Market Neutral Income Fund Third Quarter 2018 Report

CALAMOS® INVESTMENTS

★★★★★

MORNINGSTAR OVERALL RATING™†

among 129 Market Neutral Funds

The fund's load-waived Class I shares received 5 stars for 3 years, 4 stars for 5 years, and 5 stars for 10 years out of 129, 92 and 34. Market Neutral funds, respectively, for the period ended 9/30/18.

OVERVIEW

The fund's core market strategies include covered call writing and convertible arbitrage. Together, these strategies are intended to provide the fund with an enhanced potential for risk-managed returns due to their differing responses to volatility.

KEY FEATURES

- One of the first alternative mutual funds, capitalizing on experience in the convertible space going back more than four decades
- Low correlation with most fixed income benchmarks
- Risk management is a primary focus, as the fund's primary strategies are managed together with the intent of maximizing risk/reward characteristics

FUND TICKER SYMBOLS

A Shares	C Shares	I Shares
CVSIX	CVSCX	CMNIX

† Morningstar ratings shown are for Class I shares and do not include any front-end sales load. Not all investors have access to or may invest in the share class shown. Other share classes with front-end or back-end sales charges may have different ratings than the ratings shown.

There can be no assurance that the Fund will achieve its investment objective.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

Summary

While bonds posted a flat quarter and negative year-to-date return, Calamos Market Neutral Income Fund delivered positive results for both periods and further evidence of the benefit of owning the fund as a bond alternative during periods of rising interest rates.

Covered Call Strategy Performance

Equity Performance. The positive return of the S&P 500 Index (+7.71%) supported covered call strategy performance during the quarter as the value of our equity basket increased and the long calls purchased as part of our call spreads appreciated in value. The tracking error of the equity basket was significantly below the goal of 0.5% and was closer to 0.1% during the period. The equity basket with its 7.4% return slightly lagged the S&P 500 Index.

Volatility. Volatility declined during the third quarter. The S&P 500 Volatility Index (VIX) finished the quarter at 12.12, lower than where it began at 16.09 and well below its long-term average near 19. Lower volatility impeded premium capture and trade rebalancing opportunities during the quarter.

AVERAGE ANNUAL RETURNS	QTD	YTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE I SHARE INCEPTION (5/10/00)	SINCE A SHARE INCEPTION (9/4/90)
Calamos Market Neutral Income Fund								
I shares – at NAV	1.32%	3.67%	4.80%	5.16%	3.93%	4.35%	4.59%	N/A
A shares – at NAV	1.32	3.44	4.57	4.88	3.67	4.09	N/A	6.27%
A shares – Load adjusted*	-0.96	1.15	2.20	3.19	2.67	3.58	N/A	6.08
BBgBarc U.S. Government/Credit Bond Index	0.06	-1.85	-1.37	1.45	2.23	3.95	4.94	5.91
Citigroup 30-Day T-Bill Index	0.48	1.25	1.51	0.76	0.46	0.27	1.51	2.51
Morningstar Market Neutral Category	0.30	-0.20	0.42	1.13	0.81	1.28	1.86	3.84

The Bloomberg Barclays U.S. Government/Credit Bond Index and Citigroup 30-Day T-Bill Index return "Since A share Inception" start date is 8/31/90. The Bloomberg Barclays U.S. Government/Credit Bond Index and Citigroup 30-Day T-Bill Index return "Since I share Inception" start date is 4/30/00.

Performance data quoted represents past performance, which is no guarantee of future results. You can obtain performance data current to the most recent month end by visiting www.calamos.com. Current performance may be lower or higher than the performance quoted. The principal value of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. Load-adjusted returns take into account the Fund's maximum 2.25% front-end sales load. Returns for periods greater than 12 months are annualized.

Performance may reflect waivers or reimbursement of certain expenses. Calendar year returns measure net investment income and capital gain or loss from portfolio investments for each period specified. Average annual total return measures net investment income and capital gain or loss from portfolio investments as an annualized average. All performance shown assumes reinvestment of dividends and capital gains distributions. In calculating net investment income, all applicable fees and expenses are deducted from the returns. As of the prospectus dated 3/1/18, the Fund's gross expense ratio for Class A shares is 1.28% and Class I shares is 1.02%.

