



# CALAMOS<sup>®</sup>

## Convertible Opportunities and Income Fund (CHI)

SEMIANNUAL REPORT APRIL 30, 2012



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# CALAMOS<sup>®</sup>

## Experience and Foresight

### About Calamos Investments

For more than 30 years, we have helped investors like you manage and build wealth to meet their long-term individual objectives by working to capitalize on the opportunities of the evolving global marketplace. We launched our first open-end mutual fund in 1985 and our first closed-end fund in 2002. Today, we manage five closed-end funds, all of which pay monthly distributions and provide a consistent source of income through investments in U.S. total return, global total return, global enhanced fixed income and, in the case of the Calamos Convertible Opportunities and Income Fund (CHI), U.S. enhanced fixed income strategies. Please see page 5 for a more detailed overview of our closed-end offerings.

**We manage the Fund with an emphasis on producing income.** In order to optimize market performance, as well as to address the desire of shareholders to receive regular distributions, our closed-end funds are managed to focus on producing income as part of the overall total return strategy.

**We are dedicated to helping our clients build and protect wealth.** We understand when you entrust us with your assets, you also entrust us with your achievements, goals and aspirations. We believe we best honor this trust by making investment decisions guided by integrity, by discipline, and by our conscientious research.

**We believe that an active, risk-conscious approach is essential for wealth creation.** In the 1970s, we pioneered strategies that seek to participate in equity market upside and mitigate some of the potential risks of equity market volatility. Our investment process seeks to manage risk at multiple levels and draws upon our experience investing through multiple market cycles.

**We have a global perspective.** We believe that globalization offers tremendous opportunities for countries and companies all over the world. In our view, this creates significant opportunities for investors. In our U.S., global and international portfolios, we are seeking to capitalize on the potential growth of the global economy.

**We believe there are opportunities in all markets.** Our history traces back to the 1970s, a period of significant volatility and economic concerns. We have invested through multiple market cycles, each with its own challenges. Out of this experience comes our belief that the flipside of volatility is opportunity.

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**JOHN P. CALAMOS, SR.**  
CEO and Co-CIO

Dear Fellow Shareholder:

Welcome to your semiannual report for the period ended April 30, 2012. This report includes commentary from our investment team, as well as a listing of portfolio holdings, financial statements and highlights, and detailed information about the performance and allocation of your fund. I invite you to read it carefully.

Calamos Convertible Opportunities and Income Fund (CHI) is an enhanced fixed income fund. We utilize dynamic asset allocation to pursue high current income, while also maintaining a focus on capital gains. We believe that the flexibility to invest in high yield corporate bonds and convertible securities is an important differentiator, especially given the low rates in many areas of the fixed income market.

The average monthly distribution rate over the life of the Fund has been 10.00%.\* As an example, a \$10,000 investment at market price at the Fund's June 26, 2002 inception would be worth approximately \$24,500 as of April 30, 2012, accounting for both total return and income over that span. Since inception, the Fund has produced an annualized return of 9.71% on market price and 10.09% on NAV.

## Steady and Competitive Distributions

During the semiannual period, CHI provided steady monthly distributions. We believe the Fund's annualized distribution rate, which was 9.07% on a market price basis as of April 30, 2012, was very competitive, given the low interest rates in many segments of the bond market. We believe that this illustrates the benefits of a multi-asset class approach and flexible allocation strategy.

We understand that many closed-end fund investors seek steady, predictable distributions instead of distributions that fluctuate. Therefore, this Fund has a level rate distribution policy. As part of this policy, we aim to keep distributions consistent from month to month, and at a level that we believe can be sustained over the long term. In setting the Fund's distribution rate, the investment management team and the Fund's Board of Directors consider the interest rate, market and economic environment. We also factor in our assessment of individual securities and asset classes. (For additional information on our level rate distribution policy, please see "The Calamos Closed-End Funds: An Overview" on page 5 and "Level Rate Distribution Policy" on page 34.)

\* Average of the Fund's monthly distribution rates since inception (June 26, 2002). The Fund did not pay out return of capital until 2009. Between 2009 and 2011, estimated return of capital represented an average of 19% of the Fund's monthly distribution amount.

## **Risk/Return Optimization**

We believe that managing risk is imperative in optimizing returns. As a consequence, we have focused our high yield and convertible investments on the BB-rated credit range, which represents the higher-quality end of the below investment grade space, with minimal exposure to the lower-end credits. We believe this approach has proven over time to offer an attractive risk/reward dynamic to our shareholders to help ensure steady income with a focus on capital preservation.

## **Market Environment**

The early part of the semiannual period saw the Fund positioned in accordance with our belief that the U.S. economy was not headed for a double-dip recession, emphasizing companies with strong growth characteristics and high-quality attributes. Over recent months, improving economic data has supported our constructive view. However, even as we maintain our expectation of modest U.S. economic growth, we are prepared for ups and downs along the way. We still anticipate continued ongoing volatility in the global financial markets, as the presidential election approaches in the U.S. and debt problems in the euro zone and other developed markets persist. While the rally in the U.S. equity market in the first few months of 2012 has been a welcome development, we know from experience that volatility can work both ways, and we therefore continue to actively monitor the global economy and the companies we have chosen for the funds.

Throughout the six-month period, the U.S. high yield bond and convertible securities markets posted positive performance. Convertible securities returned 7.11%, as measured by the BofA Merrill Lynch All U.S. Convertibles Ex-Mandatory Index. High yield bonds also performed well, as measured by the Credit Suisse High Yield Index, up 6.77%. During this period, the Calamos Convertible Opportunities and Income Fund produced a total return of 9.00% on a market price basis and a 5.77% return on an NAV basis. Within the high yield market, new issuance was historically robust, setting a record in the first quarter of 2012. However, even as market pressures intensified, the number and volume of defaults remained low. Convertible issuance remained muted throughout the period, as a low rate environment encouraged companies to issue non-convertible, rather than convertible debt.

## **We See Opportunity**

We have identified a number of important secular themes and cyclical factors that we believe will drive global growth for years to come. The growth of a middle class in many emerging market regions is an exciting trend, and globally focused businesses are in the best position to capitalize on this increasingly prosperous new customer base. In addition, information technology firms represent an excellent opportunity to take advantage of the growing needs of both global consumers and productivity-seeking businesses around the world.

We also see a considerable cyclical opportunity coming from global reflation activities, as global stimulus efforts and increasing liquidity measures taken by the world's central banks persist. Despite some pullback in the period, we continue to hold a favorable outlook for opportunities in areas such as energy and materials based on strong global demand for resources, especially within developing economies. Accordingly, our holdings reflect our participation in these opportunities.

We believe that these prominent themes will provide growth opportunities for companies all throughout the world, particularly those with geographically diversified revenues, strong global brands and healthy balance sheets. We believe that global companies may be less vulnerable to economic weakness in a particular country or region, and we are favoring companies domiciled in developed countries that are capitalizing on many of the growth trends currently available in emerging markets.

In selecting investments for this Fund, we seek to balance yield and risk considerations. We therefore favor companies that we believe offer reliable debt servicing, respectable balance sheets and strong cash flows. As part of our active approach, we subject each investment to our rigorous fundamental credit research.

## **Our Use of Leverage**

We have the flexibility to utilize leverage in this Fund. Over the long term, we believe that the judicious use of leverage provides us with opportunities to enhance total return and support the Fund's distribution rate. Leverage strategies typically entail borrowing at short-term interest rates and investing the proceeds at higher rates of return. During the reporting period, we believed the prudent use of leverage would be advantageous given the economic environment, specifically the low borrowing costs we were able to secure. Overall, our use of leverage contributed favorably to the returns of the Fund, as the performance of the Fund's holdings exceeded the costs of our borrowing activities.

Consistent with our focus on risk management, we have employed techniques to hedge against a rise in interest rates. We have used interest rate swaps to manage the borrowing costs associated with our leverage activities. Interest rate swaps allow us to "lock down" an interest rate we believe to be attractive. Although rates are at historically low levels across much of the fixed-income market, history has taught us that rates can rise quickly, in some cases, in a matter of months. We believe that the Fund's use of interest rate swaps is beneficial because it provides a degree of protection should a rise in rates occur.

## **Thinking Long-Term, Thinking Globally**

Experience has shown us that volatility and uncertainty have always been, and will continue to be, big factors in investing. Yet it is that same experience that has taught us that while we may not be able to control market volatility or anticipate every potential event in the global economy, we can still find investing success over the long term with a disciplined approach that fully takes into account both risks and rewards. We believe that

## Letter to Shareholders

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volatility and uncertainty do not constitute an argument to stay out of the markets, but rather a reason to rely on the same comprehensive approach to investing that has served us remarkably well over the past several decades.

While we may not be able to precisely time the arrival of the next true bull market, we believe that there are compelling choices for long-term investors. Our active, team-oriented investment process continues to seek out and analyze global opportunities that we believe will deliver long-term results to shareholders over full market cycles. Despite the challenges that exist, we are optimistic about the investing prospects we see in the coming months and years.

As we invest on behalf of Fund shareholders, we seek to be global in our perspective. We believe our dynamic allocation approach has been instrumental to the results we have achieved over full market cycles and will continue to be, particularly given the low rates currently available in many segments of the fixed income marketplace.

If you would like any additional information about this Fund or our other closed-end offerings, please contact your financial advisor or our client services team at 800.582.6959 (Monday through Friday from 8:00 a.m. to 6:00 p.m., Central Time). We also invite you to visit us at [calamos.com](http://calamos.com). We thank you for your continued trust.

Sincerely,



John P. Calamos, Sr.  
CEO and Co-CIO  
Calamos Advisors LLC

*This report is for informational purposes only and should not be considered investment advice.*

# The Calamos Closed-End Funds: An Overview

In our closed-end funds, we draw upon decades of investment experience, including a long history of opportunistically blending asset classes in an attempt to capture upside potential while managing downside risk. We launched our first closed-end fund in 2002.

Closed-end funds are long-term investments. Most focus on providing monthly distributions, but there are important differences among individual closed-end funds. Calamos closed-end funds can be grouped into multiple categories designed to produce income while offering exposure to various asset classes and sectors.

**Portfolios Positioned to Pursue High Current Income from Income and Capital Gains**

**OBJECTIVE: U.S. ENHANCED FIXED INCOME**

**Calamos Convertible Opportunities and Income Fund (Ticker: CHI)**

Invests in high yield and convertible securities, primarily in U.S. markets

**Calamos Convertible and High Income Fund (Ticker: CHY)**

Invests in high yield and convertible securities, primarily in U.S. markets

**OBJECTIVE: GLOBAL ENHANCED FIXED INCOME**

**Calamos Global Dynamic Income Fund (Ticker: CHW)**

Invests in global fixed income securities, alternative investments and equities

**Portfolios Positioned to Seek Current Income, with Increased Emphasis on Capital Gains Potential**

**OBJECTIVE: GLOBAL TOTAL RETURN**

**Calamos Global Total Return Fund (Ticker: CGO)**

Invests in equities and higher yielding convertible securities and corporate bonds, in both U.S. and non-U.S. markets

**OBJECTIVE: U.S. TOTAL RETURN**

**Calamos Strategic Total Return Fund (Ticker: CSQ)**

Invests in equities and higher yielding convertible securities and corporate bonds, primarily in U.S. markets

## Our Level Rate Distribution Policy

Closed-end fund investors often look for a steady stream of income. Recognizing this, Calamos closed-end funds have a level rate distribution policy in which we aim to keep monthly income consistent through the disbursement of net investment income, net realized short-term capital gains and, if necessary, return of capital. We set distributions at levels that we believe are sustainable for the long term. Our team is focused on delivering an attractive monthly distribution, while maintaining a long-term focus on risk management. The level of the funds' distributions can be greatly influenced by market conditions, including the interest rate environment. The funds' distributions will depend on the individual performance of positions the funds hold, our view of the benefits of retaining leverage, fund tax considerations, and maintaining regulatory requirements.

For more information about any of these funds, we encourage you to contact your financial advisor or Calamos Investments at 800.582.6959 (Monday through Friday from 8:00 a.m. to 6:00 p.m., Central Time). You can also visit us at [www.calamos.com](http://www.calamos.com).

For more information on our level rate distribution policy, please see page 34.

# CONVERTIBLE OPPORTUNITIES AND INCOME FUND (CHI)

## INVESTMENT TEAM DISCUSSION

The Calamos Investment Management Team discusses the Fund’s strategy, performance and positioning for the six-month period ended April 30, 2012.

**Q. To provide a context for its performance, please discuss the Fund’s strategy and role within an asset allocation.**

A. Calamos Convertible Opportunities and Income Fund (CHI) is an enhanced fixed-income offering, seeking total return through a combination of capital appreciation and current income. It provides an alternative to funds investing exclusively in investment grade fixed income instruments, and seeks to be less sensitive to interest rates. Like all five Calamos closed-end funds, the Fund seeks to provide a steady stream of distributions paid out on a monthly basis and invests in multiple asset classes.

