



Convertible Fund Third Quarter 2017 Report

OVERVIEW

The fund invests primarily in convertible securities of U.S. companies that are diversified across market sectors and credit quality.

KEY FEATURES

- » **Leverage more than four decades** of research in convertible security investing
- » **Provides diversification across market sectors and credit quality**, emphasizing mid-sized companies with higher-quality balance sheets
- » **Seeks to provide upside participation** in equity markets with less exposure to downside than an equity-only portfolio over a full market cycle

PORTFOLIO FIT

When used in conjunction with an equity allocation, the fund offers a potential way to manage risk by employing securities that engage in upside equity movements with limited downside participation.

FUND TICKER SYMBOLS

A Shares C Shares I Shares
 CCVIX CCVCX CICVX

There can be no assurance that the Fund will achieve its investment objective.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

Key Drivers of Performance

- » The fund participated in the strongly performing equity market during the quarter, though it lagged the BofA Merrill Lynch All U.S. Convertible benchmark index.
- » The portfolio benefited from strong selection within the information technology and financials sectors, while selection in health care and an overweight allocation to consumer discretionary held back the result.
- » Consistent with our actively managed approach, we have emphasized convertibles offering attractive risk/reward while also seeking to ensure an appropriate amount of downside protection. Consistent with this risk/reward profile, the portfolio's underweight allocation to the most equity-sensitive names in the index held back performance on a relative basis.

Market Overview

- » Convertibles posted a 3.77% return in the quarter as reflected by the BofA Merrill Lynch All U.S. Convertible Index (VXA0), and also participated in the upside move of the broader equity market as represented by the 4.48% gain of the S&P 500 Index.
- » Market volatility in the U.S. remained low despite heated political debate, fiscal policy uncertainty, geopolitical tensions—especially those involving North Korea—and the catastrophic effects of recent natural disasters.
- » Investors focused their attention on the solid second quarter GDP growth, strong corporate earnings, healthy consumer trends, benign inflation, and well-behaved long-term interest rates.
- » Convertibles with the strongest economic sector results in this environment included transportation (+10.56%), materials (+8.58%), and information technology (+7.95%). Convertibles that most lagged the benchmark result included health care (-1.01%), telecommunications (-0.37%) and media (+0.82%).

AVERAGE ANNUAL RETURNS

	QTD	YTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	15-YEAR	SINCE I SHARE INCEPTION (6/25/97)	SINCE A SHARE INCEPTION (6/21/85)
Calamos Convertible Fund									
I shares – at NAV	2.90%	12.18%	12.01%	4.77%	7.60%	5.08%	7.29%	7.56%	N/A
A shares – at NAV	2.83	12.02	11.72	4.51	7.34	4.82	7.02	N/A	8.97%
A shares – Load adjusted*	0.52	6.72	6.43	2.83	6.30	4.31	6.67	N/A	8.81
BofA ML All U.S. Convertibles Index	3.77	11.95	14.30	6.82	11.01	6.83	8.94	7.50	N/A
S&P 500 Index	4.48	14.24	18.61	10.81	14.22	7.44	10.04	7.27	10.86
Value Line Convertible Index	2.83	9.34	14.19	8.21	10.85	8.76	10.16	7.30	8.78

Performance data quoted represents past performance, which is no guarantee of future results. Current performance may be lower or higher than the performance quoted. You can obtain performance data current to the most recent month end by visiting www.calamos.com.

*The principal value and return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. Performance reflected at NAV does not include the Fund's maximum front-end sales load of 2.25%. * Had it been included, the Fund's return would have been lower.*

Returns for periods greater than 12 months are annualized. Calendar year returns measure net investment income and capital gain or loss from portfolio investments for each period specified. Average annual total return measures net investment income and capital gain or loss from portfolio investments as an annualized average. All performance shown assumes reinvestment of dividends and capital gains distributions. In calculating net investment income, all applicable fees and expenses are deducted from the returns. The Fund also offers Class C shares, the performance of which may vary. As of the prospectus dated 2/28/17, the Fund's gross expense ratio for Class A shares is 1.15%, Class C shares is 1.90%, and Class I shares is 0.90%.