The offering price for Class I shares is the NAV per share with no initial sales charge. There are no contingent deferred sales charges or distribution or service fees with respect to Class I shares. The minimum initial investment required to purchase each Fund's Class I shares is $1 million. Class I shares are offered primarily for direct investment by investors through certain tax-exempt retirement plans (including 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans, defined benefit plans and non-qualified deferred compensation plans) and by institutional clients, provided such plans or clients have assets of at least $1 million. Class I shares may also be offered to certain other entities or programs, including, but not limited to, investment companies, under certain circumstances.

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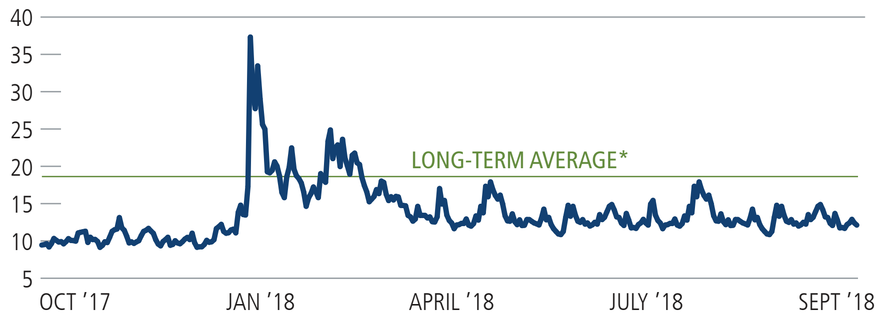
CBOE VOLATILITY INDEX

Daily Closing Price



* From 2004, since the VIX instituted new methodology, through the present. The CBOE Volatility Index (VIX) is a key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices.

Option Skew. As discussed in recent commentaries, the options market has exhibited a high amount of option skew, which increased even more during the quarter. The Credit Suisse "Fear Barometer" (CSFB) index provides a window into understanding skew. Using premium captured by writing 90-day S&P 500 Index call options that are 10% out of the money, the CSFB value is determined by understanding how far out of the money 90-day index puts are purchased to construct a zero cost collar around the index. The higher the index value, the more skew is seen in the options market. The CSFB began the quarter at 32.98 and finished at 29.34. The current level remains well above the CSFB long-term average of 19. Steeper skew challenged our traditional "North Star" positioning, but provided attractive opportunities to use option spreads. Overall, we believe that the lower volatility and increased option skew environment enabled us to position the covered call strategy with a more favorable risk-reward profile than our traditional "North Star" allocation. Should skew and volatility approach normal levels, we will look to revisit our "North Star" approach.

Positioning

Our use of call and put spreads was opportunistic during the quarter given the high amount of option skew and low volatility in the market. We continue to find call spreads that provide a more attractive risk/reward outcome than just selling calls as a part of our traditional "North Star" positioning (which consists of writing 80% calls and buying 40% puts). Our call spread positioning involves writing calls that are in the money while purchasing out of the money calls. In addition to the long puts that we always maintain in the portfolio, we also found it beneficial to utilize put spreads by selling deep out of the money puts and buying closer to the money puts. The current positioning provides a very favorable upside/downside risk profile especially if the market breaks out of its current range.

Our notional hedge positioning is best reflected in the table below, which reflects a snapshot of the portfolio on the last trade date of the quarter. Positioning is subject to revision as it is actively managed and can change quickly depending on market conditions.

OPTION POSITIONING

9/30/18

Short Calls	%	Short Calls Avg Strike	Long Calls	%	Long Calls Avg Strike	Net Calls	%
-11,050	-95.48%	2,689	4,000	34.56%	2,988	-7,050	-60.92%

Long Puts	%	Long Puts Avg Strike	Short Puts	%	Short Puts Avg Strike	Net Puts	%
15,500	133.93%	2,650	-10,000	-86.41%	2,530	5,500	47.52%

Source: Calamos.

