

Calamos Advisors LLC

U.S. Small-Mid Cap Growth Strategy

CALAMOS®

Market Overview

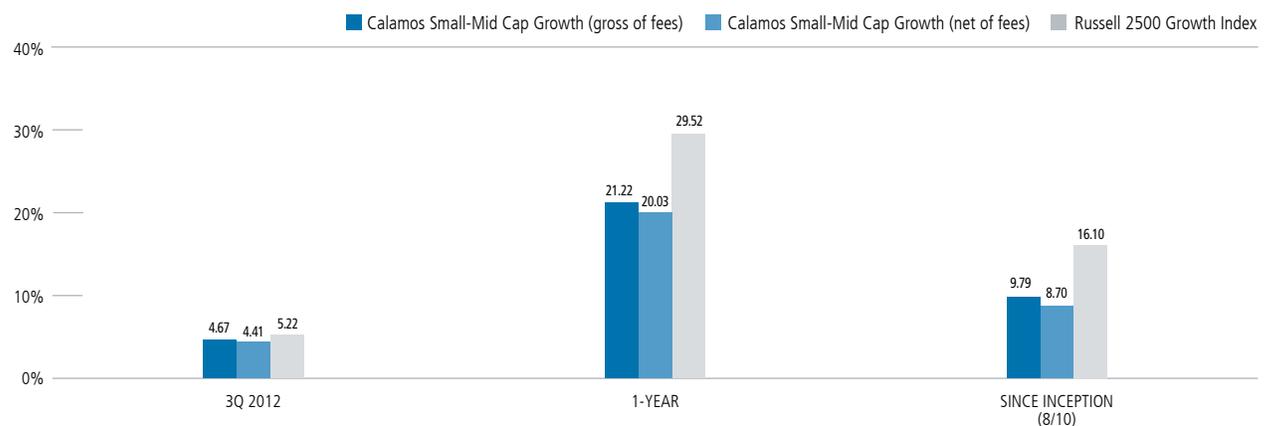
The market was largely driven by the anticipation of additional policy easing from the Federal Reserve, as well as an open-ended commitment overseas by the European Central Bank to support some of its largest economies. Within the U.S., the stabilization in housing has been a real boost to confidence, with home prices continuing to rise, albeit slowly. U.S. consumer confidence rose to a seven-month high in September to lend support to consumer spending, the largest part of the economy. Corporate profits remain resilient, balance sheets are flush with cash and demand for credit is expanding. Regardless, political paralysis in the U.S., concerns about growth in Europe and China and the pending fiscal cliff are all playing a part in restraining job growth and adding to investor anxiety.

Each sector within the Russell 2500 Growth Index posted positive returns in the quarter. Materials and energy were the best performers, while consumer staples and industrials lagged.

Unlike the previous two quarters, which saw a clear distinction between the performances of “risk-on” or “risk-off” sectors, third quarter sector returns were more balanced in nature. While U.S. small to mid cap stocks have seesawed significantly at different points during the year, they remain in solidly positive territory year to date.

Performance Review

For the third quarter, the Calamos U.S. Small-Mid Cap Growth strategy underperformed the Russell 2500 Growth Index, returning 4.67% gross of fees (4.41% net) versus 5.22%. Performance was fairly steady throughout the quarter, with modest gains in July, August and most of September, before a slump in the final few weeks of the period following the turmoil of austerity protests in Greece and Spain. Despite the delicate global macro environment, investors generally exhibited greater risk appetite during the quarter.

FIGURE 1. CALAMOS U.S. SMALL-MID CAP GROWTH STRATEGY RETURNS

Source: Calamos Advisors LLC and Mellon Analytical Solutions LLC.

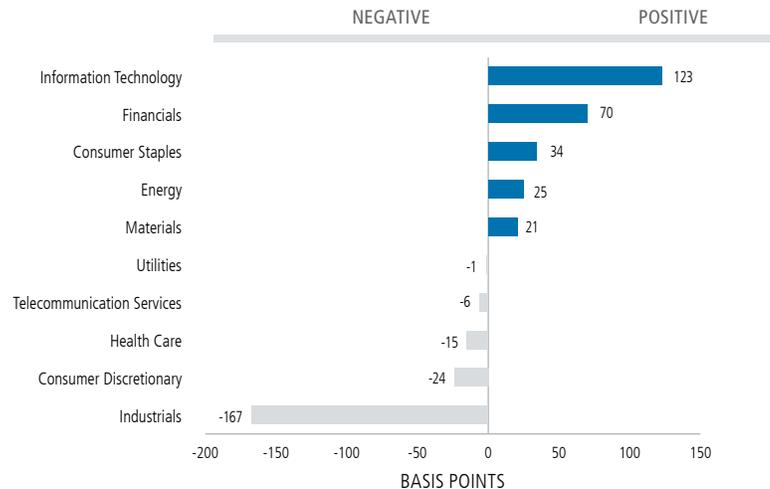
Returns of more than one year are annualized. *Past performance is no guarantee of future results.*

Data as of 9/30/12.

Calamos U.S. Small-Mid Cap Growth Strategy

FIGURE 2. REPRESENTATIVE PORTFOLIO PERFORMANCE VERSUS RUSSELL 2500 GROWTH INDEX

THIRD QUARTER 2012



Source: Capital IQ

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.**

Data as of 9/30/12.

