

TIMELY INFORMATION INSIDE

CALAMOS[®]
INVESTMENTS

Dynamic Convertible and Income Fund (CCD)

ANNUAL REPORT OCTOBER 31, 2016



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INVESTMENTS

Experience and Foresight

About Calamos Investments

For over 35 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 mutual fund in 1985 and our first closed-end fund in 2002. Today, we manage six closed-end funds. These include income-oriented total return offerings, which seek current income, with increased emphasis on capital gains potential, and enhanced fixed income offerings, which pursue high current income from income and capital gains. Calamos Dynamic Convertible and Income Fund (CCD) falls into income-oriented total return category. Please see page 5 for a more detailed overview of our closed-end offerings.

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.

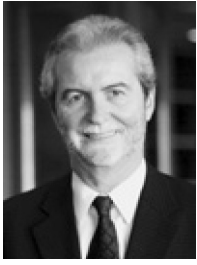
We believe an active, risk-conscious approach is essential for wealth creation. In the 1970s, we pioneered strategies that seek to participate in equity market upside and mitigate some of the potential risks of equity market volatility. Our investment process seeks to manage risk at multiple levels and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

We have a global perspective. We believe 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.

TABLE OF CONTENTS

Letter to Shareholders	1
The Calamos Closed-End Funds: An Overview	5
Investment Team Discussion	6
Schedule of Investments	9
Statement of Assets and Liabilities	15
Statement of Operations	16
Statements of Changes in Net Assets	17
Statement of Cash Flows	18
Notes to Financial Statements	19
Financial Highlights	27
Report of Independent Registered Public Accounting Firm	28
Trustee Approval of Management Agreement	29
Tax Information	31
Trustees and Officers	32
About Closed-End Funds	34
Level Rate Distribution Policy	35
Automatic Dividend Reinvestment Plan	35



JOHN P. CALAMOS, SR.
Chairman and Global CIO

Dear Fellow Shareholder:

Welcome to your annual report for the 12-month period ended October 31, 2016. In this report, you will find commentary from the management team, as well as a listing of portfolio holdings, financial statements and highlights, and detailed information about the Fund's performance and positioning. I encourage you to review this information carefully.

Calamos Dynamic Convertible and Income Fund is a total return fund. To help generate income and attempt to achieve a more favorable reward/risk profile, the Fund's investment team also has the flexibility to sell options on the underlying equities of the convertible holdings. We utilize dynamic asset allocation to pursue high current income with a less rate-sensitive approach while also maintaining a focus on capital gains. We believe the flexibility to invest in high yield corporate bonds and convertible securities is an important differentiator, especially given political as well as fiscal and monetary policy unknowns, and their potential impact on interest rates and the fixed income market.

Distribution

During the period, the Fund provided a compelling monthly distribution of \$0.1670 per share. We believe the Fund's current annualized distribution rate, which was 11.24%* on a market price basis as of October 31, 2016, was very competitive, given the low interest rates in many segments of the bond market. In our view, the Fund's distributions illustrate 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

* Current Annualized Distribution Rate is the Fund's most recent distribution, expressed as an annualized percentage of the Fund's current market price per share. The Fund's 10/14/16 distribution was \$0.1670 per share. Based on our current estimates, we anticipate that approximately \$0.0765 is paid from ordinary income or capital gains and that approximately \$0.0905 represents a return of capital. Estimates are calculated on a tax basis rather than on a generally accepted accounting principles (GAAP) basis, but should not be used for tax reporting purposes. Distributions are subject to re-characterization for tax purposes after the end of the fiscal year. This information is not legal or tax advice. Consult a professional regarding your specific legal or tax matters. Under the Fund's level rate distribution policy, distributions paid to common shareholders may include net investment income, net realized short-term capital gains and return of capital. When the net investment income and net realized short-term capital gains are not sufficient, a portion of the level rate distribution will be a return of capital. In addition, a limited number of distributions per calendar year may include net realized long-term capital gains. Distribution rate may vary.

Trustees consider the interest rate, market and economic environment. We also factor in our assessments 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 35.)

Market Review

During the 12-month period ended October 31, 2016, markets were often choppy as investors focused on global central bank policies, energy prices and currencies. Political crosscurrents exerted pressure on the markets, particularly those associated with the UK “Brexit” referendum in July and a highly contentious U.S. presidential election campaign.

There is a popular saying in the markets, “every bull market climbs a wall of worry.” This adage proved true over the reporting period. Despite the uncertainties and shifts between “risk-on” and “risk-off” sentiment, developed market stocks, as measured by the MSCI World Index, gained 1.79%, with emerging market equities performing even more strongly, rising 9.67% based on the MSCI Emerging Markets Index. The U.S. stock market returned 4.51% for the period, as measured by the S&P 500 Index.

Convertible securities, which provide the opportunity for stock market participation with potential downside resilience, posted healthy returns. The BofA Merrill Lynch Global 300 Convertible Index earned 5.01%, while the BofA Merrill Lynch U.S. Convertibles ex-Mandatory Index returned 4.51%. As investors sought yield in a global low-rate environment, high yield securities posted a gain of 10.22%, as measured by the Credit Suisse U.S. High Yield Index, far exceeding the investment-grade bond market, as measured by the Bloomberg Barclays U.S. Aggregate Bond Index, up 4.37%.

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, we believe the use of leverage will contribute favorably to the returns of the Fund, as we anticipate that the performance of the Fund’s holdings will exceed the cost of borrowing.

** Leverage creates risks that may adversely affect return, including the likelihood of greater volatility of net asset value and market price of common shares, and fluctuations in the variable rates of the leverage financing. The Fund has a non-fundamental policy that it will not issue preferred shares, borrow money, or issue debt securities with an aggregate liquidation preference and aggregate principal amount exceeding 38% of the Fund’s managed assets as measured immediately after the issuance of any preferred shares or debt. Prior to May 22, 2015, this leverage limitation was measured according to the Fund’s total assets.

Outlook

As we look to the future, our team is closely monitoring evolving geopolitical relationships, oil prices and global central bank policies. We remain highly attentive to the impact of populist crosscurrents, particularly in Europe, where several key elections are approaching.

We continue to believe the global economy is positioned for continued slow economic expansion, although the pace of growth is likely to vary among countries. In the U.S., economic growth is likely to ramp up a bit from recent levels, and our expectations for inflation have risen. As the economy continues to expand, we see an increased likelihood that the Federal Reserve Open Market Committee raises short-term interest rates. However, the aggressive quantitative easing of other global central banks is likely to limit how far interest rates can move.

As we look to the future, our team sees opportunities across a range of asset classes, with increased potential in cyclical growth areas. We believe U.S. equities can benefit from President-Elect Trump's pro-growth stance, with corporate tax reform, individual tax reform and infrastructure spending providing support to the bull market.

However, there is considerable uncertainty surrounding many elements of the President-Elect's vision for America and its implications for the global economy. As greater clarity emerges around fiscal and foreign policy over these next months, winners and losers will emerge. Investors should be prepared for volatility spikes and market rotation. Consequently, selectivity and attention to fundamentals remain paramount, especially given the high valuations we see in some segments of the market.

We believe the case for actively managed convertible securities is strong. It has been many years since investors contended with rising U.S. interest rates and inflation. I remember in the 1970s, and again in the 1980s, how investors were caught very much by surprise by rising rates. Although the backdrop is different now than it was in either of those periods, there are plenty of reasons for investors to revisit the interest rate exposure in their asset allocations. Historically, convertible securities have demonstrated greater resilience to rising interest rates than traditional fixed income securities, due to convertibles' equity characteristics.

Conclusion

These past months should remind investors that volatility is a part of all markets, including bull markets. As importantly, we are reminded of the resilience of the markets and the global economy. In July, the UK's vote in favor of leaving the European Union took markets by surprise, leading to a precipitous drop immediately following the result. Yet markets soon regained their equilibrium and rose higher. Similarly, many market participants were surprised by President-Elect Donald Trump's victory but once again, the chopiness was short lived.

The start of a new year is an excellent opportunity to consult with your financial advisor, who can help ensure that your asset allocation aligns with your long-term goals and risk tolerance. As you prepare for these conversations, I invite you to visit our website, www.calamos.com. You'll find a range of resources, including blogs and videos from our investment team and thought leadership pieces.

In closing, thank you for the trust that you have placed in us to help you achieve your financial goals. We are honored to serve you.

Sincerely,



John P. Calamos, Sr.
Founder, Chairman and Global Chief Investment Officer

Before investing, carefully consider a Fund's investment objectives, risks, charges and expenses. Please see the prospectus containing this and other information or call 800.582.6959. Please read the prospectus carefully. Performance data represents past performance, which is no guarantee of future results. Current performance may be lower or higher than the performance quoted.

The MSCI World Index is a market-capitalization weighted index composed of companies representative of the market structure of developed market countries in North America, Europe and the Asia/Pacific region. The S&P 500 Index is an unmanaged index generally considered representative of the U.S. stock market. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index considered broadly representative of emerging market equity performance. The index represents companies within the constituent emerging markets that are available to investors worldwide. The BofA Merrill Lynch All U.S. Convertibles ex-Mandatory Index represents the U.S. convertible securities market excluding mandatory convertibles. The BofA Merrill Lynch Global 300 Convertible Index is a global convertible index composed of companies representative of the market structure of countries in North America, Europe and the Asia/Pacific region. The Credit Suisse U.S. High Yield Index is an unmanaged index of high yield debt securities. The Bloomberg Barclays U.S. Aggregate Bond Index is considered generally representative of the investment-grade bond market. Sources: Lipper, Inc.; Morningstar, Inc.