*Prior to 2/28/17, the Fund's had a maximum front-end sales charge of 4.75%.

The offering price for Class I shares is the NAV per share with no initial sales charge. There are no contingent deferred sales charges or distribution or service fees with respect to Class I shares. The minimum initial investment required to purchase each Fund's Class I shares is \$1 million. Class I shares are offered primarily for direct investment by investors through certain tax-exempt retirement plans (including 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans, defined benefit plans and non-qualified deferred compensation plans) and by institutional clients, provided such plans or clients have assets of at least \$1 million. Class I shares may also be offered to certain other entities or programs, including, but not limited to, investment companies, under certain circumstances.

Calamos Convertible Fund Third Quarter 2017 Report

FUND HOLDINGS – CONTRIBUTORS

FIRM NAME	% OF FUND	FIRM PROFILE	ANALYSIS
Micron Technology, Inc.	2.8%	Micron Technology, Inc. is a semiconductor systems company headquartered in Boise, Idaho. The Company produces several memory technology devices for computers, servers, networking devices, communications equipment, consumer electronics, smartphones and other mobile device applications.	Micron Technology common stock rose steadily and significantly throughout the quarter after the company posted better-than-expected quarterly earnings. The semiconductors industry has also benefited from double-digit growth and high demand for memory products. Micron Technology has also been the beneficiary of industry consolidation in DRAM production and is one of three companies that now command more than 90% of market share. The BB-rated convertible is poised to participate in continued upside in Micron Technology common shares while also providing a yield advantage.
Lam Research Corp.	2.6%	Lam Research designs, manufactures, markets, refurbishes, and services semiconductor-processing equipment used in the fabrication of integrated circuits worldwide. The company was founded in 1980 and is headquartered in Fremont, California.	Shares of Lam Research advanced after posting strong quarterly earnings and reported a 46% increase in shipments with a 36% increase in revenues. Demand remains strong for non-volatile memory, which represents 59% of Lam Research's shipments. Lam Research has been a serial issuer of convertibles, but the outstanding convertibles currently have a high level of equity sensitivity and trade with a yield that is lower than the dividend yield of the common stock. We maintain a constructive opinion on Lam Research and find it advantageous to own the common stock at present.

FUND HOLDINGS – DETRACTORS

FIRM NAME	% OF FUND	FIRM PROFILE	ANALYSIS
Allergan, PLC	2.2%	Allergan PLC is a specialty pharmaceutical company that develops, manufactures, markets, and distributes medical aesthetics, biosimilar, and over-the-counter pharmaceutical products worldwide. Allergan PLC was founded in 1983 and is headquartered in Dublin, Ireland.	Shares of Allergan fell after the company's 2018 estimates were reduced due to generic concerns on Restasis (Allergan's second best-selling drug) and Estrace Cream (\$350 million in sales). We maintain a position based on our view that the valuation gives very little credit to the opportunities in the company's new product pipeline. The convertible has an implied credit rating of BB+ and offers an attractive and higher dividend yield than the common stock.
NuVasive, Inc.	1.0%*	NuVasive, Inc., a medical device company, develops and markets minimally disruptive surgical products and procedurally integrated solutions for spine surgery. NuVasive sells its products to hospitals, surgeons, and other customers through independent sales agents, directly employed sales personnel, and distributors in the United States and internationally.	Shares of NuVasive declined after several challenging items were reported during the quarter. Weaker sales, the departure of the company's CFO and COO, and an investigation into billing practices by the Office of Inspector General provided a difficult backdrop for the equity and convertible. We remain constructive on NuVasive given, but not limited to, increasing organic growth, increased utilization by surgeons, and market share gains. The convertible currently carries an attractive risk/reward and favorable yield advantage versus the common stock.

