Emerging Economies Strategy

CALAMOS®

Market Overview

Emerging markets declined in the quarter, with the MSCI Emerging Markets Index falling by 1.57% and underperforming developed markets as a result. The underperformance was attributable to some weakening in economic data in select large emerging economies, along with the prospect of marginally tighter monetary policies to tame inflation within the BRIC economies (Brazil, Russia, India and China).

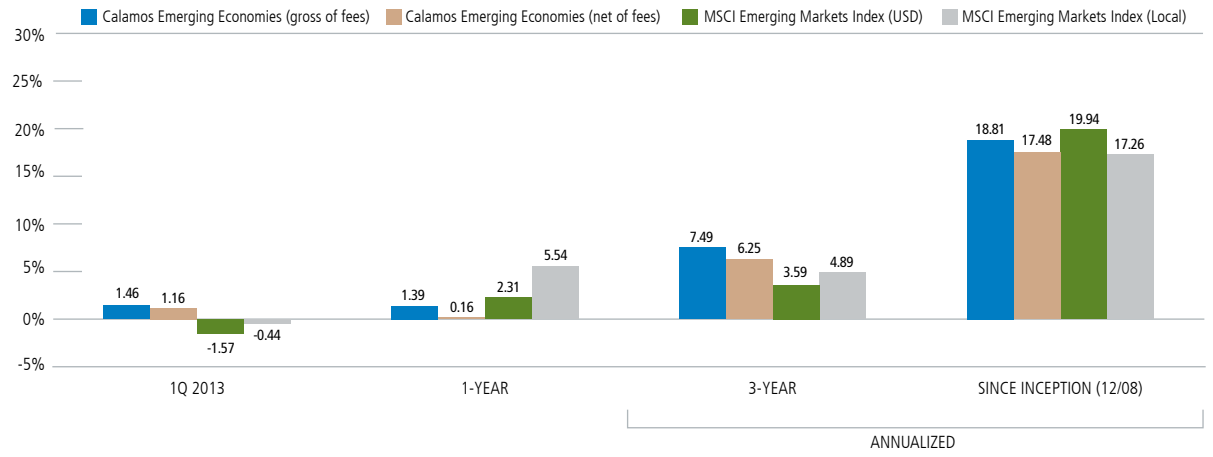
Global developed market equities advanced during the first quarter, as the MSCI World Index returned 7.87% (9.93% in local currency terms). Geographically, the advance in the global equity markets was broad-based, with the exception of the emerging markets.

The S&P 500 Index advanced during the quarter, returning 10.61%. Within the U.S., the housing sector continues to exhibit strength and the labor market shows slow, but positive, progress.

Europe underperformed the developed equity market, returning 2.83%, as measured by the MSCI Europe Index. Headline news within Europe has been focused on the recent trouble within Cyprus, stagnant economic growth overall and persistent high unemployment in certain countries.

Japanese equities returned 11.70% during the period, as measured by the MSCI Japan Index. Japan has undertaken monetary stimulus as well as the implementation of a 2% inflation target. The very aggressive stance has been well received by equity markets, and the growth forecast for the country has increased as a result.

FIGURE 1. CALAMOS EMERGING ECONOMIES STRATEGY RETURNS

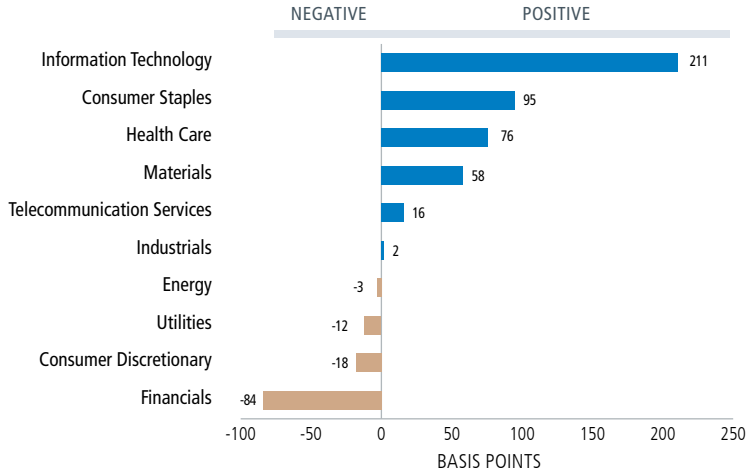


Source: Calamos Advisors LLC and Mellon Analytical Solutions LLC.
Past performance is no guarantee of future results.
Data as of 3/31/13.

All portfolio positioning and sector information is for a representative portfolio. Please see page four for additional information.

Calamos Emerging Economies Strategy

FIGURE 2. REPRESENTATIVE PORTFOLIO PERFORMANCE VERSUS THE MSCI EMERGING MARKETS INDEX
FIRST QUARTER 2013



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 3/31/13.

Performance Review

The Calamos Emerging Economies strategy returned 1.46% gross of fees (1.16% net) in the first quarter and outperformed the MSCI Emerging Markets Index loss of 1.57%. During the quarter, the areas that had the most significant impact on performance were:

Information Technology. The overweight allocation and relative security selection in the sector added the most value during the period. Specifically, larger exposure and better relative selection in the IT consulting and services industry added value. We believe global and emerging market businesses in the sector will benefit from secular growth themes, including persistent innovation, enhanced mobility and connectivity, and demand for information and entertainment.

Consumer Staples. The overweight allocation and security selection added value to performance. Specifically, holdings in the packaged foods and brewers industries outperformed those in the index. Within the sector, we continue to seek to invest in categories and companies that are well-positioned to benefit from increased consumption by the middle class in emerging economies.

