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CALAMOS STRATEGIC TOTAL RETURN FUND  
Form N-CSR  
December 22, 2005

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES

INVESTMENT COMPANY ACT FILE NUMBER: 811-21484

EXACT NAME OF REGISTRANT AS SPECIFIED IN CHARTER: Calamos Strategic Total  
Return Fund

ADDRESS OF PRINCIPAL EXECUTIVE OFFICES: 2020 Calamos Court, Naperville,  
Illinois 60563-2787

NAME AND ADDRESS OF AGENT FOR SERVICE: James S. Hamman, Jr., Secretary,  
Calamos Advisors LLC  
2020 Calamos Court  
Naperville, Illinois  
60563-2787

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (630) 245-7200

DATE OF FISCAL YEAR END: October 31, 2005

DATE OF REPORTING PERIOD: November 1, 2004 through October 31, 2005

ITEM 1. REPORTS TO SHAREHOLDERS

Include a copy of the report transmitted to stockholders pursuant to Rule 30e-1  
under the Act (17 CFR 270.30e-1).

CALAMOS STRATEGIC TOTAL RETURN FUND  
Annual Report October 31, 2005

(LOGO)  
CALAMOS INVESTMENTS (R)

Table of Contents

President's Letter.....	1
Performance.....	3
Schedule of Investments.....	5
Statement of Assets and Liabilities.....	13

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Statement of Operations.....	14
Statement of Changes In Net Assets.....	15
Notes to Financial Statements.....	16
Financial Highlights.....	23
Report of Independent Registered Public Accounting Firm.....	24
Tax Information.....	25
Trustee Approval of Management Agreement.....	26
Trustees & Officers.....	29

President's Letter

[PHOTO OF JOHN P. CALAMOS]

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"The Fund is well suited for investors  
who value consistent monthly income,  
but still desire exposure to the upside  
potential of the equity markets."  
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"Since supply and demand determine  
the market price of the Fund it is  
important to understand the many  
factors that may influence this dynamic."  
-----

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"...we believe that portfolio performance is a  
key consideration to market participants, and  
we will continue to strive to deliver such out-  
performance to our shareholders..."  
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For up-to-date information on Calamos Strategic Total Return Fund,  
please visit [www.calamos.com](http://www.calamos.com). Here you will find timely portfolio details, our  
outlook, and special reports.  
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Dear Shareholder:

Thank you for your investment in the CALAMOS STRATEGIC TOTAL RETURN FUND (CSQ).  
We submit for your review this annual shareholder report for the 12-month period  
ended October 31, 2005.

### INVESTMENT OBJECTIVE

As a reminder, the Fund seeks total return through a combination of capital  
appreciation and current income by investing in a diversified portfolio of  
equity, convertible and high-yield securities. Because convertible and  
high-yield securities tend to follow the movements of their companies' equity  
counterparts more than traditional fixed income securities, the Fund can be  
viewed as having substantial equity sensitivity, yet with a significant income  
component. It is thus well suited for investors who value consistent monthly  
income, but still desire exposure to the upside potential of the equity markets.

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### FUND STRUCTURE

The Fund is structured as a closed end fund listed on the NYSE. Closed end funds are complex in that while the actual fund value is calculated on a share basis and reflected in its Net Asset Value (NAV), the fund itself is traded on the NYSE, where its market price is determined by buyers and sellers like many other securities. A closed-end fund's NAV and market price may be similar or different from each other, depending on the various factors that affect them. When there is a difference between the two, the fund is said to be trading at a premium (when its market price is higher than its NAV) or at a discount (when its market price is lower than its NAV). Since supply and demand determine the market price of the Fund it is important to understand the many factors that may influence this dynamic. In our opinion, some of the key factors that may affect the market price of a closed-end fund are the performance of the underlying portfolio as reflected in its NAV, its distribution rate, and general market conditions, including the trend of equity markets and comparative current yields.

### FUND DISCOUNT TO NAV AND PORTFOLIO PERFORMANCE

The Fund has been trading at a discount to NAV, despite its outperformance relative to the equity markets. During the 12-month period, the Fund produced a total return of 8.95% at net asset value (NAV), comparing favorably with the total return of the equity market, represented by the S&P 500 Index's total return of 8.72%. The Fund's market price surpassed these annual returns with a total return gain of 10.35%, which effectively narrowed the discount that was present at the beginning of the period. Given the difficulties that the equity markets experienced during this period, the Fund's capacity to produce gains and distributions to shareholders is all the more distinguishing. As noted above, we believe that portfolio performance is a key consideration to market participants, and we will continue to strive to deliver such outperformance to our shareholders, and believe a record of success may positively affect the Fund's market recognition.

### LEVEL DISTRIBUTION POLICY

The Fund's distribution policy is also a key consideration for our shareholders--and potential shareholders. In April 2005, we announced the Fund's adoption of a level rate distribution policy. Also at that time, the Fund announced a 16.7% increase in its monthly distribution rate compared with its prior rate. As of October 31, 2005, the Fund's monthly distribution of \$0.0875 per share equated to an annualized yield of 7.66% based on the Fund's market price (and an annualized yield of 7.27% based on

Strategic Total Return Fund  
President's Letter ANNUAL REPORT 1

President's Letter

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"In our opinion, a level rate policy  
combined with an attractive monthly  
distribution will benefit long-term  
investors in the Fund,..."  
-----

-----  
"The portfolio is positioned to participate  
in the mid-growth phase of a healthy  
economy, in what we feel is a favorable  
market environment."  
-----

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"Looking ahead, we will strive  
to deliver market-like returns with  
significantly more income than a  
pure equity portfolio,..."  
-----

### CALAMOS STRATEGIC TOTAL RETURN FUND

The views expressed in this report reflect those of Calamos Advisors LLC through December 16, 2005. The manager's views are subject to change at any time based on market and other conditions. This report is submitted for general information for the shareholders of the fund.

the Fund's NAV). In our opinion, a level rate policy combined with an attractive monthly distribution will benefit long-term investors in the Fund, as we believe that closed-end fund investors consider consistent and significant distributions to be an important component of their long-term total-return goals. Since the Fund's focus on total return includes aiming for both income and capital appreciation, we expect the distribution to, at times, include realized capital gains. If any distribution exceeds the Fund's net investment company taxable income, the excess will generally be a tax-free return of capital, however we have not had to use this flexibility during this reporting period. During this period, the Fund delivered \$0.9875 per share in distributions to shareholders, comprised of earned income as well as short-term and long-term capital gains.

### GENERAL MARKET CONDITIONS

The impact of general market conditions to the Fund's portfolio performance is obviously an important factor. The portfolio is positioned to participate in rising equity markets. Unfortunately the vagaries of the markets are such that performance in the stock markets typically comes in spikes rather than consistent returns week to week or month to month. It's important to emphasize a key distinction of the Fund, namely its total return objective and focus on capital appreciation. The portfolio is positioned to participate in the mid-growth phase of a healthy economy, in what we feel is a favorable market environment. We believe that the Fed is near the end of the interest rate hikes and that the economy remains strong. Historically, this stage of the economic cycle has typically resulted in increasing earnings and cash flow, often resulting in higher equity values. For the Fund this presents the potential for capital gains, and, if realized ultimately should benefit our long-term investors. However, past performance of the market is no guarantee of future performance.

Looking ahead, we will strive to deliver market-like returns with significantly more income than a pure equity portfolio, while providing timely and relevant communications to aid in market recognition. In the meantime, we believe it's worth reminding investors that buying discounted shares provides a yield higher than that calculated at NAV.

A convenient means to accumulate more shares is via the Fund's dividend reinvestment plan. The plan offers current shareholders an efficient method of purchasing additional shares with a potential for cost savings. For example, if the Fund's shares are trading at a premium, dividends will be automatically reinvested through the plan at NAV or 95% of the market price, whichever is greater; if shares are trading at a discount, dividends will be reinvested by purchasing shares at the market price, below NAV. Please see the Fund's dividend reinvestment plan for more information.

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We appreciate your investment in the CALAMOS STRATEGIC TOTAL RETURN FUND, and look forward to serving your long-term investment plan in the coming months and years ahead. For up-to-date information on the Fund, details of its dividend reinvestment plan, and other information including our market outlook, please visit [www.calamos.com](http://www.calamos.com).

Sincerely,

/s/ JOHN P. CALAMOS, SR.

JOHN P. CALAMOS, SR.

Chairman, Chief Executive Officer and Co-Chief Investment Officer

Strategic Total Return Fund  
2 ANNUAL REPORT President's Letter

### Performance

LONG-TERM PERFORMANCE: TOTAL RETURN AS OF OCTOBER 31, 2005

[BAR CHART]

	1 year (as of 10/31/05) -----	Since Inception -----
CSQ Market Price	10.35%	0.54%
CSQ NAV	8.95%	6.87%
S&P 500(1)	8.72%	6.32%
VXAO(2)	4.49%	2.19%
CSHY(3)	3.53%	6.10%

\* Since inception index data shown above is from 4/1/2004, because comparative index data is available only for full monthly periods. The Fund's since inception data is from the Fund's actual inception date, 3/26/2004.

- (1) The S&P 500 Index (S&P 500) is an unmanaged index generally considered representative of the U.S. stock market. Source: Lipper Analytical Services.
- (2) The Merrill Lynch All U.S. Convertibles Index (VXA0) is comprised of approximately 500 issues of convertible bonds and preferred stock of all qualities. Source: Russell/Mellon Analytical Services LLC.
- (3) The CSFB High Yield Index (CSHY) is an unmanaged index of high yield debt securities. Source: Russell/Mellon Analytical Services LLC.

SINCE INCEPTION NAV AND MARKET PRICE HISTORY AS OF OCTOBER 31, 2005

[LINE GRAPH]

NAV

MARKET PRICE

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03/26/04	14.31	03/26/04	15.00
03/29/04	14.31	03/29/04	15.04
03/30/04	14.31	03/30/04	15.04
03/31/04	14.31	03/31/04	15.05
04/01/04	14.34	04/01/04	15.20
04/02/04	14.34	04/02/04	15.15
04/05/04	14.39	04/05/04	15.11
04/06/04	14.38	04/06/04	15.01
04/07/04	14.34	04/07/04	15.10
04/08/04	14.30	04/08/04	15.07
04/12/04	14.33	04/12/04	15.05
04/13/04	14.21	04/13/04	15.00
04/14/04	14.17	04/14/04	15.00
04/15/04	14.20	04/15/04	15.00
04/16/04	14.25	04/16/04	15.00
04/19/04	14.25	04/19/04	15.01
04/20/04	14.15	04/20/04	15.00
04/21/04	14.16	04/21/04	14.80
04/22/04	14.26	04/22/04	14.80
04/23/04	14.23	04/23/04	14.80
04/26/04	14.23	04/26/04	14.76
04/27/04	14.26	04/27/04	14.75
04/28/04	14.15	04/28/04	14.75
04/29/04	14.08	04/29/04	14.70
04/30/04	14.05	04/30/04	14.55
05/03/04	14.11	05/03/04	14.55

	NAV		MARKET PRICE
05/04/04	14.13	05/04/04	13.98
05/05/04	14.14	05/05/04	14.00
05/06/04	14.04	05/06/04	13.45
05/07/04	13.80	05/07/04	13.53
05/10/04	13.59	05/10/04	12.60
05/11/04	13.66	05/11/04	13.20
05/12/04	13.67	05/12/04	13.50
05/13/04	13.62	05/13/04	13.49
05/14/04	13.62	05/14/04	13.65
05/17/04	13.50	05/17/04	13.10
05/18/04	13.57	05/18/04	13.26
05/19/04	13.57	05/19/04	13.14
05/20/04	13.59	05/20/04	13.06
05/21/04	13.69	05/21/04	13.18
05/24/04	13.72	05/24/04	12.93
05/25/04	13.86	05/25/04	13.20
05/26/04	13.92	05/26/04	13.47
05/27/04	14.01	05/27/04	13.55
05/28/04	13.99	05/28/04	13.79
06/01/04	13.99	06/01/04	13.98
06/02/04	14.00	06/02/04	13.82
06/03/04	13.90	06/03/04	13.95
06/04/04	13.94	06/04/04	14.03
06/07/04	14.14	06/07/04	13.97
06/08/04	14.17	06/08/04	14.00
06/09/04	14.01	06/09/04	13.67
06/10/04	14.07	06/10/04	13.55

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06/14/04	13.91	06/14/04	13.40
06/15/04	14.03	06/15/04	13.40
06/16/04	14.03	06/16/04	13.40
06/17/04	14.04	06/17/04	13.33
06/18/04	14.07	06/18/04	13.35
06/21/04	14.04	06/21/04	13.29
06/22/04	14.07	06/22/04	13.15

	NAV		MARKET PRICE
06/23/04	14.19	06/23/04	13.00
06/24/04	14.17	06/24/04	13.30
06/25/04	14.09	06/25/04	13.30
06/28/04	14.08	06/28/04	13.24
06/29/04	14.08	06/29/04	13.19
06/30/04	14.15	06/30/04	13.22
07/01/04	14.02	07/01/04	13.26
07/02/04	14.04	07/02/04	13.19
07/06/04	13.95	07/06/04	13.18
07/07/04	13.99	07/07/04	13.20
07/08/04	13.90	07/08/04	13.14
07/09/04	13.95	07/09/04	13.06
07/12/04	13.98	07/12/04	13.14
07/13/04	13.92	07/13/04	13.05
07/14/04	13.90	07/14/04	12.99
07/15/04	13.83	07/15/04	12.86
07/16/04	13.84	07/16/04	12.93
07/19/04	13.84	07/19/04	12.83
07/20/04	13.87	07/20/04	12.89
07/21/04	13.75	07/21/04	12.95
07/22/04	13.77	07/22/04	12.99
07/23/04	13.71	07/23/04	12.83
07/26/04	13.69	07/26/04	12.68
07/27/04	13.78	07/27/04	12.59
07/28/04	13.82	07/28/04	12.69
07/29/04	13.83	07/29/04	13.02
07/30/04	13.83	07/30/04	13.17
08/02/04	13.91	08/02/04	13.10
08/03/04	13.86	08/03/04	13.35
08/04/04	13.86	08/04/04	13.35
08/05/04	13.71	08/05/04	13.27
08/06/04	13.58	08/06/04	13.07
08/09/04	13.57	08/09/04	12.99
08/10/04	13.71	08/10/04	13.17

	NAV		MARKET PRICE
08/11/04	13.70	08/11/04	13.12
08/12/04	13.56	08/12/04	12.89
08/13/04	13.58	08/13/04	12.79
08/16/04	13.71	08/16/04	12.98
08/17/04	13.74	08/17/04	12.95

