

U.S. Growth Strategy

CALAMOS[®]

Market Environment

The S&P 500 Index returned 1.13% during the quarter, while the Russell 3000 Growth Index gained 0.88%. Stocks in the broad market struggled at the beginning and end of the quarter, but experienced a strong mid-quarter gain in August, which helped sustain returns. During the quarter, U.S. stocks were buoyed by relatively stronger U.S. economic data and expectations that the Fed would support the economy with its accommodative policies well into 2015. Various data points showed that the U.S. economy was gaining momentum, as auto sales and factory new orders posted record gains, and unemployment dropped. Declining oil prices benefited consumer sentiment and aided a number of industries. Finally, second quarter GDP was revised up to 4.6%, which is the best reading since the fourth quarter of 2011.

Within the S&P 500 Index, companies within health care (5.50%), information technology (4.86%) and telecom services (3.08%), performed the best, while energy (-8.61%), utilities (-4.01%), and industrials (-1.09%) underperformed.

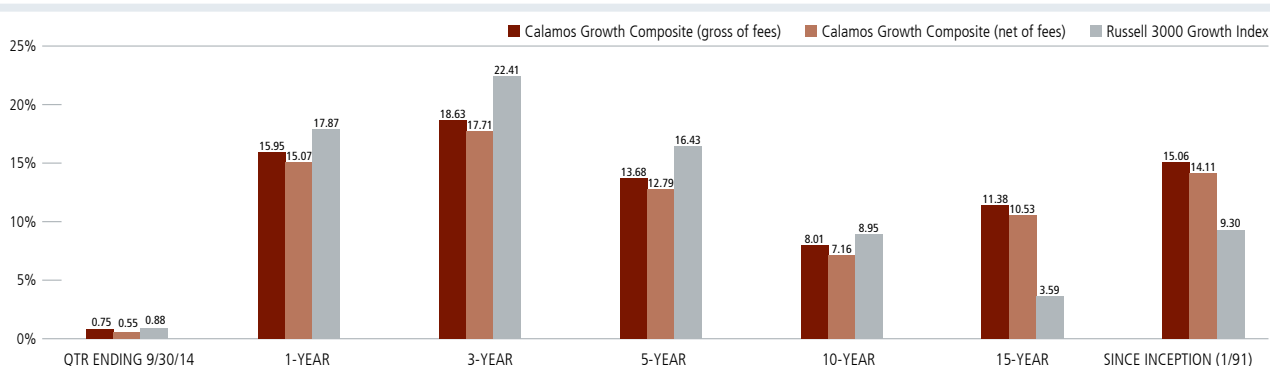
Sector performance within the Russell 3000 Growth Index was also mixed during the quarter. Companies within health care (6.63%), telecom services (3.59%), and information technology (3.38%) outpaced the index, while energy (-10.73%), utilities (-3.54%) and industrials (-2.10%) underperformed.

Performance Review

The broad growth market was largely rotational, with little to no consistency to the leaders or laggards. Traditional growth areas (technology and health care) led performance, while large caps significantly outperformed smaller-cap stocks. Performance by sector varied significantly. Health care led the index with a 6.63% return, while energy declined -10.73%, a difference of more than 17 percentage points. In addition, performance in the growth benchmark was driven largely by a handful of large and mega-cap names.

Specific to the portfolio, the overall impact of top-down positioning was in line with the index, but security selection detracted from returns. In regard to sector-level influences, an overweight position and security selection within industrials, as