Unmanaged index returns assume reinvestment of any and all distributions and, unlike fund returns, do not reflect fees, expenses or sales charges. Investors cannot invest directly in an index. Investments in overseas markets pose special risks, including currency fluctuation and political risks. These risks are generally intensified for investments in emerging markets. Countries, regions, and sectors mentioned are presented to illustrate countries, regions, and sectors in which a fund may invest. Fund holdings are subject to change daily. The Fund is actively managed. The information contained herein is based on internal research derived from various sources and does not purport to be statements of all material facts relating to the securities mentioned. The information contained herein, while not guaranteed as to the accuracy or completeness, has been obtained from sources we believe to be reliable. There are certain risks involved with investing in convertible securities in addition to market risk, such as call risk, dividend risk, liquidity risk and default risk, that should be carefully considered prior to investing. This information is being provided for informational purposes only and should not be considered investment advice or an offer to buy or sell any security in the portfolio.

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 seeking to manage 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 that seek 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

Calamos Dynamic Convertible and Income Fund
(Ticker: CCD)

Invests in convertibles and other fixed income securities

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 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.

For more information on our level rate distribution policy, please see page 35.

TOTAL RETURN* AS OF 10/31/16**Common Shares – Inception 3/27/15**

	1 Year	Since Inception**
On Market Price	3.32%	-11.08%
On NAV	1.03%	-3.03%

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

**Annualized since inception.

SECTOR WEIGHTINGS

Information Technology	23.3%
Consumer Discretionary	16.8
Health Care	16.5
Financials	11.6
Utilities	6.0
Real Estate	5.0
Industrials	5.0
Energy	4.5
Telecommunication Services	3.9
Materials	3.0
Consumer Staples	1.8

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.

DYNAMIC CONVERTIBLE AND INCOME FUND (CCD)

INVESTMENT TEAM DISCUSSION

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

Calamos Dynamic Convertible and Income Fund (CCD), brought to market in March 2015, is a total-return-oriented offering that seeks to provide a steady stream of income paid out on a monthly basis. We invest in a diversified portfolio of convertible 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 over the long term to generate capital gains and income. For example, high yield securities can serve to enhance the income portion of the Fund's return. The dynamic allocation of security types also provides opportunities to manage the risk/reward characteristics of the portfolio over full market cycles.

Through this approach, we seek to offer investors an attractive monthly distribution. The product provides an alternative to funds investing exclusively in investment grade fixed income instruments, and seeks to be less sensitive to interest rates while providing equity exposure through the use of convertibles. Like all six Calamos closed-end funds, the Fund seeks to provide a steady stream of distributions paid out on a monthly basis through investment in multiple asset classes.

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 companies that are actively participating in globalization with geographically diversified revenue streams and global business strategies.

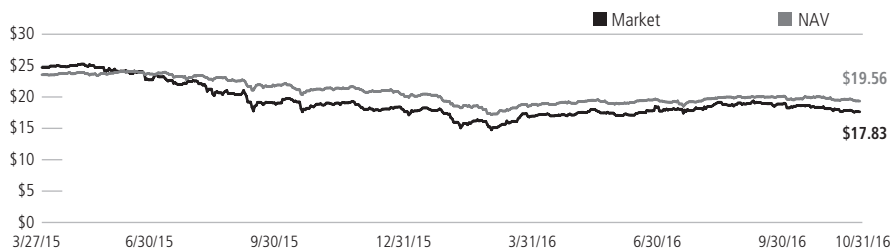
How did the Fund perform over the reporting period?

The Fund returned 1.03% on a net asset value (NAV) basis and gained 3.32% on a market price basis for the 12-month period ended October 31, 2016, versus a 3.46% return for the BofA Merrill Lynch All U.S. Convertibles Index over the same period.

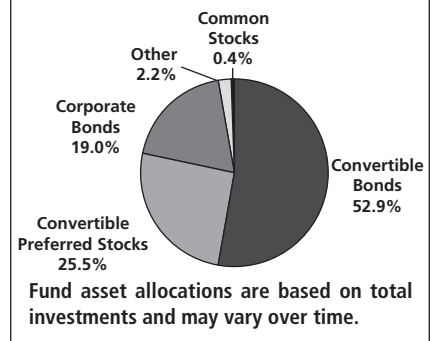
At the end of the reporting period, the Fund's shares traded at an 8.84% discount to net asset value.

How do NAV and market price return differ?

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, such as general market sentiment or future expectations. A fund's NAV return measures the actual 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. However, when managing the Fund, we strongly consider actions and policies that we believe will optimize its overall price performance and returns based on market value.

SINCE INCEPTION MARKET PRICE AND NAV HISTORY THROUGH 10/31/16

Performance data quoted represents past performance, which is no guarantee of future results. Current performance may be lower or higher than the performance quoted. The principal value of an investment will fluctuate so that your shares, when sold, may be worth more or less than their original cost. Returns at NAV reflect the deduction of the Fund's management fee, debt leverage costs and all other applicable fees and expenses. You can obtain performance data current to the most recent month end by visiting www.calamos.com.

ASSET ALLOCATION AS OF 10/31/16**Please discuss the Fund's distributions during the annual period.**

We employ a level rate distribution policy for this Fund with the goal of providing shareholders with a consistent distribution stream. The Fund provided a steady distribution stream of \$0.1670 per share. The Fund's annual distribution rate was 11.24% of market price as of October 31, 2016.

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 October 31, 2016, the dividend yield of S&P 500 Index stocks averaged 2.19%. Yields also remained low within the U.S. government bond market, with the 10-year U.S. Treasury and 30-year U.S. Treasury yielding 1.84% and 2.58%, respectively.

What factors influenced performance over the reporting period?

Improvements in both the high yield and convertible bond markets contributed to the Fund's performance during the period. The convertible bond market, as measured by the BofA Merrill Lynch All U.S. Convertibles Index had a total return of 3.46% during the period.

Our selection in consumer discretionary was helpful to performance as our holdings in automobile manufacturing added value relative to the BofA Merrill Lynch All U.S. Convertibles Index. In addition, our overweight and selection in utilities, notably independent power producers and energy traders, was also beneficial to performance.

Selection in information technology, namely semiconductors, detracted from performance. In addition, our selection in energy, specifically in the oil and gas exploration and production industry, underperformed relative to the Index.

How is the Fund positioned?

We continue to hold our highest allocations in the BB credit tier as we believe this exposure will offer investors a better risk/return dynamic while continuing to provide regular income. At period end, approximately 22% of our fixed income exposure was investment grade quality. From an economic sector perspective, our heaviest exposures are in the information technology, health care, and consumer discretionary sectors. We believe that these sectors will outperform given where we are in the

economic recovery cycle. We continue to maintain a significant position in convertible securities, which we believe will provide income, while benefitting from a rising equity market and managing overall portfolio risk. At period end, over 75% our portfolio was invested in convertible securities. We believe this will enable our shareholders to take advantage of opportunities in the general equity markets in a more risk-managed manner, which enables us not to be deterred by market volatility. In addition to convertibles, we look for selective opportunities in high yield bonds.

The average credit quality of the portfolio is higher than that of the BofA Merrill Lynch All U.S. Convertibles Index (BB- vs. B+). This is typical for the Fund, as our credit process tends to guide us away from the most speculative corporate securities. We currently view the lowest credit tiers of the market as less attractive, given their pricing and our outlook for a modest-growth global economy. That said, we do selectively invest in lower credit securities when we believe the risk/return dynamics are favorable for our investors.

The risk/reward is generally compelling in global businesses with the ability to seek the best opportunities around the world and diversify their revenue streams. Overall, our portfolio companies are performing well fundamentally, earning attractive cash flow margins and improving their credit profiles while utilizing reasonable debt levels to finance their operations.

The portfolio is currently employing leverage at approximately 29%. We currently borrow through floating rate bank debt. Given low borrowing rates, this has been beneficial to the performance of the Fund.

What is your outlook for the Fund?

We believe that investing in convertibles enables us to participate in a portion of the equity market's upside while also providing a measured degree of downside protection. This was especially evident in the market volatility brought on by the Brexit vote. We expect markets to remain turbulent, which we see as a positive for convertibles. In this respect, we believe returns are best viewed over a full market cycle. As we maintain an overall optimistic view of the U.S. economy, we believe exposure to equity-sensitive convertibles will allow the Fund to optimize total return. We are also encouraged by the steady issuance of convertibles, which we expect to provide broad investment opportunities through the space. Our dynamic allocation mandate allows us to invest across different asset classes to benefit our shareholders. Accordingly, we believe that active management in the convertible and high yield space is essential to providing desirable risk-managed results over a full market cycle.

We expect to see some continued near-term volatility. As we have discussed, we are positioning the portfolio with the goal of balancing secular and cyclical growth opportunities while adhering to valuation discipline. We maintain a focus on convertibles that are neither extremely equity nor credit sensitive as we remain committed to balancing upside equity participation with potential downside protection. Through dynamic asset allocation, we are able to optimize the total return of the fund by adjusting our exposures to take advantage of market opportunities within various sectors and asset classes. We expect that a steady issuance of convertibles will offer more opportunities to access exposure throughout the space. In addition, our exposure to fixed income securities allows us to maintain a competitive distribution. Given the asset classes represented in the portfolio and the overall low associated duration of the fund, we believe that we are well defended against a rising interest rate environment.

