DECEMBER 2018

Constructing an Alternative Allocation

Important Information

Some of the risks associated with investing in alternatives may include hedging risk – hedging activities can reduce investment performance through added costs; derivative risk – derivatives may experience greater price volatility than the underlying securities; short sale risk – investments may incur a loss without limit as a result of a short sale if the market value of the security increases; interest rate risk – loss of value for income securities as interest rates rise; credit risk – risk of the borrower to miss payments; liquidity risk – low trading volume may lead to increased volatility in certain securities; non-U.S. government obligation risk – non-U.S. government obligations may be subject to increased credit risk; portfolio selection risk – investment managers may select securities that fare worse than the overall market. Alternative investments may not be suitable for all investors.

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(s) 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.

Market Neutral Income Fund risks include: losses from convertible and other fixed income instruments due to rising interest rates or credit-rating downgrades; differences in how synthetic convertibles and convertibles react to market movements; loss of income from convertible hedging; loss of equity appreciation from covered call writing; illiquidity in the options market and shifting correlations versus other asset classes; unlimited losses from short selling; losses from high-yield securities because of defaults.

The principal risks of investing in the Calamos Long/Short Fund include: equity securities risk – securities markets are volatile and market prices may decline generally; short sale risk – the fund may incur a loss without limit as a result of a short sale if the market value of the security increases, the fund may be unable to repurchase a borrowed security; leverage risk – certain transactions such as loans and securities lending may create leverage and cause the fund to be more volatile; foreign securities risk – fluctuations of exchange rates may affect the U.S. dollar value of a security.

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.

Not FDIC Insured | May Lose Value | No Bank Guarantee

Calamos Financial Services LLC, Distributor
2020 Calamos Court | Naperville, IL 60563-2787
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A Pioneer in Alternative Investing

CALAMOS INVESTMENTS IS POWERED BY INDEPENDENT THINKING

» Calamos Investments has over 40 years of expertise outside of traditional asset classes, with more than $6 billion in alternative AUM.

» Calamos is a pioneer in the use of convertibles, which is applied in the Calamos Market Neutral Income Fund's (CMNIX) convertible arbitrage strategy

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Agenda

- Alternatives: What, Why and How
- Classification and Analysis
- Piecing it All Together

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CALAMOS INVESTMENTS

Alternatives: What, Why and How

What is an Alternative Investment?

» An investment can be defined as "alternative" if it falls into one or more of the following buckets:

Non-traditional asset classes

- *i.e. commodities and currencies*

Non-traditional strategies

- *i.e. shorting and hedging*

Illiquid assets

- *i.e. private equity and private debt*

Investments mentioned above may not be suitable for all investors. Before making any investment, each investor should carefully consider the risks associated with the investment and make a determination based upon the investor's own particular circumstances, that the investment is consistent with the investor's investment objectives.

What is an Alternative Investment?

» Dynamic classification

- Once an investment becomes mainstream, it is no longer "alternative"

» Legal structure does not define the investment

- Hedge funds aren't necessarily alternative, and mutual funds aren't necessarily traditional

A good alternative investment is one that produces positive risk adjusted returns (over a reasonable time frame) and exhibits a lower correlation to traditional investments.

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Institutional vs. Retail Investors

State pension plans have lowered exposure to unhedged equity and increased allocations to alternatives.

Asset Allocation	Institutional FYE 2006	Institutional FYE 2017
Equities	61%	47%
Fixed-Income	26%	23%
Cash/Other	2%	4%
Alternatives	10%	26%

Retail 12/31/18
58%
25%
15%
2%

- Many state pensions are shifting their asset allocation toward what is referred to as the "endowment model."
- State pensions are now at a total dollar weighted allocation to alternatives of 26% of assets, still less than one-half the allocation for endowments.

Source: Cliffwater LLC, September 2018, Data based on 2016 Fiscal Year Ends for State Pensions. Retail reflects breakdown of mutual fund industry assets as of 12/31/18. Morningstar Direct U.S. Asset Flows, December 31, 2018. Alternatives include Commodities and Nontraditional Bond funds. Allocation funds are assumed to be 50% equities and 50% fixed-income

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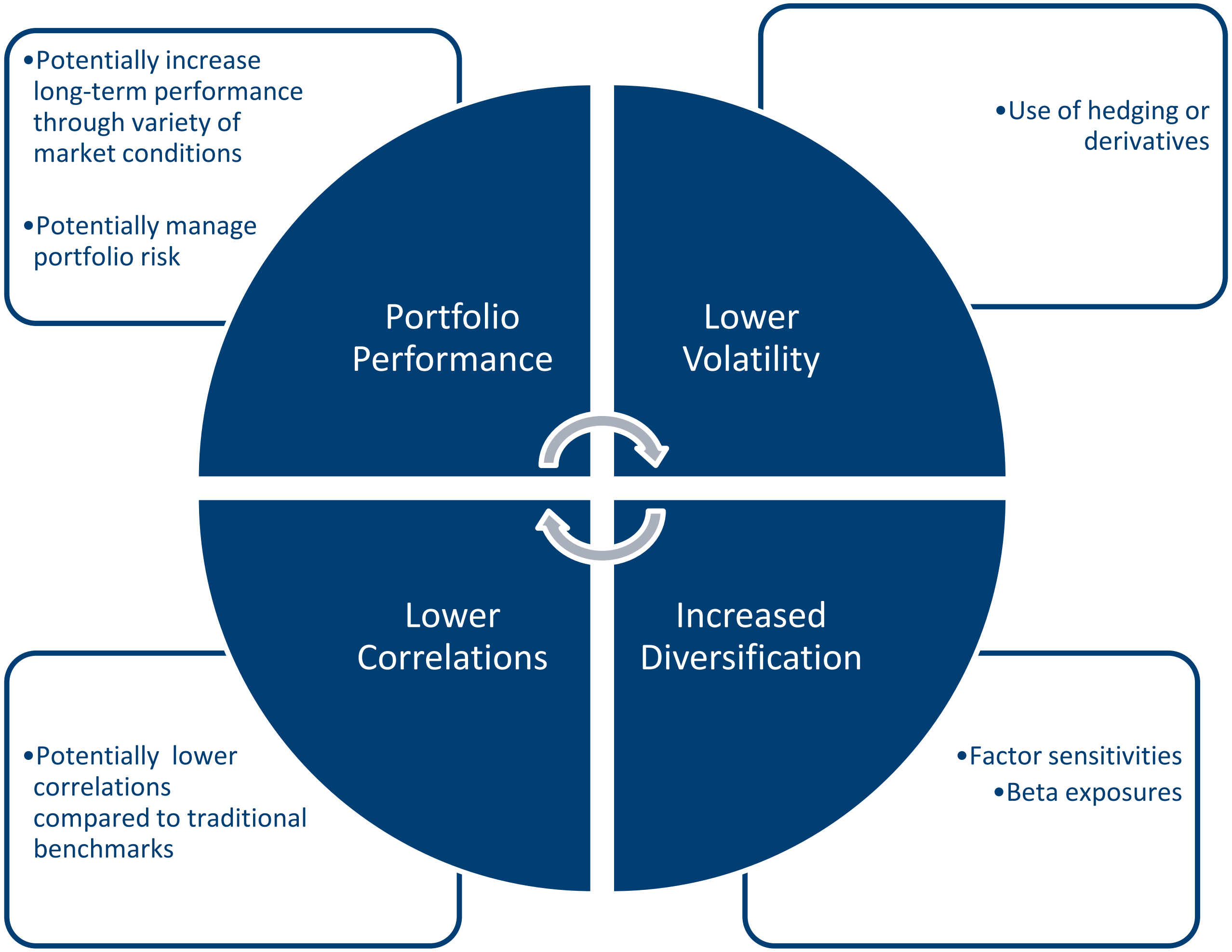
Why Alternatives?

Why have institutions, university endowments and high net worth investors chosen to allocate assets to alternative strategies?



