

Emerging Economies Strategy



Market Overview

Emerging market equities rallied during the quarter and outperformed developed market regions. Emerging markets, as measured by the MSCI Emerging Markets Index, returned 5.61% (in USD terms) during the time period. Some of the concern surrounding China and other BRIC economies dissipated during the quarter due to stronger economic data and the completion of a leadership change.

Global equities advanced during the fourth quarter amidst promising developments from Europe, including a successful buyback of Greek debt and an additional bond purchase program announced by the European Central Bank, a change of leadership within Japan and improving economic figures from some of the larger emerging economies, most notably China. The MSCI World Index returned 2.63% (3.07% in local currency terms) during the period.

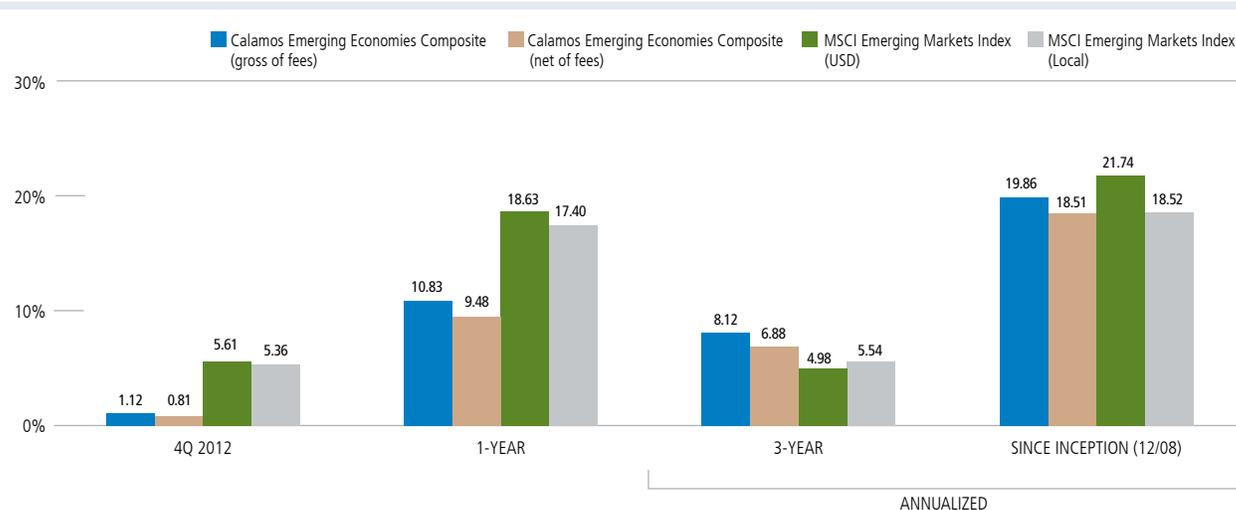
The U.S. turned in slightly negative performance during the quarter as the U.S. market fluctuated significantly throughout the period as investors were confronted with elections, the ramifications of a destructive hurricane and uncertainty concerning fiscal cliff negotiations. The S&P 500 Index decreased slightly during the quarter, returning -0.38%.

Europe outperformed the developed equity market, returning 7.06% as measured by the MSCI Europe Index. Markets also reacted favorably to the recent election within Japan resulting in strong relative performance. Japanese equities returned 5.79% during the period, as measured by the MSCI Japan Index.

Performance Review

The Calamos Emerging Economies Strategy underperformed the MSCI Emerging Markets Index, returning 1.12% gross of fees (0.81% net) versus 5.61% for the index. During the quarter, the most significant contributors to and detractors from performance were:

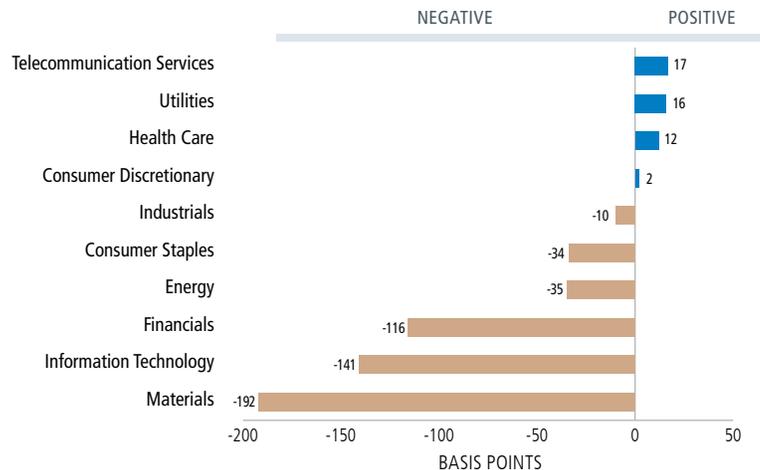
FIGURE 1. CALAMOS EMERGING ECONOMIES STRATEGY RETURNS



Source: Calamos Advisors LLC and Mellon Analytical Solutions LLC.
 Past performance is no guarantee of future results.
 Data as of 12/31/12.

