

Market Overview

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 3000 Growth Index returned 14.58%, with information technology and consumer discretionary sectors leading, while utilities, energy and telecom services 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

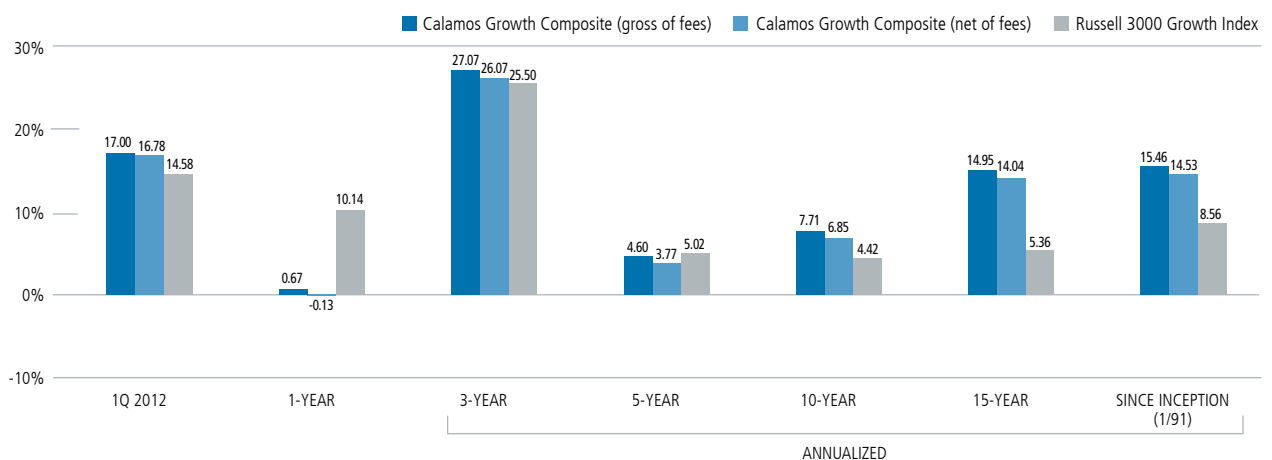
For the quarter, the Calamos U.S. Growth strategy outperformed the Russell 3000 Growth Index, returning

17.00% gross of fees (16.78% net) versus 14.58%. During the first quarter, the most significant contributors to and detractors from performance were:

Consumer staples. Security selection and an underweight to the consumer staples sector added value, with holdings within soft drinks and personal products industries contributing to returns. Within the sector, we are favoring companies with growing niche brands and those with strong global operations.

Information technology. Security selection and an overweight to information technology was the most significant contributor to relative returns. Holdings within the application software and computer storage industries outperformed. 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.

FIGURE 1. CALAMOS U.S. GROWTH STRATEGY RETURNS

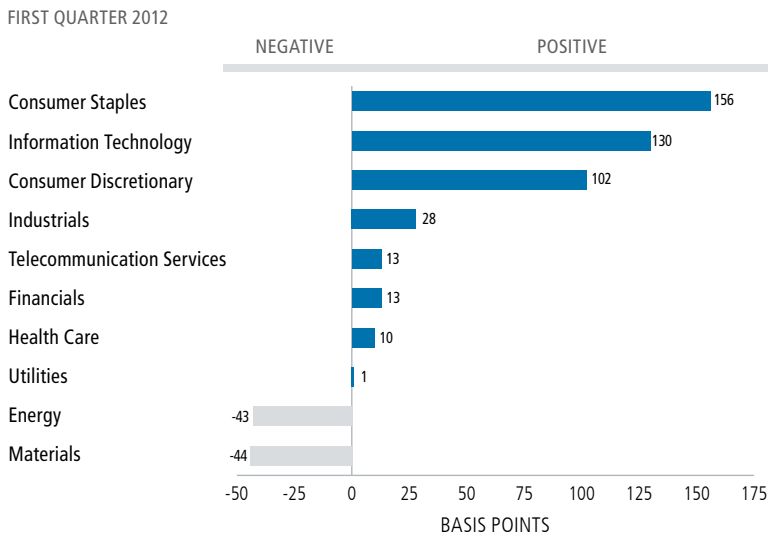


Source: Calamos Advisors LLC and Mellon Analytical Solutions LLC.

Past performance is no guarantee of future results.

Data as of 3/31/12.

FIGURE 2. REPRESENTATIVE PORTFOLIO PERFORMANCE VERSUS RUSSELL 3000 GROWTH INDEX



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 3/31/12.

Consumer discretionary. Security selection within the consumer discretionary sector was additive to performance. The portfolio's top holdings within the sector are in the Internet retail industry. After detracting last quarter, these names bounced back and performed particularly well. We maintain conviction in these companies and believe they are well positioned to capitalize upon global secular trends. Broadly within the sector, we are attracted to global businesses with strong brands and diversified revenues, as well as those servicing a growing and maturing consumer base within the emerging markets.