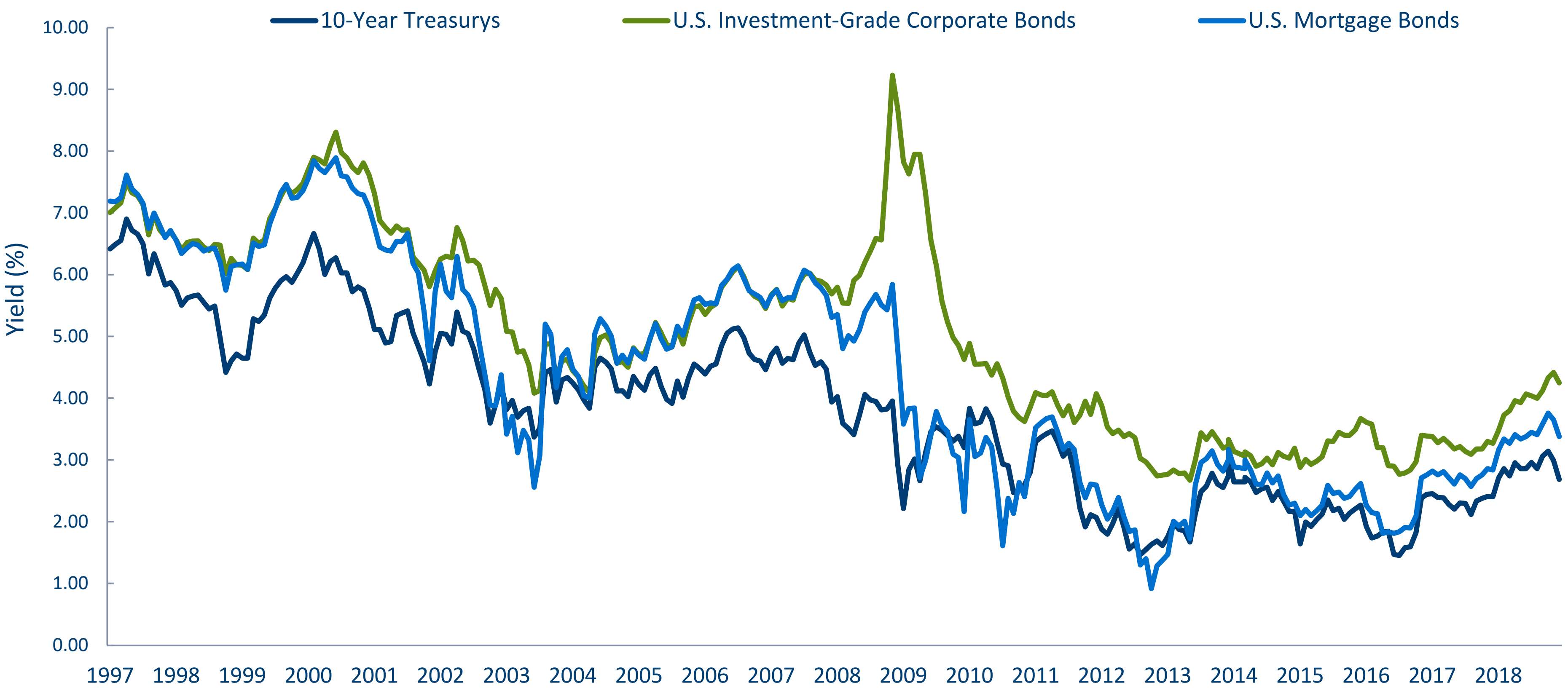
» Adding alternatives to a portfolio of traditional assets can help lower risk while potentially enhancing returns

Source: "Alternative Asset Classes: An Introduction," by Greg H. Skidmore of Belray Asset Management. Some of the risks associated with investing in alternatives may include hedging risk, derivative risk, short sale risk, interest rate risk, credit risk, liquidity risk, non-U.S. government obligation risk and portfolio selection risk. Alternative investments may not be suitable for all investors. Financial instruments, such as stocks and bonds, are constantly impacted by many factors. Sensitivity accounts for all factors that impact a given instrument in a negative or positive way in an attempt to learn how much a certain factor will impact the value of a particular instrument.

Trend in Fixed Income: Investment Grade Yields are Low

- To decrease volatility, investors have moved to low-yielding investment-grade securities
- Government intervention may result in higher inflation, which tends to hurt bonds as rates rise
- Rising rates can be especially damaging in portfolios with a heavy bond allocation

LOWER YIELDS: INVESTMENT GRADE BOND YIELDS HAVE FALLEN



Source: Bloomberg

Past performance is no guarantee of future results.

Treasurys are obligations of the U.S. government and are considered among the least likely to default. U.S. investment grade corporate bonds are obligations of companies that includes risk of default when interest payments are not made. Mortgage backed securities include pools of residential mortgages that include risks of homeowners not meeting monthly payments and the potential for homeowners to pay off outstanding debt before maturity (prepayment risk) when interest rates fall. Time period shown represents earliest available data for U.S. mortgage bonds.

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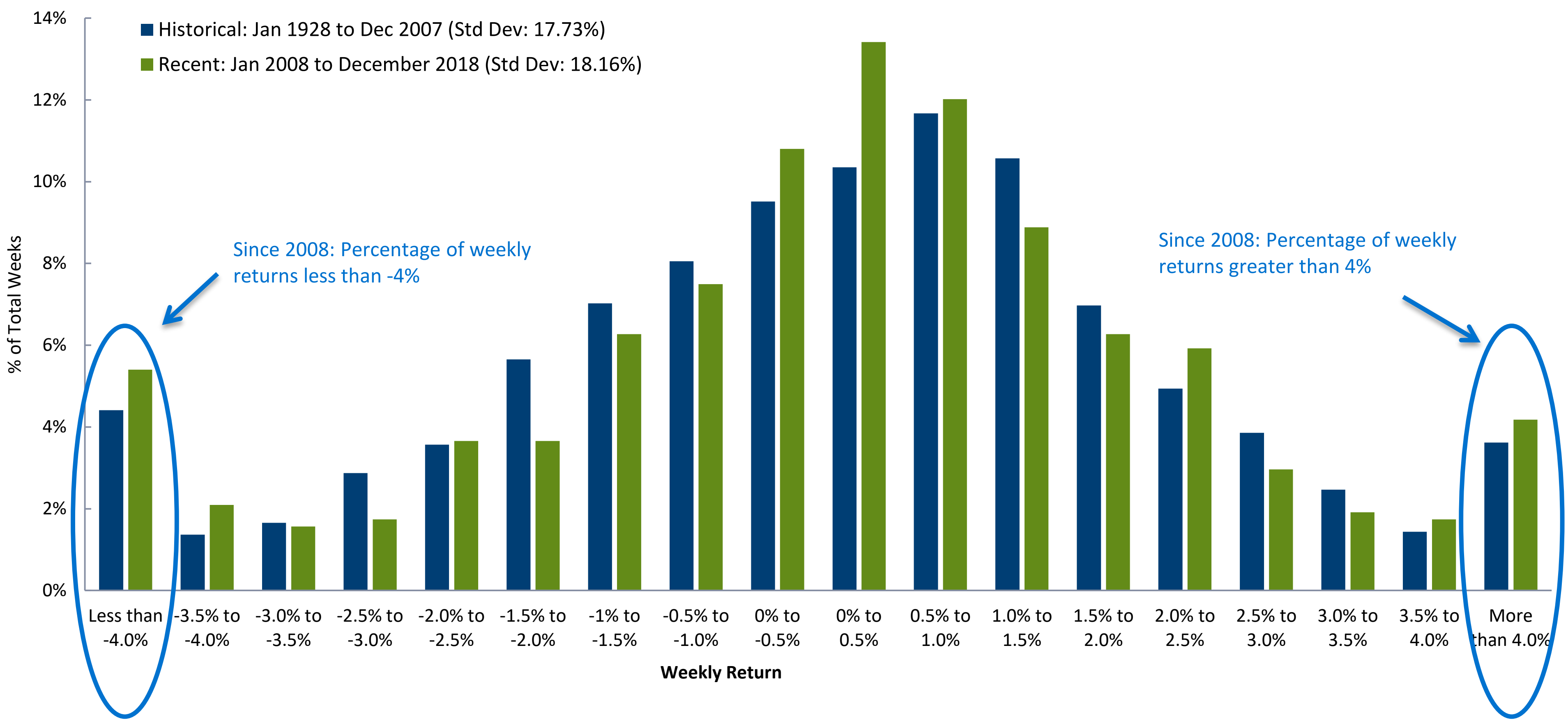
The Trend in Stocks: Higher Volatility