Convertible Arbitrage Performance

Interest Rate Environment. Rising interest rates provided mixed results for convertible arbitrage during the quarter. From a positive standpoint, the Federal Reserve announced another 25 basis point increase to the Fed Funds Rate (the range is now 2.00% to 2.25%). As short-term interest rates move higher, the overnight interest earned on the cash received from our short stock positions moves higher. In terms of challenges, interest rates across all points of the U.S. Treasury Yield Curve increased. Two-year yields closed at 2.81%, up from 2.52%, and ten-year yields closed at 3.05%, up from 2.85%. Narrowing high yield credit spreads offset much of the impact of rising interest rates as - credit spreads narrowed 40 basis points to 366 basis points over Treasuries according to JPMorgan.

Alpha is the measurement of performance on a risk adjusted basis. A positive alpha shows that performance of a portfolio was higher than expected given the risk. A negative alpha shows that the performance was less than expected given the risk. **Volatility Skew** is the difference in implied volatility between out-of-the-money options, at-the-money options, and in-the-money options. Volatility skew, which is affected by sentiment and the supply and demand relationship, provides information that helps fund managers determine whether to write calls or puts. **In the Money** means that a call option's strike price is below the market price of the underlying asset or that the strike price of a put option is above the market price of the underlying asset. **Out of the Money** describes a call option with a strike price that is higher than the market price of the underlying asset, or a put option with a strike price that is lower than the market price of the underlying asset.

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Fund Information

CREDIT QUALITY ALLOCATION OF BONDS	%
AAA	0.0
AA	0.0
A	2.9
BBB	3.9
BB	8.8
B	11.9
CCC and below	0.6
Unrated Securities	71.9

Bond credit quality allocation reflects the higher of the ratings of Standard's & Poor's or Moody's Investors Service. Ratings are relative, subjective and not absolute standards of quality, represent the opinions of the independent, Nationally Recognized Statistical Rating Organizations (NRSRO), and are adjusted to the Standard & Poor's scale shown. Ratings are measured using a scale that typically ranges from AAA (highest) to D (lowest). The table excludes equity securities, cash and cash equivalents. For more information about securities ratings, please see the Fund's Statement of Additional Information at www.calamos.com. Additional information on ratings methodologies are available by visiting the NRSRO websites: www.standardandpoors.com and www.moodys.com.

RISK MEASURES SINCE FUND INCEPTION

	FUND	S&P 500 INDEX
Alpha	3.48%	N/A
Beta	0.25	1.00
Sharpe Ratio	0.74	0.55
Annualized Standard Deviation	4.68%	13.96%
R-Squared	53.81	N/A
Upside Capture	30.27	N/A
Downside Capture	19.18	N/A
Tracking Error	10.99%	N/A

MORNINGSTAR RATINGS (MARKET NEUTRAL CATEGORY)

Load-waived I shares (CMNIX)

		NUMBER OF FUNDS
Overall Morningstar Rating™	★★★★★	129
10-Year Morningstar Rating™	★★★★★	34
5-Year Morningstar Rating™	★★★★	92
3-Year Morningstar Rating™	★★★★★	129

Morningstar Ratings™ are based on risk-adjusted returns for Class I shares and will differ for other share classes. Morningstar Ratings based on a risk-adjusted return measure that accounts for variation in a fund's monthly historical performance (reflecting sales charges), placing more emphasis on downward variations and rewarding consistent performance.

Within each asset class, the top 10%, the next 22.5%, 35%, 22.5%, and the bottom 10% receive 5, 4, 3, 2, or 1 star, respectively. Each fund is rated exclusively against U.S. domiciled funds. The information contained herein is proprietary to Morningstar and/or its content providers; may not be copied or distributed; and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Source: © 2018 Morningstar, Inc. All Rights Reserved.