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 emerging market regions, as well as by reflation efforts and accommodative central bank policies. We are focused on long-term opportunities within the diversified metals and mining, fertilizers and agricultural chemicals, and gold industries.

Positioning

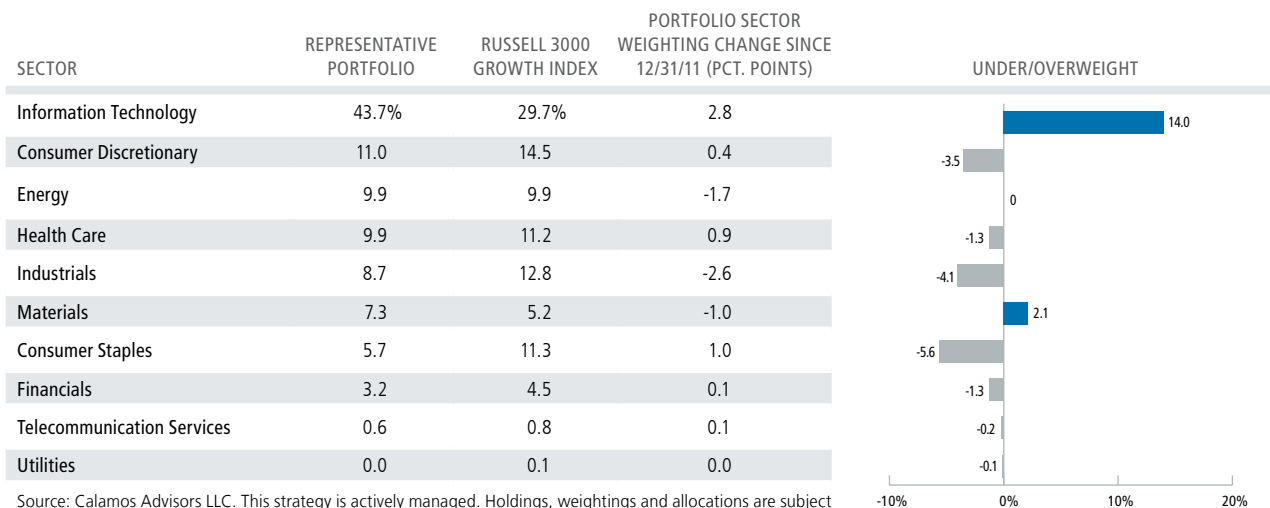
We maintain our emphasis on firms with globally diversified revenues and strong brands that are poised to benefit from global growth opportunities. We began taking some cyclicality out of the portfolio after the strong and rapid market advance of the past two quarters, especially from those sectors related to reflation such as industrials, energy and materials. While these sectors were reduced, we continue to believe that the reflation theme will provide long-term opportunities, given strong signals from the Fed and other global central banks that they will remain accommodative and provide a backstop for the markets. Weightings were increased in the technology, consumer staples and health care sectors.

The portfolio's largest allocations in absolute terms are to the information technology, consumer discretionary and energy sectors. Relative to the Russell 3000 Growth Index, the portfolio's most significant overweight is to the information technology sector. The consumer staples allocation remains notably underweight. Details regarding the portfolio's positioning in information technology and the consumer sectors have been discussed in the "performance review" section.

Energy. While the energy weighting was reduced, we have a favorable long-term view of the sector, particularly given ongoing global stimulus and liquidity from the world's central banks. We believe the portfolio's energy holdings should continue to 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.

Industrials. Although the portfolio's industrials weighting was trimmed, we believe there are long-term opportunities in the sector, most notably those associated with global infrastructure build-out. We favor companies in industries such as industrial machinery, construction, and equipment. We are particularly interested in those companies that are positioned to benefit from the growth in emerging markets.

FIGURE 3. SECTOR ALLOCATIONS VERSUS RUSSELL 3000 GROWTH 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 3/31/12.

Outlook

“Risk-on” won out during the first quarter, as global deflation efforts and brighter economic data helped propel the equity markets upward. Deflation 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.

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 deflation, 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.

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

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 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 Growth Composite, which is an actively managed Composite investing in common stocks, primarily in high-growth industries and companies. The composite includes all fully discretionary, fee-paying accounts. Accounts valued at less than \$500,000 are not included. All returns are net of commission and other similar fees charged on securities transactions and include reinvestment of net realized gains and interest.

The Standard & Poor's 500 Stock Index (S&P 500) is an unmanaged index generally representative of the U.S. Stock Market, without regard to company size.

The Russell 3000 Growth Index measures the performance of the broad growth segment of the U.S. equity universe and includes those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values.

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 charged 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: 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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