» Investors are searching for new alternatives in an era of higher volatility

» This chart shows the increase in volatility since the 2008 financial crisis

S&P 500 Index Weekly Returns Distribution



Source: Bloomberg. **Past performance is no guarantee of future results. Slide updated annually.**

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Asset Class Returns (12/31/03 – 12/31/18)

- » Maintain a diversified approach: The best and worst performing asset classes vary greatly year to year
- » ‘Asset allocation’ assumes the following weights: 50% Stocks, 35% Bonds, 15% Alternatives

															2004 - 2018	
2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Ann.	Vol.
REITs 31.6%	EM Equity 34.5%	REITs 35.1%	EM Equity 39.8%	Fixed Income 5.2%	EM Equity 79.0%	REITs 27.9%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	Small Cap 21.3%	EM Equity 37.8%	Cash 1.8%	REITs 8.5%	REITs 22.4%
EM Equity 26.0%	Comdty. 21.4%	EM Equity 32.6%	Comdty. 16.2%	Cash 1.8%	High Yield 59.4%	Small Cap 26.9%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 14.3%	DM Equity 25.6%	Fixed Income 0.0%	EM Equity 8.3%	EM Equity 22.1%
DM Equity 20.7%	DM Equity 14.0%	DM Equity 26.9%	DM Equity 11.6%	Asset Alloc. -25.4%	DM Equity 32.5%	EM Equity 19.2%	High Yield 3.1%	EM Equity 18.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%	Large Cap 12.0%	Large Cap 21.8%	REITs -4.0%	Large Cap 7.8%	Small Cap 18.6%
Small Cap 18.3%	REITs 12.2%	Small Cap 18.4%	Asset Alloc. 7.1%	High Yield -26.9%	REITs 28.0%	Comdty. 16.8%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 5.2%	Cash 0.0%	Comdty. 11.8%	Small Cap 14.6%	High Yield -4.1%	Small Cap 7.5%	Comdty. 18.6%
High Yield 13.2%	Asset Alloc. 8.1%	Large Cap 15.8%	Fixed Income 7.0%	Small Cap -33.8%	Small Cap 27.2%	Large Cap 15.1%	Cash 0.1%	Small Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity -0.4%	EM Equity 11.6%	Asset Alloc. 14.6%	Large Cap -4.4%	High Yield 7.3%	DM Equity 17.6%
Asset Alloc. 12.8%	Large Cap 4.9%	Asset Alloc. 15.3%	Large Cap 5.5%	Comdty. -35.6%	Large Cap 26.5%	High Yield 14.8%	Asset Alloc. -0.7%	Large Cap 16.0%	REITs 2.9%	Cash 0.0%	Asset Alloc. -2.0%	REITs 8.6%	High Yield 10.4%	Asset Alloc. -5.8%	Asset Alloc. 6.2%	Large Cap 14.5%
Large Cap 10.9%	Small Cap 4.6%	High Yield 13.7%	Cash 4.8%	Large Cap -37.0%	Asset Alloc. 25.0%	Asset Alloc. 13.3%	Small Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%	Asset Alloc. 8.3%	REITs 8.7%	Small Cap -11.0%	DM Equity 5.2%	High Yield 11.0%
Comdty. 9.1%	High Yield 3.6%	Cash 4.8%	High Yield 3.2%	REITs -37.7%	Comdty. 18.9%	DM Equity 8.2%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%	Fixed Income 2.6%	Fixed Income 3.5%	Comdty. -11.2%	Fixed Income 3.9%	Asset Alloc. 10.3%
Fixed Income 4.3%	Cash 3.0%	Fixed Income 4.3%	Small Cap -1.6%	DM Equity -43.1%	Fixed Income 5.9%	Fixed Income 6.5%	Comdty. -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%	DM Equity 1.5%	Comdty. 1.7%	DM Equity -13.4%	Cash 1.3%	Fixed Income 3.3%
Cash 1.2%	Fixed Income 2.4%	Comdty. 2.1%	REITs -15.7%	EM Equity -53.2%	Cash 0.1%	Cash 0.1%	EM Equity -18.2%	Comdty. -1.1%	Comdty. -9.5%	Comdty. -17.0%	Comdty. -24.7%	Cash 0.3%	Cash 0.8%	EM Equity -14.2%	Comdty. -2.5%	Cash 0.8%

Source: Barclays, Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor’s, J.P. Morgan Asset Management. Large cap: S&P 500, Small cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Barclays Global HY Index, Fixed Income: Bloomberg Barclays U.S. Aggregate, REITs: NAREIT Equity REIT Index, Cash: Bloomberg Barclays 1-3m Treasury. The “Asset Allocation” portfolio assumes the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg Barclays U.S. Aggregate, 5% in the Bloomberg Barclays 1-3m Treasury, 5% in the Bloomberg Barclays Global High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Balanced portfolio assumes annual rebalancing. Annualized (Ann.) return and volatility (Vol.) represents period of 12/31/03 – 12/31/18. Please see disclosure page at end for index definitions. All data represents total return for stated period. Past performance is not indicative of future returns. *Guide to the Markets* – U.S. Data are as of December 31, 2018.

How Can Investors Access Alternatives?

» While alternative investments provide a number of potential benefits, they require careful consideration because they are available to investors in a number of different packages and span a range of strategies

	Open-end Mutual Funds	Registered Private Funds	Unregistered Private Funds
Availability	No/low barriers to entry	Typically needs to be a "Accredited Investor"	Typically needs to be a "Qualified Purchaser"
Liquidity	Daily/Intradaily	Limited (Monthly or Quarterly)	Limited (Monthly or Quarterly)
Transparency	High	Moderate to High	Typically limited
Minimums	Low	Moderate	High
Fees	Management fee + other	Management fee + distribution and performance fees	Management fee + distribution and performance fees
Investment Universe	More constrained by regulatory limitations	Larger opportunity set	Largest opportunity set

Accredited Investor— Defined as an investor that has $1 million or more in net worth and/or has a pre-specified annual income
Qualified Purchaser— Defined as an investor that has $5 million or more in investable assets

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Classification and Analysis

Morningstar Adapts to Alternatives Usage by Creating Sub-Categories

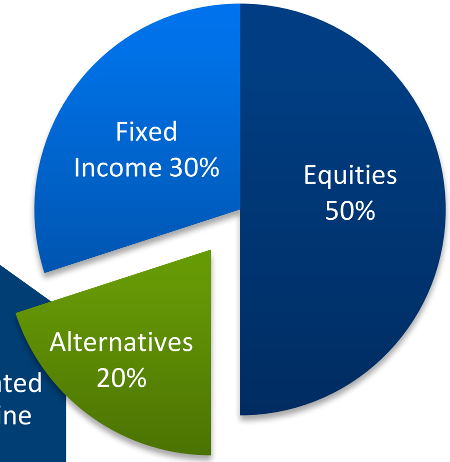
MORNINGSTAR'S ALTERNATIVE CATEGORIES

Long-Short Equity	• Morningstar Category: US OE Long/Short Equity
Market Neutral	• Morningstar Category: US OE Market Neutral
Managed Futures	• Morningstar Category: US OE Managed Futures
Multialternative	• Morningstar Category: US OE Multialternative
Multicurrency	• Morningstar Category: US OE Multicurrency
Bear Market	• Morningstar Category: US OE Bear Market
Nontraditional	• Morningstar Category: US OE Nontraditional Bond
Options-based	• Morningstar Category: US OE Options-based
Long-Short Credit	• Morningstar Category: US OE Long/Short Credit

Source: Morningstar Category Classifications

Navigating the Complex World of **Equity** Alternatives Investing

MORNINGSTAR'S ALTERNATIVE CATEGORIES



Long-Short Equity

- Take both long and short positions in equities and related derivatives with the intention of hedging against the downside
- Suited for investors seeking downside protection coupled with the ability to leave on some risk. In terms of allocation, they should replace part of an investor's long-only stock portfolio

