FIXED INCOME DATA AS OF 12/31/12 calamos.com

# Total Return Bond Fund Fourth Quarter 2012 Report

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#### **FUND INFORMATION**

A share ticker: CTRAX

I share ticker: CTRIX

Category: Core Plus Fixed Income

Inception date: 6/25/2007

Net assets: \$235.9 million

Objective: Total return,

consistent with preservation of capital and prudent investment management

#### **BENCHMARK**

Barclays U.S. Aggregate Bond Index

#### **FUND STRATEGY**

The fund invests in a diversified portfolio of fixed income investments including derivatives. The fund may invest in U.S. government/agency securities, corporate debt of U.S. and non-U.S. issuers including up to 25% in high yield debt.

- » Active management blending global investment themes and fundamental research
- » Opportunistic sector allocations provide greater flexibility in managing risk and reward.
- » Broad diversified exposure to U.S. investment grade bond market and complementary holding that may include high-yield securities, international bonds and currencies.

#### **Key Drivers of Performance**

- » The fund added 0.32% (A shares at NAV) in the fourth guarter and exceeded the Barclays U.S. Aggregate Bond Index performance of 0.21%.
- » The fund benefited from an overweight to corporate and sovereign securities, and an underweight to Treasury, agency, and mortgage securities.

#### Market and Portfolio Overview

- » Early in the quarter, investors focused on the U.S. elections, followed by a quick shift to the fiscal cliff debate. The markets seemed to ebb and flow as investors sought clues from the headlines pointing towards the potential outcomes of these very uncertain events.
- » Corporate bond performance was strong during the quarter as investors continued to seek the higher income than corporate bonds could provide. Sovereign bonds also benefited from a continued weakening of the U.S. dollar. As such, sovereign and corporate debt led the index higher with a gains of 1.7% and 1.2%, respectively.
- » Despite the Federal Reserve's announcement of QE3, Treasury yields changed only slightly during the fourth quarter, declining by 0.09% as a whole. The yield curve steepened slightly at the long end of the curve as the yield on the 10-year Treasury moved higher by 15 basis points to 1.78%. Agencies rose by 0.22% while mortgage-backed securities declined 0.20%.
- » With respect to the fund's performance, asset class positioning contributed favorably to returns. Fund holdings were more heavily weighted to credit and sovereigns, which were among the best performing areas in the fourth quarter. At the same time, the fund was underweight to the lagging segments of Treasurys, agencies and mortgages. Security selection, particularly in the corporate area, was a detractor to returns for the quarter, as an underweight to the financials sector hampered results.

AVERAGE ANNUAL RETURNS	3-MONTH	1-YEAR	3-YEAR	5-YEAR	SINCE INCEPTION
Calamos Total Return Bond Fund					
I shares – at NAV (Inception 6/25/07)	0.39%	4.40%	4.74%	5.75%	6.33%
A shares – at NAV (Inception 6/25/07)	0.32	4.04	4.45	5.46	6.06
A shares – Load adjusted	-3.40	0.10	3.12	4.66	5.32
Barclays U.S. Aggregate Bond Index	0.21	4.22	6.19	5.95	6.53
Lipper Intermediate Investment Grade Debt Funds	0.69	6.81	6.95	5.89	6.22

Performance data quoted represents past performance, which is no guarantee of future results. Current performance may be lower or higher than the performance quoted.

The principal value and return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. Performance reflected at NAV does not include the Fund's maximum front-end sales load of 0.00% had it been included, the Fund's return would have been lower. For the most recent fund performance information visit Calamos.com.

Returns of less than 12 months are cumulative returns. Returns for periods greater than 12 months are annualized. 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 assumes reinvestment of dividends and capital gains distributions. The Fund also offers Class B and C Shares, the performance of which may vary. 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.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