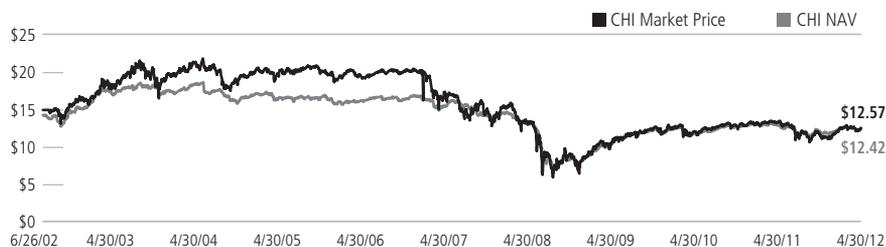
Within this Fund, we invest in a diversified portfolio of convertible securities and high yield securities. The allocation to each asset class is dynamic, and reflects our view of the economic landscape, as well as the potential of individual securities. By combining these asset classes, we believe that we are well positioned to generate capital gains as well as income. We believe the broader range of security types in which the Fund invests also provides us with increased opportunities for managing the risk and reward characteristics of the portfolio over full market cycles.

We seek companies with respectable balance sheets, reliable debt servicing, and good prospects for sustainable growth. While we invest primarily in securities of U.S. issuers, we favor those companies that are actively participating in globalization with geographically diversified revenue streams and global business strategies.

**Q. How did the Fund perform over the reporting period?**

A. The Fund gained 5.77% on a net asset value (NAV) basis and 9.00% on a market price basis for the six-month period ended April 30, 2012, versus the 6.77% return of the Credit Suisse High Yield Index for the same period.

**SINCE INCEPTION MARKET PRICE AND NAV HISTORY THROUGH 4/30/12**



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

**TOTAL RETURN\* AS OF 4/30/12**

Common Shares – Inception 6/26/02

	6 Months	1 Year	Since Inception**
On Market Price	9.00%	1.85%	9.71%
On NAV	5.77%	3.15%	10.09%

\*Total return measures net investment income and net realized gain or loss from Fund investments, and change in net unrealized appreciation and depreciation, assuming reinvestment of income and net realized gains distributions.

\*\*Annualized since inception.

**SECTOR WEIGHTINGS**

Energy	18.8%
Consumer Discretionary	16.7
Information Technology	14.1
Industrials	12.4
Health Care	12.2
Materials	6.3
Financials	6.2
Consumer Staples	3.4
Utilities	3.0
Telecommunication Services	1.4

Sector Weightings are based on managed assets and may vary over time. Sector Weightings exclude any government/sovereign bonds or options on broad market indexes the Fund may hold.

As of the end of the reporting period, the Fund's shares traded at a 1.21% premium to net asset value, an improvement from the start of the reporting period, when they were trading at a discount of 1.79%.

### **Q. How do NAV and market price return differ?**

A. Closed-end funds trade on exchanges, where the price of shares may be driven by factors other than the value of the underlying securities. The price of a share in the market is called market value. Market price may be influenced by factors unrelated to the performance of the fund's holdings. A fund's NAV return measures the return of the individual securities in the portfolio, less fund expenses. It also measures how a manager was able to capitalize on market opportunities. Because we believe closed-end funds are best utilized as a long-term holding within asset allocations, we believe that NAV return is the better measure of a fund's performance.

### **Q. Please discuss the Fund's distributions during the semiannual period.**

A. We employ a level rate distribution policy within this Fund with the goal of providing shareholders with a consistent distribution stream. The Fund provided a steady distribution stream over the period. Monthly distributions were \$0.0950 per share. The Fund's annualized distribution rate was 9.07% of market price as of April 30, 2012.\*

We believe that both the Fund's distribution rate and level remained attractive and competitive, as low interest rates limited yield opportunities in much of the marketplace. For example, as of April 30, 2012, the dividend yield of S&P 500 Index stocks averaged 2.29%. Yields also remained low within the U.S. government bond market, with 10-year U.S. Treasuries and 30-year U.S. Treasuries yielding 1.95% and 3.12%, respectively.

### **Q. What factors influenced performance over the reporting period?**

A. Security selection in the materials sector was the biggest drag on relative performance during the reporting period. The Fund's positions in metal and mining industries, particularly gold-related, underperformed as the companies faced higher production costs. We remain invested in the industry however, as we continue to see longer-term opportunities and attractive valuations.

The Fund's overweight position and issue selection in the energy sector also detracted from performance during the reporting period. In particular, our positioning within the oil and gas exploration and production, industry lagged. Despite the weakness in the period, we have a favorable long-term view of the opportunities in energy, particularly as global stimulus and liquidity from the world's central banks persists. We believe the portfolio's holdings within the sector will benefit from long-term secular themes, such as strong global demand for energy resources, especially within developing economies.

The Fund's security selection within health care aided performance. We maintain a constructive view of the sector given changing global demographics and improved access to health care in the emerging markets that we believe will drive long-term growth within the sector.

\* The Fund's distribution was \$0.0950 per share in April 2012; return of capital was estimated to represent \$0.0272 of this distribution.

## Investment Team Discussion

Finally, the Fund's underweight to utilities contributed to relative performance during the period. We believe other sectors present more attractive growth opportunities and a better combination of risk and reward.

### Q. How is the Fund positioned?

A. As always, the Fund's positioning takes both opportunity and risk into consideration. The heaviest portfolio weight is in the energy sector. We continue to find attractively priced securities in this sector that we see as well supported by fundamental strength and forward-looking macroeconomic factors. Information technology is the Fund's second largest portfolio weight given our view of long-term secular trends, including strong demand from consumers for mobility technologies and from businesses for productivity enhancement software.

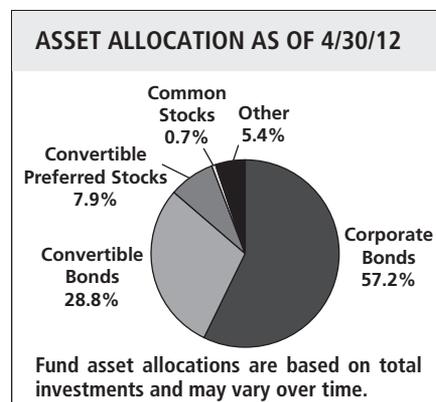
The consumer discretionary sector is another of our largest portfolio weights, though we are underweight relative to the index. The underweight is primarily a function of finding better relative opportunities in other sectors, such as energy and information technology. The Fund's other large underweight is to the financials sector, where we have been generally less inclined to own given the growing burden of regulation.

From a credit standpoint, the average credit quality of the portfolio is higher than that of the index. This is typical for the Fund, as our credit process almost always keeps us out of the most speculative high yield securities. There are times when the lowest credit tier shows the strongest performance, and the trailing six-month period was one of those times. We do not believe this performance pattern is likely to persist, however. To the contrary, we view the risk that investors must bear to earn the higher yield as unjustified given what we see as a sluggish and uneven pace of economic growth in the future.

### Q. What is your outlook for the Fund?

A. We see a continued favorable environment for issuance of debt. Already, this has allowed many companies to restructure their debt maturities in more favorable ways and at lower rates of interest. We find the BB segment of the high yield market to be very attractive as it offers yield, opportunity for capital gain and risk reduction as it pertains to rising interest rates. We see a likelihood of higher inflation in future quarters and years, which will have the likely effect of putting upward pressure on interest rates to the particular detriment of U.S. Treasuries and government-related bonds. At the same time, while the lowest quality corporate debt offers high levels of yield, we view many of those companies as less compelling investments given our economic outlook.

The low interest rate environment continues to present a challenge to the convertible market. In the current environment, issuers are finding the low interest rates attractive without having to offer the equity enhancement. Our focus is to capture yield by focusing more on the credit-sensitive side of the convertible market.



## Schedule of Investments April 30, 2012 (Unaudited)

PRINCIPAL AMOUNT		VALUE	PRINCIPAL AMOUNT		VALUE
<b>CORPORATE BONDS (76.8%)</b>			898,000	Sally Holdings, LLC*	\$ 960,860
	<b>Consumer Discretionary (14.7%)</b>			6.875%, 11/15/19	
3,502,000	American Axle & Manufacturing, Inc.μ	\$ 3,633,325	6,285,000	Service Corp. International	6,379,275
	7.875%, 03/01/17		898,000	7.500%, 04/01/27μ	1,014,740
3,143,000	Asbury Automotive Group, Inc.μ	3,264,791	898,000	7.625%, 10/01/18μ	964,228
	7.625%, 03/15/17		898,000	7.000%, 05/15/19	
3,030,000	Cedar Fair, LPμ	3,408,750	4,019,000	Toll Brothers Finance Corp.	931,046
	9.125%, 08/01/18			5.875%, 02/15/22	
5,487,000	Cooper Tire & Rubber Companyμ	5,967,113	3,888,000	Vail Resorts, Inc.	4,260,140
	8.000%, 12/15/19			6.500%, 05/01/19	
4,832,000	Dana Holding Corp.μ	5,224,600		Wynn Las Vegas, LLCμ	4,315,680
	6.750%, 02/15/21			7.750%, 08/15/20	<u>122,969,933</u>
5,657,000	DISH Network Corp.μ	6,576,262	<b>Consumer Staples (3.3%)</b>		
4,736,000	7.875%, 09/01/19	5,268,800	673,000	Constellation Brands, Inc.	768,903
4,489,000	7.125%, 02/01/16	4,994,013	4,108,000	8.375%, 12/15/14	4,626,635
4,938,000	Express, LLCμ	5,114,257	2,245,000	Darling International, Inc.μ	2,515,803
	8.750%, 03/01/18			8.500%, 12/15/18	
	Gap, Inc.	6,677,812	3,254,000	Dean Foods Companyμ	3,587,535
	5.950%, 04/12/21	895,755	4,461,000	9.750%, 12/15/18	
6,285,000	Goodyear Tire & Rubber Company	3,093,588	6,766,000	Elizabeth Arden, Inc.μ	4,282,560
898,000	8.250%, 08/15/20μ	2,465,636	4,489,000	7.375%, 03/15/21	5,061,347
3,082,000	7.000%, 05/15/22	4,037,300		JBS USA, LLCμ*	<u>27,896,338</u>
	Hanesbrands, Inc.‡	759,285		7.250%, 06/01/21	
	4.146%, 12/15/14			Post Holdings, Inc.*	7,053,555
2,245,000	Hasbro, Inc.μ	4,037,300		7.375%, 02/15/22	
	6.600%, 07/15/28	1,160,906		Smithfield Foods, Inc.μ	5,061,347
3,760,000	Icahn Enterprises, LP	2,411,550		7.750%, 07/01/17	<u>27,896,338</u>
718,000	8.000%, 01/15/18	2,682,260	<b>Energy (18.7%)</b>		
1,015,000	7.750%, 01/15/16	4,713,450	19,305,000	NOK Aker Solutions, ASA	3,666,926
	Interpublic Group of Companies, Inc.μ	2,210,225	2,165,000	9.700%, 06/26/14	
	10.000%, 07/15/17	5,880,285	4,284,000	Atwood Oceanics, Inc.	2,289,488
2,796,000	J.C. Penney Company, Inc.μ	5,027,680	4,489,000	6.500%, 02/01/20	
2,576,000	6.375%, 10/15/36	2,734,410	8,261,000	Basic Energy Services, Inc.μ	4,391,100
	7.125%, 11/15/23	1,091,139	6,734,000	7.750%, 02/15/19	
4,489,000	Jaguar Land Rover, PLC*	687,375	3,592,000	Berry Petroleum Companyμ	4,679,783
2,110,000	8.125%, 05/15/21μ	2,318,883	7,183,000	6.375%, 09/15/22	
5,262,000	7.750%, 05/15/18	931,675	5,387,000	7.500%, 09/15/17	8,674,050
4,489,000	Jarden Corp.μ	2,754,615	6,734,000	7.500%, 09/15/17	
	7.500%, 05/01/17		3,592,000	Calfrac Holdings, LPμ*	6,632,990
4,489,000	Lear Corp.μ	2,734,410	5,387,000	7.500%, 12/01/20	
	8.125%, 03/15/20	2,734,410	7,183,000	Calumet Specialty Products, LPμ	3,762,620
2,694,000	Liberty Media Corp.μ	2,734,410	5,387,000	9.375%, 05/01/19	
	8.250%, 02/01/30	1,091,139	4,346,000	Carrizo Oil & Gas, Inc.μ	7,649,895
2,694,000	Limited Brands, Inc.	2,734,410		8.625%, 10/15/18	
1,079,000	7.600%, 07/15/37μ	2,318,883		Cimarex Energy Company	5,589,012
705,000	5.625%, 02/15/22	931,675		5.875%, 05/01/22	
	6.950%, 03/01/33	3,607,500		Clayton Williams Energy, Inc.	5,373,532
2,279,000	Meritage Homes Corp.	4,346,000		7.750%, 04/01/19	
898,000	7.000%, 04/01/22*	4,550,724		Concho Resources, Inc.μ	4,780,600
3,250,000	7.150%, 04/15/20			8.625%, 10/01/17	
4,489,000	Phillips-Van Heusen Corp.μ				
	7.375%, 05/15/20				
	Royal Caribbean Cruises, Ltd.μ				
	7.500%, 10/15/27				