Schedule of Investments October 31, 2016

PRINCIPAL AMOUNT		VALUE
CORPORATE BONDS (22.9%)		
Consumer Discretionary (6.8%)		
2,156,000	Dana Financing Luxembourg Sarl*~μ 6.500%, 06/01/26	\$ 2,285,360
6,295,000	DISH DBS Corp.μ 6.750%, 06/01/21	6,786,797
862,000	ESH Hospitality, Inc.*~μ 5.250%, 05/01/25	853,919
2,587,000	GameStop Corp.*~μ^ 6.750%, 03/15/21	2,672,694
3,880,000	Golden Nugget, Inc.*μ 8.500%, 12/01/21	4,103,100
5,207,000	Goodyear Tire & Rubber Company~μ 8.750%, 08/15/20	6,232,128
4,311,000	MGM Resorts Internationalμ 6.750%, 10/01/20	4,809,460
1,725,000	Neiman Marcus Group Ltd., LLC*^ 8.000%, 10/15/21	1,426,359
2,832,000	Netflix, Inc.μ 5.500%, 02/15/22	3,067,410
		<u>32,237,227</u>
Consumer Staples (1.1%)		
852,000	Post Holdings, Inc.*μ 6.750%, 12/01/21	912,173
4,225,000	Smithfield Foods, Inc.μ 6.625%, 08/15/22	4,462,656
		<u>5,374,829</u>
Energy (1.3%)		
6,467,000	SESI, LLCμ 6.375%, 05/01/19	6,434,665
Financials (1.9%)		
3,386,000	Ally Financial, Inc.μ 6.250%, 12/01/17	3,519,324
5,174,000	International Lease Finance Corp.~μ 8.750%, 03/15/17	5,313,051
		<u>8,832,375</u>
Health Care (2.6%)		
5,088,000	Endo International, PLC*~μ‡ 7.250%, 01/15/22	4,868,580
6,467,000	Tenet Healthcare Corp.μ 6.750%, 02/01/20	6,309,367
1,552,000	VPii Escrow Corp.*μ 7.500%, 07/15/21	1,389,040
		<u>12,566,987</u>
Industrials (2.6%)		
1,797,000	Michael Baker International, LLC*μ 8.250%, 10/15/18	1,800,369
4,311,000	United Continental Holdings, Inc.μ 6.375%, 06/01/18	4,545,411

PRINCIPAL AMOUNT		VALUE
5,691,000	United Rentals North America, Inc.μ 7.625%, 04/15/22	\$ 6,068,029
		<u>12,413,809</u>
Information Technology (0.7%)		
1,878,000	Alliance Data Systems Corp.* 6.375%, 04/01/20	1,916,734
1,293,000	First Data Corp.*μ 7.000%, 12/01/23	1,363,307
		<u>3,280,041</u>
Materials (2.1%)		
2,587,000	Constellium, NV* 8.000%, 01/15/23	2,565,981
3,018,000	Huntsman International, LLC~μ 5.125%, 11/15/22	3,123,630
4,311,000	Trinseo Materials Operating, SCA*~ 6.750%, 05/01/22	4,566,965
		<u>10,256,576</u>
Telecommunication Services (2.6%)		
4,139,000	Frontier Communications Corp.μ 8.500%, 04/15/20	4,413,209
1,190,000	Intelsat Jackson Holdings, SA*~μ 8.000%, 02/15/24	1,201,156
6,812,000	Sprint Corp.μ 7.625%, 02/15/25	6,586,352
		<u>12,200,717</u>
Utilities (1.2%)		
4,268,000	Calpine Corp.*~μ 7.875%, 01/15/23	4,478,732
1,200,000	NRG Energy, Inc.μ 7.875%, 05/15/21	1,249,500
		<u>5,728,232</u>
TOTAL CORPORATE BONDS (Cost \$ 110,425,789)		<u>109,325,458</u>

CONVERTIBLE BONDS (73.9%)		
Consumer Discretionary (14.7%)		
4,500,000	CalAtlantic Group, Inc.μ 1.250%, 08/01/32	4,681,642
2,000,000	Ctrip.com International, Ltd. 1.000%, 07/01/20^	2,112,540
1,920,000	1.250%, 09/15/22*	1,892,755
5,100,000	DISH Network Corp.* 3.375%, 08/15/26	5,861,940
3,450,000	Insulet Corp.* 1.250%, 09/15/21	3,240,844
2,830,000	Lennar Corp.~μ 3.250%, 11/15/21	5,028,217

Schedule of Investments October 31, 2016

PRINCIPAL AMOUNT		VALUE	PRINCIPAL AMOUNT		VALUE
3,450,000	Liberty Interactive, LLC*		6,100,000	Hologic, Inc.μ^†	
	1.750%, 09/30/46	\$ 3,478,273		2.000%, 03/01/42	\$ 7,814,680
	Liberty Media Corp.		1,460,000	Incyte Corp.	
5,825,000	1.375%, 10/15/23μ^	5,990,867		1.250%, 11/15/20	2,666,975
3,400,000	2.250%, 09/30/46*	3,496,271	4,500,000	Ionis Pharmaceuticals, Inc.μ^	
1,865,000	Macquarie Infrastructure Corp.μ			1.000%, 11/15/21	3,703,365
	2.000%, 10/01/23	1,878,381	3,275,000	Ironwood Pharmaceuticals, Inc.	
6,370,000	Priceline Group, Inc.~μ^			2.250%, 06/15/22	3,452,145
	0.350%, 06/15/20	8,175,481	4,500,000	Jazz Investments I, Ltd.μ^	
19,950,000	Tesla Motors, Inc.~μ			1.875%, 08/15/21	4,451,310
	1.250%, 03/01/21	17,491,262	3,169,000	Medidata Solutions, Inc.μ^	
3,750,000	Toll Brothers Finance Corp.μ			1.000%, 08/01/18	3,493,537
	0.500%, 09/15/32	3,685,725	5,650,000	Molina Healthcare, Inc.μ^	
2,800,000	Weatherford International, Ltd.μ			1.625%, 08/15/44	6,568,040
	5.875%, 07/01/21	2,980,712	4,550,000	NuVasive, Inc.*	
		69,994,910		2.250%, 03/15/21	5,409,404
					55,282,713
	Energy (1.4%)			Industrials (3.0%)	
4,850,000	PDC Energy, Inc.μ		2,500,000	Air Lease Corp.	
	1.125%, 09/15/21	4,955,875		3.875%, 12/01/18	3,181,913
1,741,000	SM Energy Company		2,159,000	Atlas Air Worldwide Holdings, Inc.^	
	1.500%, 07/01/21	1,954,090		2.250%, 06/01/22	2,092,287
		6,909,965	1,750,000	Greenbrier Companies, Inc.	
				3.500%, 04/01/18	1,900,211
	Financials (6.0%)		3,500,000	Trinity Industries, Inc.μ	
7,500,000	Ares Capital Corp.μ			3.875%, 06/01/36	3,907,435
	4.375%, 01/15/19	7,833,675	3,400,000	Tutor Perini Corp.*μ	
1,500,000	Blackstone Mortgage Trust, Inc.			2.875%, 06/15/21	3,415,130
	5.250%, 12/01/18	1,680,555			14,496,976
2,000,000	Colony Capital, Inc.			Information Technology (30.7%)	
	3.875%, 01/15/21	1,970,750	1,725,000	Advanced Micro Devices, Inc.	
4,150,000	CAD Element Financial Corp.*			2.125%, 09/01/26	1,955,555
	4.250%, 06/30/20	3,263,426	5,935,000	Citrix Systems, Inc.μ^	
2,200,000	Jefferies Group, Inc.μ^			0.500%, 04/15/19	6,677,854
	3.875%, 11/01/29	2,241,745	3,400,000	Cypress Semiconductor Corp.*μ	
2,900,000	MGIC Investment Corp.*μ			4.500%, 01/15/22	3,600,464
	9.000%, 04/01/63	3,606,831	3,500,000	Euronet Worldwide, Inc.~μ	
	Prospect Capital Corp.μ^			1.500%, 10/01/44	4,342,153
2,300,000	5.750%, 03/15/18	2,376,418	3,425,000	Inphi Corp.*	
2,000,000	4.750%, 04/15/20	1,971,920		0.750%, 09/01/21	3,435,035
3,450,000	TCP Capital Corp.*~μ			Intel Corp.μ^	
	4.625%, 03/01/22	3,474,029	5,900,000	3.250%, 08/01/39	10,137,616
		28,419,349	5,200,000	2.950%, 12/15/35~	6,760,312
			2,500,000	Knowles Corp.*	
	Health Care (11.6%)			3.250%, 11/01/21	2,756,738
3,400,000	BioMarin Pharmaceutical, Inc.^		7,400,000	Microchip Technology, Inc.~μ	
	1.500%, 10/15/20	3,964,298		1.625%, 02/15/25	9,202,825
1,500,000	Depomed, Inc.^		3,850,000	Micron Technology, Inc.μ^	
	2.500%, 09/01/21	1,995,075		3.125%, 05/01/32	7,150,971
4,165,000	Emergent Biosolutions, Inc.μ		3,500,000	Novellus Systems, Inc.~μ^	
	2.875%, 01/15/21	4,770,674		2.625%, 05/15/41	9,996,472
6,000,000	HealthSouth Corp.μ				
	2.000%, 12/01/43	6,993,210			