Options-based

- Aims to generate a significant portion of their returns from the collection of premiums on options contracts sold. Includes covered call strategies, put writing strategies, as well as options strategies that target returns primarily from contract premiums
- For investors that seek equity like returns with less risk and are used to dampen volatility in equity allocations or/and limit duration risk in fixed income

Multialternative

- Offer investors exposure to several different alternative asset classes and investment tactics
- For investors who specifically seek exposure to strategies not already incorporated in their portfolios

Managed Futures

- Take long positions in futures contracts exhibiting positive price trends and short positions in those demonstrating negative trends
- Investors often reallocate assets from the riskiest part of an investor's portfolio to managed-futures strategies

Bear-Market

- Bet on an anticipated stock market decline by either shorting individual stocks or an entire index, such as the S&P 500. The fund makes money if equity prices decline
- Investors buy a bear-market fund when they expect the market to fall and then sell in anticipation of a rebound

Source: Morningstar Category Classifications. See end of presentation for important risk information for each category. Investments mentioned above may not be suitable for all investors. Before making any investment, each investor should carefully consider the risks associated with the investment and make a determination based upon the investor's own particular circumstances, that the investment is consistent with the investor's investment objectives.

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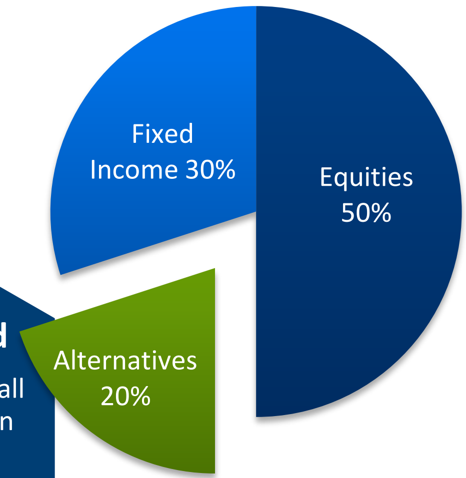
Navigating the Complex World of **Fixed Income** Alternatives Investing

MORNINGSTAR'S ALTERNATIVE CATEGORIES



Market Neutral

- Take both long and short equity positions and attempt to hedge out all market exposure by offsetting positions
- Because this low-risk/ low-return profile, investors tend to use these strategies to replace part of their fixed-income allocations

Multicurrency

- Typically invest in multiple currencies through the use of short-term money market instruments and derivatives, such as forward contracts or swaps
- With characteristics similar to bond funds, an allocation to currencies can be funded out of an investor's traditional fixed-income allocation

Long/Short Credit

- Typically invest in bonds, or sell credit default swaps, with the expectation of profiting from narrowing credit spreads; or, the funds sell bonds, or purchase credit default swaps, with the expectation of profiting from the deteriorating credit of the underlying issuer
- Because of the low duration, high credit exposure, and relatively steady moderate risk/moderate return profiles can replace part of an investor's fixed-income allocation.

Nontraditional Bond

- Invest primarily in debt (all types) but hedge duration risk, credit risk or both
- Nontraditional bond funds should exhibit lower risk and return levels, similar to bonds

Source: The Morningstar Category Classifications. See the end of presentation for important risk information for each category. Investments mentioned above may not be suitable for all investors. Before making any investment, each investor should carefully consider the risks associated with the investment and make a determination based upon the investor's own particular circumstances, that the investment is consistent with the investor's investment objectives.

Piecing It All Together

Low Correlations

» Alternative Morningstar categories tend to have low or negative correlations

MORNINGSTAR ALTERNATIVE CATEGORIES CORRELATION MATRIX: 5 YEARS ENDED 12/31/18

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	Market Neutral	1.00														
2	Managed Futures	0.21	1.00													
3	Long-Short Equity	0.65	0.21	1.00												
4	Multialternative	0.61	0.43	0.92	1.00											
5	Multicurrency	0.13	-0.21	0.19	0.26	1.00										
6	Bear Market	-0.56	-0.12	-0.96	-0.89	-0.30	1.00									
7	Nontraditional Bond	0.37	-0.09	0.64	0.71	0.52	-0.67	1.00								
8	Multisector Bond	0.33	0.06	0.58	0.73	0.58	-0.63	0.87	1.00							
9	High Yield Bond	0.42	-0.07	0.68	0.74	0.51	-0.73	0.90	0.92	1.00						
10	Inflation-Protected Bond	0.06	0.23	0.16	0.37	0.39	-0.21	0.35	0.67	0.47	1.00					
11	Long-Term Bond	-0.06	0.48	0.02	0.29	0.17	-0.03	0.17	0.53	0.22	0.72	1.00				
12	Short-Term Bond	0.07	0.19	0.13	0.39	0.40	-0.18	0.45	0.76	0.55	0.81	0.74	1.00			
13	Intermediate-Term Bond	-0.03	0.37	0.03	0.30	0.24	-0.05	0.25	0.63	0.34	0.81	0.95	0.89	1.00		
14	BBgBarc U.S. Agg Bond Index	-0.12	0.42	-0.13	0.14	0.11	0.12	0.01	0.43	0.12	0.74	0.94	0.80	0.97	1.00	
15	S&P 500 Index	0.60	0.16	0.97	0.89	0.25	-0.97	0.63	0.59	0.69	0.15	0.02	0.15	0.03	-0.13	1.00

Past performance is no guarantee of future results. Source: Morningstar Direct.

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Sample Asset Allocation

STRATEGIC ALLOCATIONS WITH ALTERNATIVE ASSETS	CONSERVATIVE	MODERATELY CONSERVATIVE	MODERATE	MODERATELY AGGRESSIVE	AGGRESSIVE
TRADITIONAL ASSETS					
Stocks	15%	35%	50%	55%	55%
Bonds	50%	45%	25%	20%	10%
Cash	25%	10%	5%	5%	5%
TRADITIONAL ASSETS TOTAL	90%	90%	80%	80%	70%
ALTERNATIVE ASSETS					
Real Assets*	3%	3%	7%	7%	10%
Hedge Fund Strategies	6%	6%	8%	8%	8%
Private Equity	1%	1%	5%	5%	12%
ALTERNATIVE ASSETS TOTAL	10%	10%	20%	20%	30%

» For a moderate investor:

- Real Assets 7%
  - Commodities
  - TIPs
  - Real Estate
- Hedge Fund Strategies 8%
  - Long-Short
  - Market Neutral
  - Managed Futures
  - Multialternative
  - Currency
  - Bear Market
  - Options-based
  - Nontraditional
- Private Equity 5%

The above sample allocations are provided for illustrative purposes only and should not be considered investment or allocation advice.
* "Real Assets" defined to include commodities, TIPs and Real estate, including REITS. Figures may not sum to 100 because of rounding. Diversification does not assure a profit or protect against loss in declining markets.