# Schedule of Investments April 30, 2012 (Unaudited)

PRINCIPAL AMOUNT		VALUE	PRINCIPAL AMOUNT		VALUE
5,459,000	Frontier Oil Corp. 8.500%, 09/15/16μ	\$ 5,827,482			
732,000	6.875%, 11/15/18	768,600	2,156,000	<b>Financials (3.3%)</b>	
4,938,000	GulfMark Offshore, Inc.* 6.375%, 03/15/22	5,049,105	1,491,000	AON Corp.μ 8.205%, 01/01/27	\$ 2,529,695
3,431,000	Helix Energy Solutions Group, Inc.* 9.500%, 01/15/16	3,606,839	6,959,000	Chesapeake Oilfield Finance, Inc.* 6.625%, 11/15/19	1,408,995
2,694,000	Holly Energy Partners, LP* 6.500%, 03/01/20	2,727,675	4,938,000	Leucadia National Corp.μ 8.125%, 09/15/15	7,785,381
1,823,000	HollyFrontier Corp.μ 9.875%, 06/15/17	2,050,875	4,041,000	Neuberger Berman Group LLCμ* 5.875%, 03/15/22	5,049,105
2,631,000	Hornbeck Offshore Services, Inc. 8.000%, 09/01/17μ	2,854,635	3,143,000	Nuveen Investments, Inc.μ 10.500%, 11/15/15	4,192,538
898,000	5.875%, 04/01/20*	900,245	2,828,000	Omega Healthcare Investors, Inc. 6.750%, 10/15/22	3,315,865
3,704,000	Laredo Petroleum, Inc.* 7.375%, 05/01/22	3,842,900		7.500%, 02/15/20μ	3,033,030
4,489,000	Linn Energy, LLC 8.625%, 04/15/20μ	4,926,677			<u>27,314,609</u>
1,796,000	6.250%, 11/01/19μ*	1,771,305	165,000	<b>Health Care (8.4%)</b>	
1,347,000	7.750%, 02/01/21	1,427,820	1,796,000	AMERIGROUP Corp. 7.500%, 11/15/19	180,675
898,000	6.500%, 05/15/19*	906,980	5,332,000	Bio-Rad Laboratories, Inc.μ 8.000%, 09/15/16	1,993,560
1,019,000	Oasis Petroleum, Inc. 6.500%, 11/01/21	1,044,475	6,734,000	DaVita, Inc.μ 6.625%, 11/01/20	5,605,265
4,489,000	Parker Drilling Company* 9.125%, 04/01/18	4,780,785	898,000	Endo Pharmaceuticals Holdings, Inc. 7.000%, 12/15/20	7,230,632
3,591,000	Pioneer Drilling Companyμ* 9.875%, 03/15/18	3,806,460	2,694,000	7.000%, 07/15/19μ	963,105
5,387,000	Plains Exploration & Production Company 6.750%, 02/01/22	5,629,415	898,000	Fresenius Med* 6.500%, 09/15/18	2,896,050
2,245,000	6.125%, 06/15/19	2,278,675	9,428,000	5.875%, 01/31/22μ	914,838
4,938,000	Samson Investment Companyμ* 9.750%, 02/15/20	5,160,210	2,694,000	Grifols, SA 8.250%, 02/01/18	10,146,885
4,489,000	SEACOR Holdings, Inc.μ 7.375%, 10/01/19	4,820,306	3,771,000	HCA Holdings, Inc. 7.750%, 05/15/21	2,842,170
5,836,000	SESI, LLC 6.875%, 06/01/14μ	5,879,770	3,879,000	Health Management Associates, Inc.* 7.375%, 01/15/20	3,945,409
2,245,000	7.125%, 12/15/21*	2,441,438	2,918,000	Mylan, Inc.μ* 7.625%, 07/15/17	4,315,387
3,426,000	SM Energy Company 6.625%, 02/15/19	3,631,560	1,555,000	7.875%, 07/15/20	3,282,750
1,616,000	6.500%, 11/15/21	1,712,960	4,938,000	PSS World Medical, Inc.* 6.375%, 03/01/22	1,601,650
4,849,000	Swift Energy Companyμ 8.875%, 01/15/20	5,309,655		Teleflex, Inc.μ 6.875%, 06/01/19	5,308,350
2,245,000	7.125%, 06/01/17	2,329,188		Valeant Pharmaceuticals International, Inc.* 7.000%, 10/01/20μ	5,671,381
4,579,000	Trinidad Drilling, Ltd.μ* 7.875%, 01/15/19	4,899,530	5,567,000	7.250%, 07/15/22	3,150,858
449,000	Unit Corp. 6.625%, 05/15/21	457,980	3,143,000	6.750%, 10/01/17μ	974,826
5,836,000	W&T Offshore, Inc.μ 8.500%, 06/15/19	6,186,160	7,958,000	Warner Chilcott Company, LLCμ 7.750%, 09/15/18	8,733,905
1,329,000	Whiting Petroleum Corp.μ 6.500%, 10/01/18	1,422,030			<u>69,757,696</u>
		<u>155,941,731</u>	3,870,000	<b>Industrials (12.2%)</b>	
				Abengoa, SAμ* 8.875%, 11/01/17	3,715,200

## Schedule of Investments April 30, 2012 (Unaudited)

PRINCIPAL AMOUNT		VALUE	PRINCIPAL AMOUNT		VALUE
4,938,000	BE Aerospace, Inc.μ 8.500%, 07/01/18	\$ 5,493,525	1,257,000	Anixter International, Inc.μ 5.950%, 03/01/15	\$ 1,316,708
3,592,000	Belden, Inc. 9.250%, 06/15/19	3,897,320	7,084,000	Audatex North America, Inc.μ* 6.750%, 06/15/18	7,455,910
2,918,000	7.000%, 03/15/17	3,012,835		Equinix, Inc.μ 7.000%, 07/15/21	4,424,895
3,928,000	Boart Longyear Management Pty., Ltd.μ* 7.000%, 04/01/21	4,134,220	2,783,000	8.125%, 03/01/18	3,089,130
2,290,000	Clean Harbors, Inc.μ 7.625%, 08/15/16	2,415,950	2,694,000	Fidelity National Information Services, Inc.μ 7.875%, 07/15/20	3,030,750
4,938,000	Deluxe Corp. 7.000%, 03/15/19~	5,147,865	5,836,000	Hughes Satellite Systems Corp. 7.625%, 06/15/21	6,353,945
4,171,000	7.375%, 06/01/15μ	4,264,848	7,183,000	iGATE Corp. 9.000%, 05/01/16	7,829,470
3,717,000	Dycom Investments, Inc.μ 7.125%, 01/15/21	3,847,095	5,809,000	Sanmina-SCI Corp.μ* 7.000%, 05/15/19	5,968,747
1,221,000	Esterline Technologies Corp.μ 7.000%, 08/01/20	1,361,415	4,265,000	Seagate Technology 6.875%, 05/01/20	4,595,537
3,533,000	FTI Consulting, Inc. 7.750%, 10/01/16	3,691,985	3,367,000	7.000%, 11/01/21μ*	3,670,030
2,918,000	6.750%, 10/01/20	3,104,023	1,571,000	7.750%, 12/15/18	1,739,883
1,437,000	H&E Equipment Services, Inc.μ 8.375%, 07/15/16	1,490,888	2,918,000	ViaSat, Inc.μ 8.875%, 09/15/16	3,173,325
3,874,000	Interline Brands, Inc.μ 7.000%, 11/15/18	4,120,968	4,938,000	Viasystems, Inc.* 7.875%, 05/01/19	5,024,415
3,143,000	Manitowoc Company, Inc.μ 8.500%, 11/01/20	3,504,445			62,885,110
2,245,000	Mobile Mini, Inc.μ 7.875%, 12/01/20	2,413,375		<b>Materials (5.5%)</b>	
3,798,000	Monaco SpinCo, Inc.*† 6.750%, 04/30/20	3,949,920	2,056,000	Allegheny Ludlum Corp.μ 6.950%, 12/15/25	2,428,200
521,000	Navistar International Corp. 8.250%, 11/01/21	565,285	4,370,000	Clearwater Paper Corp.μ 7.125%, 11/01/18	4,675,900
7,857,000	Rexel, SA* 6.125%, 12/15/19	8,004,319	8,979,000	FMG Resources* 8.250%, 11/01/19	9,764,662
4,489,000	Sensata Technologies, B.V.μ* 6.500%, 05/15/19	4,702,227	898,000	6.875%, 04/01/22	913,715
6,959,000	Spirit AeroSystems Holdings, Inc.μ 7.500%, 10/01/17	7,567,912	5,756,000	Greif, Inc.μ 7.750%, 08/01/19	6,533,060
4,489,000	Terex Corp. 8.000%, 11/15/17	4,724,672	832,000	Kraton Polymers, LLC 6.750%, 03/01/19	869,440
395,000	6.500%, 04/01/20	406,850	3,592,000	New Gold, Inc.* 7.000%, 04/15/20	3,681,800
1,253,000	TransDigm Group, Inc. 7.750%, 12/15/18	1,372,035	3,188,000	Sealed Air Corp. 8.125%, 09/15/19*	3,578,530
5,657,000	Triumph Group, Inc. 8.625%, 07/15/18μ	6,321,697	1,347,000	7.875%, 06/15/17	1,458,078
224,000	8.000%, 11/15/17	244,720	7,219,000	Steel Dynamics, Inc. 7.750%, 04/15/16μ	7,543,855
4,938,000	UR Financing Escrow Corp.* 7.625%, 04/15/22	5,234,280	898,000	7.625%, 03/15/20	992,290
3,120,000	WESCO Distribution, Inc.μ 7.500%, 10/15/17	3,209,700	2,783,000	Union Carbide Corp.μ 7.875%, 04/01/23	3,404,605
		101,919,574			45,844,135
	<b>Information Technology (7.5%)</b>		4,229,000	<b>Telecommunication Services (1.1%)</b>	
4,041,000	Amkor Technology, Inc.μ 7.375%, 05/01/18	4,344,075		CenturyLink, Inc.μ 6.875%, 01/15/28	4,049,124
843,000	6.625%, 06/01/21	868,290			

# Schedule of Investments April 30, 2012 (Unaudited)

PRINCIPAL AMOUNT		VALUE	PRINCIPAL AMOUNT		VALUE
5,387,000	Qwest Communications International, Inc.μ 7.750%, 02/15/31	\$ 5,393,734	7,000,000	Teleflex, Inc.μ 3.875%, 08/01/17	\$ 8,321,250
		<u>9,442,858</u>			<u>51,152,906</u>
	<b>Utilities (2.1%)</b>			<b>Industrials (2.4%)</b>	
2,694,000	AES Corp.μ* 7.375%, 07/01/21	3,010,545	5,264,000	Navistar International Corp.μ 3.000%, 10/15/14	5,454,820
7,408,000	AmeriGas Finance Corp.μ 7.000%, 05/20/22	7,574,680	3,500,000	Titan Machinery, Inc.* 3.750%, 05/01/19	3,788,750
3,367,000	Calpine Corp.μ* 7.875%, 07/31/20	3,686,865	10,500,000	Trinity Industries, Inc.μ 3.875%, 06/01/36	11,103,750
2,918,000	7.875%, 01/15/23	3,158,735			<u>20,347,320</u>
485,000	7.500%, 02/15/21	521,375		<b>Information Technology (9.2%)</b>	
		<u>17,952,200</u>		Intel Corp.μ	
	<b>TOTAL CORPORATE BONDS</b> (Cost \$612,242,545)	<u>641,924,184</u>	23,250,000	2.950%, 12/15/35	26,592,187
			3,500,000	3.250%, 08/01/39	4,913,125
			2,750,000	Ixia 3.000%, 12/15/15	2,904,688
	<b>CONVERTIBLE BONDS (28.1%)</b>			Lam Research Corp.μ* 1.250%, 05/15/18	4,875,255
	<b>Consumer Discretionary (5.7%)</b>		3,000,000	0.500%, 05/15/16	2,988,750
7,500,000	International Game Technologyμ 3.250%, 05/01/14	8,296,875	17,800,000	Linear Technology Corp.μ 3.000%, 05/01/27	18,779,000
15,750,000	Liberty Media Corp. (Time Warner, Inc.)μ§ 3.125%, 03/30/23	18,939,375	8,000,000	Mentor Graphics Corp. 4.000%, 04/01/31	8,560,000
15,870,000	Liberty Media Corp. (Viacom, CBS Corp. - Class B)μ§ 3.250%, 03/15/31	13,945,762	5,500,000	Nuance Communications, Inc.μ* 2.750%, 11/01/31	6,187,500
6,027,000	Priceline.com, Inc.μ* 1.000%, 03/15/18	6,697,504	1,019,000	ON Semiconductor Corp.μ 2.625%, 12/15/26	1,152,744
		<u>47,879,516</u>			<u>76,953,249</u>
	<b>Energy (0.8%)</b>			<b>Materials (2.4%)</b>	
8,500,000	Chesapeake Energy Corp.μ 2.250%, 12/15/38	6,651,250	11,100,000	AngloGold Ashanti, Ltd.μ 3.500%, 05/22/14	11,877,000
			3,750,000	Newmont Mining Corp.μ 1.625%, 07/15/17	4,785,937
	<b>Financials (0.8%)</b>		2,900,000	Steel Dynamics, Inc.μ~ 5.125%, 06/15/14	3,146,500
3,000,000	Affiliated Managers Group, Inc.μ 3.950%, 08/15/38	3,318,750			<u>19,809,437</u>
2,850,000	Health Care REIT, Inc.μ 3.000%, 12/01/29	3,302,438		<b>Telecommunication Services (0.7%)</b>	
		<u>6,621,188</u>	4,500,000	tw telecom, Inc.μ 2.375%, 04/01/26	5,529,375
	<b>Health Care (6.1%)</b>				
8,750,000	Gilead Sciences, Inc.μ 1.625%, 05/01/16	11,615,625		<b>TOTAL CONVERTIBLE BONDS</b> (Cost \$228,380,682)	<u>234,944,241</u>
9,250,000	LifePoint Hospitals, Inc.μ 3.500%, 05/15/14	9,654,687		<b>U.S. GOVERNMENT AND AGENCY SECURITIES (0.5%)</b>	
3,000,000	Salix Pharmaceuticals, Ltd.μ 2.750%, 05/15/15	3,847,500		United States Treasury Note~	
15,000,000	Shire, PLC 2.750%, 05/09/14	17,713,844	3,143,000	1.375%, 02/15/13	3,172,833
			898,000	0.375%, 09/30/12	899,018
				<b>TOTAL U.S. GOVERNMENT AND AGENCY SECURITIES</b> (Cost \$4,070,999)	<u>4,071,851</u>