Schedule of Investments October 31, 2016

PRINCIPAL AMOUNT		VALUE
1,100,000	NVIDIA Corp. 1.000%, 12/01/18	\$ 3,890,266
8,925,000	NXP Semiconductors, NV μ 1.000%, 12/01/19	10,258,172
3,500,000	ON Semiconductor Corp. μ 1.000%, 12/01/20 \wedge	3,502,363
3,100,000	2.625%, 12/15/26	3,570,456
3,375,000	Palo Alto Networks, Inc. 0.000%, 07/01/19	5,001,817
3,250,000	Pandora Media, Inc.* 1.750%, 12/01/20	3,194,360
4,750,000	Proofpoint, Inc. \wedge 0.750%, 06/15/20	5,655,659
4,125,000	Red Hat, Inc. μ \wedge 0.250%, 10/01/19	5,121,414
8,545,000	Salesforce.com, Inc. μ \wedge 0.250%, 04/01/18	10,532,353
4,300,000	ServiceNow, Inc. μ \wedge 0.000%, 11/01/18	5,622,744
9,600,000	SunEdison, Inc.* μ \wedge @ 0.250%, 01/15/20	554,064
4,075,000	SunPower Corp. μ \wedge 0.750%, 06/01/18	3,709,248
4,500,000	Synchronoss Technologies, Inc. μ \wedge 0.750%, 08/15/19	4,647,105
2,475,000	WebMD Health Corp. 2.625%, 06/15/23*	2,389,328
2,150,000	2.500%, 01/31/18	2,228,615
7,300,000	Workday, Inc. 1.500%, 07/15/20	9,175,625
1,300,000	0.750%, 07/15/18~ \wedge	1,551,089
		<u>146,620,673</u>
Materials (1.4%)		
3,000,000	Royal Gold, Inc. 2.875%, 06/15/19	3,229,155
3,200,000	RTI International Metals, Inc. \wedge 1.625%, 10/15/19	3,345,936
		<u>6,575,091</u>
Real Estate (4.4%)		
4,200,000	Colony Starwood Homes 3.000%, 07/01/19	4,613,154
1,500,000	Empire State Realty OP, LP* 2.625%, 08/15/19	1,676,460
1,350,000	Extra Space Storage, LP \wedge 3.125%, 10/01/35	1,438,351
3,400,000	IAS Operating Partnership, LP* 5.000%, 03/15/18	3,410,013
3,300,000	Spirit Realty Capital, Inc. μ \wedge 3.750%, 05/15/21	3,589,905
5,800,000	Starwood Property Trust, Inc. μ \wedge 4.550%, 03/01/18	6,343,344
		<u>21,071,227</u>

PRINCIPAL AMOUNT		VALUE
Utilities (0.7%)		
3,400,000	NRG Yield, Inc.* 3.250%, 06/01/20	\$ 3,283,057
TOTAL CONVERTIBLE BONDS (Cost \$383,486,380)		
		<u>352,653,961</u>
SYNTHETIC CONVERTIBLE SECURITIES (4.3%) \square		
Corporate Bonds (3.7%)		
Consumer Discretionary (1.1%)		
344,000	Dana Financing Luxembourg Sarl*~ μ 6.500%, 06/01/26	364,640
1,005,000	DISH DBS Corp. μ 6.750%, 06/01/21	1,083,515
138,000	ESH Hospitality, Inc.*~ μ 5.250%, 05/01/25	136,706
413,000	GameStop Corp.*~ μ \wedge 6.750%, 03/15/21	426,681
620,000	Golden Nugget, Inc.* μ 8.500%, 12/01/21	655,650
831,000	Goodyear Tire & Rubber Company~ μ 8.750%, 08/15/20	994,603
689,000	MGM Resorts International μ 6.750%, 10/01/20	768,666
275,000	Neiman Marcus Group Ltd., LLC* \wedge 8.000%, 10/15/21	227,391
452,000	Netflix, Inc. μ 5.500%, 02/15/22	489,572
		<u>5,147,424</u>
Consumer Staples (0.2%)		
136,000	Post Holdings, Inc.* μ 6.750%, 12/01/21	145,605
675,000	Smithfield Foods, Inc. μ 6.625%, 08/15/22	712,969
		<u>858,574</u>
Energy (0.2%)		
1,033,000	SESI, LLC μ 6.375%, 05/01/19	1,027,835
Financials (0.3%)		
541,000	Ally Financial, Inc. μ 6.250%, 12/01/17	562,302
826,000	International Lease Finance Corp.~ μ 8.750%, 03/15/17	848,199
		<u>1,410,501</u>
Health Care (0.4%)		
812,000	Endo International, PLC*~ μ 7.250%, 01/15/22	776,982
1,033,000	Tenet Healthcare Corp. μ 6.750%, 02/01/20	1,007,821

Schedule of Investments October 31, 2016

NUMBER OF SHARES		VALUE
11,425	Teva Pharmaceutical Industries, Ltd. 7.000%	\$ 8,660,150
		<u>38,527,671</u>
Industrials (1.0%)		
40,750	Stanley Black & Decker, Inc.μ 6.250%	4,771,010
Information Technology (0.7%)		
34,000	Belden, Inc. 6.750%	3,288,140
Materials (0.4%)		
58,400	Arconic, Inc. 5.375%	1,804,560
Real Estate (2.6%)		
70,700	American Tower Corp.μ 5.250%	7,907,088
76,025	Welltower, Inc.μ 6.500%	4,697,585
		<u>12,604,673</u>
Telecommunication Services (2.5%)		
34,000	Alibaba Exchangeable (Softbank)* § 5.750%	4,249,551
45,662	Frontier Communications Corp. 11.125%	3,813,234
44,325	T-Mobile USA, Inc. 5.500%	3,663,461
		<u>11,726,246</u>
Utilities (6.3%)		
121,000	Dominion Resources, Inc.μ 6.375%	6,077,830
68,875	DTE Energy Company 6.500%	3,614,739
172,350	Exelon Corp.μ 6.500%	8,221,095
68,000	Great Plains Energy, Inc. 7.000%	3,603,320
105,100	NextEra Energy, Inc.^ 6.123%	5,333,825
55,000	6.371%μ	3,356,650
		<u>30,207,459</u>
TOTAL CONVERTIBLE PREFERRED STOCKS (Cost \$183,953,721)		<u>169,840,024</u>
COMMON STOCK (0.5%)		
Health Care (0.5%)		
17,157	illumina, Inc.μ^# (Cost \$3,981,898)	2,335,754

NUMBER OF SHARES		VALUE
SHORT TERM INVESTMENTS (2.5%)		
5,836,777	Fidelity Prime Money Market Fund - Institutional Class	\$ 5,839,112
5,830,358	Morgan Stanley Institutional Liquidity Funds - Government Portfolio	5,830,358
TOTAL SHORT TERM INVESTMENTS (Cost \$11,668,669)		<u>11,669,470</u>
TOTAL INVESTMENTS (139.7%) (Cost \$713,582,855)		<u>666,366,981</u>
LIABILITIES, LESS OTHER ASSETS (-39.7%)		<u>(189,296,912)</u>
NET ASSETS (100.0%)		<u>\$ 477,070,069</u>
NUMBER OF CONTRACTS		VALUE
WRITTEN OPTIONS (-0.1%) #		
Energy (0.0%)		
550	Hess Corp. Call, 12/16/16, Strike \$55.00	(23,375)
Information Technology (-0.1%)		
400	Lam Research Corp. Call, 12/16/16, Strike \$100.00	(87,000)
500	NVIDIA Corp. Call, 12/16/16, Strike \$70.00	(252,500)
225	Palo Alto Networks, Inc. Call, 12/16/16, Strike \$155.00	(171,000)
485	Workday, Inc. Call, 12/16/16, Strike \$92.50	(109,125)
		<u>(619,625)</u>
TOTAL WRITTEN OPTIONS (Premium \$741,368)		<u>(643,000)</u>

NOTES TO SCHEDULE OF INVESTMENTS

* 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.

~ Security, or portion of security, is segregated as collateral (or potential collateral for future transactions) for written options. The aggregate value of such securities is \$15,094,821.

μ Security, or portion of security, is held in a segregated account as collateral for notes payable aggregating a total value of \$365,851,177. \$85,108,034 of the collateral has been re-registered by one of the counterparties, BNP (see Note 7 – Borrowings).

^ Security, or portion of security, is on loan.

‡ Variable rate or step bond security. The rate shown is the rate in effect at October 31, 2016.

@ In default status and considered non-income producing.

- The synthetic convertible securities strategy combines separate securities that together possess the economic characteristics similar to a convertible security.
- § 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 ABBREVIATION

CAD Canadian Dollar

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.