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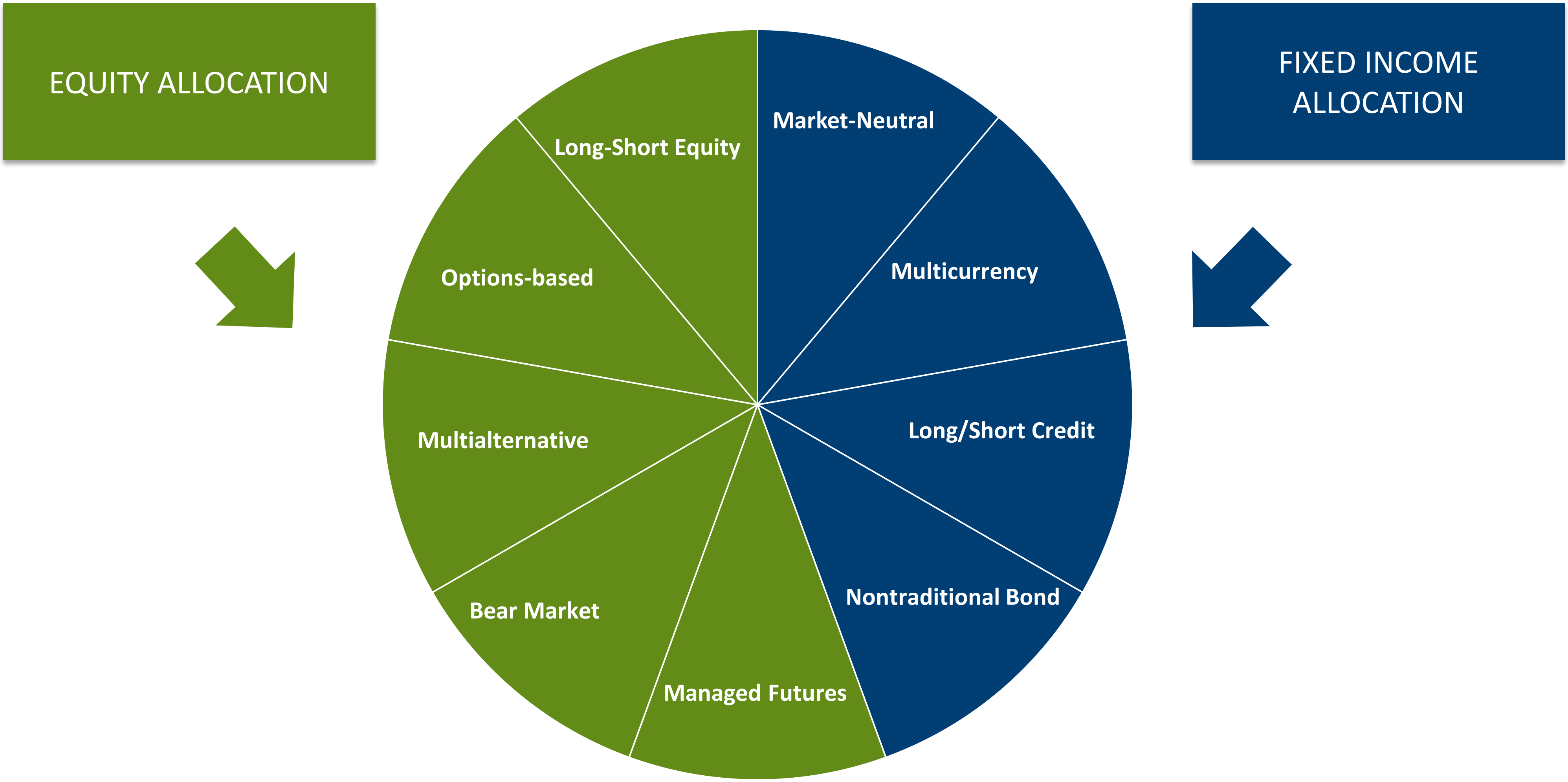
Dividing Up the Alternative Basket

- Once the decision is made to include alternatives, investors must consider how to reallocate
- In a portfolio of stocks and bonds, investors must remove funds from one or both of those allocations
- In a sense, the alternative allocation acts as a fixed income or equity replacement



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. Some of the risks associated with investing in alternatives may include hedging risk, derivative risk, short sale risk, interest rate risk, credit risk, liquidity risk, non-US government obligation risk and portfolio selection risk. Alternative investments may not be suitable for all investors.

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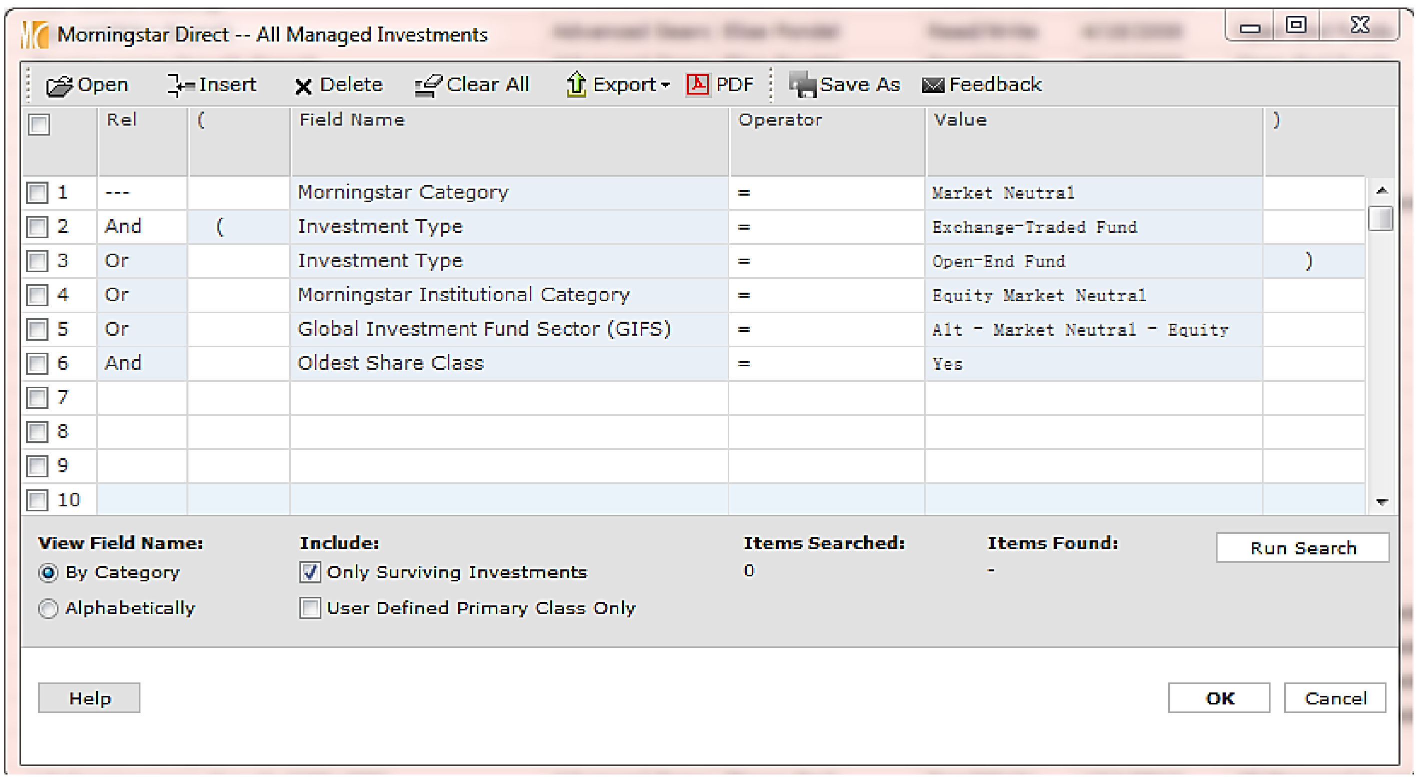
How to Find the Alternative Solution

SEARCHING FOR INVESTMENT OPTIONS ON MORNINGSTAR

- The **Advanced Search >> All Managed Investments** dialogue in Morningstar Direct lets you search for all products under the Morningstar Alternatives Categories
- To mitigate manager selection risk, investors should address each of the following: People, Philosophy, Process and Performance



Source: Morningstar Alternative Investments Observer

Due Diligence of Prospective Managers

STRATEGY DUE DILIGENCE	
Strategy Returns	Describe the primary sources of return for the strategy.
Portfolio Construction	Describe the portfolio's construction process.
Management Experience	Detail the investment team's experience in managing the strategy.
Liquidity	Outline the underlying investments' liquidity. Specifically, how much can be sold without having an impact on market price.
Gross and Net Exposure	Does the strategy include shorting? If yes, what is the gross and net exposure of the portfolio? How can these sums vary?
Derivatives Usage	What derivatives are being used in the strategy? How are they used for hedging?

Due Diligence of Prospective Managers

OPERATIONAL DUE DILIGENCE	
Fees	Breakdown the expense ratio and any temporary/permanent caps to expenses.
Risk Management	Describe the risk management infrastructure: Identify key risk management employees and top management's commitment to risk management.
Compliance	Assess the firm's compliance culture and employee awareness of compliance rules.
Human Capital	Summary of turnover within investment team and senior management.
Investor Base	Review the size and diversity of the investor base for the firm.

