

Market Review

The U.S. equity market continued to rally during the first quarter. A slowly strengthening U.S. economy, a perceived stabilization of the euro-zone debt crisis, and the Federal Reserve’s continued accommodative monetary stance raised risk tolerances, globally. The U.S. economy saw strong gains in employment numbers, rising manufacturing activity and renewed confidence among individuals and businesses.

The S&P 500 Index returned 12.59%, its strongest first quarter return since 1998 and its second consecutive double-digit quarterly gain. The Russell 2500 Growth Index returned 14.60%, with information technology and consumer discretionary sectors leading, while utilities and energy trailed. Much of what performed poorly in the fourth quarter of 2011 led the market in the first quarter. Growth companies with higher ROIC and those with higher long-term growth estimates generally outperformed.

Performance Review

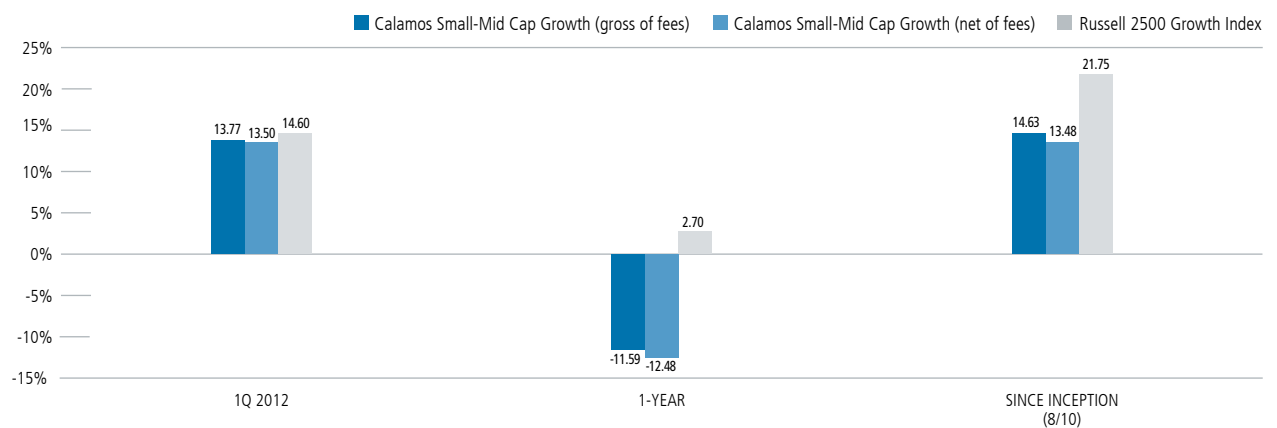
For the quarter, the Calamos U.S. Small-Mid Cap Growth strategy underperformed the Russell 2500 Growth Index, returning 13.77% gross of fees (13.50% net) versus 14.60%. During the first quarter, the most significant contributors to and detractors from performance were:

Energy. Security selection within energy detracted from relative performance. Holdings in the energy equipment and services industry as well as the oil, gas and consumable fuels industry underperformed.

Consumer discretionary. Security selection within consumer discretionary detracted value. Holdings in the household durables industry underperformed.

Health care. Security selection within health care was the most significant contributor to relative returns. Holdings within the health care equipment and supplies industry outperformed. Within the health care sector, we tend to favor companies that

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



Source: Calamos Advisors LLC and Mellon Analytical Solutions LLC.

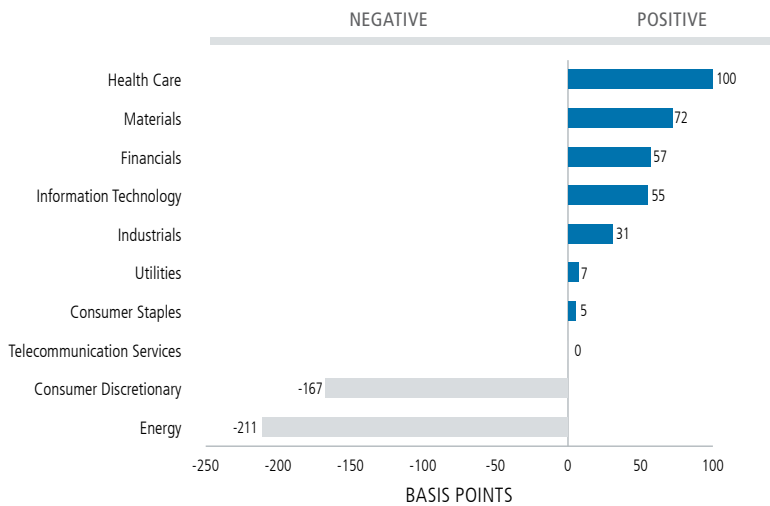
Returns of more than one year are annualized. *Past performance is no guarantee of future results.*