Statement of Assets and Liabilities October 31, 2016

ASSETS

Investments in securities, at value (cost \$713,582,855)	\$ 666,366,981
Receivables:	
Accrued interest and dividends	4,456,231
Investments sold	2,637,159
Prepaid expenses	11,698
Other assets	12,273
Total assets	673,484,342

LIABILITIES

Options written, at value (premium \$741,368)	643,000
Payables:	
Notes payable	195,000,000
Affiliates:	
Investment advisory fees	577,627
Deferred compensation to trustees	12,273
Financial accounting fees	6,698
Trustees' fees and officer compensation	7,376
Other accounts payable and accrued liabilities	167,299
Total liabilities	196,414,273
NET ASSETS	\$ 477,070,069

COMPOSITION OF NET ASSETS

Common stock, no par value, unlimited shares authorized 24,384,692 shares issued and outstanding	\$ 556,518,751
Undistributed net investment income (loss)	(5,587,434)
Accumulated net realized gain (loss) on investments, foreign currency transactions and written options	(26,742,593)
Unrealized appreciation (depreciation) of investments, foreign currency translations and written options	(47,118,655)
NET ASSETS	\$ 477,070,069
Net asset value per common shares based upon 24,384,692 shares issued and outstanding	\$ 19.56

Statement of Operations Year Ended October 31, 2016

INVESTMENT INCOME

Interest	\$ 22,033,456
Dividends	9,279,308
Securities lending income	86,369
Dividend taxes withheld	(81,996)
Total investment income	31,317,137

EXPENSES

Investment advisory fees	6,835,949
Interest expense and related fees	2,408,791
Legal fees	86,875
Financial accounting fees	79,345
Printing and mailing fees	72,177
Trustees' fees and officer compensation	57,139
Audit fees	50,381
Accounting and Custody fees	66,112
Transfer agent fees	25,340
Registration fees	479
Other	53,670
Total expenses	9,736,258
NET INVESTMENT INCOME (LOSS)	21,580,879

REALIZED AND UNREALIZED GAIN (LOSS)

Net realized gain (loss) from:

Investments, excluding purchased options	(30,110,040)
Purchased options	(313,756)
Foreign currency transactions	(2,318)
Written options	335,154

Change in net unrealized appreciation/(depreciation) on:

Investments, excluding purchased options	6,057,484
Purchased options	820,592
Foreign currency translations	(1,149)
Written options	98,368

NET GAIN (LOSS)	(23,115,665)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$ (1,534,786)

Statements of Changes in Net Assets

	YEAR ENDED OCTOBER 31, 2016	PERIOD ENDED OCTOBER 31, 2015*
OPERATIONS		
Net investment income (loss)	\$ 21,580,879	\$ 11,351,840
Net realized gain (loss)	(30,090,960)	9,511,475
Change in unrealized appreciation/(depreciation)	6,975,295	(54,093,950)
Net increase (decrease) in net assets applicable to shareholders resulting from operations	(1,534,786)	(33,230,635)
DISTRIBUTIONS FROM		
Net investment income	(24,035,500)	(20,361,217)
Net realized gains	(286,544)	—
Return of capital	(24,544,878)	—
Net decrease in net assets from distributions	(48,866,922)	(20,361,217)
CAPITAL STOCK TRANSACTIONS		
Proceeds from shares sold	—	582,184,249
Offering costs on shares	—	(1,120,620)
Net increase (decrease) in net assets from capital stock transactions	—	581,063,629
TOTAL INCREASE (DECREASE) IN NET ASSETS	(50,401,708)	527,471,777
NET ASSETS		
Beginning of year	\$ 527,471,777	\$ —
End of year	477,070,069	527,471,777
Undistributed net investment income (loss)	\$ (5,587,434)	\$ (1,980,779)

* Dynamic Convertible and Income Fund commenced operations on March 27, 2015.

Statement of Cash Flows Year Ended October 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES:

Net increase/(decrease) in net assets from operations	\$ (1,534,786)
Adjustments to reconcile net increase/(decrease) in net assets from operations to net cash provided by operating activities:	
Purchase of investment securities, including purchased options	(276,400,418)
Net proceeds from disposition of short term investments	20,484,312
Proceeds paid on closing written options	(295,407)
Proceeds from disposition of investment securities, including purchased options	312,103,951
Premiums received from written options	1,371,929
Amortization and accretion of fixed-income securities	(5,760,298)
Net realized gains/losses from investments, excluding purchased options	30,110,040
Net realized gains/losses from purchased options	313,756
Net realized gains/losses from written options	(335,154)
Change in unrealized appreciation or depreciation on investments, excluding purchased options	(6,057,484)
Change in unrealized appreciation or depreciation on purchased options	(820,592)
Change in unrealized appreciation or depreciation on written options	(98,368)
Net change in assets and liabilities:	
(Increase)/decrease in assets:	
Accrued interest and dividends receivable	826,708
Prepaid expenses	(11,698)
Other assets	(4,346)
Increase/(decrease) in liabilities:	
Payables to affiliates	(43,754)
Other accounts payable and accrued liabilities	18,489
Net cash provided by/(used in) operating activities	\$ 73,866,880

CASH FLOWS FROM FINANCING ACTIVITIES:

Distributions to shareholders	(48,866,922)
Repayment of notes payable	(25,000,000)
Net cash provided by/(used in) financing activities	\$ (73,866,922)
Net increase/(decrease) in cash	\$ (42)
Cash at beginning of year	\$ 42
Cash at end of year	\$ —
Supplemental disclosure	
Cash paid for interest and related fees	\$ 2,396,259

Note 1 – Organization and Significant Accounting Policies

Organization. Calamos Dynamic Convertible and Income Fund (the “Fund”) was organized as a Delaware statutory trust on March 11, 2014 and is registered under the Investment Company Act of 1940 (the “1940 Act”) as a diversified, closed-end management investment company. The Fund commenced operations on March 27, 2015.

The Fund’s investment strategy is to provide total return through a combination of capital appreciation and current income. Under normal circumstances, at least 80% of the Fund’s managed assets will be invested in convertible securities and income-producing securities, with at least 50% of the Fund’s managed assets invested in convertible securities (including synthetic convertible securities, which are single instruments, or multiple instruments held in concert, that are composed of two or more securities with investment characteristics that, when taken together, resemble those of traditional convertible securities). The Fund may invest up to 50% of its managed assets in securities of foreign issuers, with up to 15% of its managed assets in securities issued by foreign issuers in emerging markets. The Fund may invest up to 20% of its managed assets in high-yield non-convertible bonds (excluding such securities held to create synthetic convertible 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).

Significant Accounting Policies. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP), and the Fund is considered an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies. Under U.S. GAAP, management is required to make certain estimates and assumptions at the date of the financial statements and actual results may differ from those estimates. Subsequent events, if any, through the date that the financial statements were issued, have been evaluated in the preparation of the financial statements. The following summarizes the significant accounting policies of the Fund:

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 official closing price, which is the last current reported sales price on its principal exchange at the time each 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 a 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 on its principal exchange 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 in 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.

Notes to Financial Statements

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 as of October 31, 2016. 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*, *Calamos Global Dynamic Income Fund* and *Calamos Dynamic Convertible and 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.

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.

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 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 1.00% based on the average weekly managed assets.

Pursuant to a financial accounting services agreement, during the year 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 and 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, Calamos Global Dynamic Income Fund and Calamos Dynamic Convertible and 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 the "Trustees' fees and officer compensation" expense on the Statement of Operations.

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 their 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 \$12,273 is included in "Other assets" on the Statement of Assets and Liabilities at October 31, 2016. The Fund's obligation to make payments under the Plan is a general obligation of the Fund and is included in "Payable for deferred compensation to trustees" on the Statement of Assets and Liabilities at October 31, 2016.

Note 3 – Investments

The cost of purchases and proceeds from sales of long-term investments for the year ended October 31, 2016 were as follows:

Cost of purchases	\$ 260,849,545
Proceeds from sales	284,310,381

The following information is presented on a federal income tax basis as of October 31, 2016. 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 October 31, 2016 was as follows:

Cost basis of investments	\$ 714,609,201
Gross unrealized appreciation	16,791,161
Gross unrealized depreciation	(65,033,381)
Net unrealized appreciation (depreciation)	<u>\$ (48,242,220)</u>

Notes to Financial Statements

Note 4 – Income Taxes

For the fiscal year ended October 31, 2016, the Fund recorded the following permanent reclassifications to reflect tax character. The results of operations and net assets were not affected by these reclassifications.

Paid-in capital	\$ (24,544,878)
Undistributed net investment income/(loss)	23,679,388
Accumulated net realized gain/(loss) on investments	865,490

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.

Distributions for the year ended October 31, 2016 and the period ended October 31, 2015 were characterized for federal income tax purposes as follows:

	YEAR ENDED OCTOBER 31, 2016	PERIOD ENDED OCTOBER 31, 2015*
Distributions paid from:		
Ordinary income	\$24,035,500	\$20,361,217
Long-term capital gains	286,544	—
Return of capital	24,544,878	—

* Fund commenced operations on March 27, 2015.