## Schedule of Investments April 30, 2012 (Unaudited)

PRINCIPAL AMOUNT		VALUE		PRINCIPAL AMOUNT		VALUE
<b>SOVEREIGN BONDS (1.5%)</b>						
	Federative Republic of Brazil			306,000	Limited Brands, Inc.	
1,670,600	BRL 10.000%, 01/01/14	\$ 9,203,265		123,000	7.600%, 07/15/37 $\mu$	\$ 310,590
539,000	BRL 10.000%, 01/01/13	<u>2,947,482</u>		80,000	5.625%, 02/15/22	124,384
					6.950%, 03/01/33	78,000
	<b>TOTAL SOVEREIGN BONDS</b>			259,000	Meritage Homes Corp.	
	(Cost \$12,260,224)	<u>12,150,747</u>		102,000	7.000%, 04/01/22*	263,533
				370,000	7.150%, 04/15/20	105,825
				511,000	Phillips-Van Heusen Corp. $\mu$	
					7.375%, 05/15/20	410,700
				511,000	Royal Caribbean Cruises, Ltd. $\mu$	
					7.500%, 10/15/27	518,026
				102,000	Sally Holdings, LLC*	
					6.875%, 11/15/19	109,140
					Service Corp. International	
				715,000	7.500%, 04/01/27 $\mu$	725,725
				102,000	7.625%, 10/01/18 $\mu$	115,260
				102,000	7.000%, 05/15/19	109,523
				102,000	Toll Brothers Finance Corp.	
					5.875%, 02/15/22	105,754
				457,000	Vail Resorts, Inc.	
					6.500%, 05/01/19	484,420
				442,000	Wynn Las Vegas, LLC $\mu$	
					7.750%, 08/15/20	490,620
						<u>13,985,745</u>
					<b>Consumer Staples (0.4%)</b>	
				77,000	Constellation Brands, Inc.	
					8.375%, 12/15/14	87,973
				467,000	Darling International, Inc. $\mu$	
					8.500%, 12/15/18	525,959
				255,000	Dean Foods Company $\mu$	
					9.750%, 12/15/18	285,759
				370,000	Elizabeth Arden, Inc. $\mu$	
					7.375%, 03/15/21	407,925
				507,000	JBS USA, LLC $\mu$ *	
					7.250%, 06/01/21	486,720
				769,000	Post Holdings, Inc.*	
					7.375%, 02/15/22	801,682
				511,000	Smithfield Foods, Inc. $\mu$	
					7.750%, 07/01/17	576,153
						<u>3,172,171</u>
					<b>Energy (2.1%)</b>	
				2,195,000	NOK Aker Solutions, ASA	
					9.700%, 06/26/14	416,934
				246,000	Atwood Oceanics, Inc.	
					6.500%, 02/01/20	260,145
				487,000	Basic Energy Services, Inc. $\mu$	
					7.750%, 02/15/19	499,175
				511,000	Berry Petroleum Company $\mu$	
					6.375%, 09/15/22	532,717
				939,000	Bristow Group, Inc. $\mu$	
					7.500%, 09/15/17	985,950
				766,000	Calfrac Holdings, LP $\mu$ *	
					7.500%, 12/01/20	754,510

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PRINCIPAL AMOUNT		VALUE	PRINCIPAL AMOUNT		VALUE
408,000	Calumet Specialty Products, LP $\mu$ 9.375%, 05/01/19	\$ 427,380	521,000	Trinidad Drilling, Ltd. $\mu$ * 7.875%, 01/15/19	\$ 557,470
817,000	Carrizo Oil & Gas, Inc. $\mu$ 8.625%, 10/15/18	870,105	51,000	Unit Corp. 6.625%, 05/15/21	52,020
613,000	Cimarex Energy Company 5.875%, 05/01/22	635,987	664,000	W&T Offshore, Inc. $\mu$ 8.500%, 06/15/19	703,840
613,000	Clayton Williams Energy, Inc. 7.750%, 04/01/19	611,467	151,000	Whiting Petroleum Corp. $\mu$ 6.500%, 10/01/18	161,570
494,000	Concho Resources, Inc. $\mu$ 8.625%, 10/01/17	543,400			17,735,455
	Frontier Oil Corp. 8.500%, 09/15/16 $\mu$	662,917		<b>Financials (0.4%)</b>	
621,000	83,000 6.875%, 11/15/18	87,150	245,000	AON Corp. $\mu$ 8.205%, 01/01/27	287,465
562,000	GulfMark Offshore, Inc.* 6.375%, 03/15/22	574,645	169,000	Chesapeake Oilfield Finance, Inc.* 6.625%, 11/15/19	159,705
390,000	Helix Energy Solutions Group, Inc.* 9.500%, 01/15/16	409,988	791,000	Leucadia National Corp. $\mu$ 8.125%, 09/15/15	884,931
306,000	Holly Energy Partners, LP* 6.500%, 03/01/20	309,825	562,000	Neuberger Berman Group LLC $\mu$ * 5.875%, 03/15/22	574,645
207,000	HollyFrontier Corp. $\mu$ 9.875%, 06/15/17	232,875	459,000	Nuveen Investments, Inc. $\mu$ 10.500%, 11/15/15	476,213
299,000	Hornbeck Offshore Services, Inc. 8.000%, 09/01/17 $\mu$	324,415	357,000	Omega Healthcare Investors, Inc. 6.750%, 10/15/22	376,635
102,000	5.875%, 04/01/20*	102,255	322,000	7.500%, 02/15/20 $\mu$	345,345
421,000	Laredo Petroleum, Inc.* 7.375%, 05/01/22	436,788			3,104,939
	Linn Energy, LLC 8.625%, 04/15/20 $\mu$	560,822		<b>Health Care (0.9%)</b>	
511,000	204,000 6.250%, 11/01/19 $\mu$ *	201,195	19,000	AMERIGROUP Corp. 7.500%, 11/15/19	20,805
153,000	7.750%, 02/01/21	162,180	204,000	Bio-Rad Laboratories, Inc. $\mu$ 8.000%, 09/15/16	226,440
102,000	6.500%, 05/15/19*	103,020	606,000	DaVita, Inc. $\mu$ 6.625%, 11/01/20	637,057
116,000	Oasis Petroleum, Inc. 6.500%, 11/01/21	118,900		Endo Pharmaceuticals Holdings, Inc. 7.000%, 12/15/20	822,492
511,000	Parker Drilling Company* 9.125%, 04/01/18	544,215	766,000	102,000 7.000%, 07/15/19 $\mu$	109,395
409,000	Pioneer Drilling Company $\mu$ * 9.875%, 03/15/18	433,540	306,000	Fresenius Med* 6.500%, 09/15/18	328,950
	Plains Exploration & Production Company 6.750%, 02/01/22	640,585	102,000	5.875%, 01/31/22 $\mu$	103,913
613,000	6.125%, 06/15/19	258,825	1,072,000	Grifols, SA 8.250%, 02/01/18	1,153,740
255,000	Samson Investment Company $\mu$ * 9.750%, 02/15/20	587,290	306,000	HCA Holdings, Inc. 7.750%, 05/15/21	322,830
562,000	SEACOR Holdings, Inc. $\mu$ 7.375%, 10/01/19	548,714	429,000	Health Management Associates, Inc.* 7.375%, 01/15/20	448,841
511,000	SESI, LLC 6.875%, 06/01/14 $\mu$	668,980	441,000	Mylan, Inc. $\mu$ * 7.625%, 07/15/17	490,613
664,000	255,000 7.125%, 12/15/21*	277,313	332,000	7.875%, 07/15/20	373,500
390,000	SM Energy Company 6.625%, 02/15/19	413,400	177,000	PSS World Medical, Inc.* 6.375%, 03/01/22	182,310
184,000	6.500%, 11/15/21	195,040	562,000	Teleflex, Inc. $\mu$ 6.875%, 06/01/19	604,150
551,000	Swift Energy Company $\mu$ 8.875%, 01/15/20	603,345			
255,000	7.125%, 06/01/17	264,563			

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PRINCIPAL AMOUNT		VALUE	
	Valeant Pharmaceuticals International, Inc.*		
633,000	7.000%, 10/01/20μ	\$ 644,869	
357,000	7.250%, 07/15/22	357,893	
107,000	6.750%, 10/01/17μ	110,611	
905,000	Warner Chilcott Company, LLCμ		
	7.750%, 09/15/18	993,237	
		7,931,646	
<b>Industrials (1.4%)</b>			
440,000	Abengoa, SAμ*		
	8.875%, 11/01/17	422,400	
562,000	BE Aerospace, Inc.μ		
	8.500%, 07/01/18	625,225	
408,000	Belden, Inc.		
	9.250%, 06/15/19	442,680	
332,000	7.000%, 03/15/17	342,790	
447,000	Boart Longyear Management Pty., Ltd.μ*		
	7.000%, 04/01/21	470,468	
260,000	Clean Harbors, Inc.μ		
	7.625%, 08/15/16	274,300	
562,000	Deluxe Corp.		
	7.000%, 03/15/19~	585,885	
474,000	7.375%, 06/01/15μ	484,665	
423,000	Dycom Investments, Inc.μ		
	7.125%, 01/15/21	437,805	
139,000	Esterline Technologies Corp.μ		
	7.000%, 08/01/20	154,985	
402,000	FTI Consulting, Inc.		
	7.750%, 10/01/16	420,090	
332,000	6.750%, 10/01/20	353,165	
163,000	H&E Equipment Services, Inc.μ		
	8.375%, 07/15/16	169,113	
440,000	Interline Brands, Inc.μ		
	7.000%, 11/15/18	468,050	
357,000	Manitowoc Company, Inc.μ		
	8.500%, 11/01/20	398,055	
255,000	Mobile Mini, Inc.μ		
	7.875%, 12/01/20	274,125	
432,000	Monaco SpinCo, Inc.*†		
	6.750%, 04/30/20	449,280	
59,000	Navistar International Corp.		
	8.250%, 11/01/21	64,015	
893,000	Rexel, SA*		
	6.125%, 12/15/19	909,744	
511,000	Sensata Technologies Holding, B.V.μ*		
	6.500%, 05/15/19	535,273	
791,000	Spirit AeroSystems Holdings, Inc.μ		
	7.500%, 10/01/17	860,212	
511,000	Terex Corp.		
	8.000%, 11/15/17	537,827	
45,000	6.500%, 04/01/20	46,350	
142,000	TransDigm Group, Inc.		
	7.750%, 12/15/18	155,490	
<b>Information Technology (0.9%)</b>			
	Triumph Group, Inc.		
643,000	8.625%, 07/15/18μ	\$ 718,552	
26,000	8.000%, 11/15/17	28,405	
562,000	UR Financing Escrow Corp.*		
	7.625%, 04/15/22	595,720	
355,000	WESCO Distribution, Inc.μ		
	7.500%, 10/15/17	365,206	
		11,589,875	
<b>Materials (0.6%)</b>			
234,000	Allegheny Ludlum Corp.μ		
	6.950%, 12/15/25	276,361	
497,000	Clearwater Paper Corp.μ		
	7.125%, 11/01/18	531,790	
1,021,000	FMG Resources*		
	8.250%, 11/01/19	1,110,338	
102,000	6.875%, 04/01/22	103,785	
654,000	Greif, Inc.μ		
	7.750%, 08/01/19	742,290	
95,000	Kraton Polymers, LLC		
	6.750%, 03/01/19	99,275	
408,000	New Gold, Inc.*		
	7.000%, 04/15/20	418,200	