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FIGURE 2. NATIVE PORTFOLIO PERFORMANCE VERSUS THE MSCI EMERGING MARKETS INDEX
FOURTH QUARTER 2012



Attribution based on gross of fee performance with dividends reinvested. 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.

Source: Calamos Advisors LLC

Data as of 12/31/12.

Telecommunication Services. An underweight allocation to the sector added value in the period, as the sector significantly lagged the overall index. We continue to selectively seeking out growth opportunities in what is traditionally a more defensive market sector.

Utilities. Our 0% allocation to the Utilities sector also added to relative performance. This sector was one of the worst performing sectors during the period due to its more defensive nature. We have historically held little to no investments in the sector due to its lower growth profile and highly-regulated status.

Materials. Security selection within the materials sector detracted from relative performance. Most notably, a higher relative allocation within the gold mining and production industry negatively impacted performance. Gold mining companies have been recently challenged by higher costs of extraction and production, as well as the rising prices of mining infrastructure. In the fourth quarter we reduced our exposure to the gold positions

which were used as a global hedge against financial crises and further dollar debasement.

Information Technology. Security selection within the sector negatively impacted performance. Specifically, our larger exposure and underperforming positions in the computer hardware industry detracted. We maintain conviction in technology due to the relatively high cash flows, low debt, and strong growth potential we see in many companies. The sector continues to profit from many of the long-term secular growth themes we have identified, including robust demand for access to information and entertainment, as well as solutions to enhance the productivity of businesses and individuals.

Positioning

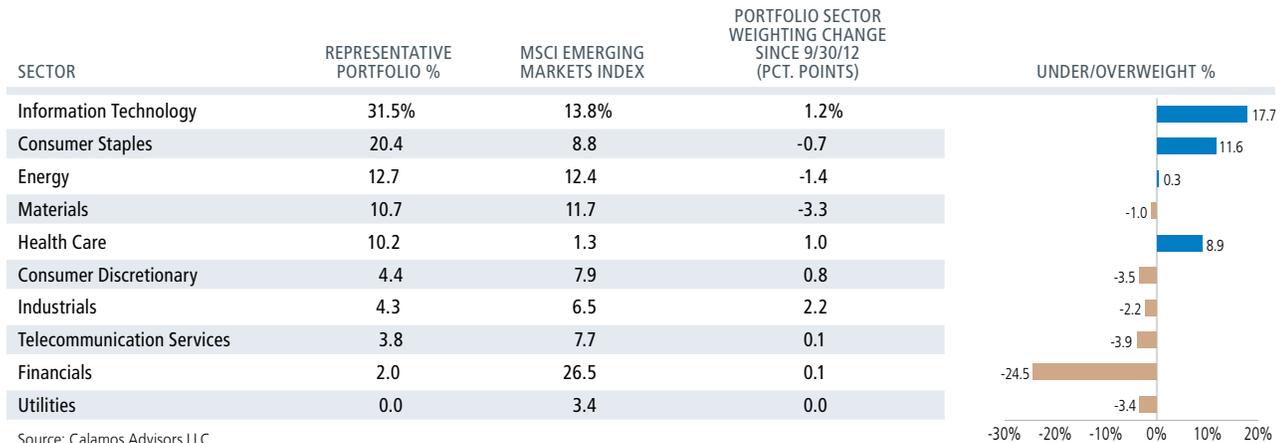
We believe recent market movements indicate that investors are returning to more of a bottom-up focus, with greater distinctions being made on corporate fundamentals. Due to our focus on owning companies with solid fundamentals, the fund characteristics reflect higher return on invested capital, lower debt-to-capital and higher long-term earnings potential.

We have positioned the fund to invest in higher secular growth businesses, such as information technology and health care. We are favoring companies with strong global businesses and, in particular, those companies able to access growth opportunities within emerging market economies. While we believe global economic growth will continue, we also anticipate periods of heightened volatility within the markets and therefore maintain a strong focus on risk management.

We decreased our allocation to materials, and more specifically, our exposure to gold mining and production.