As of October 31, 2016, 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	(31,286,756)
Net unrealized gains/(losses)	(48,145,001)
Total accumulated earnings/(losses)	(79,431,757)
Other	(16,925)
Paid-in capital	556,518,751
Net assets applicable to common shareholders	<u>\$ 477,070,069</u>

The Fund had capital loss carryforwards for the year ended October 31, 2016, with no expiration date, available to offset future realized capital gains, as follows:

Short-Term	\$ (29,520,190)
Long-Term	(1,766,566)

Note 5 – Common Shares

There are unlimited common shares of beneficial interest authorized and 24,384,692 shares outstanding at October 31, 2016. Calamos Advisors owned 1,113,377 of the outstanding shares at October 31, 2016. Transactions in common shares were as follows:

	YEAR ENDED OCTOBER 31, 2016	PERIOD ENDED OCTOBER 31, 2015*
Beginning shares	24,384,692	5,247
Shares sold	—	24,379,445
Shares issued through reinvestment of distributions	—	—
Ending shares	<u>24,384,692</u>	<u>24,384,692</u>

* Fund commenced operations on March 27, 2015.

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.

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.

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.

To mitigate the counterparty risk, the Fund may enter into an International Swaps and Derivatives Association, Inc. Master Agreement ("ISDA Master Agreement") or similar agreement with its derivative contract counterparties. An ISDA Master Agreement is a bilateral agreement between the Fund and a counterparty that governs over-the-counter derivatives and foreign exchange contracts and typically contains, among other things, collateral posting terms and netting provisions in the event of a default and/or termination event. Under an ISDA Master Agreement, the Fund may, under certain circumstances, offset with the counterparty certain derivative financial instrument's payables and/or receivables with collateral held and/or posted and create one single net payment. The provisions of the ISDA Master Agreement typically permit a single net payment in the event of default (close-out netting), including the bankruptcy or insolvency of the counterparty. Generally, collateral is exchanged between the Fund and the counterparty and the amount of collateral due from the Fund or to a counterparty has to exceed a minimum transfer amount threshold before a transfer has to be made. To the extent amounts due to the Fund from its counterparties are not fully collateralized, contractually or otherwise, the Fund bears the risk of loss from counterparty nonperformance. When a Fund is required to post collateral under the terms of a derivatives transaction and master netting agreement, the Fund's custodian holds the collateral in a segregated account, subject to the terms of a tri-party agreement among the Fund, the custodian and the counterparty. The master netting agreement and tri-party agreement provide, in relevant part, that the counterparty may have rights to the amounts in the segregated account in the event that the Fund defaults in its obligation with respect to the derivative instrument that is subject to the collateral requirement. When a counterparty is required to post collateral under the terms of a derivatives transaction and master netting agreement, the counterparty delivers such amount to the Fund's custodian. The master netting agreement provides, in relevant part, that the Fund may have rights to such collateral in the event that the counterparty defaults in its obligation with respect to the derivative instrument that is subject to the collateral requirement.

For financial reporting purposes, the Fund does not offset derivative assets and derivative liabilities that are subject to netting arrangements in the Statement of Assets and Liabilities. The Fund's net counterparty exposure is reflected in the counterparty table below. 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 October 31, 2016.

Equity Risk. The Fund may engage 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

Notes to Financial Statements

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.

Options written by the Fund do not typically give rise to counterparty credit risk since options written obligate the Fund and not the counterparty to perform. Exchange traded purchased options have minimal counterparty credit risk to the Fund since the exchange's clearinghouse, as counterparty to such instruments, guarantees against a possible default.

As of October 31, 2016, the Fund had outstanding purchased options and/or written options as listed on the Schedule of Investments. For the year ended October 31, 2016, the Fund had the following transactions in options written:

	NUMBER OF CONTRACTS	PREMIUMS RECEIVED
Options outstanding at October 31, 2015	—	\$ —
Option written	4,775	1,371,929
Options closed	(2,615)	(630,561)
Options exercised	—	—
Options expired	—	—
Options outstanding at October 31, 2016	2,160	\$ 741,368

Interest Rate Risk. The Fund may engage 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. Please see the disclosure regarding ISDA Master Agreements under Foreign Currency Risk within this note.

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 October 31, 2016, the Fund did not hold any outstanding interest rate swap agreements.

As of October 31, 2016, the Fund had outstanding derivative contracts which are reflected on the Statement of Asset and Liabilities as follows:

	ASSET DERIVATIVES	LIABILITY DERIVATIVES
Gross amounts at fair value:		
Purchased Options(1)	\$3,081,000	\$ —
Written Options(2)	—	643,000
	\$3,081,000	\$ 643,000

(1) Generally, the Statement of Assets and Liabilities location for "Options purchased" is "Investments in securities."

(2) Generally, the Statement of Assets and Liabilities location for "Options written" is "Options written, at value."

For the year ended October 31, 2016, the volume of derivative activity for the Fund is reflected below*

	VOLUME
Options purchased	5,575
Options written	4,775

*Activity during the period is measured by opened number of contracts for options purchased or written.

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 “BNP Agreement”) with BNP Paribas Prime Brokerage International Ltd. (“BNP”) that allows the Fund to borrow up to \$135.0 million and a lending agreement, “Lending Agreement” as defined below. In addition, the financing package includes a Credit Agreement (the “SSB Agreement”, together with the BNP Agreement, “Agreements”) with State Street Bank and Trust Company (“SSB”) that allows the Fund to borrow up to a limit of \$135.0 million, and a related securities lending authorization agreement (“Authorized Agreement”). Borrowings under the BNP Agreement and the SSB Agreement are secured by assets of the Fund that are held with the Fund’s custodian in a separate account (the “pledged collateral”). BNP and SSB share an equal claim on the pledged collateral, subject to any adjustment that may be agreed upon between the lenders. Interest on the BNP Agreement is charged at the three month LIBOR (London Inter-bank Offered Rate) plus .65% on the amount borrowed and .55% on the undrawn balance. Interest on the SSB Agreement is charged on the drawn amount at the rate of Overnight LIBOR plus .80% and .10% on the undrawn balance (if the undrawn amount is more than 75% of the borrowing limit, the commitment fee is .20%). For the year ended October 31, 2016, the average borrowings under the Agreements were \$201.5 million. For the year ended October 31, 2016, the average interest rate was 1.14%. As of October 31, 2016, the amount of total outstanding borrowings was \$195.0 million (\$97.5 million under the BNP Agreement and \$97.5 million under the SSB Agreement), which approximates fair value. The interest rate applicable to the borrowings on October 31, 2016 was 1.32%.

The Lending Agreement with BNP 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 BNP Agreement. The Lending Agreement is intended to permit the Fund to significantly reduce the cost of its borrowings under the BNP 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. The dividend and interest payments are recorded as Dividend or Interest payments in the Statement of Operations. Earnings made by the lent securities are disclosed on a net basis as Securities Lending Income in the Statement of Operations.

Under the terms of the Lending Agreement with BNP, 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 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 for the ultimate delivery of such Lent Securities, or equivalent securities, to be made to the Fund’s custodian, 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.

Notes to Financial Statements

Under the terms of the Authorized Agreement with SSB, all securities lent through SSB must be secured continuously by collateral received in cash, cash equivalents, or U.S. Treasury bills and maintained on a current basis at an amount at least equal to the market value of the securities loaned. Cash collateral held by SSB on behalf of the Fund may be credited against the amounts borrowed under the SSB Agreement. Any amounts credited against the SSB Agreement would count against the Fund's leverage limitations under the 1940 Act, unless otherwise covered in accordance with SEC Release IC-10666. Under the terms of the Authorized Agreement with SSB, SSB will return the value of the collateral to the borrower upon the return of the lent securities, which will eliminate the credit against the SSB Agreement and will cause the amount drawn under the SSB Agreement to increase in an amount equal to the returned collateral. Under the terms of the Authorized Agreement with SSB, the Fund will make a variable "net income" payment related to any collateral credited against the SSB Agreement which will be paid to the securities borrower, less any payments due to the Fund or SSB under the terms of the Authorized Agreement. The Fund has the right to call a loan and obtain the securities loaned at any time. As of October 31, 2016, the Fund used approximately \$21.8 million of its cash collateral to offset the SSB Agreement, representing 3.2% of managed assets, and was required to pay a "net income" payment equal to an annualized interest rate of 0.62%, which can fluctuate depending on interest rates. As of October 31, 2016, approximately \$21.3 million of securities were on loan (\$19.4 million of fixed income securities and \$1.9 million of equity securities) under the SSB Agreement which are reflected in the Investment in securities, at value on the Statement of Assets and Liabilities.

Note 8 – 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.
- 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 Fund's 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
Assets:				
Corporate Bonds	\$ —	\$ 109,325,458	\$ —	\$ 109,325,458
Convertible Bonds	—	352,653,961	—	352,653,961
Synthetic Convertible Securities (Corporate Bonds)	—	17,461,314	—	17,461,314
Synthetic Convertible Securities (Purchased Options)	3,081,000	—	—	3,081,000
Convertible Preferred Stocks	140,118,426	29,721,598	—	169,840,024
Common Stocks U.S.	2,335,754	—	—	2,335,754
Short Term Investments	11,669,470	—	—	11,669,470
Total	\$ 157,204,650	\$ 509,162,331	\$ —	\$ 666,366,981
Liabilities:				
Written Options	\$ 643,000	\$ —	\$ —	\$ 643,000
Total	\$ 643,000	\$ —	\$ —	\$ 643,000

Financial Highlights

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

	YEAR ENDED OCTOBER 31, 2016	MARCH 27, 2015• THROUGH OCTOBER 31, 2015
Net asset value, beginning of year	\$21.63	\$23.88(a)
Income from investment operations:		
Net investment income (loss)*	0.89	0.48
Net realized and unrealized gain (loss)	(0.96)	(1.84)
Total from investment operations	(0.07)	(1.36)
Less distributions to common shareholders from:		
Net investment income	(0.99)	(0.84)
Net realized gains	—(b)	—
Return of capital	(1.01)	—
Total distributions	(2.00)	(0.84)
Capital charge resulting from issuance of common and preferred shares and related offering costs	—	(0.05)
Net asset value, end of year	\$19.56	\$21.63
Market value, end of year	\$17.83	\$19.28
Total investment return based on:(c)		
Net asset value	1.03%	(5.78)%
Market value	3.32%	(19.79)%
Net assets, end of year (000)	\$477,070	\$527,472
Ratios to average net assets applicable to common shareholders:		
Net expenses(e)	2.02%	1.91%(d)
Gross expenses prior to expense reductions and earnings credits	2.02%	1.91%(d)
Net investment income (loss)	4.48%	3.65%(d)
Portfolio turnover rate	40%	23%
Average commission rate paid	\$0.0233	\$0.0198
Asset coverage per \$1,000 of loan outstanding(f)	\$3,447	\$3,398

• Commencement of operations.

