

# Convertible and High Income Fund (CHY)



## FUND HIGHLIGHTS

- > Current annualized distribution rate of 8.82%<sup>1</sup>
- > Designed to provide enhanced fixed-income
- > Closed-end fund portfolio includes, a mix of convertible and high-yield bonds
- > Designed to complement the income portion of an investor's asset allocation
- > Seeks to be less susceptible to rising interest rates than traditional fixed-income funds
- > Managed by an experienced team
- > Dividend Reinvestment Plan available

## FUND SNAPSHOT

NYSE Ticker	CHY
NAV Ticker	XCHYX
Market Price	\$11.56
NAV	\$12.38
Current Annualized Distribution Rate <sup>1</sup>	8.82%
IPO Date	5/28/03
IPO Price	\$15.00
IPO NAV	\$14.32

## LISTED

New York Stock Exchange

## INVESTMENT MANAGEMENT TEAM

The long-standing team has a proven track record of risk-managed portfolio construction; John P. Calamos, Sr. and Nick P. Calamos, who have managed the Fund since inception, have experience in the investment industry dating back to 1970 and 1983, respectively.

<sup>1</sup> Current Annualized Distribution Rate is the Fund's distribution, expressed as an annualized percentage of the Fund's current market price per share. Under the Fund's level rate distribution policy, distributions paid to common shareholders typically include net investment income and net realized short-term capital gains. When the net investment income and net realized short-term capital gains are not sufficient, a portion of the level rate distribution will be a return of capital. In addition a limited number of distributions per calendar year may include net realized long-term capital gains. Distributions are subject to re-characterization for tax purposes after the end of the fiscal year.

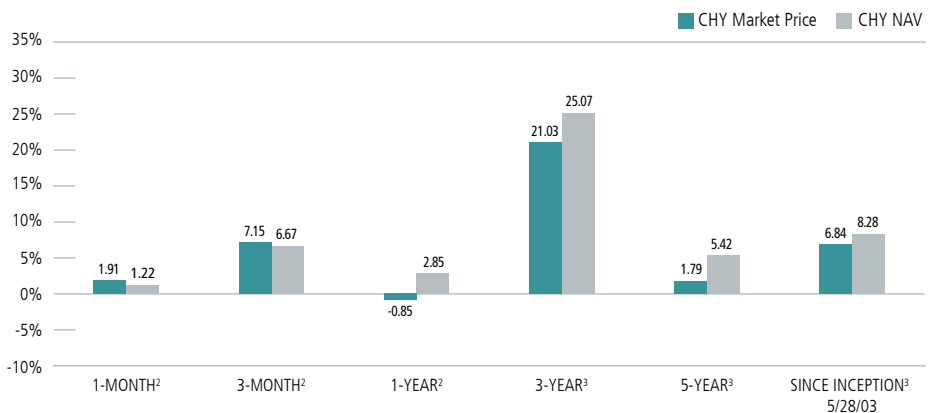
## Fund Objective

The Fund seeks total return through a combination of capital appreciation and current income by investing in a diversified portfolio of convertible securities and below-investment-grade (high-yield) fixed-income securities.

## Investor Profile

This Fund's enhanced fixed-income strategy spans the credit quality range and uses a variety of debt instruments to achieve its objective. The strategy provides an alternative to investment-grade fixed-income instruments. Offering potential capital appreciation while seeking to deliver an attractive stable monthly distribution, the Fund may be suitable for investors who are focused on long-term total return and are looking for dynamic asset allocation to maintain a consistent risk/reward balance throughout the market cycle.

## PERFORMANCE



<sup>2</sup> Total return measures net investment income and capital gain or loss from portfolio investments, assuming reinvestment of income and capital gain distributions.

<sup>3</sup> Average annual return measures net investment income and capital gain or loss from portfolio investments as an annualized average, assuming reinvestment of income and capital gain distributions.

## CALENDAR YEAR RETURNS

	2011	2010	2009	2008	2007	2006	2005	2004	SINCE INCEPTION 2003
Market Price	-0.85%	18.91%	50.39%	-26.97%	-15.62%	21.14%	1.04%	12.48%	17.39%
NAV	2.85%	15.09%	65.29%	-36.38%	4.58%	13.67%	3.87%	16.63%	10.54%

Performance data quoted represents past performance, which is no guarantee of future results. Current performance may be lower or higher than the performance quoted. Portfolios are managed according to their respective strategies which may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of the benchmark(s). Portfolio performance, characteristics and volatility may differ from the benchmark(s) shown.

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. Shares of closed-end funds frequently trade at a discount which is a market price that is below their net asset value.

Please refer to back page for important notes.

