

U.S. Growth Strategy

CALAMOS[®]

Market Overview

During the quarter, investors were challenged by elections, Superstorm Sandy, and uncertainty regarding fiscal cliff negotiations. Performance fluctuated throughout the period, with an initial drop in October, followed by small market gains in the final two months of the year. In the run-up to the fiscal cliff, market performance largely took its cue from headlines and daily commentary coming out of fiscal policy negotiations. Overall, the S&P 500 Index declined 0.38%, helped by a 1.7% gain in the final day of trading, primarily due to optimism on a resolution to the fiscal cliff. Growth stocks sold off more than the broad market, with the Russell 3000 Growth Index declining 1.19%.

Sector performance within the Russell 3000 Growth Index was mixed for the quarter. Industrials, financials and materials (led by chemicals and not gold metals and mining stocks) gained the most, while information technology and utilities trailed within the index. As in previous quarters, performance by sector varied significantly. Industrials led the index with a 7.2% return, while

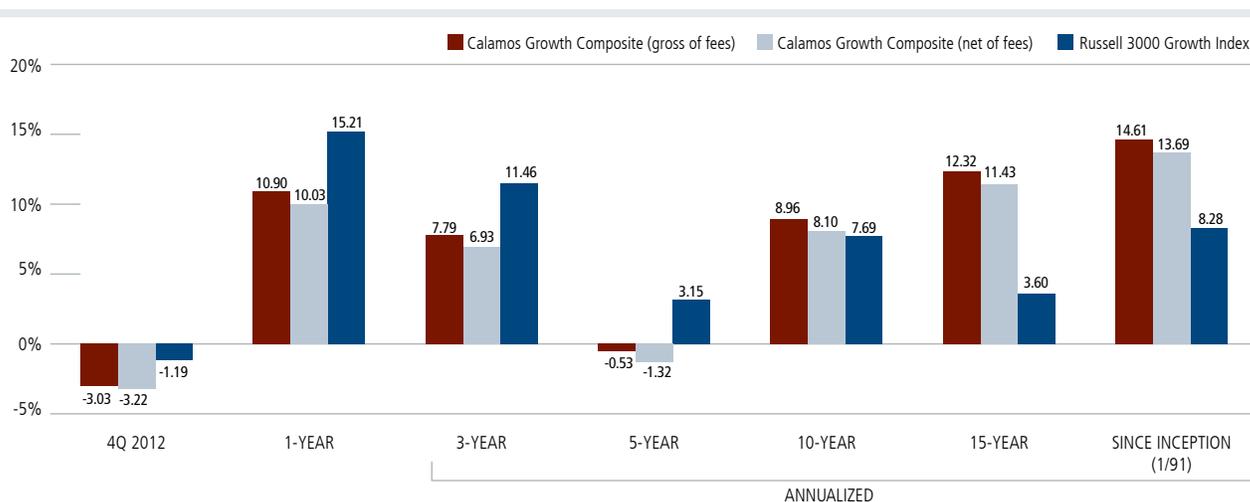
information technology declined 6.4%, a difference of more than 13 percentage points.

In the U.S., we have seen improvements in the housing market and financial sector, better-than-expected data from retail sales and industrial production, and slow but marginally improving job data. Consumers have demonstrated resilience on the whole. U.S. housing prices have continued to rise, and improving property values and healthier household finances are driving gains in consumer confidence and spending. Corporate operating margins remain near historic highs, balance sheets are strong, and unemployment data is inching in the right direction.

Performance Review

For the third quarter, the Calamos U.S. Growth strategy underperformed the Russell 3000 Growth Index, returning -3.03% gross of fees (-3.22% net) versus -1.19%. We share in our clients' disappointment that the recent performance of the strategy has fallen short of its longer-term record. As we discuss throughout