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STRATEGY PERFORMANCE A	ND ATTRIBUTION		
	FUND POSITIONING	MARKET ACTIVITY	RESULT
Duration / Yield Curve	The fund's duration of 3.6 years was shorter than that of the index at 5.1 years. We have been focused on keeping duration relatively short as we maintain concerns of higher inflation.	The yield curve steepened slightly in the fourth quarter as interest rates moved higher at the longer end of the curve.	The shorter duration positioning in the fund portfolio relative to the index was additive to returns.
Security Type	The fund had heavier weights to corporate securities and high quality sovereign bonds, and lighter exposure to Treasurys, mortgages, and agency securities relative to the index. This positioning reflects our view on the more attractive yield opportunities, as well as our intent to better prepare the portfolio for a time of higher inflation. The non-dollar exposure also offers high quality yield and diversification benefits from a currency standpoint.	Sovereign and corporate debt led the Barclays U.S. Aggregate Bond Index higher with a gains of 1.7% and 1.2%, respectively. Mortgage-backed securities and Treasurys fell by 0.20% and 0.09%, respectively, while agencies rose by 0.22%.	A higher allocation to corporate debt was a contributing factor to relative returns during the quarter. Selection within sovereigns was also additive to returns.
Corporate Sector and Security Selection	The fund was positioned with heavier exposure to industrials, and lighter exposure to both financials and utilities.	Financials performed strongly, gaining 1.9% for the quarter. Industrials and utilities gained 0.7% and 0.6%, respectively.	Sector positioning within corporate bonds was a detractor from relative returns as financials outperformed. Our selections in the industrials sector added value, while our names in financials underperformed.

### Calamos Total Return Bond Fund Fourth Quarter 2012 Report

#### Market Commentary

#### **FOURTH QUARTER REVIEW**

During the quarter, investors were challenged by many concerns including U.S. elections, the ramifications of Hurricane Sandy and persistent uncertainty regarding fiscal cliff negotiations. The markets seemed to ebb and flow throughout the quarter until investors seemed assured that the fiscal cliff debate would reach a favorable conclusion. In this market environment, U.S. Treasury yields rose slightly at the long end of the yield curve, with the 10-Year Treasury yield rising 13 basis points to 1.78%. Corporate bonds outperformed Treasurys.

The Federal Reserve also announced that it is targeting improved job growth and will allow above-target inflation. With negative real rates, we expect that lower duration bonds will be hurt the most. The Fed has also focused its quantitative easing activities on mid-duration mortgages, as opposed to the longer duration Treasurys that were the focal point of Operation Twist. This has the effect of removing the Fed as a buyer of longer-term paper, which may lead to a steepening yield curve at the long end.

#### OUTLOOK

We maintain our outlook for slow but sustained economic growth in the U.S. and globally, yet we are becoming more optimistic about market opportunities. In the U.S., we have seen improvements in the housing market, better-than-expected data from retail sales and industrial production, improvements within the financial sector, and slow but marginally improving job data. Additionally, monetary policy remains stimulative to risk assets and the cost of capital remains incredibly low – much lower than returns on capital for most corporations. U.S. corporate earnings have been solid, corporate balance sheets are robust, and consumers have been resilient on the whole.

Despite lingering macro concerns, we believe markets are returning to more of a bottom-up focus, with greater distinctions being made on fundamentals. We are finding opportunities in the corporate bond sector, where we see strong or improving corporate balance sheets, growing cash flows and yields that still offer a real return to investors.

The Fed's recent shift of its emphasis to the unemployment rate rather than inflation indicates that interest rates will remain low for the foreseeable future. With interest rates on government bonds extremely low, offering little to no yield after inflation, we do not see this segment of the market as providing significant return opportunities and we therefore remain underweight. We also expect current Fed policies to lead to a weakening of the U.S. dollar, which we believe should provide support to our sovereign bond exposure. With the push toward rising economic output and better employment, we also believe that credit spreads may continue to tighten, which may provide some buffer against rising interest rates.

### Calamos Total Return Bond Fund Fourth Quarter 2012 Report

#### **Fund Information**

#### TOP 10 HOLDINGS<sup>1</sup>

101 10 1102511105	
Government of New Zealand	4.3%
Kingdom of Norway	3.8
United States Treasury Note 0.250%, 11/30/13	3.8
Government of Canada	3.6
Kingdom of Sweden	3.6
United States Treasury Note 0.250%, 01/15/2015	3.4
Government of Singapore	1.7
eBay, Inc.	1.4
United States Treasury Note 2.625%, 07/31/2014	1.3
Symantec Corp.	1.3
TOTAL	28.2

Holdings and weightings are subject to change daily. Holdings are provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned.

