characteristics that the advisor feels accurately represents the investment strategy as a whole.

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.

Returns presented reflect the Calamos Emerging Economies Composite, which is an actively managed Composite investing in a globally diversified portfolio of equity, convertible or debt securities, with at least 35% of constituent portfolio assets invested in securities of issuers that are organized in emerging market countries. Investments in securities of developed market companies are generally limited to those companies which derive 20% or more of assets or revenues from emerging market countries. The composite was created December 1, 2010, calculated with an inception date of December 1, 2008 and includes all fully discretionary, fee-paying accounts, including those no longer with the firm.

Investments in overseas markets pose special risks, including currency fluctuation and political risks, and the strategy is expected to be more volatile than that of a U.S. only strategy. These risks are generally intensified for investments in emerging markets.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Europe Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe. The MSCI World Index is a market capitalization weighted index composed of companies representative of the market structure of developed market countries in North America, Europe, and the Asia/Pacific Region. The indices are calculated without dividends, with net or with gross dividends reinvested, in both US dollars and local currencies.

The S&P 500 Index is a market-value weighted index and is widely regarded as the standard for measuring U.S. stock-market performance.

Unless otherwise noted, index returns reflect the reinvestment of income dividends and capital gains, if any, but do not reflect fees, brokerage commissions or other expenses of investing. Investors may not make direct investments into any index.

Fees include the investment advisory fee charged by Calamos Advisors LLC. Returns greater than 12 months are annualized. Chart Data Sources: Mellon Analytical Solutions LLC and Calamos Advisors LLC.

Average annual total return measures net investment income and capital gain or loss from portfolio investments as an annualized average assuming reinvestment of dividends and capital gains distributions.

Calamos Advisors LLC is a federally registered investment advisor. Form ADV Part 2A, which provides background information about the firm and its business practices, is available upon written request to:

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Attn: Compliance Officer

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