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08/18/04	13.87	08/18/04	13.35
08/19/04	13.83	08/19/04	13.27
08/20/04	13.92	08/20/04	13.26
08/23/04	13.90	08/23/04	13.02
08/24/04	13.91	08/24/04	13.04
08/25/04	13.99	08/25/04	13.18
08/26/04	13.99	08/26/04	13.29
08/27/04	14.04	08/27/04	13.42
08/30/04	13.98	08/30/04	13.52
08/31/04	14.07	08/31/04	13.58
09/01/04	14.07	09/01/04	13.76
09/02/04	14.21	09/02/04	13.79
09/03/04	14.21	09/03/04	13.85
09/07/04	14.31	09/07/04	13.93
09/08/04	14.31	09/08/04	13.75
09/09/04	14.29	09/09/04	13.92
09/10/04	14.35	09/10/04	13.93
09/13/04	14.33	09/13/04	13.77
09/14/04	14.36	09/14/04	13.74
09/15/04	14.25	09/15/04	13.55
09/16/04	14.32	09/16/04	13.58
09/17/04	14.37	09/17/04	13.76
09/20/04	14.27	09/20/04	13.55
09/21/04	14.35	09/21/04	13.40
09/22/04	14.18	09/22/04	13.33
09/23/04	14.12	09/23/04	13.27
09/24/04	14.12	09/24/04	13.27
09/27/04	14.06	09/27/04	13.33
09/28/04	14.14	09/28/04	13.46

	NAV		MARKET PRICE
09/29/04	14.18	09/29/04	13.58
09/30/04	14.08	09/30/04	13.73
10/01/04	14.26	10/01/04	13.76
10/04/04	14.33	10/04/04	13.75
10/05/04	14.32	10/05/04	13.79
10/06/04	14.38	10/06/04	13.77
10/07/04	14.27	10/07/04	13.89
10/08/04	14.22	10/08/04	13.80
10/11/04	14.24	10/11/04	13.70
10/12/04	14.21	10/12/04	13.69
10/13/04	14.04	10/13/04	13.59
10/14/04	13.92	10/14/04	13.35
10/15/04	14.02	10/15/04	13.46
10/18/04	14.08	10/18/04	13.50
10/19/04	13.98	10/19/04	13.43
10/20/04	13.96	10/20/04	13.36
10/21/04	13.98	10/21/04	13.40
10/22/04	13.89	10/22/04	13.24
10/25/04	13.85	10/25/04	13.13
10/26/04	13.98	10/26/04	13.09
10/27/04	14.15	10/27/04	13.31
10/28/04	14.21	10/28/04	13.24
10/29/04	14.23	10/29/04	13.34
11/01/04	14.24	11/01/04	13.58
11/02/04	14.24	11/02/04	13.70



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11/03/04	14.40	11/03/04	13.65
11/04/04	14.62	11/04/04	13.85
11/05/04	14.67	11/05/04	13.63
11/08/04	14.65	11/08/04	13.55
11/09/04	14.67	11/09/04	13.48
11/10/04	14.62	11/10/04	13.39
11/11/04	14.73	11/11/04	13.56
11/12/04	14.89	11/12/04	13.73
11/15/04	14.87	11/15/04	13.70

	NAV		MARKET PRICE
11/16/04	14.81	11/16/04	13.57
11/17/04	14.88	11/17/04	13.62
11/18/04	14.89	11/18/04	13.62
11/19/04	14.78	11/19/04	13.56
11/22/04	14.83	11/22/04	13.45
11/23/04	14.83	11/23/04	13.46
11/24/04	14.89	11/24/04	13.54
11/26/04	14.94	11/26/04	13.60
11/29/04	14.91	11/29/04	13.50
11/30/04	14.86	11/30/04	13.50
12/01/04	15.02	12/01/04	13.57
12/02/04	15.02	12/02/04	13.65
12/03/04	15.04	12/03/04	13.84

	NAV		MARKET PRICE
12/06/04	15.02	12/06/04	13.72
12/07/04	14.91	12/07/04	13.58
12/08/04	14.96	12/08/04	13.61
12/09/04	14.93	12/09/04	13.42
12/10/04	14.94	12/10/04	13.43
12/13/04	15.06	12/13/04	13.45
12/14/04	15.13	12/14/04	13.41
12/15/04	15.19	12/15/04	13.44
12/16/04	15.20	12/16/04	13.49
12/17/04	15.13	12/17/04	13.48
12/20/04	15.13	12/20/04	13.49
12/21/04	15.23	12/21/04	13.57
12/22/04	15.32	12/22/04	13.53
12/23/04	15.34	12/23/04	13.55
12/27/04	15.29	12/27/04	13.78
12/28/04	15.31	12/28/04	13.87
12/29/04	15.33	12/29/04	13.92
12/30/04	15.34	12/30/04	14.04
12/31/04	15.32	12/31/04	14.01
01/03/05	15.21	01/03/05	14.03
01/04/05	15.07	01/04/05	14.14
01/05/05	14.96	01/05/05	14.05
01/06/05	14.97	01/06/05	14.10
01/07/05	14.94	01/07/05	14.16

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01/10/05	14.95	01/10/05	14.10
01/11/05	14.86	01/11/05	14.06
01/12/05	14.91	01/12/05	13.99
01/13/05	14.81	01/13/05	13.87
01/14/05	14.87	01/14/05	13.90
01/15/05	14.98	01/15/05	14.00
01/19/05	14.89	01/19/05	13.92
01/20/05	14.76	01/20/05	13.79
01/21/05	14.69	01/21/05	13.69
01/24/05	14.64	01/24/05	13.72

	NAV		MARKET PRICE
01/25/05	14.68	01/25/05	13.76
01/26/05	14.78	01/26/05	13.81
01/27/05	14.78	01/27/05	13.88
01/28/05	14.74	01/28/05	13.90
01/31/05	14.84	01/31/05	14.11
02/01/05	14.94	02/01/05	14.06
02/02/05	15.01	02/02/05	13.99
02/03/05	15.01	02/03/05	13.94
02/04/05	15.13	02/04/05	14.08
02/07/05	15.13	02/07/05	14.08
02/08/05	15.15	02/08/05	14.03
02/09/05	15.04	02/09/05	14.07
02/10/05	15.00	02/10/05	14.09
02/11/05	15.12	02/11/05	14.24
02/14/05	15.17	02/14/05	14.14
02/15/05	15.21	02/15/05	14.13
02/16/05	15.25	02/16/05	14.05
02/17/05	15.16	02/17/05	13.92
02/18/05	15.23	02/18/05	13.88
02/22/05	15.08	02/22/05	13.71
02/23/05	15.15	02/23/05	13.78
02/24/05	15.27	02/24/05	13.93
02/25/05	15.39	02/25/05	14.07
02/28/05	15.34	02/28/05	14.04
03/01/05	15.40	03/01/05	14.15
03/02/05	15.38	03/02/05	14.14
03/03/05	15.36	03/03/05	14.07
03/04/05	15.48	03/04/05	14.07
03/07/05	15.53	03/07/05	14.05
03/08/05	15.48	03/08/05	14.03
03/09/05	15.32	03/09/05	13.85
03/10/05	15.25	03/10/05	13.86
03/11/05	15.20	03/11/05	13.79
03/14/05	15.25	03/14/05	13.82

	NAV		MARKET PRICE
03/15/05	15.14	03/15/05	13.68
03/16/05	14.98	03/16/05	13.38

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03/17/05	14.97	03/17/05	13.41
03/18/05	14.95	03/18/05	13.29
03/21/05	14.83	03/21/05	13.10
03/22/05	14.69	03/22/05	12.90
03/23/05	14.64	03/23/05	12.81
03/24/05	14.66	03/24/05	13.00
03/28/05	14.67	03/28/05	12.65
03/29/05	14.56	03/29/05	13.00
03/30/05	14.72	03/30/05	13.37
03/31/05	14.74	03/31/05	13.31
04/01/05	14.67	04/01/05	13.21
04/04/05	14.66	04/04/05	13.12
04/05/05	14.72	04/05/05	13.35
04/06/05	14.79	04/06/05	13.59
04/07/05	14.88	04/07/05	13.63
04/08/05	14.79	04/08/05	13.61
04/11/05	14.73	04/11/05	13.44
04/12/05	14.76	04/12/05	13.65
04/13/05	14.57	04/13/05	13.29
04/14/05	14.42	04/14/05	13.24
04/15/05	14.19	04/15/05	13.23
04/18/05	14.21	04/18/05	13.39
04/19/05	14.30	04/19/05	13.34
04/20/05	14.20	04/20/05	13.15
04/21/05	14.42	04/21/05	13.16
04/22/05	14.42	04/22/05	13.21
04/25/05	14.52	04/25/05	13.31
04/26/05	14.43	04/26/05	13.20
04/27/05	14.42	04/27/05	13.43
04/28/05	14.29	04/28/05	13.48
04/29/05	14.42	04/29/05	13.57
05/02/05	14.48	05/02/05	13.35

NAV

MARKET PRICE

05/03/05	14.47	05/03/05	13.37
05/04/05	14.63	05/04/05	13.70
05/05/05	14.58	05/05/05	13.67
05/06/05	14.54	05/06/05	13.66
05/09/05	14.62	05/09/05	13.72
05/10/05	14.50	05/10/05	13.66
05/11/05	14.39	05/11/05	13.52
05/12/05	14.25	05/12/05	13.33
05/13/05	14.13	05/13/05	13.26
05/16/05	14.24	05/16/05	13.28
05/17/05	14.25	05/17/05	13.48
05/18/05	14.40	05/18/05	13.45
05/19/05	14.46	05/19/05	13.56
05/20/05	14.50	05/20/05	13.40
05/23/05	14.60	05/23/05	13.50
05/24/05	14.59	05/24/05	13.38
05/25/05	14.58	05/25/05	13.38
05/26/05	14.68	05/26/05	13.67
05/27/05	14.74	05/27/05	13.85
05/31/05	14.70	05/31/05	13.81
06/01/05	14.79	06/01/05	13.90
06/02/05	14.87	06/02/05	13.99

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06/03/05	14.83	06/03/05	13.99
06/06/05	14.81	06/06/05	13.92
06/07/05	14.80	06/07/05	13.88
06/08/05	14.80	06/08/05	13.83
06/09/05	14.83	06/09/05	13.91
06/10/05	14.86	06/10/05	13.89
06/13/05	14.80	06/13/05	13.84
06/14/05	14.87	06/14/05	13.84
06/15/05	14.92	06/15/05	13.84
06/16/05	14.99	06/16/05	13.83
06/17/05	15.08	06/17/05	13.90
06/20/05	15.06	06/20/05	13.89

	NAV		MARKET PRICE
06/21/05	15.04	06/21/05	13.86
06/22/05	15.01	06/22/05	13.79
06/23/05	14.88	06/23/05	13.74
06/24/05	14.80	06/24/05	13.65
06/27/05	14.79	06/27/05	13.66
06/28/05	14.89	06/28/05	13.94
06/29/05	14.89	06/29/05	13.97
06/30/05	14.81	06/30/05	13.95
07/01/05	14.89	07/01/05	13.95
07/05/05	15.02	07/05/05	13.92
07/06/05	14.91	07/06/05	13.98
07/07/05	14.90	07/07/05	14.04
07/08/05	15.04	07/08/05	14.16
07/11/05	15.15	07/11/05	14.24
07/12/05	15.22	07/12/05	14.25
07/13/05	15.13	07/13/05	14.23
07/14/05	15.18	07/14/05	14.28
07/15/05	15.20	07/15/05	14.27
07/18/05	15.13	07/18/05	14.25
07/19/05	15.19	07/19/05	14.35
07/20/05	15.23	07/20/05	14.27
07/21/05	15.14	07/21/05	14.25
07/22/05	15.23	07/22/05	14.20
07/25/05	15.21	07/25/05	14.14
07/26/05	15.23	07/26/05	14.29
07/27/05	15.33	07/27/05	14.40
07/28/05	15.39	07/28/05	14.50
07/29/05	15.34	07/29/05	14.47
08/01/05	15.36	08/01/05	14.41
08/02/05	15.44	08/02/05	14.42
08/03/05	15.45	08/03/05	14.42
08/04/05	15.38	08/04/05	14.38
08/05/05	15.26	08/05/05	14.35
08/08/05	15.22	08/08/05	14.12

NAV

MARKET PRICE

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08/09/05	15.29	08/09/05	14.23
08/10/05	15.31	08/10/05	14.28
08/11/05	15.30	08/11/05	14.27
08/12/05	15.23	08/12/05	14.23
08/15/05	15.25	08/15/05	14.19
08/16/05	15.14	08/16/05	14.16
08/17/05	15.11	08/17/05	14.14
08/18/05	15.06	08/18/05	14.10
08/19/05	15.07	08/19/05	14.09
08/22/05	15.10	08/22/05	14.19
08/23/05	15.05	08/23/05	14.11
08/24/05	14.99	08/24/05	14.06
08/25/05	15.01	08/25/05	14.05
08/26/05	14.92	08/26/05	14.03
08/29/05	15.00	08/29/05	14.27
08/30/05	14.97	08/30/05	14.35
08/31/05	15.11	08/31/05	14.40
09/01/05	15.16	09/01/05	14.26
09/02/05	15.15	09/02/05	14.14
09/06/05	15.28	09/06/05	14.38
09/07/05	15.33	09/07/05	14.38
09/08/05	15.28	09/08/05	14.41
09/09/05	15.40	09/09/05	14.49
09/12/05	15.35	09/12/05	14.39
09/13/05	15.17	09/13/05	14.22
09/14/05	15.14	09/14/05	14.07
09/15/05	15.14	09/15/05	14.07
09/16/05	15.25	09/16/05	14.09
09/19/05	15.18	09/19/05	13.98
09/20/05	15.08	09/20/05	13.90
09/21/05	14.98	09/21/05	13.79
09/22/05	14.95	09/22/05	13.70
09/23/05	14.98	09/23/05	13.80
09/26/05	15.03	09/26/05	13.68

	NAV		MARKET PRICE
09/27/05	15.02	09/27/05	13.47
09/28/05	15.02	09/28/05	13.87
09/29/05	15.12	09/29/05	14.03
09/30/05	15.13	09/30/05	13.99
10/03/05	15.11	10/03/05	13.99
10/04/05	14.97	10/04/05	13.94
10/05/05	14.72	10/05/05	13.82
10/06/05	14.60	10/06/05	13.65
10/07/05	14.60	10/07/05	13.85
10/10/05	14.49	10/10/05	13.75
10/11/05	14.45	10/11/05	13.78
10/12/05	14.26	10/12/05	13.39
10/13/05	14.17	10/13/05	13.18
10/14/05	14.27	10/14/05	13.62
10/17/05	14.35	10/17/05	13.59
10/18/05	14.19	10/18/05	13.35
10/19/05	14.30	10/19/05	13.44
10/20/05	14.09	10/20/05	13.24
10/21/05	14.07	10/21/05	13.21
10/24/05	14.28	10/24/05	13.45

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10/25/05	14.32	10/25/05	13.40
10/26/05	14.30	10/26/05	13.38
10/27/05	14.15	10/27/05	13.46
10/28/05	14.31	10/28/05	13.70
10/31/05	14.44	10/31/05	13.71

AVERAGE ANNUAL TOTAL RETURN+ AS OF OCTOBER 31, 2005

[Graphic Appears Here]

COMMON SHARES -- INCEPTION 3/26/2004	1 YEAR	SINCE INCEPTION
-----	-----	-----
On Market Price	10.35%	0.54%
On NAV	8.95%	6.87%

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. You can purchase or sell common shares daily. Like any other stock, market price will fluctuate with the market. Upon sale, your shares may have a market price that is above or below net asset value and may be worth more or less than your original investment. Due to ongoing market volatility, performance is subject to substantial short-term fluctuations.