* Net investment income calculated based on average shares method.

(a) Net of sales load of \$1.125 on initial shares issued and beginning net asset value of \$23.875.

(b) Amount is less than \$0.01.

(c) 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.

(d) Annualized.

(e) Ratio of net expenses, excluding interest expense, to average net assets was 1.52% and 1.56% for the year ended October 31, 2016 and the period ended October 31, 2015, respectively.

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

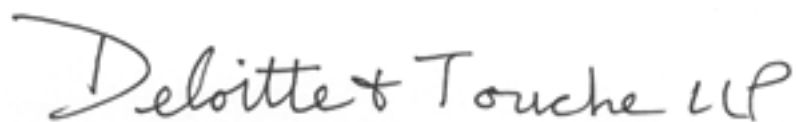
Report of Independent Registered Public Accounting Firm

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

We have audited the accompanying statement of assets and liabilities of Calamos Dynamic Convertible and Income Fund (the "Fund"), including the schedule of investments, as of October 31, 2016, the related statements of operations and cash flows for the year then ended, and the statements of changes in net assets and financial highlights for the year then ended and the period from March 27, 2015 (commencement of operations) through October 31, 2015. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of October 31, 2016, by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Calamos Dynamic Convertible and Income Fund as of October 31, 2016, the results of its operations and the changes in its net assets for the year then ended, and its cash flows and the financial highlights for the year then ended and the period from March 27, 2015 (commencement of operations) through October 31, 2015, in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Deloitte & Touche LLP".

Chicago, Illinois
December 15, 2016

The Board of Trustees of the Fund oversees the management of the Fund, and, as required by law, determines annually whether to continue the Fund's management agreement with Calamos Advisors LLC (the "Adviser") pursuant to which the Adviser serves as the investment manager and administrator for the Fund. The "Independent Trustees," who comprise more than 80% of the Board, have never been affiliated with the Adviser.

In connection with their most recent consideration regarding the continuation of the management agreement, the Trustees received and reviewed a substantial amount of information provided by the Adviser in response to detailed requests of the Independent Trustees and their independent legal counsel. In the course of their consideration of the agreement, the Independent Trustees were advised by their counsel, and in addition to meeting with management of the Adviser, they met separately in executive session with their counsel.

At a meeting held on June 30 - July 1, 2016, based on their evaluation of the information referred to above and other information provided in this and previous meetings, the Trustees determined that the overall arrangements between the Fund and the Adviser were fair and reasonable in light of the nature, extent and quality of the services provided by the Adviser and its affiliates, the fees charged for those services and other matters that the Trustees considered relevant in the exercise of their business judgment. At that meeting, the Trustees, including all of the Independent Trustees, approved the continuation of the management agreement through September 30, 2017, subject to possible earlier termination as provided in the agreement.

In connection with its consideration of the management agreement, the Board considered, among other things: (i) the nature, quality and extent of the Adviser's services, (ii) the investment performance of the Fund as well as performance information for comparable funds and other, comparable clients of the Adviser, (iii) the fees and other expenses paid by the Fund as well as expense information for comparable funds and for other, comparable clients of the Adviser, (iv) the profitability of the Adviser and its affiliates from their relationship with the Fund, (v) whether economies of scale may be realized as the Fund grows and whether potential economies may be shared, in some measure, with Fund investors and (vi) other benefits to the Adviser from its relationship with the Fund. In the Board's deliberations, no single factor was responsible for the Board's decision to approve continuation of the management agreement.

Nature, Extent and Quality of Services. The Board's consideration of the nature, extent and quality of the Adviser's services to the Fund took into account the knowledge gained from the Board's meetings with the Adviser throughout the years. In addition, the Board considered: the Adviser's long-term history of managing the Fund; the consistency of investment approach; the background and experience of the Adviser's investment personnel responsible for managing the Fund; and the Adviser's performance as administrator of the Fund, including, among other things, in the areas of brokerage selection, trade execution, compliance and shareholder communications. The Board also reviewed the Adviser's resources and key personnel involved in providing investment management services to the Fund. The Board noted the personal investments that the Adviser's key investment personnel have made in the Fund, which further aligns the interests of the Adviser and its personnel with those of the Fund's shareholders. In addition, the Board considered compliance reports about the Adviser from the Fund's Chief Compliance Officer.

The Board also considered the information provided by the Adviser regarding the Fund's performance and the steps the Adviser is taking to improve performance. In particular, the Board noted the additional personnel added or planned to be added to the investment team, which includes portfolio managers, research analysts, research associates and risk management personnel. The Board also noted the Adviser's significant investment into its infrastructure and investment processes.

Investment Performance of the Fund. The Board considered the Fund's investment performance over various time periods, including how the Fund performed compared to the median performance of a group of comparable funds (the Fund's "Category") selected by an independent third-party service provider. The performance periods considered by the Board ended on March 31, 2016, except where otherwise noted. Where available, the Board considered one-, three-, five- and ten-year performance. To the extent the Board considered data for periods other than those ending on March 31, 2016 or considered comparative data in addition to that of the Category, the data was still produced by the independent third-party service provider.

The Board considered that, while the Fund underperformed its Category median for the one-year period, the Fund only commenced operations in March 2015. The Board noted, therefore, that it would be prudent to allow the Adviser additional time to develop its long-term performance record with the Fund.

Costs of Services Provided and Profits Realized by the Adviser. Using information provided by an independent third-party service provider, the Board evaluated the Fund's actual management fee rate compared to the median management fee rate for other mutual funds similar in size, character and investment strategy (the Fund's "Expense Group"), and the Fund's total expense ratio compared to the median total expense ratio of the Fund's Expense Group.

Trustee Approval of Management Agreement (Unaudited)

The Board also reviewed the Adviser's management fee rates for its institutional separate accounts and for its sub-advised funds (for which the Adviser provides portfolio management services only). The Board took into account the Adviser's assertion that although, generally, the rates of fees paid by institutional clients were lower than the rates of fees paid by the Fund, the differences reflected the Adviser's greater level of responsibilities and significantly broader scope of services regarding the Fund, the more extensive regulatory obligations and risks associated with managing the Fund, and other financial considerations with respect to creation and sponsorship of the Fund. The Board considered factors that lead to more expenses for registered funds including but not limited to: (i) capital expenditures to establish a fund, (ii) length of time to reach critical mass, and the related expenses, (iii) higher servicing costs of intermediaries and shareholders, (iv) higher redemption rates of assets under management and (v) greater exposure to "make whole" errors.

The Board also considered the Adviser's costs in serving as the Fund's investment adviser and manager, including but not limited to costs associated with technology, infrastructure and compliance necessary to manage the Fund. The Board reviewed the Adviser's methodology for allocating costs among the Adviser's lines of business. The Board also considered information regarding the structure of the Adviser's compensation program for portfolio managers, analysts and certain other employees and the relationship of such compensation to the attraction and retention of quality personnel. Finally, the Board reviewed information on the profitability of the Adviser in serving as the Fund's investment manager and of the Adviser and its affiliates in all of their relationships with the Fund, as well as an explanation of the methodology utilized in allocating various expenses among the Fund and the Adviser's other business units. Data was provided to the Board with respect to profitability, both on a pre- and post-marketing cost basis. The Board reviewed the annual report of the Adviser's parent company and discussed its corporate structure.

The Board considered that the Fund's management fee rate and total expense ratio are both higher than the respective medians of the Fund's Expense Group. The Board also noted, however, the recent investment made by the Adviser in the management team.

Economies of Scale and Fee Levels Reflecting Those Economies. The Board considered whether the Fund's management fee shares with shareholders potential economies of scale that may be achieved by the Adviser. The Board also considered the benefits accruing to shareholders from the Adviser's investments into its infrastructure and investment processes.

Other Benefits Derived from the Relationship with the Fund. The Board also considered other benefits that accrue to the Adviser and its affiliates from their relationship with the Fund. The Board concluded that while the Adviser may potentially benefit from its relationship with the Fund in ways other than the fees payable by the Fund, the Fund also may benefit from its relationship with the Adviser in ways other than the services to be provided by the Adviser and its affiliates pursuant to their agreement with the Fund and the fees payable by the Fund.