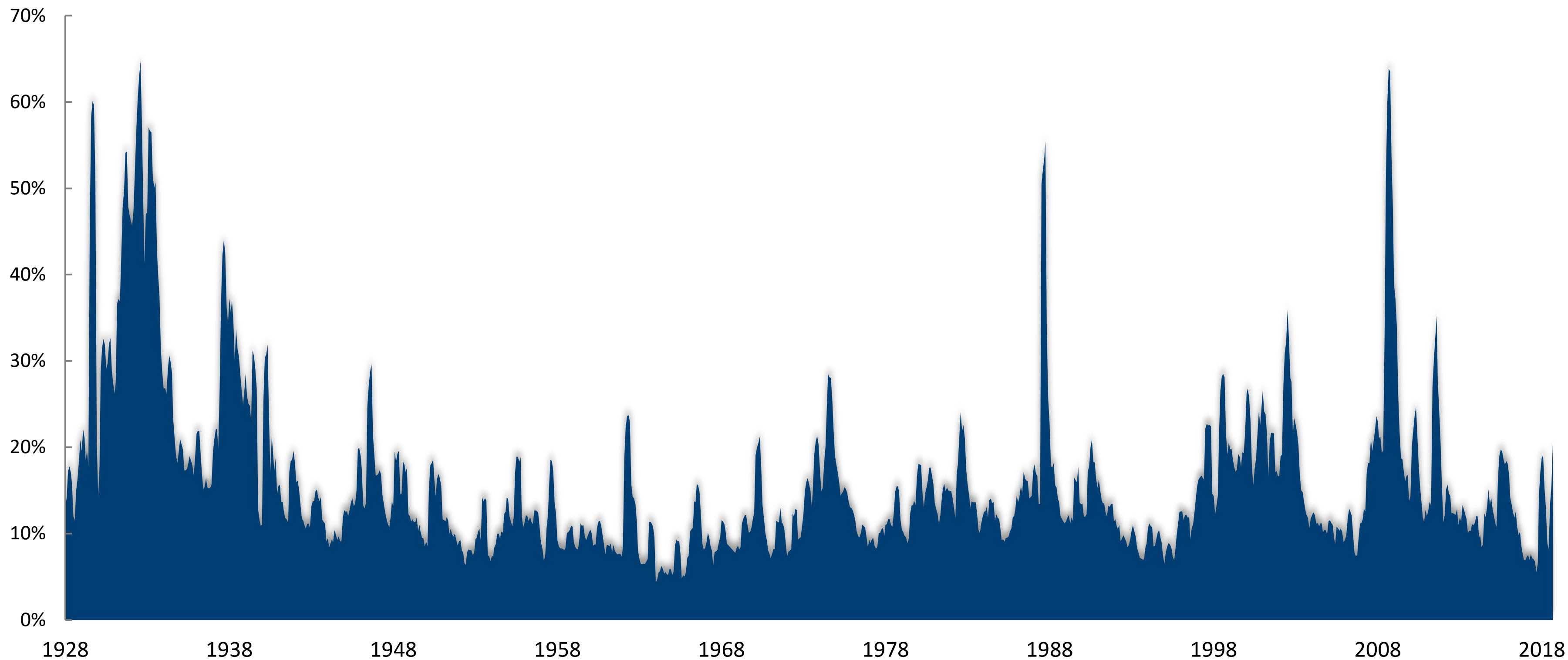
Appendix

Volatility of Volatility

Volatility Isn't a Reason to Stay Out of the Market

» We believe investors should prepare their portfolios with volatility in mind.

S&P 500 INDEX 90-DAY VOLATILITY: APRIL 1928 TO DECEMBER 2018



Source: Bloomberg. Inception of data is as of 1928.

Past performance is no guarantee of future returns. Ninety-day volatility represents volatility of index returns over 90 days. Please see the Appendix for additional disclosures.

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Market Neutral Income Fund Investment Strategy

» The Calamos Market Neutral Income Fund (CMNIX) utilizes convertible arbitrage and covered call writing to manage the risk/reward characteristics

SOURCES OF RISK/RETURN MANAGEMENT

CONVERTIBLE ARBITRAGE
Invest in convertible securities and short the underlying stock with aim to hedge risk.

COVERED CALL WRITING
Begin with portfolio of stocks, most of which pay dividends. Sell calls and buy protective puts against securities.

The manager seeks to achieve the stated objectives. There can be no assurance that the Fund will achieve its investment objective. 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. 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.

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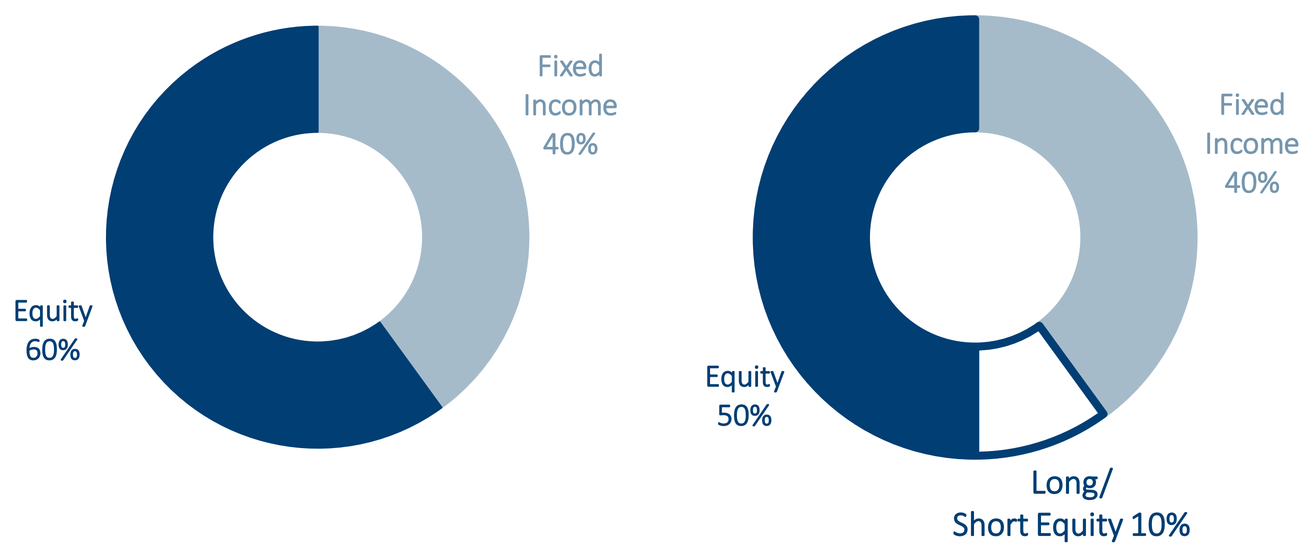
Why Invest in Long/Short Equity?

Long/short strategies can enhance the asset allocation mix

- Equity-like returns with superior risk profile over a full market cycle
- Capital preservation through periods of financial stress
- Scope for alpha on both the long and short side; beta actively managed with exposures

Hypothetical portfolio allocation based on traditional 60% equity/40% fixed income



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 an 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.

This material is distributed for informational purposes only. 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, and while not guaranteed as to accuracy or completeness, has been obtained from sources we believe to be reliable. Opinions, estimates, forecasts, and statements of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice. The views and strategies described may not be suitable for all investors. References to specific securities, asset classes and financial markets are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations. Outside the U.S., this presentation is directed only at professional/sophisticated investors and it is for their exclusive use and information. This document should not be shown to or given to retail investors.

Long/short equity risks. The principal risks of investing in long/short equity strategies include: equity securities risk—securities markets are volatile and market prices may decline generally; short sale risk—a portfolio may incur a loss without limit as a result of a short sale if the market value of the security increases, or a manager is unable to repurchase a borrowed security; leverage risk—certain transactions such as loans and securities lending may create leverage and cause the portfolio to be more volatile; foreign securities risk—fluctuations of exchange rates may affect the U.S. dollar value of a security.