+ Total return measures net investment income and capital gain or loss from portfolio investments, assuming reinvestment of income and capital gains distributions.

Strategic Total Return Fund  
Performance ANNUAL REPORT 3

### Performance

FUND SECTOR ALLOCATION AS OF OCTOBER 31, 2005

[BAR CHART]

FINANCIALS	20.2%
CONSUMER DISCRETIONARY	15.1%
HEALTH CARE	14.7%
ENERGY	13.2%
INDUSTRIALS	9.1%
TELECOMMUNICATION SERVICES	7.6%
CONSUMER STAPLES	6.8%
INFORMATION TECHNOLOGY	6.7%
MATERIALS	4.0%
UTILITIES	2.6%

Sector allocations are based on total investments (excluding security lending collateral and short-term investments) and may vary over time.

FUND ASSET ALLOCATION AS OF OCTOBER 31, 2005

[PIE CHART]

Strategic Total Return Fund

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4 ANNUAL REPORT Performance

## Schedule of Investments

OCTOBER 31, 2005

PRINCIPAL AMOUNT -----		VALUE -----
CORPORATE BONDS (40.0 % )		
	CONSUMER DISCRETIONARY (10.4%)	
\$4,352,000	Asbury Automotive Group, Inc. 8.000%, 03/15/14	\$ 4,025,600
6,964,000	Aztar Corp.+ 7.875%, 06/15/14	7,207,740
9,885,000	Beazer Homes USA, Inc. 8.375%, 04/15/12	10,144,481
4,352,000	Boyd Gaming Corp. 7.750%, 12/15/12	4,547,840
7,399,000	GBP EMI Group, PLC 9.750%, 05/20/08	14,184,520
17,410,000	Goodyear Tire & Rubber Company+ 7.857%, 08/15/11	16,713,600
2,437,000	GSC Holdings Corp. (Gamestop, Inc.)*+ 8.000%, 10/01/12	2,382,168
7,834,000	Hovnanian Enterprises, Inc.+ 7.750%, 05/15/13	7,794,830
6,093,000	IMAX Corp.+ 9.625%, 12/01/10	6,549,975
8,270,000	Intrawest Corp. 7.500%, 10/15/13	8,456,075
6,624,000	Jarden Corp. 9.750%, 05/01/12	6,723,360
2,823,000	Kellwood Company 7.625%, 10/15/17	2,535,619
6,529,000	Landry's Restaurants, Inc.+ 7.500%, 12/15/14	6,039,325
18,755,000	Mandalay Resort Group+ 10.250%, 08/01/07	20,067,850
5,658,000	7.625%, 07/15/13	5,841,885
11,316,000	Meritage Corp. 7.000%, 05/01/14	10,467,300
5,223,000	NCL Holding, ASA* 10.625%, 07/15/14	5,392,748
4,352,000	Oxford Industries, Inc. 8.875%, 06/01/11	4,482,560
	Pinnacle Entertainment, Inc.+ 8.250%, 03/15/12	7,814,415
7,834,000	8.750%, 10/01/13	4,607,771
4,479,000	Reader's Digest Association, Inc.+ 6.500%, 03/01/11	8,750,692
8,718,000	5,658,000	4,972,151
	CAD Rogers Cable, Inc. 7.250%, 12/15/11	4,972,151
8,705,000	CAD Rogers Wireless, Inc. 7.625%, 12/15/11	7,904,591
11,316,000	Royal Caribbean Cruises, Ltd.+ 7.500%, 10/15/27	11,740,350

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4,352,000	Speedway Motorsports, Inc. 6.750%, 06/01/13	4,471,680
13,057,000	Standard Pacific Corp. 9.250%, 04/15/12	13,513,995
4,352,000	Vail Resorts, Inc. 6.750%, 02/15/14	4,352,000
16,104,000	Warner Music Group 7.375%, 04/15/14	15,781,920
2,176,000	GBP 8.125%, 04/15/14	3,976,693
		-----
		231,443,734
		-----
	CONSUMER STAPLES (3.5%)	
7,399,000	Central Garden & Pet Company+ 9.125%, 02/01/13	7,805,945
12,840,000	Chiquita Brands International, Inc.+ 7.500%, 11/01/14	12,165,900
10,011,000	Del Monte Foods Company 8.625%, 12/15/12	10,711,770
14,798,000	Jean Coutu Group, Inc.+ 8.500%, 08/01/14	13,799,135
9,575,000	NBTY, Inc.*+ 7.125%, 10/01/15	9,383,500
5,484,000	Revlon, Inc.+ 9.500%, 04/01/11	5,168,670
12,187,000	Spectrum Brands, Inc.+ 7.375%, 02/01/15	10,587,456
5,223,000	8.500%, 10/01/13	4,752,930
4,093,000	WH Intermediate Holdings, Ltd. 9.500%, 04/01/11	4,461,370
		-----
		78,836,676
		-----
	ENERGY (5.2%)	
10,446,000	Arch Western Finance, LLC+ 6.750%, 07/01/13	10,550,460
6,093,000	Chesapeake Energy Corp. 6.875%, 01/15/16+	6,199,628
3,482,000	7.500%, 06/15/14	3,708,330
3,482,000	Comstock Resources, Inc. 6.875%, 03/01/12	3,455,885
12,883,000	Giant Industries, Inc.+ 8.000%, 05/15/14	13,398,320
4,352,000	Houston Exploration Company 7.000%, 06/15/13	4,384,640
4,352,000	KCS Energy, Inc. 7.125%, 04/01/12	4,460,800
870,000	Lone Star Technologies, Inc. 9.000%, 06/01/11	922,200
14,363,000	Petroleo Brasileiro, SA 9.125%, 07/02/13	16,445,635
13,493,000	8.375%, 12/10/18	14,909,765
1,741,000	Premcor Refining Group, Inc. 7.500%, 06/15/15	1,862,870
9,858,000	Swift Energy Company+ 9.375%, 05/01/12	10,597,350
6,572,000	Whiting Petroleum Corp. 7.250%, 05/01/12	6,654,150

See accompanying Notes to Schedule of Investments.



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Strategic Total Return Fund  
Schedule of Investments ANNUAL REPORT 5

Schedule of Investments

OCTOBER 31, 2005

PRINCIPAL AMOUNT -----		VALUE -----
\$17,410,000	Williams Companies, Inc. 7.750%, 06/15/31	\$ 18,476,362
		-----
		116,026,395
		-----
	FINANCIALS (3.5%)	
34,820,000	Dow Jones TRAC-X North America High Yield Series 5 December 2010 Trust 3*+ 8.250%, 12/29/10	34,384,750
16,853,000	E*TRADE Financial Corporation* 7.375%, 09/15/13+	16,684,470
2,960,000	8.000%, 06/15/11	3,019,200
13,057,000	Leucadia National Corp. 7.000%, 08/15/13	13,187,570
9,140,000	Senior Housing Properties Trust 8.625%, 01/15/12	10,099,700
		-----
		77,375,690
		-----
	HEALTH CARE (4.1%)	
1,915,000	Alpharma, Inc. 8.625%, 05/01/11	2,058,625
4,352,000	Ameripath, Inc. 10.500%, 04/01/13	4,547,840
3,177,000	Bausch & Lomb, Inc. 7.125%, 08/01/28	3,365,733
12,187,000	Beverly Enterprises, Inc. 7.875%, 06/15/14	13,405,700
8,587,000	MedCath Corp. 9.875%, 07/15/12	9,145,155
6,093,000	Psychiatric Solutions, Inc.+ 7.750%, 07/15/15	6,306,255
4,352,000	Quintiles Transnational Corp. 10.000%, 10/01/13	4,825,280
16,539,000	Service Corp. International 6.750%, 04/01/16	16,332,263
15,408,000	Tenet Healthcare Corp.*+ 9.250%, 02/01/15	14,676,120
5,658,000	Valeant Pharmaceuticals International 7.000%, 12/15/11	5,544,840
11,752,000	Vanguard Health Systems, Inc. 9.000%, 10/01/14	12,310,220
		-----
		92,518,031
		-----

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INDUSTRIALS (3.9%)		
4,788,000	Accuride Corp. 8.500%, 02/01/15	4,548,600
5,789,000	American Airlines, Inc.+ 7.250%, 02/05/09	5,470,605
2,611,000	Armor Holdings, Inc.+ 8.250%, 08/15/13	2,832,935
14,363,000	CNH Global, NV 9.250%, 08/01/11	15,188,872
3,047,000	Columbus McKinnon Corp.* 8.875%, 11/01/13	3,077,470
11,752,000	Cummins, Inc.+ 9.500%, 12/01/10	12,604,020
4,352,000	Gardner Denver, Inc.* 8.000%, 05/01/13	4,547,840
8,270,000	General Cable Corp.+ 9.500%, 11/15/10	8,766,200
4,352,000	Greenbrier Companies, Inc. 8.375%, 05/15/15	4,493,440
3,269,000	Manitowoc Company, Inc. 10.500%, 08/01/12	3,677,625
4,352,000	Monitronics International, Inc. 11.750%, 09/01/10	4,303,040
5,223,000	Navistar International Corp.+ 7.500%, 06/15/11	4,987,965
2,611,000	Orbital Sciences Corp. 9.000%, 07/15/11	2,839,463
4,352,000	Sequa Corp. 8.875%, 04/01/08	4,482,560
4,352,000	Wesco Distribution Inc.*+ 7.500%, 10/15/17	4,368,320
		-----
		86,188,955
		-----
INFORMATION TECHNOLOGY (3.2%)		
20,892,000	Advanced Micro Devices, Inc. 7.750%, 11/01/12	20,996,460
7,399,000	Celestica, Inc.+ 7.875%, 07/01/11	7,362,005
4,352,000	Freescal Semiconductor, Inc. 7.125%, 07/15/14	4,585,920
11,055,000	Lucent Technologies, Inc. 6.500%, 01/15/28	9,452,025
5,680,000	6.450%, 03/15/29+	4,884,800
4,352,000	Stratus Technologies, Inc. 10.375%, 12/01/08	4,417,280
9,140,000	SunGard Data Systems Inc.*+ 9.125%, 08/15/13	9,322,800
13,057,000	Telcordia Technologies* 10.000%, 03/15/13	11,555,445
		-----
		72,576,735
		-----
MATERIALS (3.6%)		
10,881,000	Aleris International, Inc. 10.375%, 10/15/10	11,941,897
1,741,000	9.000%, 11/15/14	1,784,525
2,611,000	Century Aluminum Company+ 7.500%, 08/15/14	2,591,418
13,693,000	Freeport-McMoRan Copper & Gold, Inc.+ 10.125%, 02/01/10	15,130,765
8,270,000	Georgia-Pacific Corp.+	

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	7.375%, 12/01/25	8,259,663
8,705,000	IPSCO, Inc.	
	8.750%, 06/01/13	9,662,550

See accompanying Notes to Schedule of Investments.

Strategic Total Return Fund  
6 ANNUAL REPORT Schedule of Investments

### Schedule of Investments

OCTOBER 31, 2005

PRINCIPAL AMOUNT		VALUE
	Steel Dynamics, Inc.	
\$ 4,788,000	9.500%, 03/15/09	\$ 5,075,280
6,964,000	U.S. Concrete, Inc.+	
	8.375%, 04/01/14	6,990,115
	Union Carbide Corp.	
9,532,000	7.875%, 04/01/23+	10,305,407
7,530,000	7.500%, 06/01/25	7,919,745
		79,661,365
	TELECOMMUNICATION SERVICES (2.1%)	
	Alamosa Holdings, Inc.	
11,316,000	8.500%, 01/31/12	11,796,930
4,352,000	11.000%, 07/31/10	4,841,600
19,151,000	AT&T Corp.	
	9.750%, 11/15/31	23,412,097
3,917,000	IPCS Escrow Company	
	11.500%, 05/01/12	4,406,625
1,741,000	Syniverse Technologies, Inc.*	
	7.750%, 08/15/13	1,762,763
		46,220,015
	UTILITIES (0.5%)	
10,446,000	Edison International+	
	7.730%, 06/15/09	10,889,955
	TOTAL CORPORATE BONDS	
	(Cost \$893,993,694)	891,737,551
	CONVERTIBLE BONDS (14.3 % )	
	CONSUMER DISCRETIONARY (1.9%)	
280,000	General Motors Corp.	
	6.250%, 03/06/32	5,138,000
4,462,000	Lions Gate Entertainment Corp.+	
	3.625%, 03/15/25	4,238,900
32,000,000	Walt Disney Company+	
	2.125%, 04/15/23	32,600,000
		41,976,900

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	ENERGY (1.5%)	
10,500,000	Cal Dive International, Inc.*	
	3.250%, 12/15/25	12,993,750
15,000,000	Repsol Ypf, SA	
	4.500%, 01/26/11	19,989,133
		-----
		32,982,883
		-----
	FINANCIALS (1.0%)	
4,350,000	Host Marriott Corp.*	
	3.250%, 04/15/24	4,752,375
750,000	Travelers Property Casualty Corp.	
	4.500%, 04/15/32	18,712,500
		-----
		23,464,875
		-----
	HEALTH CARE (3.2%)	
17,000,000	Emdeon Corp.*+	
	3.125%, 09/01/25	15,002,500
19,000,000	Invitrogen Corp.*+	
	3.250%, 06/15/25	17,931,250
20,000,000	LifePoint Hospitals, Inc.*+	
	3.250%, 08/15/25	19,000,000
20,000,000	Wyeth+++	
	3.320%, 01/15/24	20,601,800
		-----
		72,535,550
		-----
	INDUSTRIALS (1.5%)	
9,000,000	GATX Corp.+	
	7.500%, 02/01/07	10,833,750
16,000,000	Lockheed Martin Corp.+++	
	3.540%, 08/15/33	16,869,440
4,500,000	Quanta Services, Inc.+	
	4.500%, 10/01/23	5,428,125
		-----
		33,131,315
		-----
	INFORMATION TECHNOLOGY (2.5%)	
16,500,000	Advanced Micro Devices, Inc.+++	
	4.750%, 02/01/22	18,150,000
14,500,000	DST Systems, Inc.	
	4.125%, 08/15/23	18,523,750
19,500,000	LSI Logic Corp.+	
	4.000%, 05/15/10	19,036,875
		-----
		55,710,625
		-----
	MATERIALS (0.8%)	
10,700,000	Freeport-McMoRan Copper & Gold, Inc.+	
	7.000%, 02/11/11	18,123,125
	UTILITIES (1.9%)	
20,000,000	CenterPoint Energy, Inc.	
	3.750%, 05/15/23	24,425,000
8,750,000GBP	Scottish and Southern Energy, PLC	
	3.750%, 10/29/09	17,735,013
		-----
		42,160,013
		-----
	TOTAL CONVERTIBLE BONDS	

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(Cost \$320,949,811)

320,085,286  
=====

SYNTHETIC CONVERTIBLE SECURITIES (7.0 % )		
CORPORATE BONDS (5.9%)		
	CONSUMER DISCRETIONARY (1.5%)	
648,000	Asbury Automotive Group, Inc. 8.000%, 03/15/14	599,400
1,036,000	Aztar Corp.+ 7.875%, 06/15/14	1,072,260
1,470,000	Beazer Homes USA, Inc. 8.375%, 04/15/12	1,508,587
648,000	Boyd Gaming Corp. 7.750%, 12/15/12	677,160
1,101,000	GBP EMI Group, PLC 9.750%, 05/20/08	2,110,712
2,590,000	Goodyear Tire & Rubber Company+ 7.860%, 08/15/11	2,486,400
363,000	GSC Holdings Corp. (Gamestop, Inc.)*+ 8.000%, 10/01/12	354,833
1,166,000	Hovnanian Enterprises, Inc.+ 7.750%, 05/15/13	1,160,170

See accompanying Notes to Schedule of Investments.