The Board also considered the Adviser's use of a portion of the commissions paid by the Fund on its portfolio brokerage transactions to obtain research products and services benefiting the Fund and/or other clients of the Adviser and concluded, based on reports from the Fund's Chief Compliance Officer, that the Adviser's use of "soft" commission dollars to obtain research products and services was consistent with regulatory requirements.

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

We are providing this information as required by the Internal Revenue Code (Code). The amounts shown may differ from those elsewhere in this report due to differences between tax and financial reporting requirements. In February 2017, shareholders will receive Form 1099-DIV which will include their share of qualified dividends and capital gains distributed during the calendar year 2016. Shareholders are advised to check with their tax advisors for information on the treatment of these amounts on their individual income tax returns.

Under Section 852(b)(3)(C) of the Code, the Fund hereby designates \$286,544 as capital gain dividends for the fiscal year ended October 31, 2016.

Under Section 854(b)(2) of the Code, the Fund hereby designates \$5,155,722 or the maximum amount allowable under the Code, as qualified dividends for the fiscal year ended October 31, 2016.

Under Section 854(b)(2) of the Code, the Fund hereby designates 14.95% of the ordinary income dividends as income qualifying for the corporate dividends received deduction for the fiscal year ended October 31, 2016.

Trustees and Officers (Unaudited)

The management of the Fund, including general supervision of the duties performed for the Fund under the investment management agreement between the Fund and Calamos Advisors, is the responsibility of its board of trustees. Each trustee elected will hold office for the terms noted below or until such trustee's earlier resignation, death or removal; however, each trustee who is not an interested person of the Fund shall retire as a trustee at the end of the calendar year in which the trustee attains the age of 75 years.

The following table sets forth each trustee's name, age at October 31, 2016, position(s) with the Fund, number of portfolios in the Calamos Fund Complex overseen, principal occupation(s) during the past five years and other directorships held, and date first elected or appointed.

NAME AND AGE	POSITION(S) WITH FUND	PORTFOLIOS IN FUND COMPLEX [^] OVERSEEN	PRINCIPAL OCCUPATION(S) DURING THE PAST 5 YEARS AND OTHER DIRECTORSHIPS
Trustees who are interested persons of the Fund:			
John P. Calamos, Sr., 76*	Trustee and President (since 1988)	23	Chairman, and Global Chief Investment Officer, Calamos Asset Management, Inc. ("CAM"), Calamos Investments LLC ("CILLC"), Calamos Advisors LLC and its predecessor ("Calamos Advisors") and Calamos Wealth Management LLC ("CWM"), prior thereto, Chief Executive Officer (until 2016), and previously Chief Executive Officer, Calamos Financial Services LLC and its predecessor ("CFS") (until 2013); Director, CAM
Trustees who are not interested persons of the Fund:			
John E. Neal, 66	Trustee (since 2001)	23	Private investor; Director, Equity Residential Trust (publicly-owned REIT) and Creation Investment (private international microfinance company); Partner, Linden LLC (health care private equity)
William R. Rybak, 65	Trustee (since 2002)	23	Private investor; Director, Christian Brothers Investment Services Inc. (since February 2010); Director, Private Bancorp (since December 2003); formerly Executive Vice President and Chief Financial Officer, Van Kampen Investments, Inc. and subsidiaries (investment manager); Director, Howe Barnes Hoefler & Arnett (until March 2011); Trustee, JNL Series Trust, JNL Investors Series Trust and JNL Variable Fund LLC**; Trustee, Lewis University (since October 2012)
Stephen B. Timbers, 72	Trustee (since 2004); Lead Independent Trustee (since 2005)	23	Private investor
David D. Tripple, 72	Trustee (since 2006)	23	Private investor; Trustee, Century Growth Opportunities Fund (since 2010), Century Shares Trust and Century Small Cap Select Fund (since January 2004)***
Virginia G. Breen, 52	Trustee (since 2015)	23	Trustee, Neuberger, Berman Fund Complex (since 2015)****; Trustee, Jones Lang LaSalle Income Property Trust (since 2004); Director, UBS A&Q Fund Complex (since 2008)*****; Partner, Chelsea Partners (since 2011) (advisory services); Director, Bank of America/US Trust Company (until 2015); General Partner, Sienna Ventures (until 2011); General Partner, Blue Rock Capital (until 2011) (venture capital fund)
Theresa A. Hamacher, 56	Trustee (since 2015)	23	President, Versanture Consulting, LLC (since 2015); President, NICSA, Inc. (non-profit association for investment management industry participants) (until 2015)

* Mr. Calamos is an "interested person" of the Trust as defined in the 1940 Act because he is an officer of the Trust and an affiliate of Calamos Advisors and CFS.

** Overseeing 104 portfolios in fund complex.

*** Overseeing three portfolios in fund complex.

**** Overseeing six portfolios in fund complex.

***** Overseeing eight portfolios in fund complex.

[^] The Fund Complex consists of CALAMOS Investment Trust, CALAMOS Advisors Trust, CALAMOS Convertible Opportunities and Income Fund, CALAMOS Convertible and High Income Fund, CALAMOS Strategic Total Return Fund, CALAMOS Global Total Return Fund, CALAMOS Global Dynamic Income Fund and CALAMOS Dynamic Convertible and Income Fund.

The address of each trustee is 2020 Calamos Court, Naperville, Illinois 60563.

Officers. The preceding table gives information about John P. Calamos, Sr., who is President of the Fund. The following table sets forth each other officer's name, age at October 31, 2016, position with the Fund and date first appointed to that position, and principal occupation(s) during the past five years. Each officer serves until his or her successor is chosen and qualified or until his or her resignation or removal by the board of trustees.

NAME AND AGE	POSITION(S) WITH FUND	PRINCIPAL OCCUPATION(S) DURING THE PAST 5 YEARS
John S. Koudounis, 50	Vice President (since 2016)	Chief Executive Officer, CAM, CILLC, Calamos Advisors, CWM and CFS (since 2016); Director CAM (since 2016); President and Chief Executive Officer (2010-2016), Mizuho Securities USA Inc.
Thomas Herman, 54	Vice President and Chief Financial Officer (since 2016)	Senior Vice President and Chief Financial Officer, CAM, CILLC, Calamos Advisors, CWM, and CFS (since 2016); Chief Financial Officer and Treasurer, Harris Associates (2010-2016)
Curtis Holloway, 49	Treasurer (since 2010), Prior thereto Assistant Treasurer (2007-2010)	Vice President, Fund Administration, (since 2013) Calamos Advisors; Vice President, Financial Operation Principal and Head of Fund Administration (since 2013), CFS; Treasurer of Calamos Investment Trust, Calamos Advisors Trust, CHI, CHY, CSQ, CGO and CHW (since June 2010); prior thereto Assistant Treasurer (2007-2010)
Robert Behan, 51	Vice President (since September 2013)	President (since 2015), Head of Global Distribution (since April 2013), CAM, CILLC, Calamos Advisors, and CFS; prior thereto Senior Vice President (2009-2013), Head of Global Distribution (March 2013-April 2013); prior thereto Head of US Intermediary Distribution (2010-2013)
J. Christopher Jackson, 65	Vice President and Secretary (since 2010)	Senior Vice President, General Counsel and Secretary, CAM, CILLC, Calamos Advisors and CFS (since 2010); Director, Calamos Global Funds plc (since 2011)
Mark J. Mickey, 65	Chief Compliance Officer (since 2005)	Chief Compliance Officer, Calamos Funds (since 2005)

The address of each officer is 2020 Calamos Court, Naperville, Illinois 60563.

Results of Annual Meeting

The Fund held its annual meeting of shareholders on June 30, 2016. The purpose of the annual meeting was to elect three trustees to the Fund's board of trustees for a three-year term, or until the trustee's successor is duly elected and qualified, and to conduct any other lawful business of the Fund. Mr. Stephen B. Timbers, Ms. Virginia G. Breen, and Ms. Theresa A. Hamacher were nominated for reelection as trustees for a three-year term until the 2019 annual meeting or until his or her successor is duly elected and qualified, and all were elected as such by a plurality vote as follows:

TRUSTEE NOMINEE	VOTES FOR	VOTES WITHHELD	BROKER NON-VOTES AND ABSTENTIONS
Virginia G. Breen	21,073,557.000	598,304.000	—
Theresa A. Hamacher	21,080,023.000	591,838.000	—
Stephen B. Timbers	21,046,703.500	625,157.500	—

Messrs. Calamos, Neal, Rybak, and Tripple's terms of office as trustees continued after the meeting.

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-capstocks.
- **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 shares 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

You can purchase or sell common shares of closed-end funds daily. Like any other stock, market price will fluctuate with the market. Upon sale, your shares may have a market price that is above or below net asset value and may be worth more or less than your original investment. Shares of closed-end funds frequently trade at a discount, which is a market price that is below their net asset value.

Leverage creates risks which may adversely affect return, including the likelihood of greater volatility of net asset value and market price of common shares and fluctuations in the variable rates of the leverage financing.

Each open-end or closed-end fund should be evaluated individually. **Before investing carefully consider the fund's investment objectives, risks, charges and expenses.**

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, may 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 the 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 NASDAQ 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

Automatic Dividend Reinvestment Plan

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 as required by the Plan.

This discussion of the Plan is only summary, and is qualified in its entirety by 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.

MANAGING YOUR CALAMOS FUNDS INVESTMENTS

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

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.

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.



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