# Schedule of Investments April 30, 2012 (Unaudited)

PRINCIPAL AMOUNT		VALUE	NUMBER OF CONTRACTS		VALUE	
362,000	Sealed Air Corp. 8.125%, 09/15/19*	\$ 406,345	1,500	Check Point Software Technologies, Ltd. Call, 01/19/13, Strike \$55.00	\$ 1,065,000	
153,000	7.875%, 06/15/17	165,617				
821,000	Steel Dynamics, Inc. 7.750%, 04/15/16μ	857,945	2,225	eBay, Inc. Call, 01/18/14, Strike \$40.00	1,785,563	
102,000	7.625%, 03/15/20	112,710	2,650	EMC Corp. Call, 01/19/13, Strike \$25.00	1,166,000	
317,000	Union Carbide Corp.μ 7.875%, 04/01/23	387,804	1,900	QUALCOMM, Inc. Call, 01/19/13, Strike \$55.00	2,071,000	
		5,212,460	3,250	EUR SAP, AG Call, 06/21/13, Strike \$54.00	1,204,567	
	<b>Telecommunication Services (0.1%)</b>		390	VMware, Inc. Class A Call, 01/18/14, Strike \$110.00	978,900	
481,000	CenturyLink, Inc.μ 6.875%, 01/15/28	460,541			10,739,767	
613,000	Qwest Communications International, Inc.μ 7.750%, 02/15/31	613,766				
		1,074,307				
	<b>Utilities (0.2%)</b>			<b>TOTAL PURCHASED OPTIONS</b>	<b>13,207,267</b>	
306,000	AES Corp.μ* 7.375%, 07/01/21	341,955		<b>TOTAL SYNTHETIC CONVERTIBLE SECURITIES</b> (Cost \$82,259,336)	<b>88,050,405</b>	
842,000	AmeriGas Finance Corp.μ 7.000%, 05/20/22	860,945				
383,000	Calpine Corp.μ* 7.875%, 07/31/20	419,385		<b>NUMBER OF SHARES</b>	<b>VALUE</b>	
332,000	7.875%, 01/15/23	359,390		<b>CONVERTIBLE PREFERRED STOCKS (10.7%)</b>		
55,000	7.500%, 02/15/21	59,125		<b>Consumer Staples (0.9%)</b>		
		2,040,800		76,000	Bunge, Ltd.μ 4.875%	7,248,500
	<b>TOTAL CORPORATE BONDS</b>	<b>73,000,358</b>			<b>Energy (3.7%)</b>	
	<b>U.S. Government and Agency Securities (0.1%)</b>			280,000	Apache Corp.μ 6.000%	14,873,600
				18,431	Chesapeake Energy Corp.μ* 5.750%	15,950,815
357,000	United States Treasury Note~ 1.375%, 02/15/13	360,389				30,824,415
102,000	0.375%, 09/30/12	102,115			<b>Financials (3.9%)</b>	
	<b>TOTAL U.S. GOVERNMENT AND AGENCY SECURITIES</b>	<b>462,504</b>		350,000	Affiliated Managers Group, Inc.μ 5.150%	15,115,625
	<b>Sovereign Bonds (0.2%)</b>			64,000	MetLife, Inc.μ 5.000%	4,402,560
190,000	BRL Federative Republic of Brazil 10.000%, 01/01/14	1,046,702		11,600	Wells Fargo & Companyμ 7.500%	12,992,348
61,000	BRL 10.000%, 01/01/13	333,574				32,510,533
	<b>TOTAL SOVEREIGN BONDS</b>	<b>1,380,276</b>			<b>Industrials (0.6%)</b>	
				38,966	Stanley Black & Decker, Inc.μ 4.750%	4,675,920
	<b>NUMBER OF CONTRACTS</b>	<b>VALUE</b>			<b>Utilities (1.6%)</b>	
	<b>Purchased Options (1.6%)#</b>			255,000	NextEra Energy, Inc.μ 7.000%	13,757,250
	<b>Consumer Discretionary (0.3%)</b>				<b>TOTAL CONVERTIBLE PREFERRED STOCKS</b> (Cost \$88,970,750)	<b>89,016,618</b>
140	Priceline.com, Inc. Call, 01/19/13, Strike \$630.00	2,467,500				
	<b>Information Technology (1.3%)</b>					
215	Apple, Inc. Call, 01/19/13, Strike \$500.00	2,468,737				

# Schedule of Investments April 30, 2012 (Unaudited)

NUMBER OF SHARES		VALUE
<b>COMMON STOCKS (0.9%)</b>		
<b>Financials (0.1%)</b>		
13,850	American International Group, Inc.μ#	\$ 471,315
<b>Health Care (0.8%)</b>		
189,765	Merck & Company, Inc.μ	7,446,379
<b>TOTAL COMMON STOCKS</b>		<b>7,917,694</b>
(Cost \$7,733,105)		<u>7,917,694</u>
<b>SHORT TERM INVESTMENT (5.2%)</b>		
43,796,538	Fidelity Prime Money Market Fund - Institutional Class (Cost \$43,796,538)	<u>43,796,538</u>
<b>TOTAL INVESTMENTS (134.3%)</b>		<b>1,121,872,278</b>
(Cost \$1,079,714,179)		<u>1,121,872,278</u>
LIABILITIES, LESS OTHER ASSETS (-34.3%)		<u>(286,395,456)</u>
<b>NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS (100.0%)</b>		<b>\$ 835,476,822</b>

## NOTES TO SCHEDULE OF INVESTMENTS

- μ Security, or portion of security, is held in a segregated account as collateral for note payable aggregating a total value of \$759,387,193. \$272,206,634 of the collateral has been re-registered by the counterparty.
- ‡ Variable rate or step bond security. The rate shown is the rate in effect at April 30, 2012.
- \* Securities issued and sold pursuant to a Rule 144A transaction are excepted from the registration requirement of the Securities Act of 1933, as amended. These securities may only be sold to qualified institutional buyers ("QIBs"), such as the fund. Any resale of these securities must generally be effected through a sale that is registered under the Act or otherwise exempted from such registration requirements. At April 30, 2012, the value of 144A securities that could not be exchanged to the registered form is \$166,678,668 or 20.0% of net assets applicable to common shareholders.
- ~ Security, or portion of security, is segregated as collateral (or potential collateral for future transactions) for written options and swaps. The aggregate value of such securities is \$4,274,501.
- † Security or a portion of the security purchased on a delayed delivery or when-issued basis.
- § Securities exchangeable or convertible into securities of one or more entities that are different than the issuer. Each entity is identified in the parenthetical.
- # Non-income producing security.

## FOREIGN CURRENCY ABBREVIATIONS

- BRL Brazilian Real
- EUR European Monetary Unit
- NOK Norwegian Krone

Note: Value for securities denominated in foreign currencies is shown in U.S. dollars. The principal amount for such securities is shown in the respective foreign currency. The date on options represents the expiration date of the option contract. The option contract may be exercised at any date on or before the date shown.

## INTEREST RATE SWAPS

COUNTERPARTY	FIXED RATE (FUND PAYS)	FLOATING RATE (FUND RECEIVES)	TERMINATION DATE	NOTIONAL AMOUNT	UNREALIZED APPRECIATION/ (DEPRECIATION)
BNP Paribas, SA	2.4300% quarterly	3 month Libor	04/14/14	\$80,000,000	\$(3,049,533)
BNP Paribas, SA	1.1600% quarterly	3 month Libor	04/19/17	55,000,000	(250,924)
BNP Paribas, SA	1.1400% quarterly	3 month Libor	03/14/17	40,000,000	(205,820)
BNP Paribas, SA	1.8525% quarterly	3 month Libor	09/14/12	38,700,000	(273,733)
					<u>\$(3,780,010)</u>

# Statement of Assets and Liabilities April 30, 2012 (Unaudited)

## ASSETS

Investments in securities, at value (cost \$1,079,714,179)	\$1,121,872,278
Receivables:	
Accrued interest and dividends	15,934,565
Investments sold	807,416
Prepaid expenses	29,590
Other assets	163,274
Total assets	1,138,807,123

## LIABILITIES

Unrealized depreciation on interest rate swaps	3,780,010
Payables:	
Note payable	285,000,000
Investments purchased	13,492,150
Affiliates:	
Investment advisory fees	735,297
Deferred compensation to trustees	158,869
Financial accounting fees	10,449
Trustees' fees and officer compensation	1,924
Other accounts payable and accrued liabilities	151,602
Total liabilities	303,330,301
NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	\$ 835,476,822

## COMPOSITION OF NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS

Common stock, no par value, unlimited shares authorized 67,286,297 shares issued and outstanding	\$ 891,471,330
Undistributed net investment income (loss)	(28,547,056)
Accumulated net realized gain (loss) on investments, foreign currency transactions and interest rate swaps	(65,823,645)
Unrealized appreciation (depreciation) of investments, foreign currency translations and interest rate swaps	38,376,193
NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	\$ 835,476,822
Net asset value per common shares based upon 67,286,297 shares issued and outstanding	\$ 12.42

# Statement of Operations

Six Months Ended April 30, 2012 (Unaudited)

<b>INVESTMENT INCOME</b>	
Interest	\$30,193,289
Dividends	3,575,586
Securities lending income	87,095
Total investment income	33,855,970
<b>EXPENSES</b>	
Investment advisory fees	4,422,538
Interest expense and related fees	1,709,541
Registration fees	87,279
Printing and mailing fees	74,310
Financial accounting fees	63,010
Accounting fees	41,502
Audit fees	31,171
Custodian fees	27,510
Trustees' fees and officer compensation	25,453
Transfer agent fees	14,963
Legal fees	7,209
Other	36,116
Total expenses	6,540,602
NET INVESTMENT INCOME (LOSS)	27,315,368
<b>REALIZED AND UNREALIZED GAIN (LOSS)</b>	
<b>Net realized gain (loss) from:</b>	
Investments, excluding purchased options	(3,497,765)
Purchased options	435,129
Foreign currency transactions	107,659
Interest rate swaps	(1,467,692)
<b>Change in net unrealized appreciation/(depreciation) on:</b>	
Investments, excluding purchased options	17,581,515
Purchased options	3,951,921
Foreign currency translations	(1,270)
Interest rate swaps	841,030
NET GAIN (LOSS)	17,950,527
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS RESULTING FROM OPERATIONS	\$45,265,895

# Statements of Changes in Net Assets

	(UNAUDITED) SIX MONTHS ENDED APRIL 30, 2012	YEAR ENDED OCTOBER 31, 2011
<b>OPERATIONS</b>		
Net investment income (loss)	\$ 27,315,368	\$ 54,005,532
Net realized gain (loss)	(4,422,669)	(15,246,762)
Change in unrealized appreciation/(depreciation)	22,373,196	(768,842)
Net increase (decrease) in net assets applicable to common shareholders resulting from operations	45,265,895	37,989,928
<b>DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM</b>		
Net investment income	(38,302,636)	(53,873,854)
Return of capital	—	(20,219,093)
Net decrease in net assets from distributions to common shareholders	(38,302,636)	(74,092,947)
<b>CAPITAL STOCK TRANSACTIONS</b>		
Proceeds from common shares sold	153,798	55,180,658
Offering costs on common shares	(44,287)	(307,087)
Reinvestment of distributions resulting in the issuance of common stock	1,064,898	7,214,238
Net increase (decrease) in net assets from capital stock transactions	1,174,409	62,087,809
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</b>	<b>8,137,668</b>	<b>25,984,790</b>
<b>NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</b>		
Beginning of period	\$827,339,154	\$801,354,364
End of period	835,476,822	827,339,154
Undistributed net investment income (loss)	\$ (28,547,056)	\$ (17,559,788)

# Statement of Cash Flows

Six Months Ended April 30, 2012 (Unaudited)

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Net increase/(decrease) in net assets from operations	\$ 45,265,895
Adjustments to reconcile net increase/(decrease) in net assets from operations to net cash used for operating activities:	
Purchase of investment securities	(325,527,492)
Net proceeds from disposition of short term investments	(4,091,568)
Proceeds from disposition of investment securities	341,129,868
Amortization and accretion of fixed-income securities	(633,989)
Net realized gains/losses from investments, excluding purchased options	3,497,765
Net realized gains/losses from purchased options	(435,129)
Change in unrealized appreciation or depreciation on investments, excluding purchased options	(17,581,515)
Change in unrealized appreciation or depreciation on purchased options	(3,951,921)
Change in unrealized appreciation or depreciation on interest rate swaps	(841,030)
Net change in assets and liabilities:	
(Increase)/decrease in assets:	
Accrued interest and dividends receivable	299,066
Prepaid expenses	(6,593)
Other assets	(10,747)
Increase/(decrease) in liabilities:	
Payables to affiliates	11,609
Other accounts payable and accrued liabilities	4,008
Net cash provided by/(used in) operating activities	\$ 37,128,227

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Proceeds from common shares sold	153,798
Offering costs related to common shares sold	(44,287)
Distributions to common shareholders	(37,237,738)
Net cash provided by/(used in) financing activities	\$ (37,128,227)
Cash at beginning of period	\$ —
Cash at end of period	\$ —
Supplemental disclosure	
Cash paid for interest and related fees	\$ 1,708,388
Non-cash financing activities not included herein consists of reinvestment of dividends and distributions of common stock:	\$ 1,064,898

# Notes to Financial Statements

## Note 1 – Organization and Significant Accounting Policies

**Organization.** Calamos Convertible Opportunities and Income Fund (the “Fund”) was organized as a Delaware statutory trust on April 17, 2002 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 June 26, 2002. 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 at least 80% of its managed assets in a diversified portfolio of convertibles and non-convertible income securities. “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).