*As of 8/31/17

Calamos Convertible Fund Third Quarter 2017 Report

Positioning and Portfolio Changes

The largest allocation continues to be information technology where favorable cyclical and secular opportunities remain intact. Within the sector, semiconductors have been among the strongest performing areas of the market as robust market demand continued to drive quarterly results. Consumer discretionary remains the largest relative overweight and this has been bottom-up driven with attractive positions in the media and auto industries. Positive employment data, wage gains, the stock market and home valuation appreciation all contributed to a positive consumer wealth effect and consumer confidence, which should continue to support our overweight positioning.

The relative underweights have been REITs, utilities and staples, as these have been primarily defensive sectors and the convertibles in these sectors are unattractive in terms of risk/reward structures. The financials sector is also a relative underweight as the convertible securities present predominantly bond-like profiles and will not benefit from a potentially favorable equity backdrop for the sector.

Below, we discuss changes made in certain economic sectors during the quarter:

Information Technology. We increased the allocation to information technology during the quarter, though we have been active in rebalancing the convertible risk/reward profile in the sector as equity valuations in some areas have increased and bond profiles have become more equity sensitive. We continue to see favorable long-term opportunities in cloud computing, expanding semiconductor markets, the exponential growth of data, and upcoming product cycles.

SECTOR POSITIONING	SECTOR WEIGHTINGS AS OF 9/30/17	OVER/UNDERWEIGHT VS. BOFA ML ALL U.S. CONVERTIBLES INDEX (VXA0)	QUARTER TO QUARTER CHANGE
Information Technology	36.3	1.9	4.1
Consumer Discretionary	18.3	6.9	-0.2
Health Care	17.3	-0.4	0.2
Financials	7.9	-4.7	-0.3
Industrials	5.9	0.7	-0.1
Real Estate	3.8	-1.8	0.1
Energy	3.6	-2.1	-1.5
Utilities	2.4	-1.0	-0.5
Telecom Services	0.8	-0.9	0.0
Materials	0.6	-0.3	0.0
Consumer Staples	0.0	-1.4	0.0

Sector weightings exclude cash or cash equivalents, any government/sovereign bonds or instruments on broad indexes the portfolio may hold. Holdings and weightings are subject to change daily. You can obtain a complete list of holdings by visiting www.calamos.com. Please see additional disclosures on last page.

Energy. We reduced energy positions in the quarter. The convertible bonds held up relatively well compared to their underlying equities but had become more credit sensitive. As the forward return profile was not as favorable, we reduced our presence.

Outlook

We continue to have a favorable view on equity markets supported by a gradual but strengthening global economy, continued accommodative monetary policy, tame inflation expectations, strong corporate earnings and reduced regulatory environment in the U.S. While the lack of volatility in the markets continues to be one of the more surprising developments to us this year, we continue to believe that maintaining the appropriate portfolio risk/reward profile is prudent despite being a relative drag for our portfolio versus the overall convert market this quarter. As such, the balanced portion of the convert market remains the largest exposure in the portfolio and we are actively managing it to ensure it has the appropriate level of downside protection. In addition, we think any developments on US tax reform could have an outsized positive effect on convertible market issuers, as they tend to be smaller market cap and more domestically exposed than the broader market. We also anticipate there will be healthy new issuance into year-end given the strong equity market performance and a desire by issuers to raise capital for growth projects. We continue to view convertibles a favorable asset class given the historical performance in rising rate environments with the potential to dampen the volatility of pure equity exposure.