The most significant contributors to and detractors from performance were:

Information technology. Strong relative selection in the sector contributed the most to performance in the quarter. In particular, holdings in the software industry notably outperformed. We expect the strategy's positioning to continue to benefit as more companies seek solutions to enhance and improve productivity, and we maintain high conviction in the sector due to stronger growth profiles, high returns on invested capital and strong balance sheets.

Financials. Security selection within the sector also added value during the quarter. Generally, we continue to be cautious within this area due to increased regulations globally and the various unknown risks remaining in many of the larger financial institutions. We have found select opportunities within this sector, including consumer and specialized finance companies.

Industrials. Relative security selection in the sector detracted the most from performance in the quarter. With respect to selection, investments in the industrial machinery industry

underperformed the index. We see compelling long-term opportunities in the industrials sector, especially those businesses in the industrial machinery and construction and farm equipment industries.

Consumer discretionary. The strategy's underweight exposure to the sector also detracted from performance in the quarter, as the sector outperformed the index. We continue to be selective in the sector and favor consumer companies with high growth potential, including those with scalable business models and more targeted demand niches, which can bolster the ability to grow despite the challenging economic environment.

Positioning

The strategy's largest allocations, in absolute terms, are to the information technology and health care sectors. Details regarding our positioning in technology were discussed previously. With respect to health care, we remain attracted to select companies within the sector due to its innovation and high long-term growth potential. We also tend to favor companies in the biotechnology industry, as these firms also tend to be further removed from increased government regulations.

Relative to the Russell 2500 Growth Index, the strategy's largest underweight allocation is to the consumer discretionary sector, with details on our positioning also discussed earlier.

Outlook

In considering the economic landscape, we continue to anticipate periods of growth and retreat, accompanied by periods of heightened volatility. A more robust and lasting pickup in economic growth is hindered by long-term fiscal challenges and the course of the current deleveraging cycle. We continue to invest in businesses benefiting from U.S. manufacturing growth, increased capital spending in technologies, the global infrastructure build-out and health care innovation. Our preference in the strategy for higher-growth companies was generally rewarded during the quarter, and we believe many of these businesses have the potential to be market leaders across a complete economic cycle.

Calamos U.S. Small-Mid Cap Growth Strategy

FIGURE 3. SECTOR ALLOCATIONS VERSUS RUSSELL 2500 GROWTH INDEX



Source: Calamos Advisors LLC and Mellon Analytical Solutions, 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 9/30/12.

From a bottom-up standpoint, the small to mid cap growth companies in our strategy continue to deliver strong fundamentals, despite considerable uncertainty in the broad economy. These holdings are generating strong earnings growth, with high returns on invested capital and stronger balance sheets relative to peers. Small to mid cap growth equities present an attractive opportunity as growth companies trade at

a discount to long-term averages relative to value. This situation can reverse in a short time if investors extend their timeline and award a higher portion of company value according to future growth potential. Despite considerable near-term economic and political uncertainty, we believe our consistent investment approach and process will enable us to uncover opportunities in the small to mid cap growth market.

The representative portfolio information described in the chart above represents a representative account managed in the U.S. Small-Mid Cap 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.

Calamos U.S. Small-Mid Cap Growth Strategy

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 Small-Mid Cap Growth 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 experience 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. The information provided in this report should not be considered a recommendation to purchase or sell any industry, sector or particular security. There is no assurance that any industry, sector or security discussed herein will remain in a client's account at the time of reading this report or that industry, sectors or securities sold have not been repurchased. The industries, sectors, or securities discussed herein do not represent a client's entire account and in the aggregate may represent only a small percentage of an account's holdings.

It should not be assumed that any of the securities transactions or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

Performance returns presented reflect, unless otherwise noted the Calamos Small-Mid Cap Growth Composite, which is an actively managed composite investing in a diversified portfolio of equity investments in small and mid-cap issuers. Ordinarily, constituent portfolios are primarily invested in equities with public stock market capitalizations within the range of the market capitalization of companies constituting the Russell 2500 Growth Index at time of purchase. Up to 25% of constituent portfolios may be invested in foreign securities. The composite includes all fully discretionary fee-paying institutional accounts, including those no longer with the Firm. Quarterly returns exclude the impact of management advisory fees, which would reduce actual performance results. Net return is presented after the deduction of the actual management fee. All returns are net of commission and other similar fees charged on securities transactions and include reinvestment of net realized gains and interest.

The Russell 2500 Growth Index, measures the performance of the 2500 smallest companies in the Russell 3000 Index with higher price-to-book ratios and higher forecasted growth values. 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. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect any fees, expenses or sales charges. Investors cannot invest directly in an index.

Fees include the investment advisory fee charge by Calamos Advisors LLC. Returns greater than 12 months are annualized. All returns are net of commission and other similar fees charged on securities transactions and include reinvestment of net realized gains and interest. Chart Data Sources: Mellon Analytical Solutions LLC and Calamos Advisors LLC.

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:

Calamos Advisors LLC
2020 Calamos Court
Naperville, IL 60563-2787
Attn: Compliance Officer

CALAMOS®

Calamos Advisors LLC
2020 Calamos Court
Naperville, IL 60563-2787
800.582.6959
www.calamos.com/institutional

© 2012 Calamos Investments LLC. All Rights Reserved.
Calamos® and Calamos Investments® are registered trademarks of Calamos Investments LLC.

8153 0912 II