**Fund Valuation.** The valuation of the Fund’s investments is in accordance with policies and procedures adopted by and under the ultimate supervision of the board of trustees.

Fund securities that are traded on U.S. securities exchanges, except option securities, are valued at the last current reported sales price at the time a Fund determines its net asset value (“NAV”). Securities traded in the over-the-counter market and quoted on The NASDAQ Stock Market are valued at the NASDAQ Official Closing Price, as determined by NASDAQ, or lacking a NASDAQ Official Closing Price, the last current reported sale price on NASDAQ at the time the Fund determines its NAV.

When a last sale or closing price is not available, equity securities, other than option securities, that are traded on a U.S. securities exchange and other equity securities traded in the over-the-counter market are valued at the mean between the most recent bid and asked quotations in accordance with guidelines adopted by the board of trustees. Each option security traded on a U.S. securities exchange is valued at the mid-point of the consolidated bid/ask quote for the option security, also in accordance with guidelines adopted by the board of trustees. Each over-the-counter option that is not traded through the Options Clearing Corporation is valued based on a quotation provided by the counterparty to such option under the ultimate supervision of the board of trustees.

Fixed income securities, certain convertible preferred securities, and non-exchange traded derivatives are normally valued by independent pricing services or by dealers or brokers who make markets in such securities. Valuations of such fixed income securities, certain convertible preferred securities and non-exchange traded derivatives consider yield or price of equivalent securities of comparable quality, coupon rate, maturity, type of issue, trading characteristics and other market data and do not rely exclusively upon exchange or over-the-counter prices.

Trading on European and Far Eastern exchanges and over-the-counter markets is typically completed at various times before the close of business on each day on which the New York Stock Exchange (“NYSE”) is open. Each security trading on these exchanges or over-the-counter markets may be valued utilizing a systematic fair valuation model provided by an independent pricing service approved by the board of trustees. The valuation of each security that meets certain criteria in relation to the valuation model is systematically adjusted to reflect the impact of movement in the U.S. market after the foreign markets close. Securities that do not meet the criteria, or that are principally traded in other foreign markets, are valued as of the last reported sale price at the time the Fund determines its NAV, or when reliable market prices or quotations are not readily available, at the mean between the most recent bid and asked quotations as of the close of the appropriate exchange or other designated time. Trading of foreign 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 NAV is not calculated.

If the pricing committee determines that the valuation of a security in accordance with the methods described above is not reflective of a fair value for such security, the security is valued at a fair value by the pricing committee, under the ultimate supervision of the board of trustees, following the guidelines and/or procedures adopted by the board of trustees.

The Fund also may use fair value pricing, pursuant to guidelines adopted by the board of trustees and under the ultimate supervision of the board of trustees, if trading in the security is halted or if the value of a security it holds is materially affected by events occurring before the Fund’s pricing time but after the close of the primary market or exchange on which the security is listed. Those 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 of securities is employed, the prices of securities used by a Fund to calculate its NAV may differ from market quotations or official closing prices. In light of the judgment involved in fair valuations, there can be no assurance that a fair value assigned to a particular security is accurate.

**Investment Transactions.** Investment transactions are recorded on a trade date basis. 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 after the ex-dividend date.

**Foreign Currency Translation.** Values of investments and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars using a rate quoted by a 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, the difference in the foreign exchange rates 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 ex-date or accrual date and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses 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.

**Allocation of Expenses Among Funds.** Expenses directly attributable to the Fund are charged to the Fund; certain other common expenses of Calamos Advisors Trust, Calamos Investment Trust, Calamos Convertible Opportunities and Income Fund, Calamos Convertible and High Income Fund, Calamos Strategic Total Return Fund, Calamos Global Total Return Fund and Calamos Global Dynamic Income Fund are allocated proportionately among each fund to which the expenses relate in relation to the net assets of each fund or on another reasonable basis.

**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.

**Other Assets.** Other assets include amounts of deferred compensation to trustees and certain recoverable legal expenses under an insurance policy.

**Income Taxes.** No provision has been made for U.S. income taxes because the Fund's policy is to continue to qualify as a regulated investment company under the Internal Revenue Code of 1986, as amended, and distribute to shareholders substantially all of the Fund's taxable income and net realized 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 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 for fixed income securities. The financial statements are not adjusted for temporary differences.

The Fund recognized no liability for uncertain tax positions. A reconciliation is not provided as the beginning and ending amounts of unrecognized benefits are zero, with no interim additions, reductions or settlements. Tax years 2007 - 2010 remain subject to examination by the U.S. and the State of Illinois tax jurisdictions.

**Indemnifications.** Under the Fund's organizational documents, the Fund is obligated to indemnify its officers and trustees against certain liabilities incurred by them by reason of having been an officer or trustee of the Fund. In addition, in the normal course of business, the Fund may enter into contracts that provide general indemnifications to other parties. The Fund's maximum exposure

## Notes to Financial Statements

under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. Currently, the Fund's management expects the risk of material loss in connection to a potential claim to be remote.

### Note 2 – Investment Adviser 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 0.80% based on the average weekly managed assets.

Pursuant to a financial accounting services agreement, during the period the Fund paid Calamos Advisors a fee for financial accounting services 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 purposes of this calculation "combined assets" means the sum of the total average daily net assets of Calamos Investment Trust, Calamos Advisors Trust, and the total average weekly managed assets of Calamos Convertible and High Income Fund, Calamos Strategic Total Return Fund, Calamos Convertible Opportunities and Income Fund, Calamos Global Total Return Fund and Calamos Global Dynamic Income 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 monitoring trustee deferred compensation plan accruals and valuations. The Fund pays its pro rata share of the financial accounting services fee payable to Calamos Advisors based on its relative portion of combined assets used in calculating the fee.

The Fund reimburses Calamos Advisors for a portion of compensation paid to the Fund's Chief Compliance Officer. This compensation is reported as part of "Trustees' fees and officer compensation" expense on the Statement of Operations.

A trustee and certain officers of the Fund are also officers and directors of Calamos Advisors. Such trustee and officers 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) 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 amounts deferred for a participating trustee is determined by reference to the change in value of Class I shares of one or more funds of Calamos Investment Trust designated by the participant. 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. Deferred compensation of \$158,869 is included in "Other assets" on the Statement of Assets and Liabilities at April 30, 2012. 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 April 30, 2012.

### Note 3 – Investments

The cost of purchases and proceeds from sale of long-term investments for the period ended April 30, 2012 were as follows:

Cost of purchases	\$283,795,099
Proceeds from sales	276,558,647

The following information is presented on a federal income tax basis as of April 30, 2012. Differences between the cost basis under U.S. generally accepted accounting principles and federal income tax purposes are primarily due to temporary differences.

The cost basis of investments for federal income tax purposes at April 30, 2012 was as follows:

Cost basis of investments	\$1,108,817,150
Gross unrealized appreciation	48,705,948
Gross unrealized depreciation	(35,650,820)
Net unrealized appreciation (depreciation)	\$ 13,055,128

**Note 4 – Income Taxes**

The Fund intends to make monthly distributions from its income available for distribution, which consists of the Fund's dividends and interest income after payment of Fund expenses, and net realized gains on stock investments. At least annually, the Fund intends to distribute all or substantially all of its net realized capital gains, if any. Distributions are recorded on the ex-dividend date. The Fund distinguishes between distributions on a tax basis and a financial reporting basis. Accounting principles generally accepted in the United States of America require that only distributions in excess of tax basis earnings and profits be reported in the financial statements as a return of capital. Permanent differences between book and tax accounting relating to distributions are reclassified to paid-in-capital. For tax purposes, distributions from short-term capital gains are considered to be from ordinary income. Distributions in any year may include a return of capital component.

The tax character of distributions for the period ended April 30, 2012 will be determined at the end of the Fund's current fiscal year.

Distributions for the fiscal period ended October 31, 2011 were characterized for federal income tax purposes as follows:

	YEAR ENDED OCTOBER 31, 2011
<b>Distributions paid from:</b>	
Ordinary income	\$53,873,854
Return of capital	20,219,093

As of October 31, 2011, the components of accumulated earnings/(loss) on a tax basis were as follows:

Undistributed ordinary income	\$ —
Undistributed capital gains	—
Total undistributed earnings	—
Accumulated capital and other losses	(53,859,630)
Net unrealized gains/(losses)	(8,967,718)
Total accumulated earnings/(losses)	(62,827,348)
Other	(130,419)
Paid-in capital	890,296,921
Net assets applicable to common shareholders	\$827,339,154

As of October 31, 2011, the Fund had capital loss carryforwards which, if not used, will expire as follows:

2017	\$(45,276,397)
2018	(2,183,566)
2019	(6,399,667)

**Note 5 – Common Shares**

There are unlimited common shares of beneficial interest authorized and 67,286,297 shares outstanding at April 30, 2012. Calamos Advisors owned 17,876 of the outstanding shares at April 30, 2012. Transactions in common shares were as follows:

	PERIOD ENDED APRIL 30, 2012	YEAR ENDED OCTOBER 31, 2011
Beginning shares	67,188,511	62,431,622
Shares sold	12,210	4,196,583
Shares issued through reinvestment of distributions	85,576	560,306
Ending shares	67,286,297	67,188,511

Notice is hereby given in accordance with Section 23(c) of the 1940 Act that the Fund may from time to time purchase its shares of common stock in the open market.

## Notes to Financial Statements

The Fund also may offer and sell common shares from time to time at an offering price equal to or in excess of the net asset value per share of the Fund's common shares at the time such common shares are initially sold. Transactions for the first six months of the fiscal year had net proceeds received in excess of net asset value of \$535.

### Note 6 – Derivative Instruments

**Foreign Currency Risk.** 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 foreign exchange rates. The Fund realizes a gain or loss when a position is closed or upon settlement of the contracts. There were no open forward foreign currency contracts at April 30, 2012.

**Equity Risk.** The Fund engages in option transactions and in doing so achieves similar objectives to what it would achieve through the sale or purchase of individual securities. A call option, upon payment of a premium, gives the purchaser of the option the right to buy, and the seller of the option the obligation to sell, the underlying security, index or other instrument at the exercise price. A put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the seller the obligation to buy, the underlying security, index, or other instrument at the exercise price.

To seek to offset some of the risk of a potential decline in value of certain long positions, the Fund may also purchase put options on individual securities, broad-based securities indexes or certain exchange traded funds ("ETFs"). The Fund may also seek to generate income from option premiums by writing (selling) options on a portion of the equity securities (including securities that are convertible into equity securities) in the Fund's portfolio, on broad-based securities indexes, or certain ETFs.

When a Fund purchases an option, it pays a premium and an amount equal to that premium is recorded as an asset. When a Fund writes an option, it receives a premium and an amount equal to that premium is recorded as a liability. The asset or liability is adjusted daily to reflect the current market value of the option. If an option expires unexercised, the Fund realizes a gain or loss to the extent of the premium received or paid. If an option is exercised, the premium received or paid is recorded as an adjustment to the proceeds from the sale or the cost basis of the purchase. The difference between the premium and the amount received or paid on a closing purchase or sale transaction is also treated as a realized gain or loss. The cost of securities acquired through the exercise of call options is increased by premiums paid. The proceeds from securities sold through the exercise of put options are decreased by the premiums paid. Gain or loss on written options and purchased options is presented separately as net realized gain or loss on written options and net realized gain or loss on purchased options, respectively.

As of April 30, 2012, the Fund had outstanding purchased options and/or written options as listed on the Schedule of Investments.

**Interest Rate Risk.** The Fund engages in interest rate swaps primarily to hedge the interest rate risk on the Fund's borrowings (see Note 7 – Borrowings). An interest rate swap is a contract that involves the exchange of one type of interest rate for another type of interest rate. If interest rates rise, resulting in a diminution in the value of the Fund's portfolio, the Fund would receive payments under the swap that would offset, in whole or in part, such diminution in value; if interest rates fall, the Fund would likely lose money on the swap transaction. Unrealized gains are reported as an asset, and unrealized losses are reported as a liability on the Statement of Assets and Liabilities. The change in value of swaps, including accruals of periodic amounts of interest to be paid or received on swaps, is reported as change in net unrealized appreciation/depreciation on interest rate swaps in the Statement of Operations. A realized gain or loss is recorded in net realized gain (loss) on interest rate swaps in the Statement of Operations upon payment or receipt of a periodic payment or termination of the swap agreements. Swap agreements are stated at fair value. Notional principal amounts are used to express the extent of involvement in these transactions, but the amounts potentially subject to credit risk are much smaller. In connection with these contracts, securities may be identified as collateral in accordance with the terms of the respective swap contracts in the event of default or bankruptcy of the Fund.