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FIGURE 3. SECTOR ALLOCATIONS VERSUS THE MSCI EMERGING MARKETS INDEX

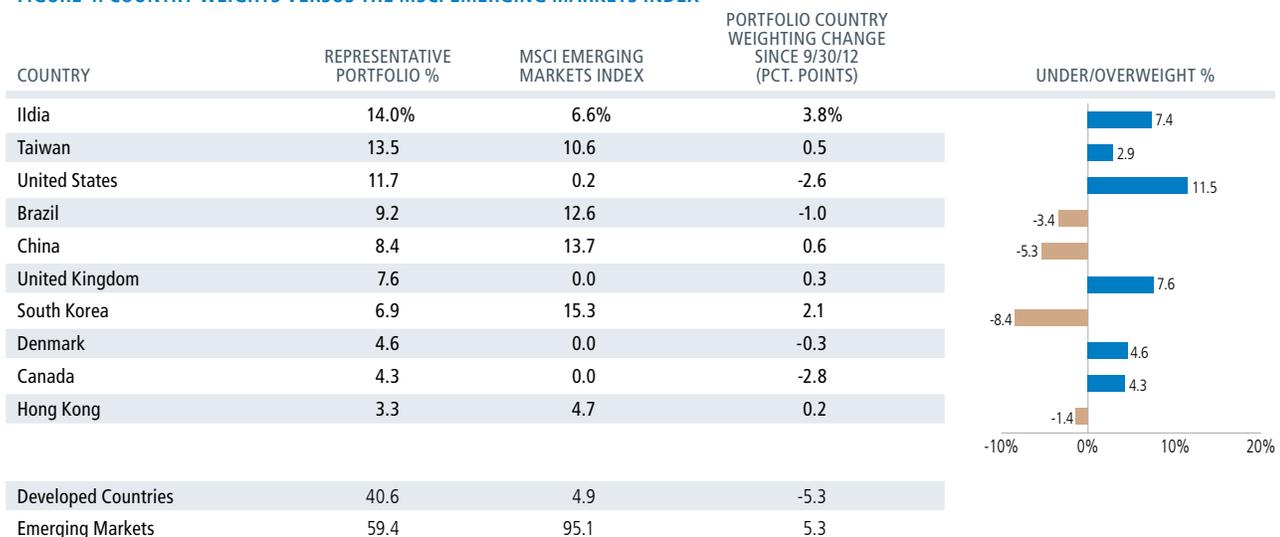


Source: Calamos Advisors LLC.

Data as of 12/31/12.

This strategy is actively managed. Holdings, weightings and allocations are subject to change daily. Sector weightings exclude cash or cash equivalents, any government/sovereign bonds or broad based index hedging securities/options the portfolio may hold.

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



Source: Calamos Advisors LLC

*Excludes cash weighting. Companies are classified geographically according to their country of domicile.

Data as of 12/31/12.

This strategy is actively managed. Holdings, weightings and allocations are subject to change daily. Companies are classified geographically according to their country of domicile. Geographical distribution tables exclude any options on broad market indexes the portfolio may hold.

The representative portfolio information described in both charts above represents a representative account managed in the Global Growth 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.

We marginally increased the exposure to technology and health care during the quarter. Details surrounding our view of opportunities in these sectors are discussed in this document.

Outlook

We maintain our outlook for slow but sustained economic growth globally and our cautious optimism about market opportunities.

With respect to global conditions, emerging market central banks have generally promoted more growth policies which should stimulate global trade, consumption and manufacturing. Optimism with respect to China, in particular, has risen recently due to stronger economic data and the completion of a leadership change. We expect this trend to continue. Recent economic figures from Europe seem to indicate marginal improvements

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in financial conditions, credit markets reflect greater investor confidence and policy developments such as the ECB's OMT programs should continue to promote financial stability in the region. In the U.S., we have seen improvements in the housing market, better than expected data from retail sales and industrial production, improvements within the financial sector, and marginally improving employment data. Additionally, economic policy remains stimulative to risk assets and the cost of capital is much lower than return on capital for most companies. Global corporate balance sheets are very healthy and should be conducive to rising capital expenditures as policy uncertainty fades. However, earnings growth remains an area of potential concern across global market as it has shown deceleration in recent periods.

We believe markets are returning to more of a bottom-up focus, with greater distinctions being made on fundamentals. We continue, where possible, to look globally for investment opportunities and have favored companies accessing the favorable demographic trends, particularly in emerging economies. Even with the recent strong performance of the global equity markets, we believe the valuations of many global growth equities remain attractive. There will continue to be near-term challenges, but we believe investors will be well served by not letting short-term political uncertainty rule investment decisions.

For a more detailed review of our macro thoughts, please read our latest Global Economic Review and Outlook posted on calamos.com.

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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