## TOP 10 HOLDINGS\*

	SECURITY TYPE	
Intel Corp.	2.95% Cv Due 2035	3.6%
Liberty Media Corp. (Time Warner, Inc.)	3.13% Cv Due 2023	1.7
Apache Corp.	6.00% Cv Pfd	1.5
AngloGold Ashanti, Ltd.	3.50% Cv Due 2014	1.1
Newmont Mining Corp.	3.00% Cv Due 2012	1.1
FMG Resources	8.25% Corp Bond Due 2019	1.1
NextEra Energy, Inc.	7.00% Cv Pfd	1.0
Wells Fargo & Company	7.50% Cv Pfd	1.0
Affiliated Managers Group, Inc.	5.15% Cv Pfd	1.0
Anglo American, PLC	4.00% Cv Due 2014	1.0

## SECTOR WEIGHTINGS\*\*

Energy	21.6%
Consumer Discretionary	15.0
Information Technology	11.7
Industrials	10.8
Materials	10.2
Health Care	9.5
Financials	6.9
Consumer Staples	3.3
Utilities	2.6
Telecommunication Services	1.8

## PORTFOLIO ASSET ALLOCATION\*

Corporate Bonds	65.2%
Convertible Bonds	14.5
Convertible Preferred Stock	8.9
Synthetic Convertibles	2.8
Common Stock	1.4
Sovereign Bonds	1.1
US Government Securities	0.6
Cash and Receivables/Payables	5.5

## QUALITY ALLOCATION<sup>5</sup>

AAA	0.7%
AA	0.0
A	7.3
BBB	14.8
BB	52.3
B	20.5
CCC and below	0.5
Unrated Securities	3.9

## FUND DATA

Managed Assets	\$1,206,955,505
Total Common Share Assets	\$892,955,505
Shares Outstanding	72,148,383
Average Daily Volume (month)	192,308
Total Percent Leveraged <sup>4</sup>	25.84%
Debt Coverage Ratio	384%
Leverage Assets	\$314,000,000
Debt Leverage	\$314,000,000
Average Portfolio Turnover	41.72%
Expense Ratio (based on managed assets)	1.20%

## FUND PRICING

Market Price	\$11.56
NAV	\$12.38
Premium/Discount	-6.62%

## FEES AND EXPENSES

	TOTAL FUND
Management Fees	0.80%
Debt Leverage Expense <sup>6</sup>	0.35
Other Expenses	0.05
Total	1.20

## DISTRIBUTION HISTORY, LAST 12 MONTHS

DATE PAID	PER SHARE
January	\$0.0850
December	0.0850
November	0.0850
October	0.0850
September	0.0850
August	0.0850
July	0.0850
June	0.0850
May	0.0850
April	0.0850
March	0.0850
February	0.0850

## INTEREST RATE SWAP MATURITY CHARACTERISTICS

MATURITY	NOTIONAL AMOUNT	% OF TOTAL SWAP	SWAP RATE
4/2012	\$75,000,000	31.0%	1.8650%
4/2014	115,000,000	47.0	2.4300%
9/2012	53,000,000	22.0	1.8525%

The portfolio is actively managed. Holdings and weightings are subject to change at any time without notice.

\* Data is based on managed assets.

^ Data is based on portfolio holdings.

\* Top 10 Holdings and Sector Weightings are calculated as a percentage of Managed Assets. The tables exclude cash or cash equivalents, any government / sovereign bonds or broad based index hedging securities the portfolio may hold.

<sup>4</sup> Leverage creates risks which may adversely affect return, including the likelihood of greater volatility of net asset value and market price of common shares; and fluctuations in the variable rates of the leverage financing. The ratio is the percent of borrowing to total assets.

<sup>5</sup> Bond Credit Quality reflects the higher of the ratings of Standards & Poor's Corporation; Moody's Investors Service, Inc. or Fitch, Inc. Ratings are relative, subjective and not absolute standards of quality, represent the opinions of the independent Nationally Recognized Statistical Rating Organizations (NRSRO), and are adjusted to the Standards and Poors scale shown. Ratings are measured using a scale that typically ranges from AAA (highest) to D (lowest). In addition, CAL has assigned its own ranking to the "unrated bonds" based on its fundamental and proprietary investment process and has years of experience actively managing risk. The security's credit rating does not eliminate risk. The table excludes equity securities, cash and cash equivalents. For more information about securities ratings, please see the Fund's Statement of Additional Information at [www.calamos.com](http://www.calamos.com). Additional information on ratings methodologies are available by visiting the NRSRO websites: [www.standardsandpoors.com](http://www.standardsandpoors.com), [www.moodys.com](http://www.moodys.com), and [www.fitchratings.com](http://www.fitchratings.com).

<sup>6</sup> Interest expense and related fees on payments made to the Fund's outstanding credit facility.

Investments by the Fund in lower-rated securities involve substantial risk of loss and present greater risks than investments in higher rated securities, including less liquidity and increased price sensitivity to changing interest rates and to a deteriorating economic environment. Fixed-income securities are subject to interest-rate risk; as interest rates go up, the value of debt securities in the Fund's portfolio generally will decline. There are certain risks associated with an investment in a convertible bond such as default risk—that the company issuing a convertible security may be unable to repay principal and interest—and interest rate risk—that the convertible may decrease in value if interest rates increase.

# CALAMOS®

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