Premiums paid to or by a Fund are accrued daily and included in realized gain (loss) when paid on swaps in the accompanying Statement of Operations. The contracts are marked-to-market daily based upon third party vendor valuations and changes in value are recorded as unrealized appreciation (depreciation). Gains or losses are realized upon early termination of the contract. Risks may exceed amounts recognized in the Statement of Assets and Liabilities. These risks include changes in the returns of the underlying instruments, failure of the counterparties to perform under the contracts' terms, counterparty's creditworthiness, and the possible lack of liquidity with respect to the contracts.

As of April 30, 2012, the Fund had outstanding interest rate swap agreements as listed on the Schedule of Investments.

Below are the types of derivatives in the Fund by gross value as of April 30, 2012:

	ASSETS		LIABILITIES	
	STATEMENT OF ASSETS & LIABILITIES LOCATION	VALUE	STATEMENT OF ASSETS & LIABILITIES LOCATION	VALUE
Derivative Type:				
Equity-Purchased options	Investments in securities	\$13,207,267		
Interest Rate Swaps	Unrealized appreciation on swaps	—	Unrealized depreciation on swaps	\$3,780,010

### Volume of Derivative Activity for the Six Months Ended April 30, 2012\*

Equity:		
Purchased options		6,430
Interest Rate:		
Interest rate swaps		\$95,000,000

\* Activity during the period is measured by opened number of contracts for options and opened notional amount for swap contracts.

### Note 7 – Borrowings

The Fund, with the approval of its board of trustees, including its independent trustees, has entered into a financing package that includes a Committed Facility Agreement (the "Agreement") with BNP Paribas Prime Brokerage, Inc. ("BNP") that allows the Fund to borrow up to \$300,000,000, and a Lending Agreement, as defined below. Borrowings under the Agreement are secured by assets of the Fund that are held with the Fund's custodian in a separate account (the "pledged collateral"). Interest is charged at the quarterly LIBOR (London Inter-bank Offered Rate) plus .65% on the amount borrowed and .55% on the undrawn balance. For the period ended April 30, 2012, the average borrowings under the Agreement and the average interest rate on the amount borrowed were \$285,000,000 and 1.18%, respectively. As of April 30, 2012, the amount of such outstanding borrowings was \$285,000,000. The interest rate applicable to the borrowings on April 30, 2012 was 1.12%.

The Lending Agreement is a separate side-agreement between the Fund and BNP pursuant to which BNP may borrow a portion of the pledged collateral (the "Lent Securities") in an amount not to exceed the outstanding borrowings owed by the Fund to BNP under the Agreement. The Lending Agreement is intended to permit the Fund to significantly reduce the cost of its borrowings under the Agreement. BNP may re-register the Lent Securities in its own name or in another name other than the Fund, and may pledge, re-pledge, sell, lend or otherwise transfer or use the Lent Securities with all attendant rights of ownership. (It is the Fund's understanding that BNP will perform due diligence to determine the creditworthiness of any party that borrows Lent Securities from BNP.) The Fund may designate any security within the pledged collateral as ineligible to be a Lent Security, provided there are eligible securities within the pledged collateral in an amount equal to the outstanding borrowing owed by the Fund. During the period in which the Lent Securities are outstanding, BNP must remit payment to the Fund equal to the amount of all dividends, interest or other distributions earned or made by the Lent Securities.

Under the terms of the Lending Agreement, the Lent Securities are marked to market daily, and if the value of the Lent Securities exceeds the value of the then-outstanding borrowings owed by the Fund to BNP under the Agreement (the "Current Borrowings"), BNP must, on that day, either (1) return Lent Securities to the Fund's custodian in an amount sufficient to cause the value of the outstanding Lent Securities to equal the Current Borrowings; or (2) post cash collateral with the Fund's custodian equal to the difference between the value of the Lent Securities and the value of the Current Borrowings. If BNP fails to perform either of these

## Notes to Financial Statements

actions as required, the Fund will recall securities, as discussed below, in an amount sufficient to cause the value of the outstanding Lent Securities to equal the Current Borrowings. The Fund can recall any of the Lent Securities and BNP shall, to the extent commercially possible, return such security or equivalent security to the Fund's custodian no later than three business days after such request. If the Fund recalls a Lent Security pursuant to the Lending Agreement, and BNP fails to return the Lent Securities or equivalent securities in a timely fashion, BNP shall remain liable to the Fund's custodian for the ultimate delivery of such Lent Securities, or equivalent securities, and for any buy-in costs that the executing broker for the sales transaction may impose with respect to the failure to deliver. The Fund shall also have the right to apply and set-off an amount equal to one hundred percent (100%) of the then-current fair market value of such Lent Securities against the Current Borrowings.

### Note 8 – 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"), which may be a convertible or non-convertible security and the right to acquire equity securities ("convertible component"). The fixed-income component is achieved by investing in fixed income securities such as bonds, preferred stocks, and money market instruments. The convertible component is achieved by investing in warrants or purchased 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 purchased 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.

The Fund may also 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.

### Note 9 – When-Issued and Delayed Delivery Securities

The Fund may purchase securities on a when-issued or delayed-delivery basis. Although the payment and interest terms of these securities are established at the time the Fund enters into the commitment, the securities may be delivered and paid for a month or more after the date of purchase, when their value may have changed. The Fund makes such commitments only with the intention of actually acquiring the securities, but may sell the securities before the settlement date if Calamos Advisors deems it advisable for investment reasons. The Fund may utilize spot and forward foreign currency exchange transactions to reduce the risk inherent in fluctuations in the exchange rate between one currency and another when securities are purchased or sold on a when-issued or delayed-delivery basis.

At the time when the Fund enters into a binding obligation to purchase securities on a when-issued basis, liquid assets (cash, U.S. Government securities or other "high-grade" debt obligations) of the Fund having a value at least as great as the purchase price of the securities to be purchased will be segregated on the books of the Fund and held by the custodian throughout the period of the obligation. The use of this investment strategy may increase net asset value fluctuation.

### Note 10 – Fair Value Measurements

Various inputs are used to determine the value of the Fund's investments. These inputs are categorized into three broad levels as follows:

- Level 1 – Prices are determined using inputs from unadjusted quoted prices from active markets (including securities actively traded on a securities exchange) for identical assets.
- Level 2 – Prices are determined using significant observable market inputs other than unadjusted quoted prices, including quoted prices of similar securities, fair value adjustments to quoted foreign securities, interest rates, credit risk, prepayment speeds, and other relevant data.

## Notes to Financial Statements

- Level 3 – Prices reflect unobservable market inputs (including the Fund’s own judgments about assumptions market participants would use in determining fair value) when observable inputs are unavailable.

Debt securities are valued based upon evaluated prices received from an independent pricing service or from a dealer or broker who makes markets in such securities. Pricing services utilize various observable market data and as such, debt securities are generally categorized as Level 2. The levels are not necessarily an indication of the risk or liquidity of the Funds’ investments. Transfers between the levels for investment securities or other financial instruments are measured at the end of the reporting period.

The following is a summary of the inputs used in valuing the Fund’s holdings at fair value:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
<b>Assets:</b>				
Corporate Bonds	\$ —	\$ 641,924,184	\$—	\$ 641,924,184
Convertible Bonds		234,944,241		234,944,241
U.S. Government and Agency Securities		4,071,851		4,071,851
Sovereign Bonds		12,150,747		12,150,747
Synthetic Convertible Securities (Corporate Bonds)		73,000,358		73,000,358
Synthetic Convertible Securities (U.S. Government and Agency Securities)		462,504		462,504
Synthetic Convertible Securities (Sovereign Bonds)		1,380,276		1,380,276
Synthetic Convertible Securities (Purchased Options)	12,228,367	978,900		13,207,267
Convertible Preferred Stocks	36,944,428	52,072,190		89,016,618
Common Stocks	7,917,694			7,917,694
Short Term Investment	43,796,538			43,796,538
<b>Total</b>	<b>\$100,887,027</b>	<b>\$1,020,985,251</b>	<b>\$—</b>	<b>\$1,121,872,278</b>
<b>Liabilities:</b>				
Interest Rate Swaps	\$ —	\$ 3,780,010	\$—	\$ 3,780,010
<b>Total</b>	<b>\$ —</b>	<b>\$ 3,780,010</b>	<b>\$—</b>	<b>\$ 3,780,010</b>

### Note 11 – Legal Proceedings

The Fund, the Fund’s Board of Trustees, Calamos Advisors LLC (the “Adviser”), and the corporate parent of the Adviser, Calamos Asset Management, Inc. have been named as defendants in putative class action complaints filed by plaintiffs in the Circuit Court of Cook County, Illinois and removed by the defendants to the United States District Court for the Northern District of Illinois related to the Fund’s redemption of its previously outstanding Auction Rate Cumulative Preferred Shares (the “ARPS”) at their liquidation preference. The complaints, captioned *Brown v. Calamos, et al.* and *Bourrienne v. Calamos, et al.*, generally allege that the Fund’s Board of Trustees breached certain fiduciary duties owed to the common shareholders of the Fund by approving the redemption of the Fund’s ARPS at their liquidation preference, and by recapitalizing the Fund with debt-based borrowings that were allegedly less advantageous to the Fund’s common shareholders. The complaints also allege that the Adviser and the corporate parent of the Adviser aided and abetted the Trustees’ alleged breaches of fiduciary duty and were unjustly enriched as a result, while the *Brown* complaint also alleges that the Fund itself aided and abetted these actions and was similarly unjustly enriched as a result. Both complaints allege identical causes of action and encompass materially identical putative classes and class periods. The suits seek indeterminate monetary and punitive damages from the named defendants, as well as injunctive relief. On March 14, 2011, the judge assigned to the *Brown* case dismissed it, and the plaintiff filed a Notice of Appeal in the United States Court of Appeals for the Seventh Circuit. The Seventh Circuit issued a decision on November 10, 2011 affirming the dismissal of the case entered by the lower court. On March 23, 2012, plaintiff filed a Petition for Writ of Certiorari with the U.S. Supreme Court. The defendants filed their response to the Petition on May 25, 2012, to which the plaintiff replied on May 29, 2012. The U.S. Supreme Court denied the Petition for Writ of Certiorari on June 18, 2012. The plaintiff has 25 days after the date of the order of denial to file a petition for rehearing. On August 4, 2011, the judge assigned to the *Bourrienne* case dismissed it, and the plaintiff filed a Notice of Appeal in the United States Court of Appeals for the Seventh Circuit. The Seventh Circuit issued an order on December 7, 2011 dismissing the appeal pursuant to the parties’ stipulation of dismissal.

## Notes to Financial Statements

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The Calamos Convertible and High Income Fund (“CHY”), CHY’s Board of Trustees, the Adviser and the corporate parent of the Adviser, Calamos Asset Management, Inc., among other persons, also have been named as defendants in a putative class action complaint captioned Rutgers Casualty Ins. Co. v. Calamos, et al., which relates to the redemption of ARPS by CHY. The complaint, which is similar to the Brown and Bourrienne complaints, is currently pending in the United States District Court for the Northern District of Illinois. The Rutgers complaint generally alleges that CHY’s Board of Trustees breached certain fiduciary duties owed to the common shareholders of CHY by approving the redemption of CHY’s ARPS at their liquidation preference, and by recapitalizing CHY with debt-based borrowings that were allegedly less advantageous to CHY’s common shareholders. The complaints also allege that the Adviser, the corporate parent of the Adviser, and CHY itself aided and abetted the Trustees’ alleged breaches of fiduciary duty and were unjustly enriched as a result. The suit seeks indeterminate monetary and punitive damages from the named defendants, as well as injunctive relief. The defendants moved to dismiss the case. On March 15, 2012, the district court entered an order granting the defendants’ motion to dismiss and the case was dismissed with prejudice. The time for appeal has passed.

The Fund believes that the litigation does not have any present material adverse effect on the Fund or on the ability of the Adviser to perform its obligations under its investment advisory contract with the Fund.