Strategic Total Return Fund  
Schedule of Investments ANNUAL REPORT 7

### Schedule of Investments

OCTOBER 31, 2005

PRINCIPAL AMOUNT -----		VALUE -----
\$ 907,000	IMAX Corp.+ 9.625%, 12/01/10	\$ 975,025
1,230,000	Intrawest Corp. 7.500%, 10/15/13	1,257,675
985,000	Jarden Corp. 9.750%, 05/01/12	999,775
420,000	Kellwood Company 7.625%, 10/15/17	377,244
971,000	Landry's Restaurants, Inc.+ 7.500%, 12/15/14	898,175
2,790,000	Mandalay Resort Group+ 10.250%, 08/01/07	2,985,300
842,000	7.625%, 07/15/13	869,365
1,684,000	Meritage Corp. 7.000%, 05/01/14	1,557,700
777,000	NCL Holding, ASA* 10.625%, 07/15/14	802,252
648,000	Oxford Industries, Inc. 8.875%, 06/01/11	667,440
1,166,000	Pinnacle Entertainment, Inc.+ 8.250%, 03/15/12	1,163,085

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666,000	8.750%, 10/01/13	685,147
1,297,000	Reader's Digest Association, Inc.+ 6.500%, 03/01/11	1,301,864
842,000 CAD	Rogers Cable, Inc. 7.250%, 12/15/11	739,935
1,295,0 CAD	Rogers Wireless, Inc. 7.625%, 12/15/11	1,175,927
1,684,000	Royal Caribbean Cruises, Ltd.+ 7.500%, 10/15/27	1,747,150
648,000	Speedway Motorsports, Inc. 6.750%, 06/01/13	665,820
1,943,000	Standard Pacific Corp. 9.250%, 04/15/12	2,011,005
648,000	Vail Resorts, Inc. 6.750%, 02/15/14	648,000
2,396,000	Warner Music Group 7.375%, 04/15/14	2,348,080
324,000 GBP	8.125%, 04/15/14	592,118
		-----
		34,437,604
		-----
	CONSUMER STAPLES (0.5%)	
1,101,000	Central Garden & Pet Company+ 9.125%, 02/01/13	1,161,555
1,910,000	Chiquita Brands International, Inc.+ 7.500%, 11/01/14	1,809,725
1,489,000	Del Monte Foods Company 8.625%, 12/15/12	1,593,230
2,202,000	Jean Coutu Group, Inc.+ 8.500%, 08/01/14	2,053,365
1,425,000	NBTY, Inc.*+ 7.125%, 10/01/15	1,396,500
816,000	Revlon, Inc.+ 9.500%, 04/01/11	769,080
1,813,000	Spectrum Brands, Inc.+ 7.375%, 02/01/15	1,575,044
777,000	8.500%, 10/01/13	707,070
609,000	WH Intermediate Holdings, Ltd. 9.500%, 04/01/11	663,810
		-----
		11,729,379
		-----
	ENERGY (0.8%)	
1,554,000	Arch Western Finance, LLC+ 6.750%, 07/01/13	1,569,540
907,000	Chesapeake Energy Corp. 6.875%, 01/15/16+	922,873
518,000	7.500%, 06/15/14	551,670
518,000	Comstock Resources, Inc. 6.875%, 03/01/12	514,115
1,917,000	Giant Industries, Inc.+ 8.000%, 05/15/14	1,993,680
648,000	Houston Exploration Company 7.000%, 06/15/13	652,860
648,000	KCS Energy, Inc. 7.125%, 04/01/12	664,200
130,000	Lone Star Technologies, Inc. 9.000%, 06/01/11	137,800
2,137,000	Petroleo Brasileiro, SA 9.125%, 07/02/13	2,446,865

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2,007,000	8.375%, 12/10/18	2,217,735
259,000	Premcor Refining Group, Inc. 7.500%, 06/15/15	277,130
1,467,000	Swift Energy Company+ 9.375%, 05/01/12	1,577,025
978,000	Whiting Petroleum Corp. 7.250%, 05/01/12	990,225
2,590,000	Williams Companies, Inc. 7.750%, 06/15/31	2,748,637
		-----
		17,264,355
		-----
	FINANCIALS (0.5%)	
5,180,000	Dow Jones TRAC-X North America High Yield Series 5 December 2010 Trust 3*+ 8.250%, 12/29/10	5,115,250
2,507,000	E*TRADE Financial Corporation* 7.375%, 09/15/13+	2,481,930
440,000	8.000%, 06/15/11	448,800
1,943,000	Leucadia National Corp. 7.000%, 08/15/13	1,962,430
1,360,000	Senior Housing Properties Trust 8.625%, 01/15/12	1,502,800
		-----
		11,511,210
		-----
	HEALTH CARE (0.6%)	
285,000	Alpharma, Inc. 8.625%, 05/01/11	306,375
648,000	Ameripath, Inc. 10.500%, 04/01/13	677,160

See accompanying Notes to Schedule of Investments.

Strategic Total Return Fund  
8 ANNUAL REPORT Schedule of Investments

Schedule of Investments

OCTOBER 31, 2005

PRINCIPAL AMOUNT		VALUE
-----		-----
\$ 473,000	Bausch & Lomb, Inc. 7.125%, 08/01/28	\$ 501,099
1,813,000	Beverly Enterprises, Inc. 7.875%, 06/15/14	1,994,300
1,278,000	MedCath Corp. 9.875%, 07/15/12	1,361,070
907,000	Psychiatric Solutions, Inc.+ 7.750%, 07/15/15	938,745
648,000	Quintiles Transnational Corp. 10.000%, 10/01/13	718,470
2,461,000	Service Corp. International	

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	6.750%, 04/01/16	2,430,238
2,292,000	Tenet Healthcare Corp.*+	
	9.250%, 02/01/15	2,183,130
842,000	Valeant Pharmaceuticals International	
	7.000%, 12/15/11	825,160
1,748,000	Vanguard Health Systems, Inc.	
	9.000%, 10/01/14	1,831,030
		-----
		13,766,777
		-----
	INDUSTRIALS (0.6%)	
712,000	Accuride Corp.	
	8.500%, 02/01/15	676,400
861,000	American Airlines, Inc.+	
	7.250%, 02/05/09	813,645
389,000	Armor Holdings, Inc.+	
	8.250%, 08/15/13	422,065
2,137,000	CNH Global, NV	
	9.250%, 08/01/11	2,259,877
453,000	Columbus McKinnon Corp.*	
	8.875%, 11/01/13	457,530
1,748,000	Cummins, Inc.+	
	9.500%, 12/01/10	1,874,730
648,000	Gardner Denver, Inc.*	
	8.000%, 05/01/13	677,160
1,230,000	General Cable Corp.+	
	9.500%, 11/15/10	1,303,800
648,000	Greenbrier Companies, Inc.	
	8.375%, 05/15/15	669,060
486,000	Manitowoc Company, Inc.	
	10.500%, 08/01/12	546,750
648,000	Monitronics International, Inc.	
	11.750%, 09/01/10	640,710
777,000	Navistar International Corp.+	
	7.500%, 06/15/11	742,035
389,000	Orbital Sciences Corp.	
	9.000%, 07/15/11	423,038
648,000	Sequa Corp.	
	8.875%, 04/01/08	667,440
648,000	Wesco Distribution Inc.*+	
	7.500%, 10/15/17	650,430
		-----
		12,824,670
		-----
	INFORMATION TECHNOLOGY (0.5%)	
3,108,000	Advanced Micro Devices, Inc.	
	7.750%, 11/01/12	3,123,540
1,101,000	Celestica, Inc.+	
	7.875%, 07/01/11	1,095,495
648,000	Freescale Semiconductor, Inc.	
	7.125%, 07/15/14	682,830
	Lucent Technologies, Inc.	
1,645,000	6.500%, 01/15/28	1,406,475
845,000	6.450%, 03/15/29+	726,700
648,000	Stratus Technologies, Inc.	
	10.375%, 12/01/08	657,720
1,360,000	SunGard Data Systems Inc.*+	
	9.125%, 08/15/13	1,387,200
1,943,000	Telcordia Technologies*	
	10.000%, 03/15/13	1,719,555
		-----
		10,799,515



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-----		
	MATERIALS (0.5%)	
	Aleris International, Inc.	
1,619,000	10.375%, 10/15/10	1,776,852
259,000	9.000%, 11/15/14	265,475
389,000	Century Aluminum Company+	
	7.500%, 08/15/14	386,083
2,037,000	Freeport-McMoRan Copper & Gold, Inc.+	
	10.125%, 02/01/10	2,250,885
1,230,000	Georgia-Pacific Corp.+	
	7.375%, 12/01/25	1,228,462
1,295,000	IPSCO, Inc.	
	8.750%, 06/01/13	1,437,450
	Steel Dynamics, Inc.	
712,000	9.500%, 03/15/09	754,720
1,036,000	U.S. Concrete, Inc.+	
	8.375%, 04/01/14	1,039,885
	Union Carbide Corp.	
1,418,000	7.875%, 04/01/23+	1,533,054
1,120,000	7.500%, 06/01/25	1,177,970
		-----
		11,850,836
		-----
	TELECOMMUNICATION SERVICES (0.3%)	
	Alamosa Holdings, Inc.	
1,684,000	8.500%, 01/31/12	1,755,570
648,000	11.000%, 07/31/10	720,900
2,849,000	AT&T Corp.	
	9.750%, 11/15/31	3,482,902
583,000	IPCS Escrow Company	
	11.500%, 05/01/12	655,875
259,000	Syniverse Technologies, Inc.*	
	7.750%, 08/15/13	262,238
		-----
		6,877,485
		-----

See accompanying Notes to Schedule of Investments.

Strategic Total Return Fund  
Schedule of Investments ANNUAL REPORT 9

Schedule of Investments

OCTOBER 31, 2005

PRINCIPAL		VALUE
AMOUNT		
-----		-----
\$	1,554,000	
	UTILITIES (0.1%)	
	Edison International+	
	7.730%, 06/15/09	\$ 1,620,045
		-----
	TOTAL CORPORATE BONDS	132,681,876
		=====

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NUMBER OF CONTRACTS		VALUE
-----		
OPTIONS (1.1%)		
	CONSUMER DISCRETIONARY (0.4%)	
1,600	eBay, Inc.# Call, 01/20/07, Strike 42.50	896,000
7,450	Home Depot, Inc.# Call, 01/20/07, Strike 40.00	4,246,500
6,000	YUM! Brands, Inc.# Call, 01/20/07, Strike 50.00	4,170,000
		----- 9,312,500 -----
	CONSUMER STAPLES (0.2%)	
3,000	Altria Group, Inc.# Call, 01/20/07, Strike 65.00	4,095,000
750	ENERGY (0.2%) Amerada Hess Corp.# Call, 01/20/07, Strike 100.00	2,655,000
3,800	Chevrontexaco Corp.# Call, 01/20/07, Strike 60.00	1,900,000
		----- 4,555,000 -----
	FINANCIALS (0.1%)	
1,500	Allstate Corp.# Call, 01/20/07, Strike 55.00	675,000
		-----
	INFORMATION TECHNOLOGY (0.2%)	
2,850	Apple Computer, Inc.# Call, 01/19/08, Strike 55.00	4,773,750
		-----
	TOTAL OPTIONS	23,411,250 -----
	TOTAL SYNTHETIC CONVERTIBLE SECURITIES	
	(Cost \$154,382,801)	156,093,126 =====

NUMBER OF SHARES		VALUE
-----		
CONVERTIBLE PREFERRED STOCKS (23.3%)		
	CONSUMER DISCRETIONARY (3.8%)	
2,652,400	Ford Motor Company Capital Trust II 6.500%	84,585,036 -----
	CONSUMER STAPLES (1.6%)	
1,500,000	Albertson's, Inc. 7.250%	36,300,000 -----
	ENERGY (1.9%)	
110,000	Amerada Hess Corp.	

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		7.000%	11,721,600
210,700		Chesapeake Energy Corp.*	
		5.000%	30,656,850
			-----
			42,378,450
			-----
		FINANCIALS (11.2%)	
1,325,000		Chubb Corp.	
		7.000%	44,559,750
27,600,000		Fortis, NV (Assurant)*	
		7.750%	30,601,500
650,000		Genworth Financial, Inc.	
		6.000%	22,769,500
515,000		Hartford Financial Services Group, Inc.	
		7.000%	36,863,700
725,000		Lazard Ltd.	
		6.625%	18,480,250
1,250,000		Lehman Brothers Holdings, Inc.	
		6.250%	32,662,500
460,000		Merrill Lynch & Company, Inc.	
		6.750%	17,652,500
675,000		Metlife, Inc.	
		6.375%	18,461,250
470,000		National Australia Bank, Ltd.	
		7.875%	19,110,200
35,000		State Street Corp.	
		13.500%	8,540,000
			-----
			249,701,150
			-----
		HEALTH CARE (3.1%)	
635,000		Baxter International, Inc.	
		3.500%	34,397,950
639,000		Schering-Plough Corp.	
		6.000%	33,688,080
			-----
			68,086,030
			-----
		INDUSTRIALS (0.8%)	
6,500,000	GBP	BAE Systems, PLC	
		7.750%	18,958,989
		UTILITIES (0.9%)	
		Southern Union Company	
200,000		5.000%	9,890,000
150,000		2.875%	10,744,500
			-----
			20,634,500
			-----
		TOTAL CONVERTIBLE PREFERRED STOCKS	
		(Cost \$510,111,821)	520,644,155
			=====
NUMBER OF			
SHARES			VALUE
-----			-----
COMMON STOCKS (60.6%)			
227,706		CONSUMER DISCRETIONARY (3.0%)	
		Federated Department Stores, Inc.+	13,974,317

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577,000	General Motors Corp.+	15,809,800
500,000	SEK Hennes & Mauritz, AB	16,225,987
490,000	Maytag Corp.+	8,437,800
300,000	Reader's Digest Association, Inc.	4,596,000
375,000	Tupperware Corporation+	8,598,750
		-----
		67,642,654
		-----

See accompanying Notes to Schedule of Investments.