Morningstar ratings shown are for load-waived shares that do not include any front-end sales load. Not all investors have access to or may invest in the load-waived share class shown. Other share classes with front-end or back-end sales charges may have different ratings than the ratings shown. Additionally, some A-share mutual funds for which Morningstar calculates a load-waived A-share star rating may not waive their front-end sales load.

FUND FACTS	FUND
Total Net Assets	$6,458,740,097
Portfolio Turnover (12 months)	71.56%

STRATEGY ALLOCATION	%
Convertible Arbitrage	51.8
Covered Call	48.2

FUND INFORMATION	A SHARES	C SHARES	I SHARES
Sales Load/Maximum Sales Charge	Front-End/2.25%	Level-Load/1.00%	N/A
Total Expense Ratio†	1.28%	2.03%	1.02%
Total Expense Ratio Excluding Dividend & Interest Expense	1.08%	1.83%	0.82%

†As of prospectus dated 3/1/18

Volatility. Convertible Arbitrage tends to thrive in periods of higher volatility. While lower overall market volatility characterized the period as previously noted, the strategy was able to benefit from trade rebalancing on the volatility of individual names.

Convertible Valuations. Convertible valuations cheapened slightly during the quarter. The average convertible in ICE BofAML All U.S. Convertibles Index (VXA0) traded at a 1.83% discount, slightly cheaper than the 1.77% discount at the beginning of the quarter.

Outlook

We continue to expect heightened volatility coming from a variety of sources going forward. Investor speculation over the mid-term elections and President Trump's recent focus on balancing trade through tariffs will fuel volatility as investors attempt to determine the magnitude and reciprocity of impending tariffs. Investor speculation on the timing and degree to which central banks will join the U.S. Federal Reserve in quantitative tightening may also lead to volatility in both the equity and fixed income markets. We continue to expect volatility in the equity and credit markets, and we believe this environment will be favorable to the fund. The fund derives benefits from "volatility in volatility," whether from the rebalancing opportunities higher volatility provides to convertible arbitrage or from the potential to receive higher call premiums in the covered call allocation.

As the markets move later into the economic cycle, investors are facing a dilemma in terms of how to reduce equity sensitivity without embracing the interest rate sensitivity of the bond market. The fund has historically provided bond-like returns with bond-like risk without having bond-like interest rate sensitivity. The fund also has lower correlations to other asset classes. Therefore, including the fund in an investment portfolio should provide a means for reducing equity sensitivity and can provide stability in an environment that turns increasingly volatile for both stocks and bonds.

Past performance does not guarantee future results. Please see additional disclosures on last page.

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Term Definitions

Alpha is the measurement of performance on a risk adjusted basis. A positive alpha shows that performance of a portfolio was higher than expected given the risk. A negative alpha shows that the performance was less than expected given the risk. Annualized standard deviation is a statistical measure of the historical volatility of a mutual fund or portfolio. Beta is a historic measure of a fund's relative volatility, which is one of the measures of risk; a beta of 0.5 reflects 1/2 the market's volatility as represented by the Fund's primary benchmark, while a beta of 2.0 reflects twice the volatility. Downside capture ratio measures manager's performance in down markets as defined by the named index. A down-market is defined as those periods (months or quarters) in which named index return is less than 0. In essence, it tells you what percentage of the down-market was captures by the manager. R-squared is a mathematical measure that describes how closely a security's movement reflects movements in a benchmark. Sharpe ratio is a calculation that reflects the reward per each unit of risk in a portfolio. The higher the ratio, the better the portfolio's risk-adjusted return is. Tracking error is a measure of the volatility of excess returns relative to a benchmark. Upside capture ratio measures a manager's performance in up markets relative to the named index itself. It is calculated by taking the security's upside capture return and dividing it by the benchmark's upside capture return.