#### **RISK MEASURES SINCE FUND INCEPTION**

	FUND	BARCLAYS U.S. AGGREGATE BOND INDEX
Alpha	0.45%	N/A
Beta	0.86	1.00
Sharpe Ratio	1.35	1.66
Annualized Standard Deviation	3.89%	3.43%
R-squared	58.05	100.00
Information Ratio	-0.18	N/A
Upside Capture	90.58	100.00
Downside Capture	84.79	100.00
Tracking Error	2.57%	N/A

FUND FACTS	
	FUND
Number of Holdings	137
Total Net Assets	\$235.9 million
Weighted Average Duration	3.6 years
Weighted Average Maturity	6.6 years
SEC Yield (A shares)	0.81%
Portfolio Turnover (12 months)	30.7%

### MORNINGSTAR RANKINGS AND RATINGS (INTERMEDIATE-TERM BOND CATEGORY)

	PERCENTILE	OF FUNDS	
1 year	84	1,165	
3 year	96	1,001	
5 year	69	874	
Overall Morningstar Rating™	**	1,001	
5-Year Morningstar Rating™	**	874	
3-Year Morningstar Rating™	*	1,001	

Morningstar Ratings<sup>TM</sup> are based on risk-adjusted returns and are through 12/31/12 for Class A 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: © 2013 Morningstar, Inc. All Rights Reserved.

FUND INFORMATION	A SHARES	B SHARES	C SHARES	I SHARES
Sales Load/Maximum Sales Charge	Front-End/0.00%	Back-End/0.00%	Level-Load/0.00%	N/A
Gross Expense Ratio°	0.97%	1.72%	1.72%	0.72%
Net Expense Ratio°*	0.90%	1.65%	1.65%	0.65%

<sup>°</sup> As of prospectus dated 2/29/12

#### 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. 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. 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. Annualized standard deviation is a statistical measure of the historical volatility of a mutual fund or portfolio. R-squared is a mathemati-cal measure that describes how closely a security's movement reflects movements in a benchmark. Information ratio is the measurement of the performance returns of a portfolio against the performance volatility of an index or benchmark. Information ratio is generally used as a gauge to measure the ability of a portfolio to generate excess returns of the index or 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. **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. **Tracking error** is a measure of the volatility of excess returns relative to a benchmark.

#### Index definitions

Barclays U.S. Aggregate Bond Index covers the U.S.-denominated, investment-grade, fixed-rate, taxable bond market of SEcregistered securities. The index includes bonds from the Treasury, Government-Related, Corporate, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS sectors. 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. The Lipper Intermediate Investment-Grade Debt Funds return average represents funds that invest primarily in investment-grade debt issues (rated in the top four grades) with dollar weighted average maturities of 5 to 10 years.

#### 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. Nothing presented herein is or is intended to constitute investment advice, and no investment decision should be made based on any information provided herein. The information contained herein is based on internal research derived from various sources and does not purport to be statements of all material facts relating to the information mentioned. The information contained herein, while not guaranteed as to the accuracy

or completeness, has been obtained from sources we believe to be reliable. 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 Fund 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 informa-tion regarding these risks can be found in the Fund's prospectus. The principal risks of investing in the Calamos High Income Fund include: high yield risk, convertible securities risk, synthetic convertible instruments risk, interest rate risk, credit risk, liquidity risk and portfolio selection risk. As a result of political or economic instability in foreign countries, there can be special risks associated with investing in foreign securities, including fluctuations in currency exchange rates, increased price volatility and difficulty obtaining information. In addition, emerging markets may present additional risk due to potential for greater economic and political instability in less developed countries.

Before investing, carefully consider the fund's investment objectives, risks, charges and expenses. Contact 800.582.6559 for a prospectus containing this and other information. Read it carefully.

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<sup>&</sup>lt;sup>1</sup> Top 10 Holdings are calculated as a percentage of Net Assets. The tables exclude cash or cash equivalents, any government/ sovereign bonds or broad based index hedging securities the portfolio may hold. You can obtain a complete listing of holdings by visiting calamos.com.

<sup>\*</sup> Calamos Advisors, the Fund's investment advisor, has contractually agreed to reimburse Fund expenses through June 30, 2013 to the extent necessary so that Total Annual Fund Operating Expenses (excluding taxes, interest, short interest, short dividend expenses, brokerage commissions, acquired fund fees and expenses, and extraordinary expenses, if any) of Class A, Class B, Class C and Class I are limited to 0.90%, 1.65%, 1.65% and 0.65% of average net assets, respectively.