Strategic Total Return Fund  
10 ANNUAL REPORT Schedule of Investments

Schedule of Investments

OCTOBER 31, 2005

NUMBER OF SHARES		VALUE
-----		-----
	CONSUMER STAPLES (4.0%)	
320,000	Altria Group, Inc.+	\$ 24,016,000
700,000	Conagra Foods, Inc.	16,289,000
420,000	Reynolds American, Inc.+	35,700,000
696,200	Sara Lee Corp.+	12,427,170
		-----
		88,432,170
		-----
	ENERGY (9.6%)	
1,040,000	Chevrontexaco Corp.	59,352,800
732,000	ConocoPhillips	47,858,160
455,000	Kerr-Mcgee Corp.+	38,693,200
325,000	Marathon Oil Corporation	19,552,000
360,000	EUR OMV, AG	19,424,089
395,000	PetroChina Company, Ltd.+	30,308,350
		-----
		215,188,599
		-----
	FINANCIALS (12.9%)	
980,000	Bank of America Corp.+	42,865,200
1,372,000	Citigroup, Inc.	62,810,160
477,000	Federal National Mortgage Association	22,667,040
568,700	General Growth Properties, Inc.+	24,158,376
176,000	Jefferson-Pilot Corp.	9,658,880
559,600	Mills Corp.+	29,938,600
2,428,000	Washington Mutual, Inc.	96,148,800
		-----
		288,247,056
		-----
	HEALTH CARE (11.2%)	
4,146,000	Bristol-Myers Squibb Company+	87,770,820
1,300,000	Johnson & Johnson	81,406,000
1,755,000	Merck & Company, Inc.+	49,526,100
1,407,000	Pfizer, Inc.	30,588,180

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		----- 249,291,100 -----
	INDUSTRIALS (6.5%)	
630,000	Caterpillar, Inc.+	33,131,700
819,000	General Electric Company	27,772,290
450,000	Masco Corp.+	12,825,000
350,000	R.R. Donnelley & Sons Company+	12,257,000
870,000	Raytheon Company+	32,146,500
920,000	Waste Management, Inc.	27,149,200
		----- 145,281,690 -----
	INFORMATION TECHNOLOGY (3.3%)	
1,382,000	Intel Corp.	32,477,000
650,000	Microsoft Corp.	16,705,000
1,500,000	Nokia Corp.+	25,230,000
		----- 74,412,000 -----
	MATERIALS (1.0%)	
400,000	Lubrizol Corp.	16,636,000
270,000	RPM International, Inc.+	5,027,400
		----- 21,663,400 -----
	TELECOMMUNICATION SERVICES (8.7%)	
900,000 CAD	BCE Inc.	22,219,964
1,185,000	Bellsouth Corp.+	30,833,700
3,071,000	SBC Communications, Inc.+	73,243,350
1,465,000	Sprint Nextel Corp.+	34,149,150
1,039,000	Verizon Communications, Inc.	32,738,890
		----- 193,185,054 -----
	UTILITIES (0.4%)	
500,000	Teco Energy, Inc.	8,650,000
		-----
	TOTAL COMMON STOCKS (Cost \$1,361,135,721)	1,351,993,723 =====

NUMBER OF SHARES		VALUE
-----		-----
	SHORT-TERM INVESTMENTS (1.3 % )	
\$ 17,972,000	Citigroup, Inc. 3.940%, 11/01/05	17,972,000
10,000,000	UBS Finance, Inc. 3.940%, 11/01/05	10,000,000
		-----
	TOTAL SHORT-TERM INVESTMENTS (Cost \$27,972,000)	27,972,000 =====

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NUMBER OF SHARES -----	VALUE -----
INVESTMENT OF CASH COLLATERAL FOR SECURITIES ON LOAN (24.5 % )	
547,802,375	Bank of New York Institutional Cash Reserve Fund current rate 4.023% (Cost \$547,802,375)
	547,802,375 -----
TOTAL INVESTMENTS (171.0 % ) (Cost \$3,816,348,223)	3,816,328,216 =====

NUMBER OF CONTRACTS -----	VALUE -----
WRITTEN OPTIONS (-0.1 % )	
1,100	CONSUMER DISCRETIONARY (-0.1%) Federated Department Stores, Inc. Call, 01/21/06, Strike 70.00
	(96,250)
1,000	Lions Gate Entertainment Corp. Call, 12/17/05, Strike 10.00
	(40,000) =====
	TOTAL WRITTEN OPTIONS (Premium \$387,677)
	(136,250) =====
PAYABLE UPON RETURN OF SECURITIES ON LOAN (-24.6%)	(547,802,375) -----
OTHER ASSETS, LESS LIABILITIES (2.1%)	43,622,227 -----
PREFERRED SHARES AT REDEMPTION VALUE INCLUDING DIVIDENDS PAYABLE (-48.4%)	(1,080,663,766) -----
NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS (100.0 % )	\$ 2,231,348,052 =====

See accompanying Notes to Schedule of Investments.

Strategic Total Return Fund  
Schedule of Investments ANNUAL REPORT 11

Schedule of Investments

OCTOBER 31, 2005

NOTES TO SCHEDULE OF INVESTMENTS

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Note: Market value for securities denominated in foreign currencies are shown in U.S. dollars. The principal amount for such securities is shown in the respective foreign currency.

- \* 144A securities are those that are exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities are generally issued to qualified institutional buyers ("QIBs"), such as the Fund. Any resale of these securities generally must be effected through a sale that is exempt from registration (e.g. a sale to another QIB), or the security must be registered for public sale. At October 31, 2005, the market value of 144A securities that could not be exchanged to the registered form is \$188,850,775 or 8.5% of net assets applicable to common shareholders of the Fund.
- + Security, or portion of security, is on loan.
- # Non-income producing security.
- ++ Variable rate security. The interest rate shown is the rate in effect at October 31, 2005.

Security position is held in a segregated account as collateral for written options aggregating to a total market value of \$8,110,150.

### FOREIGN CURRENCY ABBREVIATIONS

CAD Canadian Dollar  
 EUR European Monetary Unit  
 GBP British Pound Sterling  
 SEK Swedish Krona

See accompanying Notes to Financial Statements.

Strategic Total Return Fund  
 12 ANNUAL REPORT Schedule of Investments

### Statement of Assets and Liabilities

OCTOBER 31, 2005

#### ASSETS

Investments, at value* (cost \$3,816,348,223)	\$3,816,328,216
Cash with custodian (interest bearing)	3,471
Restricted cash for open options (interest bearing)	150,000
Foreign currency (cost \$290,390)	290,390
Unrealized appreciation on interest rate swaps	16,293,318
Accrued interest and dividends receivable	33,710,986
Prepaid expenses	64,814
Other assets	18,793
	-----
Total assets	3,866,859,988
	-----

#### LIABILITIES

Options written, at value (premium \$387,677)	136,250
Payable upon return of securities loaned	547,802,375

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Payable for income distribution	3,767,521
Payable to investment advisor	2,819,894
Payable to financial accountant	32,064
Payable for deferred compensation to Trustees	18,793
Other accounts payable and accrued liabilities	271,273
	-----
Total liabilities	554,848,170
	-----
PREFERRED SHARES	
\$25,000 liquidation value per share applicable to 43,200 shares, including dividends payable	1,080,663,766
	-----
NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	2,231,348,052
	=====
COMPOSITION OF NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	
Common stock, no par value, unlimited shares authorized, 154,514,000 shares issued and outstanding	2,200,733,859
Undistributed net investment income (loss)	9,123,770
Accumulated net realized gain (loss) on investments, options, foreign currency transactions and interest rate swaps	4,966,480
Net unrealized appreciation (depreciation) on investments, options, foreign currency translation and interest rate swaps	16,523,943
	-----
NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	\$2,231,348,052
	=====
Net asset value per common share based on 154,514,000 shares issued and outstanding	\$ 14.44
	=====

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\* Includes \$536,098,533 of securities loaned, at value.

See accompanying Notes to Financial Statements.

Strategic Total Return Fund  
Statement of Assets and Liabilities ANNUAL REPORT 13

### Statement of Operations

YEAR ENDED OCTOBER 31, 2005

INVESTMENT INCOME	
Interest	\$ 99,618,268
Dividends (net of foreign taxes withheld of \$309,782)	80,004,908
Securities lending income	2,637,068
	-----
Total investment income	182,260,244
	-----
EXPENSES	
Investment advisory fees	33,816,296
Financial accounting fees	384,123
Auction agent and rating agency fees	2,767,200
Accounting fees	469,774
Printing and mailing fees	345,138
Audit and legal fees	244,078
Custodian fees	184,715
Registration fees	134,805



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Trustees' fees		41,510
Transfer agent fees		34,457
Other		85,742
		-----
Total expenses		38,507,838
		-----
NET INVESTMENT INCOME (LOSS)		143,752,406
		=====
REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS, WRITTEN OPTIONS, FOREIGN CURRENCY AND INTEREST RATE SWAPS		
NET REALIZED GAIN (LOSS) FROM:		
Investments		71,184,566
Written options		286,065
Foreign currency transactions		(445,506)
Interest rate swaps		(7,416,974)
CHANGE IN NET UNREALIZED APPRECIATION/DEPRECIATION ON:		
Investments		(17,002,524)
Written options		(13,971)
Foreign currency translation		(55,244)
Interest rate swaps		26,743,346
		-----
NET REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS, WRITTEN OPTIONS, FOREIGN CURRENCY AND INTEREST RATE SWAPS		73,279,758
		=====
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS		217,032,164
		=====
DIVIDENDS TO PREFERRED SHAREHOLDERS FROM		
Net investment income		(32,330,741)
		-----
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS RESULTING FROM OPERATIONS		\$ 184,701,423
		=====

See accompanying Notes to Financial Statements.

Strategic Total Return Fund  
14 ANNUAL REPORT Statement of Operations

Statement of Changes in Net Assets

	Year Ended October	
	2005	2004
	-----	-----
OPERATIONS		
Net investment income (loss)	\$ 143,752,406	\$ 143,752,406
Net realized gain (loss) from investments, written options, foreign currency transactions and interest rate swaps	63,608,151	(1,000,000)
Change in net unrealized appreciation/depreciation on investments, written options, foreign currency translation and interest rate swaps	9,671,607	(1,000,000)
Dividends to preferred shareholders from Net investment income	(32,330,741)	(32,330,741)
	-----	-----
Net increase (decrease) in net assets applicable to common shareholders resulting from operations	184,701,423	184,701,423
	-----	-----
DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM		

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Net investment income	(108,979,250)	
Capital gains	(43,603,336)	
	-----	-----
Net (decrease) in net assets from distributions to common shareholders	(152,582,586)	
	-----	-----
CAPITAL STOCK TRANSACTIONS		
Proceeds from initial offering	--	2,2
Offering costs on common shares	--	
Offering costs on preferred shares	--	
Net increase (decrease) in net assets from capital stock transactions	--	2,2
	-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	32,118,837	2,1
	-----	-----
NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS		
Beginning of period	2,199,229,215	
	-----	-----
End of period	\$2,231,348,052	\$ 2,1
	=====	=====
Undistributed net investment income (loss)	\$ 9,123,770	\$

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\* The Fund commenced operations on March 26, 2004.

See accompanying Notes to Financial Statements.

Strategic Total Return Fund  
Statement of Changes in Net Assets ANNUAL REPORT 15

### Notes to Financial Statements

#### NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION. CALAMOS Strategic Total Return Fund (the "Fund") was organized as a Delaware statutory trust on December 31, 2003 and is registered under the Investment Company Act of 1940 (the "1940 Act") as a diversified, closed-end management investment company. The Fund commenced operations on March 26, 2004.

The Fund's investment objective is to provide total return through a combination of capital appreciation and current income. Under normal circumstances, the Fund will invest primarily in common and preferred stocks and income producing securities such as investment grade and below investment grade debt securities.

PORTFOLIO VALUATION. In computing the Fund's net asset value, portfolio securities that are traded on a securities exchange in the United States, except for option securities, are valued at the last reported sale price as of the time of valuation, or lacking any current reported sale at the time of valuation, at the mean between the most recent bid and asked quotations. Each option security traded on a securities exchange in the United States is valued at the last current reported sale price as of the time of valuation if the last current reported sale price falls within the consolidated bid/ask quote for the option security. If the last current reported sale price as of the time of valuation does not fall within the consolidated bid/ask quote for the option security, the security is valued at the mid-point of the consolidated bid/ask quote for the option security. Each security traded in the over-the-counter market and quoted on the NASDAQ National Market System, is valued at the NASDAQ Official Closing Price ("NOCP"), as determined by NASDAQ, or lacking an NOCP, the last current reported sale price as of the time of valuation by NASDAQ, or lacking any current reported sale on NASDAQ at the time of valuation, at the mean between the most recent bid and asked quotations. Each over-the-counter option that is

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not traded through the Options Clearing Corporation is valued by the counterparty, or if the counterparty's price is not readily available then by using the Black-Scholes method. Each other security traded over-the-counter is valued at the mean between the most recent bid and asked quotations. Short-term securities with maturities of 60 days or less are valued at amortized cost, which approximates market value.

When market quotations are not readily available or when the valuation methods mentioned above are not reflective of the fair value of the security, the security is priced at a fair value following procedures and/or guidelines approved by the Board of Trustees, which may include utilizing a systematic fair valuation model provided by an independent pricing system. The Funds' may also use fair value pricing if the value of a security it holds is, pursuant to Board of Trustees' guidelines, materially affected by events occurring before the Funds' pricing time but after the close of the primary market or exchange on which the security is traded. These procedures may utilize valuations furnished by pricing services approved by the Board of Trustees, which may be based on market transactions for comparable securities and various relationships between securities that are generally recognized by institutional traders, a computerized matrix system, or appraisals derived from information concerning the securities or similar securities received from recognized dealers in those securities. When fair value pricing is employed, the value of the portfolio security used to calculate the Funds' net asset value may differ from quoted or official closing prices.

Securities that are principally traded in a foreign market are valued at the last current sale price at the time of valuation or lacking any current or reported sale, at the time of valuation, at the mean between the most recent bid and asked quotations as of the close of the appropriate exchange or other designated time. Trading in securities on European and Far Eastern securities exchanges and over-the-counter markets is normally completed at various times before the close of business on each day on which the New York Stock Exchange ("NYSE") is open. Trading of these securities may not take place on every NYSE business day. In addition, trading may take place in various foreign markets on Saturdays or on other days when the NYSE is not open and on which the Fund's net asset value is not calculated. As stated above, if the market prices are not readily available or are not reflective of the fair value of the security, the security will be priced at a fair value following procedures approved by the Board of Trustees. In light of the judgment involved in fair value decisions, there can be no assurance that a fair value assigned to a particular security is accurate.