Convertible Arbitrage involves buying convertible bonds and short selling their underlying equities to attempt to hedge against equity risk, while still providing the potential for upside returns. A Covered Call Writing strategy begins with a portfolio of stocks, most of which pay dividends. (Stock provisions include securities convertible into the underlying stocks.) We then write (sell) calls and buy protective puts against a portion of this basket. A call option gives the buyer the right to purchase stocks at a predetermined strike price. If these securities rise above the strike price, the buyer may exercise the option and the fund (seller) must pay the buyer the difference as determined by the option contract. By writing calls on securities held in the portfolio, the fund can generate income from option premiums. A put option gives the purchaser the right to sell a security to the writer at a predetermined price. Put options rise in value as the underlying securities decline in value. Through put options, the fund seeks to offset some of the risk of a potential decline in a portfolio holding.

Index Definitions

The Bloomberg Barclays U.S. Government/Credit Bond Index comprises long-term government and investment-grade corporate debt securities and is generally considered representative of the performance of the broad U.S. bond market. Unlike convertible bonds, U.S. Treasury bills are backed by the full faith and credit of the U.S. government and offer a guarantee as to the timely repayment of principal and interest. The ICE BofAML All U.S. Convertibles Index (VXA0) is comprised of approximately 700 issues of only convertible bonds and preferreds of all qualities and measures the return of all U.S. convertibles. Source ICE Data Indices,LLC, used with permission. ICE permits use of the ICE BofAML indices and related data on an 'as is' basis, makes no warranties regarding same, does not guarantee the suitability, quality, accuracy, timeliness, and/or completeness of the ICE BofAML Indices or data included in, related to, or derived therefrom, assumes no liability in connection with the use of the foregoing and does not sponsor, endorse or recommend Calamos Advisors LLC or any of its products or services.

The CBOE Volatility Index or VIX (based on its CBOE ticker symbol) shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options. The Citigroup 30-Day T-Bill Index is generally considered representative of the performance of short term money market instruments. The Credit Suisse Fear Barometer essentially tracks the willingness of investors to pay up for downside protection with collar trades on the S&P 500 Index. The Morningstar Market Neutral Category represents funds that attempt to eliminate the risks of the market by holding 50% of assets in long positions in stocks and 50% of assets in short positions. The S&P 500 Index is a market-value weighted index consisting of 500 stocks chosen for market size, liquidit, and industry group representation. It is widely regarded as the standard for measuring U.S. stock market performance.

Unmanaged index returns assume reinvestment of any and all distributions and, unlike fund returns, do not reflect fees, expenses or sales charges. Investors cannot invest directly in an index.

Additional Information

Past performance does not indicate future results. No investment strategy or objective is guaranteed and a client's account value can fluctuate over time and be worth more or less that the original investment. 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.

Important Risk Information

An investment in the Fund(s) is subject to risks, and you could lose money on your investment in the Fund(s). There can be no assurance that the Fund(s) will achieve its investment objective. Your investment in the Fund is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. The risks associated with an investment in the Fund(s) can increase during times of significant market volatility. The Fund(s) also has specific principal risks, which are described below. More detailed information regarding these risks can be found in the Fund's prospectus.

The principal risks of investing in the Market Neutral Income Fund include: equity securities risk consisting of market prices declining in general, convertible securities risk consisting of interest rate risk and credit risk, synthetic convertible instruments risk, convertible hedging risk, covered call writing risk, options risk, short sale risk, interest rate risk, credit risk, high yield risk, liquidity risk, portfolio selection risk, and portfolio turnover risk.In addition, emerging markets may present additional risk due to potential for greater economic and political instability in less developed countries.

Covered Call Writing Risk: As the writer of a covered call option on a security, the fund foregoes, during the option's life, the opportunity to profit from increases in the market value of the security, covering the call option above the sum of the premium and the exercise price of the call. Convertible Securities Risk: The value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors also may have an effect on the convertible security's investment value. Convertible Hedging Risk: If the market price of the underlying common stock increases above the conversion price on a convertible security, the price of the convertible security will increase. The fund's increased liability on any outstanding short position would, in whole or in part, reduce this gain.

Before investing carefully consider the fund's investment objectives, risks, charges and expenses. Please see the prospectus and summary prospectus containing this and other information which can be obtained by calling 1-800-582-6959. Read it carefully before investing.

CALAMOS INVESTMENTS

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