Selected data for a share outstanding throughout each period were as follows:

	(Unaudited) Six Months Ended April 30, 2012	2011	2010	Year Ended October 31,		
				2009	2008	2007
Net asset value, beginning of period	\$12.31	\$12.84	\$11.83	\$8.26	\$16.38	\$16.42
Income from investment operations:						
Net investment income (loss)**	0.41	0.83	0.91	0.84	1.16	1.44
Net realized and unrealized gain (loss)	0.27	(0.23)	1.22	3.88	(7.31)	0.97
Distributions to preferred shareholders from:						
Net investment income (common share equivalent basis)	—	—	—	(0.01)	(0.13)	(0.41)
Net realized gains (common share equivalent basis)	—	—	—	—	(0.12)	(0.02)
Total from investment operations	0.68	0.60	2.13	4.71	(6.40)	1.98
Less distributions to common shareholders from:						
Net investment income	(0.57)	(0.84)	(1.00)	(0.94)	(1.41)	(1.55)
Net realized gains	—	—	—	(0.02)	(0.31)	(0.47)
Return of capital	—	(0.30)	(0.14)	(0.18)	—	—
Total distributions	(0.57)	(1.14)	(1.14)	(1.14)	(1.72)	(2.02)
Capital charge resulting from issuance of common and preferred shares and related offering costs	—(a)	—(a)	—(a)	—(a)	—(a)	—
Premiums from shares sold in at the market offerings	—(a)	0.01	0.02	—	—	—
Net asset value, end of period	\$12.42	\$12.31	\$12.84	\$11.83	\$8.26	\$16.38
Market value, end of period	\$12.57	\$12.09	\$13.09	\$11.40	\$9.10	\$16.90
Total investment return based on:(b)						
Net asset value	5.77%	4.92%	19.12%	62.00%	(42.58)%	11.51%
Market value	9.00%	1.08%	26.02%	41.70%	(38.69)%	(4.25)%
Net assets, end of period (000)	\$835,477	\$827,339	\$801,354	\$651,707	\$409,035	\$784,997
Preferred shares, at redemption value (\$25,000 per share liquidation preference) (000's omitted)	\$—	\$—	\$—	\$—	\$104,000	\$384,000
Ratios to average net assets applicable to common shareholders:						
Net expenses(c)	1.59%(d)	1.55%	1.67%	2.87%	1.92%	1.08%
Gross expenses prior to expense reductions and earnings credits(c)	1.59%(d)	1.55%	1.71%	2.98%	2.16%	1.43%
Net expenses, excluding interest expense	1.18%(d)	1.19%	1.19%	2.36%	1.30%	1.08%
Net investment income (loss)(c)	6.64%(d)	6.56%	7.48%	8.79%	8.38%	8.83%
Preferred share distributions	—%	—%	—%	0.10%	0.92%	2.51%
Net investment income (loss), net of preferred share distributions from net investment income	6.64%(d)	6.56%	7.48%	8.69%	7.46%	6.32%
Portfolio turnover rate	26%	44%	37%	30%	53%	52%
Average commission rate paid	\$0.0249	\$0.0222	\$—	\$—	\$—	\$—
Asset coverage per preferred share, at end of period(e)	\$—	\$—	\$—	\$—	\$123,350	\$76,142
Asset coverage per \$1,000 of loan outstanding(f)	\$3,931	\$3,903	\$5,152	\$4,377	\$3,745	\$—

\*\* Net investment income allocated based on average shares method.

(a) Amount equated to less than \$0.005 per common share.

(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) Does not reflect the effect of dividend payments to Preferred Shareholders.

(d) Annualized.

(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.

(f) Calculated by subtracting the Fund's total liabilities (not including Note payable) and preferred shares from the Fund's total assets and dividing this by the amount of note payable outstanding, and by multiplying the result by 1,000.

## Report of Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholders of Calamos Convertible Opportunities and Income Fund

We have reviewed the accompanying statement of assets and liabilities, including the schedule of investments, for Calamos Convertible Opportunities and Income Fund (the "Fund") as of April 30, 2012, and the related statements of operations, changes in net assets, and cash flows and the financial highlights for the semi-annual period then ended. These interim financial statements and financial highlights are the responsibility of the Fund's management.

We conducted our review in accordance with standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements and financial highlights taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to such interim financial statements and financial highlights for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the statement of changes in net assets of the Fund for the year ended October 31, 2011 and the financial highlights for each of the five years in the period then ended; and in our report dated December 16, 2011, we expressed an unqualified opinion on such statement of changes in net assets and financial highlights.

*Deloitte & Touche LLP*

Chicago, Illinois  
June 21, 2012

## What is a Closed-End Fund?

A closed-end fund is a publicly traded investment company that raises its initial investment capital through the issuance of a fixed number of shares to investors in a public offering. Shares of a closed-end fund are listed on a stock exchange or traded in the over-the-counter market. Like all investment companies, a closed-end fund is professionally managed and offers investors a unique investment solution based on its investment objective approved by the fund's Board of Directors.

## Potential Advantages of Closed-End Fund Investing

- **Defined Asset Pool Allows Efficient Portfolio Management**—Although closed-end fund shares trade actively on a securities exchange, this doesn't affect the closed-end fund manager because there are no new investors buying into or selling out of the fund's portfolio.
- **More Flexibility in the Timing and Price of Trades**—Investors can purchase and sell shares of closed-end funds throughout the trading day, just like the shares of other publicly traded securities.
- **Lower Expense Ratios**—The expense ratios of closed-end funds are oftentimes less than those of mutual funds. Over time, a lower expense ratio could enhance investment performance.
- **Closed-End Structure Makes Sense for Less-Liquid Asset Classes**—A closed-end structure makes sense for investors considering less-liquid asset classes, such as high-yield bonds or micro-cap stocks.
- **Ability to Put Leverage to Work**—Closed-end funds may issue senior securities (such as preferred shares or debentures) or borrow money to "leverage" their investment positions.
- **No Minimum Investment Requirements**

## OPEN-END MUTUAL FUNDS VERSUS CLOSED-END FUNDS

OPEN-END FUND	CLOSED-END FUND
Issues new shares on an ongoing basis	Generally issues a fixed number of shares
Issues common equity shares	Can issue common equity securities and senior securities such as preferred shares and bonds
Sold at NAV plus any sales charge	Price determined by the marketplace
Sold through the fund's distributor	Traded in the secondary market
Fund redeems shares at NAV calculated at the close of business day	Fund does not redeem shares

## Level Rate Distribution Policy

### Using a Level Rate Distribution Policy to Promote Dependable Income and Total Return

The goal of the level rate distribution policy is to provide investors a predictable, though not assured, level of cash flow, which can either serve as a stable income stream or, through reinvestment, contribute significantly to long-term total return.

We understand the importance that investors place on the stability of dividends and their ability to contribute to long-term total return, which is why we have instituted a level rate distribution policy for the Fund. Under the policy, monthly distributions paid may include net investment income, net realized short-term capital gains and, if necessary, return of capital. In addition, a limited number of distributions per calendar year may include net realized long-term capital gains. There is no guarantee that the Fund will realize capital gains in any given year. Distributions are subject to re-characterization for tax purposes after the end of the fiscal year. All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for distributions via Form 1099-DIV.

Distributions from the Fund are generally subject to Federal income taxes. For purposes of maintaining the level rate distribution policy, 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 a level rate distribution policy may increase transaction and tax costs associated with the Fund.

## Automatic Dividend Reinvestment Plan

### Maximizing Investment with an Automatic Dividend Reinvestment Plan

The Automatic Dividend Reinvestment Plan offers a simple, cost-efficient and convenient way to reinvest your dividends and capital gains distributions in additional shares of the Fund, allowing you to increase your investment in the Fund.

#### Potential Benefits

- **Compounded Growth:** By automatically reinvesting with the Plan, you gain the potential to allow your dividends and capital gains to compound over time.
- **Potential for Lower Commission Costs:** Additional shares are purchased in large blocks, with brokerage commissions shared among all plan participants. There is no cost to enroll in the Plan.
- **Convenience:** After enrollment, the Plan is automatic and includes detailed statements for participants. Participants can terminate their enrollment at any time.

Pursuant to the Plan, unless a shareholder is ineligible or elects otherwise, all dividend and capital gains on common shares distributions are automatically reinvested by Computershare, as agent for shareholders in administering the Plan ("Plan Agent"), in additional common shares of the Fund. Shareholders who elect not to participate in the Plan will receive all dividends and distributions payable in cash paid by check mailed directly to the shareholder of record (or, if the shares are held in street or other nominee name, then to such nominee) by Plan Agent, as dividend paying agent. Shareholders may elect not to participate in the Plan and to receive all dividends and distributions in cash by sending written instructions to Plan Agent, as dividend paying agent, at: Dividend Reinvestment Department, P.O. Box 358016, Pittsburgh, PA 15252. Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by giving notice in writing to the Plan Agent; such termination will be effective with respect to a particular dividend or distribution if notice is received prior to the record date for the applicable distribution.

The shares are acquired by the Plan Agent for the participant's account either (i) through receipt of additional common shares from the Fund ("newly issued shares") or (ii) by purchase of outstanding common shares on the

open market (“open-market purchases”) on the NYSE or elsewhere. If, on the payment date, the net asset value per share of the common shares is equal to or less than the market price per common share plus estimated brokerage commissions (a “market premium”), the Plan Agent will receive newly issued shares from the Fund for each participant’s account. The number of newly issued common shares to be credited to the participant’s account will be determined by dividing the dollar amount of the dividend or distribution by the greater of (i) the net asset value per common share on the payment date, or (ii) 95% of the market price per common share on the payment date.

If, on the payment date, the net asset value per common share exceeds the market price plus estimated brokerage commissions (a “market discount”), the Plan Agent has a limited period of time to invest the dividend or distribution amount in shares acquired in open-market purchases. The weighted average price (including brokerage commissions) of all common shares purchased by the Plan Agent as Plan Agent will be the price per common share allocable to each participant. If, the Plan Agent is unable to invest the full dividend amount in open-market purchases during the purchase period or if the market discount shifts to a market premium during the purchase period, the Plan Agent will cease making open-market purchases and will invest the uninvested portion of the dividend or distribution amount in newly issued shares at the close of business on the last purchase date.

The automatic reinvestment of dividends and distributions will not relieve participants of any federal, state or local income tax that may be payable (or required to be withheld) on such dividends even though no cash is received by participants.

There are no brokerage charges with respect to shares issued directly by the Fund as a result of dividends or distributions payable either in shares or in cash. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent’s open-market purchases in connection with the reinvestment of dividends or distributions. If a participant elects to have the Plan Agent sell part or all of his or her common shares and remit the proceeds, such participant will be charged his or her pro rata share of brokerage commissions on the shares sold, plus a \$15 transaction fee. There is no direct service charge to participants in the Plan; however, the Fund reserves the right to amend the Plan to include a service charge payable by the participants.

A participant may request the sale of all of the common shares held by the Plan Agent in his or her Plan account in order to terminate participation in the Plan. If such participant elects in advance of such termination to have the Plan Agent sell part or all of his shares, the Plan Agent is authorized to deduct from the proceeds a \$15.00 fee plus the brokerage commissions incurred for the transaction. A participant may re-enroll in the Plan in limited circumstances.

The terms and conditions of the Plan may be amended by the Plan Agent or the Fund at any time upon notice are required by the Plan.

This discussion of the Plan is only summary, and is qualified in its entirety to the Terms and Conditions of the Dividend Reinvestment Plan filed as part of the Fund’s registration statement.

For additional information about the Plan, please contact the Plan Agent, Computershare, at 866.226.8016. If you wish to participate in the Plan and your shares are held in your own name, simply call the Plan Agent. If your shares are not held in your name, please contact your brokerage firm, bank, or other nominee to request that they participate in the Plan on your behalf. If your brokerage firm, bank, or other nominee is unable to participate on your behalf, you may request that your shares be re-registered in your own name.

We’re pleased to provide our shareholders with the additional benefit of the Fund’s Dividend Reinvestment Plan and hope that it may serve your financial plan.

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## MANAGING YOUR CALAMOS FUNDS INVESTMENTS

Calamos Investments offers several convenient means to monitor, manage and feel confident about your Calamos investment choice.

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### PERSONAL ASSISTANCE: 800.582.6959

Dial this toll-free number to speak with a knowledgeable Client Services Representative who can help answer questions or address issues concerning your Calamos Fund.

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### YOUR FINANCIAL ADVISOR

We encourage you to talk to your financial advisor to determine how the Calamos Funds can benefit your investment portfolio based on your financial goals, risk tolerance, time horizon and income needs.



**STAY CONNECTED**  
[www.calamos.com](http://www.calamos.com)

Visit our website for timely fund performance, detailed fund profiles, fund news and insightful market commentary.

A description of the Calamos Proxy Voting Policies and Procedures and the Fund's proxy voting record for the 12 month period ended June 30, 2011, are 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. The Fund's proxy voting record is also available free of charge by visiting the SEC website at <http://www.sec.gov>.

The Fund files its complete list of portfolio holdings with the SEC for the first and third quarters each fiscal year on Form N-Q. The Forms N-Q are available free of charge, upon request, by calling or writing Calamos Investments at the phone number or address provided above or by visiting the SEC website at <http://www.sec.gov>. You may also review or, for a fee, copy the forms at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 800.732.0330.

On June 22, 2011, 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 AUTOMATED SHAREHOLDER ASSISTANCE: 866.226.8016**

**TO OBTAIN INFORMATION ABOUT YOUR INVESTMENTS: 800.582.6959**

**VISIT OUR WEBSITE:** [www.calamos.com](http://www.calamos.com)

**INVESTMENT ADVISER:**

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

**CUSTODIAN AND FUND ACCOUNTING AGENT:**

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

**TRANSFER AGENT:**

Computershare  
P.O. Box 358016  
Pittsburgh, PA 15252  
866.226.8016

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM:**

Deloitte & Touche LLP  
Chicago, IL

**LEGAL COUNSEL:**

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