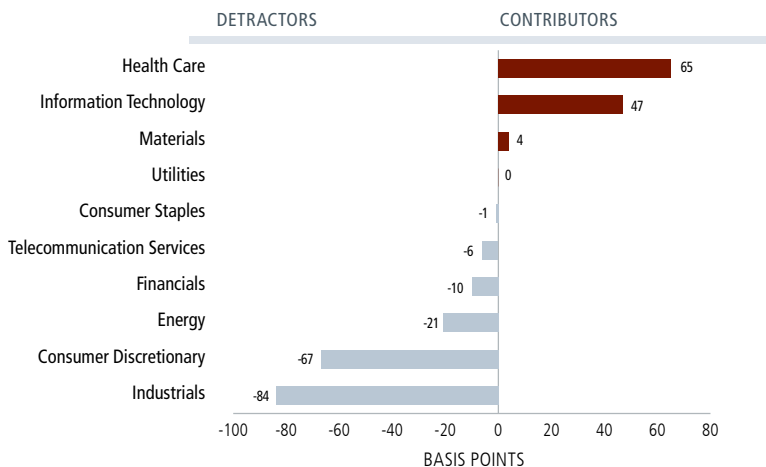
FIGURE 1. CALAMOS U.S. GROWTH STRATEGY RETURNS



Source: Calamos Advisors LLC and Mellon Analytical Solutions LLC.
 Past performance is no guarantee of future results.
 Data as of 9/30/14.

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FIGURE 2. REPRESENTATIVE PORTFOLIO PERFORMANCE VERSUS RUSSELL 3000 GROWTH INDEX
THIRD QUARTER 2014



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 9/30/14.

well as security selection within consumer discretionary held back returns. However, an overweight stance and security selection within health care and technology was positive.

An overweight position and security selection within the industrials sector detracted, as holdings in the electrical components and equipment industry dampened returns. We continue to find compelling opportunities in the industrials sector, especially those closely tied to global demand for infrastructure, transportation, and power solutions. Our holdings are diversified across industries including electrical components, aerospace and defense, construction machinery, and airlines.

The portfolio's selection in the consumer discretionary sector held back quarterly performance, as holdings in the apparel, accessories and luxury goods industry underperformed. We continue to favor companies with strong, well-known brands, and those that demonstrate flexible balance sheets and improving fundamentals. Current holdings within the sector extend across

a broad spectrum of industries, including internet retail, apparel retail, and home improvement.

An overweight position and strong stock selection within health care benefited performance. In particular, holdings within the biotechnology and health care technology industries helped returns. We continue to favor health care innovators, including those seeking growth opportunities within developing markets, as well as those companies furthest removed from government regulations. The portfolio's exposure within the sector includes biotechnology, health care technology, health care equipment, and life sciences tools and services.

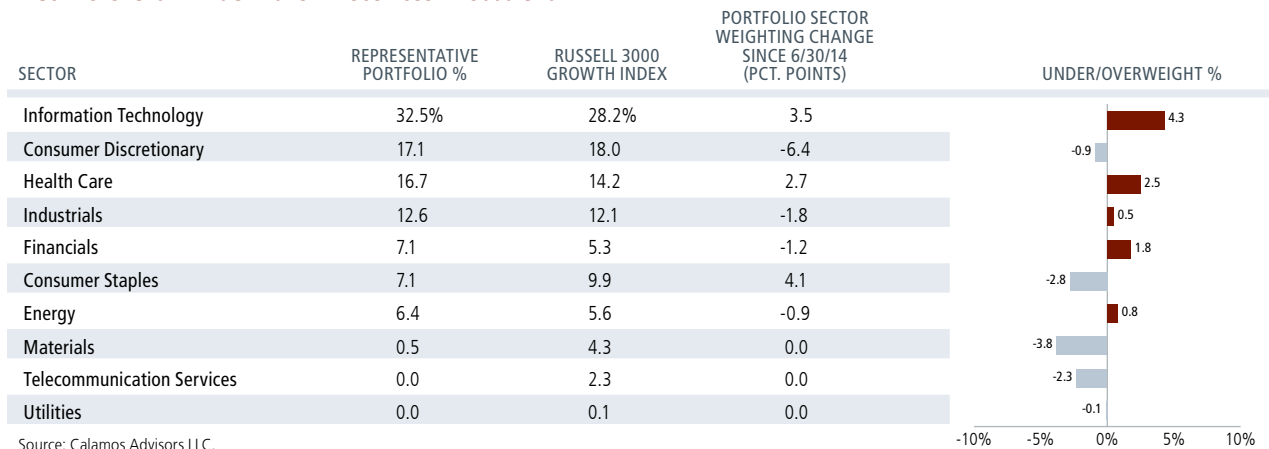
An overweight stance and positive stock selection within information technology contributed to returns. Among industry groups, holdings within internet software and services added to performance. We favor investments in technology due to attractive fundamentals, including strong earnings growth and cash flow characteristics, and believe the portfolio's holdings are well positioned to benefit from higher capital spending trends. We expect many industries within the sector to participate in long-term growth themes, including productivity enhancement and the demand for enhanced mobility and connectivity by businesses and consumers.