Financials. An underweight allocation detracted the most value in the quarter. We have been cautious and held an underweight in the sector due to our concern regarding complex global regulations and persistent capital risks. However, while macro concerns remain, we believe the relative merits of the sector have improved. Rising loan growth, attractive valuations, and increased incomes in emerging markets support a relatively more positive view and larger weight.

Consumer Discretionary. Security selection in the sector also detracted from performance, while our modest underweight allocation added value. Specifically, the a modest exposure to the casino and gaming industry underperformed the index. Within the sector, we continue to be opportunistic and favor companies positioned to benefit from rising discretionary spending levels within many emerging economies.

Positioning

We continue to favor a combination of local emerging market companies and multinational companies with global operations that are able to access growth within emerging market economies. Given our view of improving global economic fundamentals and attractive emerging market equity valuations, we have continued to position the portfolio to reflect a more cautiously optimistic market outlook and have decreased reflation-sensitive exposure in areas such as materials.

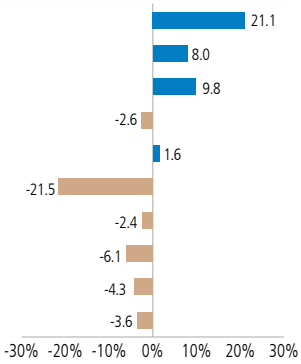
We have maintained investments in higher secular growth businesses such as information technology and health care. While we are cautiously optimistic overall, we also foresee ongoing volatility within the global and emerging markets and therefore maintain a strong focus on risk management.

All portfolio positioning and sector information is for a representative portfolio. Please see page four for additional information.

Calamos Emerging Economies Strategy

FIGURE 3. SECTOR ALLOCATIONS VERSUS THE MSCI EMERGING MARKETS INDEX

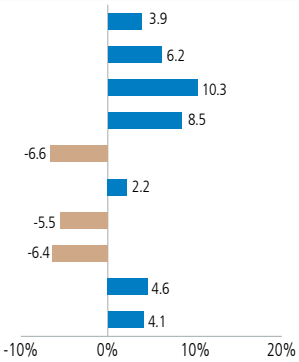
SECTOR	REPRESENTATIVE PORTFOLIO %	MSCI EMERGING MARKETS INDEX	PORTFOLIO SECTOR WEIGHTING CHANGE SINCE 12/31/12 (PCT. POINTS)
Information Technology	35.1%	14.0%	3.6
Consumer Staples	17.1	9.1	-3.3
Health Care	11.1	1.3	0.9
Energy	9.3	11.9	-3.4
Industrials	8.1	6.5	3.8
Financials	6.2	27.7	4.2
Consumer Disretionary	5.4	7.8	1.0
Materials	4.6	10.7	-6.1
Telecommunication Services	3.1	7.4	-0.7
Utilities	0.0	3.6	0.0



Source: Calamos Advisors LLC.
Data as of 3/31/13.
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*

COUNTRY	REPRESENTATIVE PORTFOLIO %	MSCI EMERGING MARKETS INDEX	PORTFOLIO COUNTRY WEIGHTING CHANGE SINCE 12/31/12 (PCT. POINTS)
Taiwan	14.6%	10.7%	1.1
India	12.8	6.6	-1.2
United States	10.5	0.2	-1.2
United Kingdom	8.5	0.0	0.9
South Korea	8.3	14.9	1.4
Hong Kong	7.6	5.4	4.3
Brazil	7.2	12.7	-2.0
China	6.3	12.7	-2.1
Switzerland	4.6	0.0	1.4
Denmark	4.1	0.0	-0.5
Developed Markets	45.7	5.6	5.1
Emerging Markets	54.3	94.4	-5.1



Source: Calamos Advisors LLC
*Excludes cash weighting. Companies are classified geographically according to their country of domicile.
Data as of 3/31/13.
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.

We decreased the weight in the materials sector during the quarter, and more specifically, our exposure to the gold mining and production industry. We reduced our overall exposure to the gold mining industry, which served as a global hedge against financial crises and further dollar debasement, while we continued to hold only select companies due to their attractive valuation and production fundamentals.

We increased exposure to the financials sector during the quarter. While we remain conscious of the risks associated within this area, we have been adding to our allocation as a reflection of

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.

our now cautiously optimistic global equity outlook. We favor select opportunities in asset management firms and higher-quality diversified banks accessing growth in the emerging economies.

Outlook

Our global outlook remains cautiously optimistic. We expect the global economic recovery to continue at a measured pace. We are still concerned about euro zone GDP and ongoing tensions between the haves and have-nots. Italy's ill-fated election, as well as Cyprus' woes and the EU's missteps in addressing them, underscore the tensions in the EU and complexities of the bailout-austerity cycle.

The good news is that global growth is not dependent on Europe alone. The U.S. is sticking to its slow-growth trajectory, with 14 consecutive quarters of economic expansion. A recovering housing market and rising equity markets have contributed to a "wealth effect" that has carried through to retail and auto sales. Although sequestration still casts a shadow, the passage of a new continuing resolution has prevented a Washington shutdown. Elsewhere, the Bank of Japan has taken steps to reverse deflation, and we have seen better factory output, consumer confidence and business sentiment.

However, concerns are growing that the emerging markets will potentially shift from accommodative monetary policies. While economic growth targets remain competitive relative to developed markets, tighter policy could create near-term headwinds for global growth.

We expect financial market volatility will persist, fueled by global political uncertainties. The equity markets may correct as markets bounce off new highs, but timing when to get in or out is always difficult. Especially given the compelling valuations, investors need to look through the near-term volatility and stay positioned for the long term. Without uncertainty, there would not be investment opportunities.

For a more detailed review of our macro thoughts, please read our latest Global Economic Review and Outlook posted on www.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 Japan Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Japan. 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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Naperville, IL 60563-2787
Attn: Compliance Officer

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