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Long/Short Investment Process Differentiators

INVESTMENT BASED UPON SUSTAINABLE EDGE

1. Company analysis integrated with industry and thematic research
   » *We believe our advantage is analytical and behavioral, not dependent on an information edge*

2. Inclusive framework for managing potential returns and associated risks – stock, industry, style, country and market factors
   » *Equity allocation across styles, market cap, industries and geography avoids limitations of single-style and benchmark-focused strategies*

3. Flexible, pragmatic approach adjusts exposures depending upon market conditions and the economic cycle
   » *Employs all investment styles, responding to market opportunity with an absolute return mindset*

4. Fundamental and global approach, incorporating a blend of top-down and bottom-up considerations
   » *Aims to combine advantages of both global macro and traditional long/short investing*

Largest 5 Funds in Each Morningstar Category

US OE Fund Long/Short Equity Category	Ticker	Fund Size USD
Boston Partners Long/Short Research Fund	BPIRX	4,837,475,278
Diamond Hill Long-Short Fund	DIAMX	3,594,361,768
Neuberger Berman Long Short Fund	NLMCX	2,494,063,257
AQR Long-Short Equity Fund	QLEIX	2,053,969,792
PIMCO RAE Worldwide Long/Short PLUS Fund	PWLIX	1,559,069,942
US OE Multialternative Category	**Ticker**	**Fund Size USD**
Blackstone Alternative Multi-Strategy Fund	BXMIX	6,870,162,759
Catalyst/Millburn Hedge Strategy Fund	MBXIX	4,112,461,012
AQR Style Premia Alternative Fund	QSPIX	3,315,151,167
Goldman Sachs Absolute Return Tracker Fund	GJRTX	2,638,319,805
Principal Global Multi-Strategy Fund	PSMIX	2,148,351,470
US OE Managed Futures Category	**Ticker**	**Fund Size USD**
AQR Managed Futures Strategy Fund	AQMIX	7,063,818,091
Natixis ASG Managed Futures Strategy Fund	AMFAX	2,085,235,637
American Beacon AHL Managed Futures Strategy Fund	AHLIX	921,759,089
Abbey Capital Futures Strategy Fund	ABYIX	699,490,578
Altegris Futures Evolution Strategy Fund	EVOIX	584,555,961
US OE Bear Market Category	**Ticker**	**Fund Size USD**
PIMCO StocksPLUS® Short Fund	PSTIX	1,714,619,828
Federated Prudent Bear Fund	BEARX	200,615,076
Rydex Inverse S&P 500® Strategy Fund	RYURX	130,245,528
Grizzly Short Fund	GRZZX	123,723,548
Rydex Inverse NASDAQ-100® Strategy Fund	RYAIX	77,634,214

6304 1218 Source: Morningstar Direct

Largest 5 Funds in Each Morningstar Category

US OE Options-based	**Ticker**	**Fund Size USD**
Gateway Fund	GATEX	8,134,638,051
JPMorgan Hedged Equity Fund	JHEQX	3,433,779,908
Glenmede Secured Options Portfolio	GTSOX	738,479,418
Theta Income Fund	LQTIX	401,313,313
Parametric Volatility Risk Premium-Defensive Fund	EIVPX	376,276,300
US OE Long/Short Credit	**Ticker**	**Fund Size USD**
BlackRock Global Long/Short Credit Fund	BGCAX	3,268,581,820
Driehaus Active Income Fund	LCMAX	805,017,555
BrandywineGLOBAL - Alternative Credit Fund	LFLIX	615,063,807
PIMCO Credit Opportunities Bond Fund	PCARX	381,025,113
Goldman Sachs Long Short Credit Strategies Fund	GSAUX	149,355,149
US OE Nontraditional Bond Category	**Ticker**	**Fund Size USD**
BlackRock Strategic Income Opportunities Fund	BASIX	33,978,504,488
JPMorgan Strategic Income Opportunities Fund	JSOAX	12,751,763,438
Guggenheim Macro Opportunities Fund	GIOCX	7,238,890,280
PIMCO Mortgage Opportunities and Bond Fund	PMZIX	4,640,686,404
T. Rowe Price Dynamic Global Bond Fund	RPIEX	4,405,339,345
US OE Inflation-Protected Bond	**Ticker**	**Fund Size USD**
Vanguard Inflation-Protected Securities Fund	VIPSX	26,777,736,615
Vanguard Short-Term Inflation-Protected Securities Index Fund	VTAPX	21,103,767,936
PIMCO Real Return Fund	PRTNX	9,653,458,756
T. Rowe Price Limited Duration Inflation Focused Bond Fund	TRBFX	8,078,204,014
Fidelity® Series Inflation-Protected Bond Index Fund	FSIPX	5,787,010,115

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Source: Morningstar Direct

Largest 5 Funds in Each Morningstar Category

US OE Market Neutral Category	Ticker	Fund Size USD
Calamos Market Neutral Income Fund	CMNIX	6,814,491,113
Merger Fund	MERFX	2,752,261,940
Arbitrage Fund	ARBFX	1,740,942,995
Vanguard Market Neutral Fund	VMNIX	1,554,651,196
PIMCO RAE Fundamental Advantage Plus Fund	PFATX	1,442,532,105
US OE Real Estate Category	**Ticker**	**Fund Size USD**
Vanguard Real Estate Index Fund	VGSIX	25,436,358,813
DFA Real Estate Securities Portfolio Fund	DFREX	8,240,778,618
Vanguard Real Estate II Index Fund	VRTPX	6,013,211,398
Fidelity® Real Estate Income Fund	FRIFX	5,075,600,413
Cohen & Steers Real Estate Securities Fund	CSEIX	4,477,858,320
US OE Commodities Broad Basket	**Ticker**	**Fund Size USD**
PIMCO Commodity Real Return Strategy Fund	PCRIX	5,032,964,836
Fidelity® Series Commodity Strategy Fund	FCSSX	3,581,401,009
PIMCO Commodities PLUS® Strategy Fund	PCLAX	2,678,386,851
DWS Enhanced Commodity Strategy Fund	SKIRX	2,651,632,945
Credit Suisse Commodity Return Strategy Fund	CRSAX	2,489,446,078

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Source: Morningstar Direct

Important Risk Information

Bear Market Risks: The use of leverage for investment purposes increases both investment opportunity and investment risk. The use of derivative instruments for hedging purposes may involve certain costs and risks, including the risk that the fund may not close out a position when it may be most advantageous to do so. Mutual funds that invest in derivatives could lose more than the principal amount invested, and the use of leverage could exaggerate fund losses and may have an exaggerated effect on the fund' s net asset value. Information about the risks of investing in a specific mutual fund is available in the fund's prospectus.

Long-Short Risks: equity securities risk – securities markets are volatile and market prices may decline generally; short sale risk – the fund may incur a loss without limit as a result of a short sale if the market value of the security increases, the fund may be unable to repurchase a borrowed security; leverage risk – certain transactions such as loans and securities lending may create leverage and cause the fund to be more volatile; foreign securities risk – fluctuations of exchange rates may affect the U.S. dollar value of a security.

Multialternative Risks: Funds can invest in securities that may have a leveraging effect (such as derivatives and forward-settling securities) which may increase market exposure, magnify investment risks, and cause losses to be realized more quickly. The fund may invest in commodity-linked investments, which may be more volatile and less liquid than the underlying instruments or measures. In addition, their value may be affected by the performance of the overall commodities markets as well as by weather, disease, and regulatory developments. The commodities industry can be significantly affected by commodity prices, world events, import controls, worldwide competition, government regulations, and economic conditions. The risk of loss in trading foreign currency can be substantial and may be magnified if trading on margin. Customers should therefore carefully consider whether such trading is suitable for them in light of their financial condition, risk tolerance and understanding of foreign markets. These risks include foreign currency risk and liquidation risk. Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks. Short positions pose a risk because they lose value as a security's price increases; therefore, the loss on a short sale is theoretically unlimited.

Market Neutral Risks: Market Neutral Income Fund risks include: losses from convertible and other fixed income instruments due to rising interest rates or credit-rating downgrades; differences in how synthetic convertibles and convertibles react to market movements; loss of income from convertible hedging; loss of equity appreciation from covered call writing; illiquidity in the options market and shifting correlations versus other asset classes; unlimited losses from short selling; losses from high-yield securities because of defaults.