Positioning

As we believe we have yet to enter a late-cycle environment, we have positioned the portfolio with an emphasis on both cyclical and secular growth opportunities. Our focus is on higher-growth businesses, in sectors such as information technology, consumer discretionary, health care, and industrials. We expect well-positioned companies to benefit from a variety of macro themes, including mobility and innovation, open access to information and entertainment, productivity enhancements, and global infrastructure demand. At the same time, we remain mindful of risk and our valuation discipline and are cognizant of the potential

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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 9/30/14.

impact of an eventual rise in rates on high long-term growth, longer-duration equities.

Among the quarter's positioning changes, we sought to manage risk within the portfolio by marginally reducing exposure to higher P/E holdings. Other stocks were sold or trimmed within the portfolio, reflecting our vigilance about U.S. multinationals and how the strong U.S. dollar could affect business.

The most notable change in the period was a reduction in the portfolio's consumer discretionary weight. Weaker fundamentals and poor earnings guidance among select companies caused us to pare exposure. We reduced holdings in various industries, such as apparel, accessories and luxury goods, computer and electronics retail, and auto parts and equipment. Despite the decrease in the portfolio's overall weight to consumer discretionary, we remain positive about the long-term prospects within the sector and continue to find attractive growth opportunities. We identified new holdings within the consumer staples, information technology, and health care sectors.

In absolute terms, the portfolio's largest allocations include the information technology, consumer discretionary and health care

sectors. Information technology represents the largest overweight relative to the Russell 3000 Growth Index. Conversely, the materials sector is presently the most significant underweight.

Outlook

Despite the turbulence of early October, and more than five years of a strong market cycle, we believe there's additional upside for stocks, as valuations remain reasonable. Global monetary conditions remain accommodative and inflation almost non-existent. With the Fed unlikely to raise short-term rates until mid-2015 and European investors pushing down U.S. long-term yields in a quest for income, we expect M&A and buyback activity to remain robust. When the Fed eventually raises short-term rates, the markets may well experience short-term angst. Longer-term, however, equities have typically performed well when rates have been modestly higher, provided that the economy is also expanding.

Consistent with our positive outlook for U.S. equities, we are favoring a combination of secular and cyclical growth companies, in sectors including technology, financials, health care, and industrials. We believe we have entered a growth regime for equities but are not yet in a late-cycle economy. While

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economic conditions have improved, we have not seen a surge in corporate capital spending, typically an indication of a late-cycle environment.

We believe that today's growth equity opportunity set is well suited to our active management approach. As always, we will proceed with a focus on selectivity, valuation discipline, and comprehensive risk management.

For a more detailed review of our macro thoughts, please read our latest [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 All Cap 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.

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Performance returns presented reflect, unless otherwise noted the Calamos All Cap Growth Composite, is an actively managed strategy that invests in common stocks, preferred stocks, securities convertible into U.S. common stocks, and U.S. dollar-denominated American Depositary Receipts, primarily in high growth industries and companies across all market capitalizations. Results include all fully discretionary, fee-paying accounts, including those no longer with the Firm. 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.

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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 | www.calamos.com/institutional

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