INVESTMENT TRANSACTIONS AND INVESTMENT INCOME. Short-term investment transactions are recorded on a trade date basis. Long-term investment transactions are recorded on a trade date plus one basis, except for fiscal quarter ends, which are recorded on trade

Strategic Total Return Fund  
16 ANNUAL REPORT Notes to Financial Statements

### Notes to Financial Statements

date. Net realized gains and losses from investment transactions are reported on an identified cost basis. Interest income is recognized using the accrual method and includes accretion of original issue and market discount and amortization of premium. Dividend income is recognized on the ex-dividend date, except that certain dividends from foreign securities are recorded as soon as the information becomes available.

FOREIGN CURRENCY TRANSLATION. Except for securities of foreign issuers valued by

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a pricing service, values of investments and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars using a rate selected by the advisor from rates quoted by any major bank or dealer in the particular currency market, as reported by a recognized quotation dissemination service.

The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments.

Reported net realized foreign currency gains or losses arise from disposition of foreign currency, foreign currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the Fund's books on the transaction date and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign currency appreciation and depreciation arise from changes (due to the changes in the exchange rate) in the value of foreign currency and other assets and liabilities denominated in foreign currencies held at period end.

OPTION TRANSACTIONS. For hedging and investment purposes, the Fund may purchase or write (sell) put and call options. One of the risks associated with purchasing an option among others, is that the Fund pays a premium whether or not the option is exercised. Additionally, the Fund bears the risk of loss of premium and change in market value should the counterparty not perform under the contract. Put and call options purchased are accounted for in the same manner as portfolio securities. The cost of securities acquired through the exercise of purchased call options is increased by premiums paid. The proceeds from securities sold through the exercise of purchased put options are decreased by the premiums paid.

When the Fund writes an option, an amount equal to the premium received by the Fund is recorded as a liability and is subsequently adjusted to the current value of the option written. Premiums received from writing options that expire unexercised are treated by the Fund on the expiration date as realized gains from written options. The difference between the premium and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or, if the premium is less than the amount paid for the closing purchase transaction, as a realized loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security or currency in determining whether the Fund has realized a gain or loss. If a put option is exercised, the premium reduces the cost basis of the securities purchased by the Fund. The Fund as writer of an option bears the market risk of an unfavorable change in the price of the security underlying the written option.

USE OF ESTIMATES. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

INCOME TAXES. No provision has been made for income taxes because the Fund's policy is to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute to shareholders substantially all of its taxable income and gains.

Dividends and distributions paid to shareholders are recorded on the ex-dividend date. The amount of dividends and distributions from net investment income and net realized capital gains is determined in accordance with federal income tax regulations, which may differ from U.S. generally accepted accounting

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principles. To the extent these "book/tax" differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal tax-basis treatment. These differences are primarily due to differing treatments for foreign currency transactions, contingent payment debt instruments and methods of amortizing and accreting fixed income securities. Financial records are not adjusted for temporary differences.

Strategic Total Return Fund  
Notes to Financial Statements ANNUAL REPORT 17

### Notes to Financial Statements

Effective April 1, 2005, the Fund adopted a level rate monthly distribution to common shareholders, which may be modified by the Board of Trustees from time to time. Monthly distributions may include net investment income, net realized short-term capital gains and, if necessary, return of capital. In addition, distributions may include net realized long-term capital gains to the extent permitted by the 1940 Act.

In order to make these monthly distributions, the Fund might have to sell a portion of its investment portfolio at a time when independent investment judgment might not dictate such action. Also, for purposes of maintaining level rate distributions the Fund may realize short-term capital gains on securities that, if sold at a later date, would have resulted in long-term capital gains. Maintenance of level rate distributions may increase transaction and tax costs associated with the Fund.

INDEMNIFICATIONS. Under the Fund's organizational documents, its Officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Fund. In addition, in the normal course of business, the Fund enters into contracts that provide general indemnifications to other parties. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

### NOTE 2 - INVESTMENT ADVISOR AND TRANSACTIONS WITH AFFILIATES OR CERTAIN OTHER PARTIES

Pursuant to an investment advisory agreement with Calamos Advisors LLC ("Calamos Advisors"), the Fund pays an annual fee, payable monthly, equal to 1.00% based on the average weekly managed assets. "Managed assets" means the Fund's total assets (including any assets attributable to any leverage that may be outstanding) minus total liabilities (other than debt representing financial leverage).

Calamos Advisors receives a fee payable monthly at the annual rate of 0.0175% on the first \$1 billion of combined assets; 0.0150% on the next \$1 billion of combined assets; and 0.0110% on combined assets above \$2 billion for financial accounting services (for purposes of this calculation "combined assets" means the total average daily net assets of Calamos Investment Trust and Calamos Advisors Trust and the average weekly managed assets of Calamos Convertible and High Income Fund, Calamos Convertible Opportunities and Income Fund, Calamos Strategic Total Return Fund and Calamos Global Total Return Fund). Financial accounting services include, but are not limited to, the following: managing expenses and expense payment processing; monitoring the calculation of expense accrual amounts; calculating, tracking, and reporting tax adjustments on all assets and liabilities and monitoring trustee deferred compensation plan accruals and valuations. The Fund will pay its pro rata share of the financial accounting service fee payable to Calamos Advisors based on the Fund's relative

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portion of combined assets.

Effective August 1, 2005 the Fund began reimbursing the advisor for a portion of the compensation paid to the Chief Compliance Officer of the Trust. This compensation is reported as part of "Other" expenses on the Statement of Operations.

Certain officers and Trustees of the Fund are also officers and directors of Calamos Financial Services LLC ("CFS") and Calamos Advisors. All officers and affiliated Trustees serve without direct compensation from the Fund.

The Fund has adopted a deferred compensation plan (the "Plan"). Under the Plan, a trustee who is not an "interested person" (as defined in the 1940 Act) of CFS or Calamos Advisors and has elected to participate in the Plan (a "participating trustee") may defer receipt of all or a portion of his compensation from the Fund. The deferred compensation payable to the participating trustee is credited to the trustee's deferral account as of the business day such compensation would have been paid to the participating trustee. The value of a participating trustee's deferred compensation account at any time is equal to what would be the value if the amounts credited to the account had instead been invested in shares of one or more of the Funds of the Calamos Investment Trust as designated by the trustee. Thus, the value of the account increases with contributions to the account or with increases in the value of the measuring shares, and the value of the account decreases with withdrawals from the account or with declines in the value of the measuring shares. If a participating trustee retires, the trustee may elect to receive payments under the plan in a lump sum or in

Strategic Total Return Fund  
18 ANNUAL REPORT Notes to Financial Statements

### Notes to Financial Statements

equal installments over a period of five years. If a participating trustee dies, any amount payable under the Plan will be paid to the trustee's beneficiaries. Deferred compensation investments of \$18,793 are included in "Other assets" on the Statement of Assets and Liabilities at October 31, 2005. The Fund's obligation to make payments under the Plan is a general obligation of the Fund and is included in "Payable for deferred compensation to Trustees" on the Statement of Assets and Liabilities at October 31, 2005.

#### NOTE 3 - INVESTMENTS

Purchases and sales of investments, other than short-term obligations, for the year ended October 31, 2005 were as follows:

Purchases	\$ 2,356,158,553
Proceeds from sales	2,408,437,660

The following information is presented on an income tax basis as of October 31, 2005. Differences between amounts for financial statements and Federal income tax purposes are primarily due to timing differences.

The cost basis of investments for federal income tax purposes at October 31, 2005 was as follows:

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Cost basis of investments	\$ 3,826,167,866
	-----
Gross unrealized appreciation	200,554,378
Gross unrealized depreciation	(210,394,028)
	-----
Net unrealized appreciation (depreciation)	\$ (9,839,650)
	-----

### NOTE 4 - INCOME TAXES

For the year ended October 31, 2005, the Fund recorded the following permanent reclassifications to reflect tax character. Results of operations and net assets were not affected by these reclassifications.

Paid-in capital	\$ --
Undistributed net investment income (loss)	632,497
Accumulated net realized gain (loss) on investments, options, foreign currency transactions and interest rate swaps	(632,497)

As of October 31, 2005, the components of net assets on a tax basis were as follows:

Undistributed ordinary income	\$ 28,407,130
Undistributed capital gains	--
	-----
Total undistributed earnings	28,407,130
Accumulated capital and other losses	--
Unrealized gains/(losses)	6,674,743
	-----
Total accumulated earnings/(losses)	35,081,873
Other	(4,467,680)
Paid-in capital	2,200,733,859
	-----
Net assets applicable to common shareholders	\$ 2,231,348,052
	-----

Distributions during the fiscal years ended October 31, 2005 and October 31, 2004 were characterized for income tax purposes:

	2005	2004*
	-----	-----
DISTRIBUTIONS PAID FROM:		
Ordinary income	\$ 184,587,693	\$ 62,365,389
Long-Term capital gain	--	--

-----  
\* The Fund commenced operations on March 26, 2004.

For the tax year ended October 31, 2005, the Fund utilized capital losses of \$10,531,150. As of October 31, 2005, the Fund had no capital loss carryforwards.

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Strategic Total Return Fund  
Notes to Financial Statements ANNUAL REPORT 19

## Notes to Financial Statements

### NOTE 5 - COMMON STOCK

There are unlimited common shares of beneficial interest authorized and 154,514,000 shares outstanding at October 31, 2005. Calamos Advisors owned 15,450 of the outstanding shares at October 31, 2005. Transactions in common shares were as follows:

	FOR THE PERIOD ENDED OCTOBER 31, 2005	FOR THE PERIOD ENDED OCTOBER 31, 2004*
	-----	-----
Beginning shares	154,514,000	--
Shares sold	--	154,514,000
Shares issued through reinvestment of distributions	--	--
Ending shares	154,514,000 =====	154,514,000 =====

-----  
\* The Fund commenced operations on March 26, 2004.

### NOTE 6 - FORWARD FOREIGN CURRENCY CONTRACTS

The Fund may engage in portfolio hedging with respect to changes in currency exchange rates by entering into forward foreign currency contracts to purchase or sell currencies. A forward foreign currency contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. Risks associated with such contracts include, among other things, movement in the value of the foreign currency relative to the U.S. dollar and the ability of the counterparty to perform. The net unrealized gain, if any, represents the credit risk to the Fund on a forward foreign currency contract. The contracts are valued daily at forward exchange rates, and an unrealized gain or loss is recorded. The Fund realizes a gain or loss upon settlement of the contracts. There were no open forward foreign currency contracts at October 31, 2005.

### NOTE 7 - SYNTHETIC CONVERTIBLE SECURITIES

The Fund may establish a "synthetic" convertible instrument by combining separate securities that possess the economic characteristics similar to a convertible security, i.e., fixed-income securities ("fixed-income component") and the right to acquire equity securities ("convertible component"). The fixed-income component is achieved by investing in non-convertible, fixed income securities such as bonds, preferred stocks and money market instruments. The convertible component is achieved by investing in warrants or options to buy common stock at a certain exercise price, or options on a stock index. In establishing a synthetic instrument, the Fund may pool a basket of fixed-income securities and a basket of warrants or options that produce the economic characteristics similar to a convertible security. Within each basket of fixed-income securities and warrants or options, different companies may issue the fixed-income and convertible components, which may be purchased separately and at different times.



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The Fund may purchase synthetic securities created by other parties, typically investment banks, including convertible structured notes. Convertible structured notes are fixed-income debentures linked to equity. Convertible structured notes have the attributes of a convertible security; however, the investment bank that issued the convertible note assumes the credit risk associated with the investment, rather than the issuer of the underlying common stock into which the note is convertible. Purchasing synthetic convertible securities may offer more flexibility than purchasing a convertible security. Different companies may issue the fixed-income and convertible components, which may be purchased separately and at different times.

Strategic Total Return Fund  
20 ANNUAL REPORT Notes to Financial Statements

### Notes to Financial Statements

#### NOTE 8 - OPTIONS TRANSACTIONS

The Fund may engage in options transactions and in doing so achieve similar objectives to what it would achieve through the sale or purchase of individual securities. Transactions in options written during the year ended October 31, 2005 were as follows:

	NUMBER OF CONTRACTS	PREMIUMS RECEIVED
	-----	-----
Options outstanding at October 31, 2004	6,900	\$1,127,898
Options written	107,461	8,037,670
Options closed	(72,360)	(6,296,540)
Options expired	(34,790)	(1,615,436)
Options exercised	(5,111)	(865,915)
	-----	-----
Options outstanding at October 31, 2005	2,100	\$ 387,677
	=====	=====

#### NOTE 9 - PREFERRED SHARES

Preferred Shares. There are unlimited shares of Auction Rate Cumulative Preferred Shares ("Preferred Shares") authorized. The Preferred Shares have rights as determined by the Board of Trustees. The 43,200 shares of Preferred Shares outstanding consist of seven series, 7,040 shares of M, 7,040 shares of TU, 7,040 shares of W, 7,040 shares of TH, 7,040 shares of F, 4,000 shares of A, and 4,000 shares of B. The Preferred Shares have a liquidation value of \$25,000 per share plus any accumulated but unpaid dividends, whether or not declared.

Dividends on the Preferred Shares are cumulative at a rate typically reset every seven or twenty-eight days based on the results of an auction. Dividend rates ranged from 1.81% to 3.96% for the year ended October 31, 2005. Under the 1940 Act, the Fund may not declare dividends or make other distributions on shares of common stock or purchases any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding Preferred Shares would be less than 200%.

The Preferred Shares are redeemable at the Fund's option, in whole or in part,

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on any dividend payment date at \$25,000 per share plus any accumulated but unpaid dividends. The Preferred Shares are also subject to mandatory redemption at \$25,000 per share plus any accumulated but unpaid dividends, whether or not declared, if certain requirements relating to the composition of the assets and liabilities of the Fund as set forth in the Statement of Preferences are not satisfied.

The holders of Preferred Shares have voting rights equal to the holders of common stock (one vote per share) and will vote together with holders of shares of common stock as a single class except on matters affecting only the holders of Preferred Shares or the holders of common shares.