Data as of 3/31/2012.

Calamos U.S. Small-Mid Cap Growth Strategy

FIGURE 2. REPRESENTATIVE PORTFOLIO PERFORMANCE VERSUS RUSSELL 2500 GROWTH INDEX

FIRST 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 3/31/2012.

are the furthest removed from increased government regulation, such as those in the health care equipment industry.

Materials. Security selection and an overweight to materials added to relative returns. Holdings within the chemicals industry outperformed.

Positioning

The strategy's largest allocations, in absolute terms, are to the information technology and industrial sectors. On a relative basis, technology is the most significant overweight. Relative to the Russell 2500 Growth Index, the strategy's largest underweights are to the consumer discretionary and financials sectors.

Information technology. 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 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.

Industrials. We believe there are long-term opportunities within the sector, most notably those associated with the global infrastructure build-out. We favor companies in industries such as industrial machinery, construction, and equipment.

Consumer discretionary. We remain opportunistic within the sector. We are focused on companies that are growing quickly and have business models that may weather challenging economic times better than their peers.

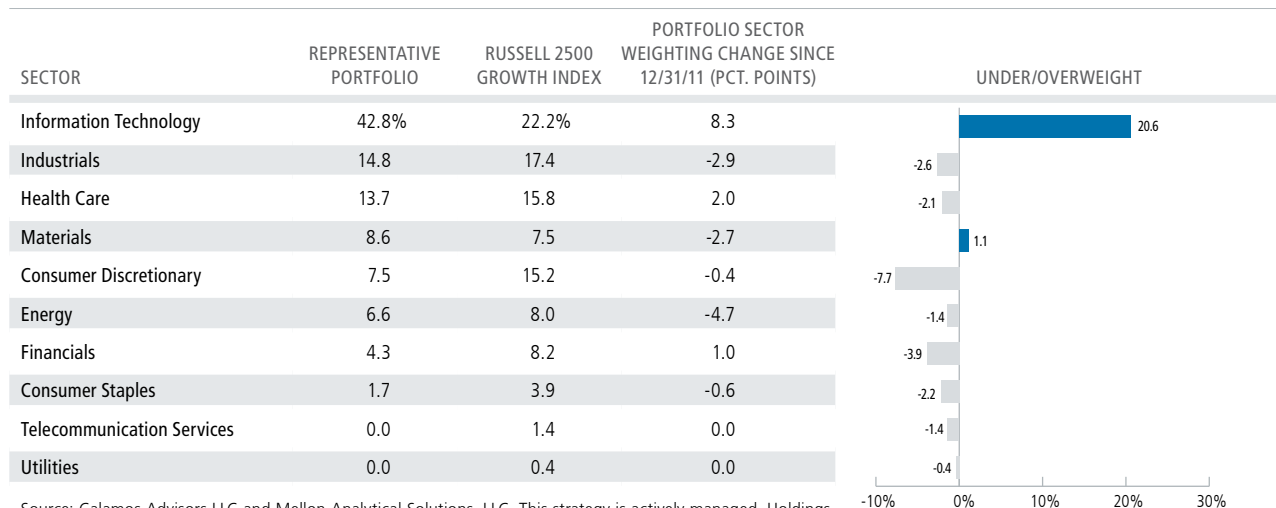
Financials. We have generally held a low weight in financials due to increased regulations, globally. We believe government intervention, both current and proposed, makes it difficult for firms in this sector to reestablish the kind of cash flow margins and growth they were once able to achieve.

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, 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 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 3/31/2012.

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.

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.

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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:

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