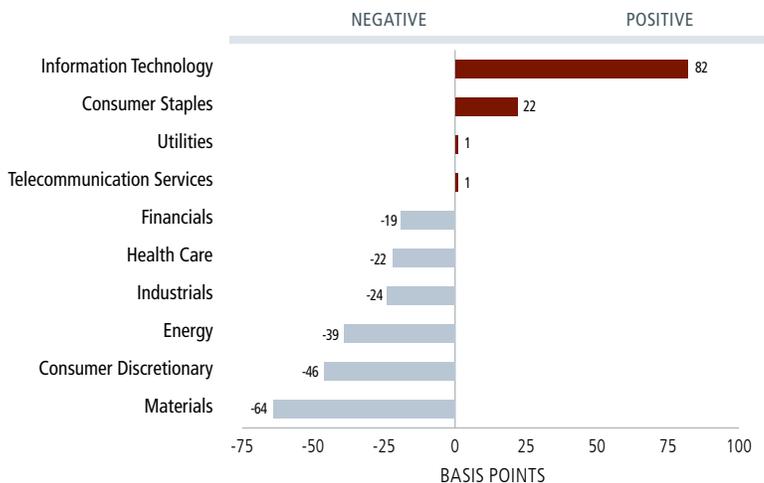
FIGURE 1. CALAMOS U.S. GROWTH STRATEGY RETURNS



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

Calamos U.S. Growth Strategy

FIGURE 2. REPRESENTATIVE PORTFOLIO PERFORMANCE VERSUS RUSSELL 3000 GROWTH 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.

this report, we are in the process of making adjustments to the portfolio, in keeping with our cautiously optimistic economic outlook and commitment to improving performance. For the quarter, while relative security selection in the portfolio held up well versus the benchmark, it was our allocation decisions in technology and industrials that accounted for most of the underperformance.

During the quarter, areas that had the most significant impact on performance included:

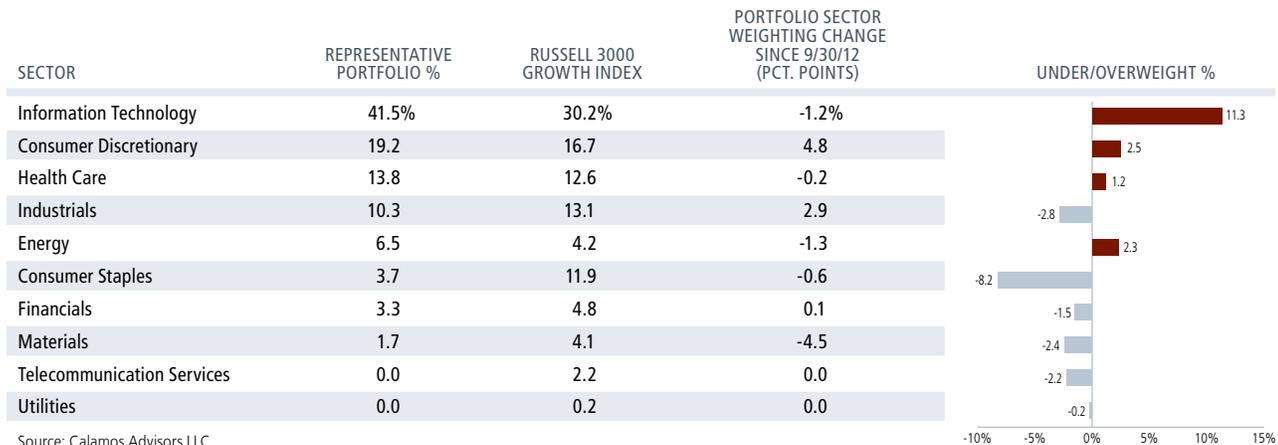
Materials. Security selection within the materials sector was negative and detracted from relative performance. Most notably, a higher relative allocation and selection within the gold mining and production industry held back returns. Gold mining companies have been particularly challenged by higher costs of extraction and production, as well as by the rising prices of mining infrastructure. While valuations and fundamentals of select companies within this industry remain attractive, in the fourth quarter, we reduced our exposure to gold positions that were used as a global hedge against financial crises and further dollar debasement.

Consumer Discretionary. Security selection within the consumer discretionary sector detracted from performance. In particular, exposure and holdings within the cable and satellite, apparel, accessories and luxury goods, and apparel retail industries held back returns. Slowing economic conditions globally have contributed to a more cautious outlook for some retailing names. We continue to evaluate the portfolio's holdings within the sector and maintain a positive overall outlook regarding the fundamentals of these companies, especially within the context of our cautiously optimistic global economic outlook. We see a resilient consumer in the U.S. as well as an increasingly powerful one in the emerging markets, particularly given recent indications of a rebound in China. We have sought companies that we believe are well positioned given our outlook—for example, those with stable balance sheets, strong global brands, and global business strategies. While the portfolio's largest holdings are within the Internet retail industry, investments are well diversified across industries.