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Important Risk Information

Currency Risks: Since the Fund primarily invests in foreign currencies, changes in currency exchange rates will affect the value of what the Fund owns and the price of the Fund's shares. Investing in foreign instruments bears a greater risk than investing in domestic instruments for reasons such as volatility of currency exchange rates and, in some cases, limited geographic focus, political and economic instability, and relatively illiquid markets. The Fund is subject to interest rate risk which is the risk that debt securities in the Fund's portfolio will decline in value because of increases in market interest rates. As a non-diversified fund, the Fund will be subject to more investment risk and potential for volatility than a diversified fund because its portfolio may, at times, focus on a limited number of issuers. The Fund may also invest in derivative securities which can be volatile and involve various types and degrees of risk. For a more complete discussion of these and other Fund risks please refer to the Fund's prospectus.

Nontraditional Bond Risks: Certain Risks—The fund is subject generally to interest rate, credit, liquidity, prepayment and extension risk (as to mortgage-related holdings), call, sector, and market risks, to varying degrees, all of which are more fully described in the fund's prospectus. Generally, all other factors being equal, bond prices are inversely related to interest-rate changes and rate increases can cause price declines. Credit Risk—High yield bonds are subject to increased credit risk and are considered speculative in terms of the issuers perceived ability to continue making interest payments on a timely basis and to repay principal upon maturity. Derivatives Risk—The fund may use derivative instruments, such as options, futures and options on futures, forward contracts, swaps (including credit default swaps on corporate bonds and asset-backed securities), options on swaps, and other credit derivatives. A small investment in derivatives could have a potentially large impact on the fund's performance. The use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Credit default swaps and similar instruments involve greater risks than if the fund had invested in the reference obligation directly, since, in addition to general market risks, they are subject to illiquidity risk, counterparty risk and credit risks. Foreign Investment Risk—Foreign bonds are subject to special risks including exposure to currency fluctuations, changing political and economic conditions, and potentially less liquidity. Investments in foreign currencies are subject to the risk that those currencies will decline in value relative to the U.S. dollar. Foreign currencies are also subject to risks caused by inflation, interest rates, budget deficits and low savings rate, political factors and government control. The fixed income securities of issuers located in emerging markets can be more volatile and less liquid than those of issuers in more mature economies.

Managed Futures Funds Risks: Include the possible loss of principal. Investing in the commodities markets may subject the Fund to greater volatility than investments in traditional securities. There is a risk that issuers and counterparties will not make payments on securities and other investments held by the Fund, resulting in losses to the Fund. Derivative instruments involve risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. In general, the price of a fixed income security falls when interest rates rise. Foreign common stocks and currency strategies will subject the Fund to currency trading risks that include market risk, credit risk and country risk. Investments in foreign securities could subject the Fund to greater risks including, currency fluctuation, economic conditions, and different governmental and accounting standards. Nationalization, expropriation or confiscatory taxation, currency blockage, market disruption, political changes, security suspensions, potential restrictions on the flow of international capital, or diplomatic developments could adversely affect the Fund's investments in certain securities. Using derivatives to increase the Fund's combined long and short exposure creates leverage, which can magnify the Fund's potential for gain or loss. Non-diversification risk, as the Funds are more vulnerable to events affecting a single issuer. The Fund may focus its investments in securities of a particular sector. Economic, legislative or regulatory developments may occur that significantly affect the entire sector. This may cause the Fund's net asset value to fluctuate more than that of a fund that does not focus in a particular sector. Short positions may be considered speculative transactions and involve special risks, including greater reliance on the ability to accurately anticipate the future value of a security or instrument.

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Index Information

The **Russell 2000 Index®** measures the performance of the 2,000 smallest companies in the Russell 3000 Index. The **MSCI Emerging Markets Index℠** is a free float adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. As of June 2007, the MSCI Emerging Markets Index consisted of the following 25 emerging market country indices: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, South Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey. The **Bloomberg Barclays Capital U.S. Aggregate Index** represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indexes that are calculated and reported on a regular basis. The **CS/Tremont Equity Market Neutral Index** takes both long and short positions in stocks with the aim of minimizing exposure to the systematic risk of the market (i.e., a beta of zero). The **Dow Jones-UBS Commodity Index** is composed of futures contracts on physical commodities and represents nineteen separate commodities traded on U.S. exchanges, with the exception of aluminum, nickel, and zinc. The **NAREIT EQUITY REIT Index** is designed to provide the most comprehensive assessment of overall industry performance, and includes all tax-qualified real estate investment trusts (REITs) that are listed on the NYSE, the American Stock Exchange or the NASDAQ National Market List. **U..S Generic Government 10-Year Yield** is comprised of Generic United States on-the-run government bill/note/bond indices. **BofA ML Corporate Master** is a market-value-weighted index composed of domestic Corporate (BBB/Baa rated or better) debt issues. **BofA Merrill Lynch Mortgage Master** is an index tracks the performance of U.S. dollar- denominated fixed rate and hybrid residential mortgage pass-through securities issued by U.S. agencies in the U.S. domestic market having at least $5 billion per generic coupon and $250 million outstanding per generic production year.

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. Securities and sectors mentioned are presented to illustrate securities and sectors in which the Fund may invest. Portfolio holdings are subject to change daily. The Fund is actively managed. Past performance is no guarantee of future results.

Definitions and Index Information

S&P 500 Index – generally considered representative of the U.S. stock market. **S&P 500 Total Return Index –** The S&P 500 Total Return Index is the total return version of S&P 500 index. The S&P 500 index is unmanaged and is generally representative of certain portions of the U.S. equity markets. For the S&P 500 Total Return Index, dividends are reinvested on a daily basis and the base date for the index is January 4, 1988. All regular cash dividends are assumed reinvested in the S&P 500 index on the ex-date. Special cash dividends trigger a price adjustment in the price return index. **Bloomberg Barclays U.S. Aggregate Bond Index** – An unmanaged index considered representative of the U.S. investment grade fixed-rate bond market. **S&P GSCI Total Return Index** – An unmanaged world production-weighted index composed of the principal physical commodities that are the subject of active, liquid futures markets. The S&P GSCI Total return Index measures a fully collateralized commodity futures investment. Currently, the GSCI includes 24 commodity nearby futures contracts. **MSCI EAFE Net Index** – MSCI EAFE® (Europe, Australasia, Far East) Index is a free float-adjusted market capitalization weighted index designed to measure developed market equity performance. The MSCI EAFE® Index is composed of companies representative of the market structure of Developed Market countries. The index includes reinvestment of dividends, net of foreign withholding taxes. **FTSE NAREIT Composite Total Return Index** – FTSE EPRA/NAREIT Developed Index (formerly named FTSE EPRA/NAREIT Global Real Estate Index) is a global market capitalization weighted index composed of listed real estate securities from developed market countries in North America, Europe, and Asia. **Altegris 40 Index®** (started July 2000; data available back to 1990) – The Altegris 40™ Index tracks the performance of the 40 leading managed futures programs as reported to the research affiliate International Traders Research, each month, based on ending monthly equity for the previous month. **Bloomberg Barclays Global Macro Index** – Bloomberg Barclay's calculates the average performance of 130+ global macro funds. **Credit Suisse Tremont Hedge Fund Index CS/Tremont** – tracks provides registered users with historical data on the performance of variety of hedge fund strategies. **HFRI Equity Hedge (Total) Index** – The HFRI Equity Hedge (Total) Index tracks funds that maintain positions both long and short in primarily equity derivative securities. Equity hedge managers would typically maintain at least 50% exposure, and may in some cases be entirely invested in, equities—both long and short. **HFRI Equity Hedge (Total)** – A fund weighted index and reflects monthly returns, net of all fees, of funds that have at least $50 million under management or been actively trading for at least twelve months.

Tail risk – A form of portfolio risk that arises when the possibility that an investment will move more than three standard deviations from the mean is greater than what is shown by a normal distribution. **Alpha** – the excess return of the fund relative to the return of the benchmark index.

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. 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.

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