### NOTE 10 - INTEREST RATE TRANSACTIONS

The Fund may enter into interest rate swap or cap transactions to attempt to protect itself from increasing dividend or interest expense on its leverage resulting from increasing short-term interest rates. A decline in interest rates may result in a decline in the value of the swap or cap, which may result in a decline in the Fund's net asset value. In addition, if the counterparty to an interest rate swap or cap defaults, the Fund would not be able to use the anticipated receipts under the swap or cap to offset the dividend or interest payments on the Fund's leverage. At the time an interest rate swap or cap reaches its scheduled termination, there is a risk that the Fund would not be able to obtain a replacement transaction or that the terms of the replacement would not be as favorable as on the expiring transaction. In addition, if the Fund is required to terminate any swap or cap early due to the Fund failing to maintain a required 200% asset coverage of the liquidation value of the outstanding Preferred Shares or the Fund loses its credit rating on its Preferred Shares, then the Fund could be required to make a termination payment, in addition to redeeming all or some of the Preferred Shares. Net unrealized gains are reported as an asset or net unrealized losses are reported as a liability on the

### Strategic Total Return Fund Notes to Financial Statements ANNUAL REPORT 21

#### Notes to Financial Statements

Statement of Assets and Liabilities. The change in the value of the swaps, including periodic amounts of interest to be paid or received on swaps is reported as unrealized gains or losses in the Statement of Operations. A realized gain or loss is recorded upon payment or termination of swap agreements. Details of the swap agreements outstanding as October 31, 2005 were as follows:

COUNTERPARTY	TERMINATION DATE	NOTIONAL AMOUNT (000)	FIXED RATE (FUND PAYS)	FLOATING RATE (FUND RECEIVES)	UNREALIZED APPRECIATION (DEPRECIATION)
Citibank NA	June 4, 2006	\$ 150,000	3.04%	1month LIBOR	\$ 1,357,148
Citibank NA	February 4, 2007	150,000	3.68%	1month LIBOR	1,804,322
Citibank NA	June 4, 2007	150,000	3.61%	1month LIBOR	2,484,689
Citibank NA	February 4, 2008	150,000	3.88%	1month LIBOR	2,731,238
Citibank NA	June 4, 2009	200,000	4.34%	1month LIBOR	2,812,447
Citibank NA	February 4, 2010	200,000	4.14%	1month LIBOR	5,103,474
					-----
					\$ 16,293,318

=====

## NOTE 11 - SECURITIES LENDING

During the year ended October 31, 2005 the Fund lent certain of its securities to broker-dealers and banks. Any such loan must be continuously secured by collateral in cash or cash equivalents maintained on a current basis in an amount at least equal to the market value of the securities loaned by the Fund. The Fund continues to receive the equivalent of the interest or dividends paid by the issuer on the securities loaned and also receives an additional return that may be in the form of a fixed fee or a percentage of the collateral. The Fund may pay reasonable fees to persons unaffiliated with the Fund for services in arranging these loans. The Fund has the right to call the loan and obtain the securities loaned at any time on notice of not more than five business days. The Fund does not have the right to vote the securities during the existence of the loan but could call the loan in an attempt to permit voting of the securities in certain circumstances. Upon return of the securities loaned, the cash or cash equivalent collateral will be returned to the borrower. In the event of bankruptcy or other default of the borrower, the Fund could experience both delays in liquidating the loan collateral or recovering the loaned securities and losses, including (a) possible decline in the value of the collateral or in the value of the securities loaned during the period while the Fund seeks to enforce its rights thereto, (b) possible subnormal levels of income and lack of access to income during this period, and (c) the expenses of enforcing its rights. In an effort to reduce these risks, Calamos Advisors and the security lending agent will monitor the creditworthiness of the firms to which the Fund lends securities. At October 31, 2005, the Fund had securities valued at \$536,098,533 that were on loan to broker-dealers and banks and \$547,802,375 in cash or cash equivalent collateral.

Strategic Total Return Fund  
22 ANNUAL REPORT Notes to Financial Statements

## Financial Highlights

SELECTED DATA FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD WERE AS FOLLOWS:

Net asset value, beginning of period
Income from investment operations:
Net investment income (loss)
Net realized and unrealized gain (loss) from investments, options, foreign currency and interest rate swaps
Dividends to preferred shareholders from:
Net investment income (common share equivalent basis)
Total from investment operations
Less dividends to common shareholders from :
Net investment income
Capital gains
Capital charge resulting from issuance of common and preferred shares
Net asset value, end of period

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Market value, end of period

Total investment return based on (b):

Net asset value

Market value

Ratios and supplemental data:

Net assets applicable to common shareholders, end of period (000's omitted)

Preferred shares, at redemption value (\$25,000 per share liquidation preference) (000's omitted)

Ratios to average net assets applicable to common shareholders:

Net expenses(c) (d)

Net investment income (loss) (c) (d)

Preferred share dividends(c)

Net investment income (loss), net of preferred share dividends (c)

Portfolio turnover rate

Average commission rate paid

Asset coverage per preferred share, at end of period (e)

-----  
\* Commencement of operations.

- (a) Net of sales load of \$0.675 on initial shares issued and beginning net asset value of \$14.325.
- (b) Total investment return is calculated assuming a purchase of common stock on the opening of the first day and a sale on the closing of the last day of the period reported. Dividends and distributions are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total return is not annualized for periods less than one year. Brokerage commissions are not reflected. NAV per share is determined by dividing the value of the Fund's portfolio securities, cash and other assets, less all liabilities, by the total number of common shares outstanding. The common share market price is the price the market is willing to pay for shares of the Fund at a given time. Common share market price is influenced by a range of factors, including supply and demand and market conditions.
- (c) Annualized for periods less than one year.
- (d) Does not reflect the effect of dividend payments to preferred shareholders.
- (e) Calculated by subtracting the Fund's total liabilities (not including preferred shares) from the Fund's total assets and dividing this by the number of Preferred Shares outstanding.

See accompanying Notes to Financial Statements

Strategic Total Return Fund  
Financial Highlights ANNUAL REPORT 23

Report of Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholders of Calamos Strategic Total Return Fund

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Calamos Strategic Total Return Fund (the "Fund") as of October 31, 2005, the related statement of operations for the year then ended, and the statements of changes in net assets and the financial highlights for the year then ended and for the period from March 26, 2004 (commencement of operations) through October 31, 2004. These financial statements and financial

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highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of October 31, 2005, by correspondence with the Fund's custodian and brokers. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Fund as of October 31, 2005, the results of its operations for the year then ended, and the changes in its net assets and the financial highlights for the year then ended and for the period from March 26, 2004 (commencement of operations) through October 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

/s/ [DELOITTE & TOUCHE LLP]

Chicago Illinois  
December 16, 2005

Strategic Total Return Fund  
24 ANNUAL REPORT Report of Independent Registered Public Accounting Firm

### Tax Information (unaudited)

We are providing this information as required by the Internal Revenue Code (Code). The amounts shown may differ from those elsewhere in this report due to differences between tax and financial reporting requirements. In January 2006, shareholders will receive Form 1099-DIV which will include their share of qualified dividends and capital gains distributed during the calendar year 2005. Shareholders are advised to check with their tax advisors for information on the treatment of these amounts on their individual income tax returns.

Under Section 854(b)(2) of the Code, the Fund hereby designates \$57,326,514, or the maximum amount allowable under the Code, as qualified dividends for the fiscal year ended October 31, 2005.

Under Section 854(b)(2) of the Code, the Fund hereby designates 27.26% of the ordinary income dividends as income qualifying for the corporate dividends received deduction for the fiscal year ended October 31, 2005.

Strategic Total Return Fund  
Tax Information ANNUAL REPORT 25

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Trustee Approval of Management Agreement (unaudited)

The Board of Trustees of the Fund oversees the Fund's management and, as required by law, determines annually whether to continue the Fund's management agreement with Calamos Advisors under which Calamos Advisors serves as the investment manager for the Fund.

In connection with their most recent consideration of that agreement, the Trustees received and reviewed information provided by Calamos Advisors in response to detailed requests of the Independent Trustees and their independent legal counsel and discussed with representatives of Calamos Advisors' the Fund's operations and the nature and quality of the advisory and other services provided by Calamos Advisors to the Fund. The Trustees also received and reviewed a memorandum from counsel to the Independent Trustees regarding the Trustee's responsibilities in evaluating the management agreement. In the course of their consideration of the agreement the Independent Trustees were advised by their counsel, and in addition to meeting with management of Calamos Advisors, they met separately in executive session with their counsel.

At a meeting on June 30, 2005, based on their evaluation of the information referred to above and other information, the Trustees determined that the overall arrangements between the Fund and Calamos Advisors were fair and reasonable in light of the nature and quality of the services provided by Calamos Advisors and its affiliates, the fees charged for those services and other matters that the Trustees considered relevant in the exercise of their business judgment. At that meeting the Trustees, including all of the Independent Trustees, unanimously approved continuation of the management agreement through August 1, 2006, subject to earlier termination as provided in the agreement.

In considering the continuation of the management agreement, the Trustees reviewed and analyzed various factors that they determined were relevant, including the factors described below, none of which by itself was considered dispositive. However, the material factors and conclusions that formed the basis for the Trustees' determination to approve the continuation of the management agreement are discussed separately below.

### NATURE, QUALITY AND EXTENT OF SERVICES

The Trustees reviewed the nature, extent and quality of Calamos Advisors' services to the Fund, taking into account the investment objective and strategy of the Fund and the knowledge of the Trustees gained from their regular meetings with management on at least a quarterly basis. In addition, the Trustees reviewed Calamos Advisors' resources and key personnel, especially those who provide investment management services to the Fund. The Trustees also considered other services provided to the Fund by Calamos Advisors, such as managing the execution of portfolio transactions and the selection of broker-dealers for those transactions, monitoring adherence to the Fund's investment restrictions, producing shareholder reports, providing support services for the Board and Board committees, communicating with shareholders and overseeing the activities of other service providers, including monitoring compliance with various Fund policies and procedures and with applicable securities laws and regulations.

The Trustees concluded that the nature and extent of the services provided by Calamos Advisors to the Fund were appropriate and consistent with the terms of the management agreement, that the quality of those services had been consistent with or superior to quality norms in the industry and that the Fund was likely to benefit from the continued provision of those services. They also concluded that Calamos Advisors had sufficient personnel, with the appropriate education and experience, to serve the Fund effectively and had demonstrated its continuing ability to attract and retain well qualified personnel.

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### PERFORMANCE

The Trustees considered the Fund's performance results over various time periods. They reviewed information comparing the Fund's performance with the performance of comparable funds and peer groups identified by Lipper Inc., an independent provider of investment company data, and with the Fund's benchmark. The Trustees noted that the Fund had less than three years of performance data, and thus did not have a long-term performance record. The Trustees concluded that given the short performance history, performance was not the most important factor in the Trustees' evaluation of the quality of services provided by Calamos Advisors under the management agreement.

Strategic Total Return Fund  
26 ANNUAL REPORT Trustee Approval of Management Agreement

Trustee Approval of Management Agreement (unaudited)

### COSTS OF SERVICES AND PROFITS REALIZED BY CALAMOS ADVISORS

The Trustees examined information on fees and expenses of the Fund in comparison to information for other comparable funds as provided by Lipper. Also, the Trustees reviewed information on fees and expenses for additional funds identified by Calamos Advisors. The Trustees noted that the contractual rate of management fees, the actual management fees after fee waivers and the overall expense ratios for the Fund were greater than the median management fees of its Lipper peer group.

The Trustees considered the methodology used by Calamos Advisors in determining compensation payable to portfolio managers, the very competitive environment for investment management talent, and the competitive market for mutual funds in different distribution channels.

The Trustees reviewed information on the profitability of Calamos Advisors in serving as the Fund's investment manager and of Calamos Advisors and its affiliates in all of their relationships with the Fund, as well as an explanation of the methodology utilized in allocating various expenses among the Fund and other business units. The Trustees recognized that profitability comparisons among fund managers are difficult because very little comparative information is publicly available and profitability of any manager is affected by numerous factors, including the organizational structure of the particular manager, the types of funds and other accounts it manages, possible other lines of business, the methodology for allocating expenses and the manager's capital structure and cost of capital. However, based on the information available and taking those factors into account, the Trustees concluded that the profitability of Calamos Advisors regarding the Fund in relation to the services rendered was not unreasonable.

The Trustees also reviewed Calamos Advisors' management fees for its institutional separate accounts and for its subadvised funds (for which Calamos Advisors provides portfolio management services only). Although in most instances its sub-advisory, and in many instances its institutional separate account, fees for various investment strategies are lower than the management fees charged to the Fund, the Trustees noted that Calamos Advisors performs significant additional services for the Fund that it does not provide to those other clients, including oversight of the Funds' other service providers, trustee support, regulatory compliance and numerous other services.

Finally, the Trustees considered Calamos Advisors' financial condition, which

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they found to be sound.

The Trustees concluded that the management fee and other compensation payable by the Fund to Calamos Advisors and its affiliates were reasonable in relation to the nature and quality of the services to be provided, taking into account the fees charged by other advisors for managing comparable mutual funds with similar strategies and the fees Calamos Advisors charges to other clients. The Trustees also concluded that the Fund's estimated overall expense ratios, taking into account quality of services provided by Calamos Advisors, the Fund's investment performance of the Funds' and the expense limitations agreed to by Calamos Advisors, were also reasonable.

### ECONOMIES OF SCALE

In reviewing the Fund's fees and expenses, the Trustees examined the potential benefits of economies of scale, and whether any economies of scale should be reflected in the Fund's fee structure. They noted that the Fund has had a relatively stable asset base since commencement of operations and that there do not appear to have been significant economies of scale realized since that time.

Strategic Total Return Fund  
Trustee Approval of Management Agreement ANNUAL REPORT 27

Trustee Approval of Management Agreement (unaudited)

### OTHER BENEFITS TO CALAMOS ADVISORS

The Trustees also considered benefits that accrue to Calamos Advisors and its affiliates from their relationship with the Fund. The Trustees concluded that, other than the services to be provided by Calamos Advisors and its affiliates pursuant to the management agreement and the fees payable by the Fund therefor, the Fund and Calamos Advisors may potentially benefit from their relationship with each other in other ways. The Trustees also considered Calamos Advisors' use of commissions to be paid by the Fund on its portfolio brokerage transactions to obtain proprietary research products and services benefiting the Fund and/or other clients of Calamos Advisors. The Trustees concluded that Calamos Advisors' use of "soft" commission dollars to obtain research products and services was consistent with regulatory requirements and is beneficial to the Fund. They concluded that, although Calamos Advisors derives or may derive additional benefits through the use of soft dollars from the Fund's portfolio transactions, the Fund also benefits from the receipt of research products and services to be acquired through commissions paid on the portfolio transactions of other clients of Calamos Advisors. They also concluded that the Fund's success could attract other business to Calamos Advisors or its other funds and that Calamos Advisors' success could enhance its ability to serve the Fund.

After full consideration of the above factors as well as other factors that were instructive in analyzing the management arrangements, the Trustees, including all of the Independent Trustees, concluded that the continuation of the management agreement was in the best interest of the Fund and its shareholders.

Strategic Total Return Fund  
28 ANNUAL REPORT Trustee Approval of Management Agreement

Trustees & Officers (unaudited)

The management of the Trust\*, including general supervision of duties performed for the Fund under the Investment Management Agreement, is the responsibility of



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its board of trustees.

The following table sets forth, as of October 31, 2005, each Trustee's position(s) with the Trust, age, principal occupation during the past five years, number of portfolios overseen, other directorships, and the date on which the Trustee first became a trustee of the Trust.