Calamos Convertible Fund Third Quarter 2017 Report

Fund Quarterly Attribution

	CONSUMER DISCRETIONARY	CONSUMER STAPLES	ENERGY	FINANCIALS	HEALTH CARE	INDUSTRIALS	INFORMATION TECHNOLOGY	MATERIALS	REAL ESTATE	TELECOM SERVICES	UTILITIES
CONVERTIBLE FUND VERSUS BOFA ML ALL U.S. CONVERTIBLES INDEX (%)											
Value Added from Sector	-0.32	0.03	-0.02	0.07	0.03	0.03	0.06	0.00	0.04	0.05	-0.03
Value Added from Selection & Interaction	0.02	0.00	0.09	0.11	-0.57	-0.02	0.52	-0.02	0.03	0.05	0.02
Total Added Value	-0.29	0.03	0.07	0.18	-0.54	0.01	0.58	-0.03	0.08	0.10	-0.01
SECTOR WEIGHTS (AVERAGE % WEIGHT DURING THE QUARTER)											
Convertible Fund	18.37	0.00	4.30	8.08	17.31	6.08	34.29	0.64	4.54	0.76	2.55
BofA ML All U.S. Convertible Index	11.99	1.41	5.75	12.38	17.64	5.18	33.39	0.93	5.68	1.41	4.24
Over/underweight	6.37	-1.41	-1.45	-4.30	-0.32	0.90	0.90	-0.29	-1.14	-0.65	-1.69
SECTOR RETURNS (%)											
Convertible Fund	-0.68	0.00	8.37	3.65	-3.92	7.79	10.59	3.03	2.06	1.94	4.71
BofA ML All U.S. Convertible Index	-0.77	1.54	4.45	2.27	-0.84	8.11	8.97	6.26	1.23	-3.87	4.28
Relative Return	0.08	-1.54	3.92	1.38	-3.08	-0.33	1.63	-3.23	0.83	5.81	0.42

Calculations may be subject to rounding.

The opinions referenced are as of the date of publication and are subject to change due to changes in the market or economic conditions and may not necessarily come to pass. Information contained herein is for informational purposes only and should not be considered investment advice.

Portfolios are managed according to their respective strategies which may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of the benchmark(s). Portfolio performance, characteristics and volatility may differ from the benchmark(s) shown.

Index Definitions

The **BofA Merrill Lynch All U.S. Convertibles Index (VXA0)** comprises approximately 700 issues of convertible bonds and preferreds of all qualities and measures the return of all U.S. convertibles. The **Russell 2000 Index** is a small-cap stock market index of the bottom 2,000 stocks in the Russell 3000 Index. The **S&P 500 Index** is a market-value weighted index consisting of 500 stocks chosen for market size, liquidity, and industry group representation. It is widely regarded as the standard for measuring U.S. stock-market performance. The **Value Line Convertible Index** is an equally weighted index of the largest convertibles.

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.

Important Risk Information. An investment in the Fund(s) is subject to risks, and you could lose money on your investment in the Fund(s). There can be no assurance that the Fund(s) will achieve its investment objective. Your investment in the Fund(s) is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. The risks associated with an investment in the Fund(s) can increase during times of significant market volatility. The Fund(s) also has specific principal risks, which are described below. More detailed information regarding these risks can be found in the Fund's prospectus.

The principal risks of investing in the Calamos Convertible Fund include: convertible securities risk consisting of the potential for a decline in value during periods of rising interest rates and the risk of the borrower to miss payments, synthetic convertible instruments risk consisting of fluctuations inconsistent with a convertible security and the risk of components expiring worthless, foreign securities risk, equity securities risk, interest rate risk, credit risk, high yield risk, portfolio selection risk and liquidity risk.

As a result of political or economic instability in foreign countries, there can be special risks associated with investing in foreign securities, including fluctuations in currency exchange rates, increased price volatility and difficulty obtaining information. In addition, emerging markets may present additional risk due to potential for greater economic and political instability in less developed countries.

Before investing carefully consider the fund's investment objectives, risks, charges and expenses. Please see the prospectus and summary prospectus containing this and other information or call 1-800-582-6959. Read it carefully before investing.



Calamos Financial Services LLC, Distributor
2020 Calamos Court | Naperville, IL 60563-2787
800.582.6959 | www.calamos.com | caminfo@calamos.com

© 2017 Calamos Investments LLC. All Rights Reserved. Calamos® and Calamos Investments® are registered trademarks of Calamos Investments LLC.

CVCOM 7693 0917Q R