Information Technology. The information technology sector was the worst performing area within the index for the quarter, and the portfolio's overweight allocation hampered returns. However, security selection within the sector was strong on a relative basis and on the whole, the sector added to relative performance. On an industry level, positions in the systems software industry outperformed. An underweight allocation to the computer hardware industry contributed favorably as well. Within the sector, we continue to favor companies with cleaner balance sheets, higher cash flows and lower debt levels. As we have mentioned in the past, we believe that many companies in the information technology sector may benefit from many of the long-term secular growth themes we have identified, including demand for products and services that provide access to information, enhance productivity, enable mobility and promote innovation.

Calamos U.S. Growth Strategy

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 cash or cash equivalents, any government/sovereign bonds or broad based index hedging securities/options the portfolio may hold.

Data as of 12/31/12.

Consumer Staples. An underweight allocation and positive security selection within consumer staples proved advantageous to relative performance. Specifically, holdings in the hypermarkets and supercenters industry outperformed. An overweight allocation to the brewers industry also contributed to returns. We remain underweight to the benchmark, given the lower growth prospects of many firms within the sector. However, we have found select opportunities, favoring lower-cost providers and firms that are participating in the growth of the emerging market middle class, such as brewers and soft drink companies with strong global brands.

Positioning

The strategy's recent underperformance has compelled us to revisit the portfolio at all levels. We continue to position the portfolio in companies with diversified revenue segments and global business strategies, as we believe such companies provide attractive long-term risk and return characteristics. We maintain a combination of stable growth and cyclical growth holdings in the portfolio. During the period, we positioned the portfolio to reflect a more constructive outlook and sought to remove some reflation exposure.

We believe recent market movements indicate that investors are returning to more of a bottom-up focus, with greater distinctions being made on the basis of corporate fundamentals. This is

encouraging, as we have emphasized companies with stronger fundamentals. Portfolio characteristics reflect higher free cash flows and lower debt-to-capital than the benchmark.

Among positioning changes during the quarter, we pared the portfolio's allocation to the materials sector, most notably within the metals and mining industry, taking the sector from an overweight to an underweight allocation versus the benchmark. As discussed, the portfolio's exposure to the gold mining and production industry had been utilized as a global hedge against financial crises and further dollar debasement. Given highly accommodative global monetary policy and positive macroeconomic developments, we believe tail risk has been reduced. Exposure to select firms within the industry will reflect our view of relative opportunities and corporate fundamentals.

Based on the strength we see in consumer trends, we increased the portfolio's allocation to the consumer discretionary sector, adding companies broadly across industries such as footwear, home furnishing retail, leisure products and specialty stores. We also increased the portfolio's allocation to industrials, adding positions within the construction, farm machinery, electrical components and equipment, and trading companies and distributors industries.

Calamos U.S. Growth Strategy

On the whole, we favored companies most closely tied to the global infrastructure build-out in emerging markets.

The portfolio's largest allocations in absolute terms include the information technology, consumer discretionary and health care sectors. Relative to the Russell 3000 Growth Index, the portfolio's largest overweight allocation is to the information technology sector. Details regarding the portfolio's positioning in information technology and consumer discretionary have been discussed above. Within health care, we seek investments that offer innovation, higher cash flows and strong corporate fundamentals. We also favor industries that are further removed from government regulations, with health care equipment companies serving as an example. Our growth criteria have also led us to opportunities within the biotechnology and pharmaceutical industries.

The portfolio's allocation to financials remains underweight versus the benchmark. We have generally held a low weight in the sector due to our concerns regarding complex global regulations and potential capital risks. We believe the relative merits of the sector have improved, however. Loan growth, attractive valuations,

better prospects in the housing market and consumer balance sheets support our more positive view.

Outlook

We believe that the positioning changes we have begun to make provide increased opportunities to participate in the growth potential we see in a slowly recovering global economy. As we noted, we are encouraged to see indications that markets participants are paying increased attention to fundamentals.

We believe that prospects remain compelling for equities on the whole, and particularly for growth equities.

In our view, political volatility has prevented investors from appropriately valuing the equity markets. Valuations remain compelling by many of our measures. Solid corporate earnings have fueled most of the U.S. market gains, while valuations, when viewed on trailing earnings, have risen only modestly (from 13.08 at year-end 2011 to 14.50 at year-end 2012).

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 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:

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 | calamos.com/institutional

© 2013 Calamos Investments LLC. All Rights Reserved. Calamos® and Calamos Investments® are registered trademarks of Calamos Investments LLC.