NAME AND AGE AT OCTOBER 31, 2005	POSITION(S) HELD WITH TRUST AND DATE FIRST ELECTED OR APPOINTED TO OFFICE	NUMBER OF PORTFOLIOS IN FUND COMPLEX** OVERSEEN BY TRUSTEE	P
-----			
TRUSTEES WHO ARE INTERESTED PERSONS OF TRUST:			
John P. Calamos, Sr., 65***	Trustee and President (since 2004)	14	Presid Manage LLC (" its pr and Ca its pr Senior CHLLC, Direct
Nick P. Calamos, 44***	Trustee and Vice President (since 2004)	14	
TRUSTEES WHO ARE NOT INTERESTED PERSONS OF TRUST:			
Joe F. Hanauer, 68	Trustee (since 2004)	14	Privat (banki Homest provid and pr Invest Partne Privat One Ca bankin Presid Depart Direct (lands
Weston W. Marsh, 55	Trustee (since 2004)	14	
John E. Neal, 55	Trustee (since 2004)	14	
William R. Rybak, 54	Trustee (since 2004)	14	Privat Presid Invest manage Barnes firm); Privat Northe compan Office Invest ; form Global of Nor and Ex Presid Corpor Northe invest
Stephen B. Timbers, 61	Trustee (since 2004)	14	

\* The Trust is defined as the CALAMOS Strategic Total Return Fund.

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- \*\* The Fund Complex consists of CALAMOS Investment Trust, CALAMOS Advisors Trust, CALAMOS Convertible Opportunities and Income Fund, CALAMOS Convertible and High Income Fund, CALAMOS Strategic Total Return Fund and CALAMOS Global Total Return Fund.
- \*\*\* John P. Calamos and Nick P. Calamos are Trustees who are "interested persons" of the Trust as defined in the Investment Company Act of 1940 (the "1940 Act") because of their position with Calamos.
- + Overseeing 53 portfolios in fund complex.

Strategic Total Return Fund  
Trustees & Officers ANNUAL REPORT 29

### Trustees & Officers (unaudited)

OFFICERS. Messrs. John Calamos and Nick Calamos are president and vice president of the Trust, respectively. The preceding table gives more information about Messrs. John Calamos and Nick Calamos. The following table sets forth as of October 31, 2005 each other officer's name, position with the Trust, age, principal occupation during the past five years, other directorships, and the date on which he or she first became and officer of the Trust. Each officer serves until his or her successor is chosen and qualified or until his or her resignation or removal by the Board of Trustees.

NAME AND AGE AT OCTOBER 31, 2005	POSITION(S) HELD WITH TRUST AND DATE FIRST ELECTED OR APPOINTED TO OFFICE	PRINCIPAL OCCUPATION DURING PAST FIVE YEARS AND OTHER DIRECTORSHIPS
Nimish S. Bhatt, 42	Treasurer (since 2004)	Senior Vice President and Director of Calamos Advisors (since 2004); Senior Vice President of Investments and Tax Services of BIS
Patrick H. Dudasik, 50	Vice President (since 2004)	Executive Vice President, Chief Financial Officer, and Treasurer of CAM and CFS (since 2001); Chief Financial Officer of CAM and CFS Inc. (1998-2001); and Chief Financial Officer of Investments, Inc., prior thereto
James S. Hamman, Jr., 36	Secretary (since 2004)	Executive Vice President, Secretary of CHLLC (since 2004), Calamos Advisor
Moses Kovalchuk, 38	Assistant Treasurer (since 2005)	Vice President of Mutual Fund Operations, President of Fund Accounting, J.P. Morgan, and President of Fund Accounting, Deutsche Bank
Kevin S. Woodard, 39	Assistant Secretary (since 2005)	Senior Vice President and Associate Treasurer (since 2005) Vice President and Controller
Mark Mickey, 54	Chief Compliance Officer (since 2005)	Chief Compliance Officer, Calamos (since 2005); Chief Compliance Officer, Assessment and Internal Audit, Calamos (2002-2003); Executive Director, Mickey Consulting (2002-2003); Executive Director, Compliance, ABN AMRO, Inc., prior to 2002

The Fund's statement of additional information contains additional information

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about the Trustees and is available free of charge upon request by calling Calamos Investments at (800) 582-6959.

The mailing address of the Trustees and Officers is Calamos Funds; Attn: Secretary, 2020 Calamos Court, Naperville, IL 60563-2787.

Strategic Total Return Fund  
30 ANNUAL REPORT Trustees & Officers

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[CALAMOS INVESTMENTS GRAPH]

Calamos Investments | 2020 Calamos Court | Naperville, IL 60563-2787  
| 800.582.6959 | [www.calamos.com](http://www.calamos.com)

A description of the Calamos Proxy Voting Policies and Procedures is available free of charge upon request by calling (800) 582-6959, by visiting the Calamos website at [www.calamos.com](http://www.calamos.com), by writing Calamos at: Calamos Investments, Attn: Client Services, 2020 Calamos Court, Naperville, IL 60563 and by visiting the SEC's Web site at [www.sec.gov](http://www.sec.gov). The Fund's proxy voting record for the twelve month period ended June 30, 2005, is also available free of charge upon request by calling or writing Calamos Investments and by visiting the SEC Web site at [www.sec.gov](http://www.sec.gov).

The Fund files a complete list of its portfolio holdings with the SEC for the first and third quarters each fiscal year on Form N-Q. The Form N-Q is available free of charge, upon request, by calling or writing Calamos Investments or by visiting the SEC website. You may also review or, for a fee, copy the forms at the SEC's Public Reference Room in Washington, D.C. (202) 942-8090.

On May 3, 2005, the Fund submitted a CEO annual certification to the NYSE on which the Fund's chief executive officer certified that he was not aware, as of that date, of any violation by the Fund of the NYSE's corporate governance listing standards. In addition, the Fund's report to the SEC on Form N-CSR contains certifications by the fund's principal executive officer and principal financial officer as required by Rule 30a-2(a) under the 1940 Act, relating to, among other things, the quality of the Fund's disclosure controls and procedures and internal control over financial reporting.

FOR 24 HOUR SHAREHOLDER ASSISTANCE  
800.432.8224

TO OBTAIN INFORMATION  
800.582.6959

VISIT OUR WEB SITE  
[www.calamos.com](http://www.calamos.com)

INVESTMENT ADVISOR

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Calamos Advisors LLC  
2020 Calamos Court  
Naperville, IL 60563-2787

FUND ACCOUNTING AGENT  
State Street Bank and Trust Company  
225 Franklin Street  
Boston, MA 02111

CUSTODIAN AND TRANSFER AGENT  
The Bank of New York  
P.O. Box 11258  
Church Street Station  
New York, NY 10286  
800.524.4458

INDEPENDENT REGISTERED PUBLIC  
ACCOUNTING FIRM  
Deloitte and Touche LLP  
Chicago, IL

LEGAL COUNSEL  
Bell, Boyd & Lloyd LLC  
Chicago, IL

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CSQANR 1946 2005

### ITEM 2. CODE OF ETHICS.

(a) The registrant has adopted a code of ethics (the "Code of Ethics") that applies to its principal executive officer, principal financial officer, principal accounting officer or controller, or person performing similar functions.

(b) Not applicable.

(c) The registrant has not amended its Code of Ethics during the period covered by the shareholder report presented in Item 1 hereto.

(d) The registrant has not granted a waiver or an implicit waiver from its Code of Ethics during the period covered by the shareholder report presented in Item 1 hereto.

(e) Not applicable.

(f) (1) The registrant's Code of Ethics is attached as an Exhibit hereto.

### ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The registrant's Board of Trustees has determined that, for the period covered by the shareholder report presented in Item 1 hereto, it has three audit committee financial experts serving on its audit committee, each of whom is an independent Trustee for purpose of this N-CSR item: John E. Neal, Stephen B. Timbers and William Rybak. Under applicable securities laws, a person who is determined to be an audit committee financial expert will not be deemed an "expert" for any purpose, including without limitation for the purposes of Section 11 of the Securities Act of 1933, as a result of being designated or

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identified as an audit committee financial expert. The designation or identification of a person as an audit committee financial expert does not impose on such person any duties, obligation, or liabilities that are greater than the duties, obligations and liabilities imposed on such person as a member of audit committee and Board of Trustees in the absence of such designation or identification.

### ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

a) Audit Fee - \$34,500 and \$34,717 are the aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant to the registrant for the audit of the registrant's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years.

(b) Audit-Related Fees - \$49,917 and \$27,192 are the aggregate fees billed in each of the last two fiscal years for assurance and related services rendered by the principal accountant to the registrant that are reasonably related to the performance of the audit of the registrant's financial statements and are not reported under paragraph (a) of this Item 4.

There were no fees billed in each of the last two fiscal years for assurance and related services rendered by the principal accountant to the investment adviser that are reasonably related to the performance of the audit of the registrant's financial statements that were required to be pre-approved by the audit committee.

(c) Tax Fees - \$4,667 and \$4,850 are the aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant to the registrant for tax compliance, tax advice, tax planning and tax return preparation.

There were no fees billed in each of the last two fiscal years for professional services rendered by the principal accountant to the investment adviser for tax compliance, tax advice and tax planning that were required to be pre-approved by the audit committee as described in paragraph (e)(1) of this Item 4.

(d) All Other Fees - \$2,500 and \$101,848 are the aggregate fees billed in each of the last two fiscal years for products and services provided by the principal accountant to the registrant, other than the services reported in paragraph (a)-(c) of this Item 4.

There were no fees billed in each of the last two fiscal years for products and services provided by the principal accountant to the investment adviser, other than the services reported in paragraphs (a)-

(c) of this Item 4, that were required to be pre-approved by the audit committee as described in paragraph (e)(1) of this Item 4.

(e) (1) Registrant's audit committee meets with the principal accountants and management to review and pre-approve all audit services to be provided by the principal accountants.

The audit committee shall pre-approve all non-audit services to be provided by the principal accountants to the registrant, including the fees and other compensation to be paid to the principal accountants; provided that the pre-approval of non-audit services is waived if (i) the services were not recognized by management at the time of the engagement as non-audit services,

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(ii) the aggregate fees for all non-audit services provided to the registrant are less than 5% of the total fees paid by the registrant to its principal accountants during the fiscal year in which the non-audit services are provided, and (iii) such services are promptly brought to the attention of the audit committee by management and the audit committee approves them prior to the completion of the audit.

The audit committee shall pre-approve all non-audit services to be provided by the principal accountants to the investment adviser or any entity controlling, controlled by or under common control with the adviser that provides ongoing services to the registrant if the engagement relates directly to the operations or financial reporting of the registrant, including the fees and other compensation to be paid to the principal accountants; provided that pre-approval of non-audit services to the adviser or an affiliate of the adviser is not required if (i) the services were not recognized by management at the time of the engagement as non-audit services, (ii) the aggregate fees for all non-audit services provided to the adviser and all entities controlling, controlled by or under common control with the adviser are less than 5% of the total fees for non-audit services requiring pre-approval under paragraph (e)(1) of this Item 4 paid by the registrant, the adviser or its affiliates to the registrant's principal accountants during the fiscal year in which the non-audit services are provided, and (iii) such services are promptly brought to the attention of the audit committee by management and the audit committee approves them prior to the completion of the audit.

(2) 100% of the services provided to the registrant described in paragraphs (b)-(d) of this Item 4 were pre-approved by the audit committee pursuant to paragraphs (e)(1) of this Item 4. There were no services provided to the investment adviser or any entity controlling, controlled by or under common control with the adviser described in paragraphs (b)-(d) of this Item 4 that were required pre-approved by the audit committee.

(f) No disclosures are required by this Item 4(f).

(g) \$7,167 and \$106,698 are the aggregate non-audit fees billed in each of the last two fiscal years for services rendered by the principal accountant to the registrant. \$58,000 and \$31,256 are the aggregate non-audit fees billed in each of the last two fiscal years for services rendered by the principal accountant to the investment adviser or any entity controlling, controlled by or under common control with the adviser.

The registrant's audit committee did approve such non-audit services.

(h) No disclosures are required by this Item 4(h).

### ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

The registrant has a separately-designated standing audit committee. The members of the registrant's audit committee are John E. Neal, Joe F. Hanauer, Weston W. Marsh, William R. Rybak and Stephen B. Timbers.

### ITEM 6. SCHEDULE OF INVESTMENTS

Included in the Report to Shareholders in Item 1.

### ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

The registrant has delegated the voting of proxies relating to its voting securities to its investment adviser, Calamos Advisors LLC ("Calamos"). A description of Proxy Voting Policies and Procedures of ("Calamos") are included

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as an Exhibit hereto.

### ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable

### ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

PERIOD -----	(a) TOTAL NUMBER OF SHARES (OR UNITS) PURCHASED -----	(b) AVERAGE PRICE PAID PER SHARE (OR UNIT) -----	(c) TOTAL NUMBER OF SHARES (OR UNITS) PURCHASED AS PART OF PUBLICLY ANNOUNCED PLANS OR PROGRAMS -----	(d) MAXIMUM NUMBER (OR APPROXIMATE DOLLAR VALUE) OF SHARES (OR UNITS) THAT MAY YET BE PURCHASED UNDER THE PLANS OR PROGRAMS -----
May 1 to May 31	N/A	N/A	N/A	N/A
June 1 to June 30	N/A	N/A	N/A	N/A
July 1 to July 31	N/A	N/A	N/A	N/A
August 1 to August 31	N/A	N/A	N/A	N/A
September 1 to September 30	N/A	N/A	N/A	N/A
October 1 to October 31	N/A	N/A	N/A	N/A
	----	----	----	----
Total	N/A	N/A	N/A	N/A
	=====	=====	=====	=====

### ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No material changes.

### ITEM 11. CONTROLS AND PROCEDURES.

a) The registrant's principal executive officer and principal financial officer have evaluated the registrant's disclosure controls and procedures within 90 days of this filing and have concluded that the registrant's disclosure controls and procedures were effective, as of that date, in ensuring that information required to be disclosed by the registrant in this Form N-CSR was recorded, processed, summarized, and reported timely.

b) There were no changes in the registrant's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

### ITEM 12. EXHIBITS.

(a) (1) Code of Ethics

(a) (2) (i) Certification of Principal Executive Officer.

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(a) (2) (ii) Certification of Principal Financial Officer.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Calamos Strategic Total Return Fund

By: /s/ John P. Calamos, Sr.

-----  
Name: John P. Calamos, Sr.  
Title: Principal Executive Officer  
Date: December 21, 2005

By: /s/ Patrick H. Dudasik

-----  
Name: Patrick H. Dudasik  
Title: Principal Financial Officer  
Date: December 21, 2005

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Calamos Strategic Total Return Fund

By: /s/ John P. Calamos, Sr.

-----  
Name: John P. Calamos, Sr.  
Title: Principal Executive Officer  
Date: December 21, 2005

By: /s/ Patrick H. Dudasik

-----  
Name: Patrick H. Dudasik  
Title: Principal Financial Officer  
Date: December 21, 2005