Long/Short Equity & Dynamic Income Trust (CPZ) Commentary

CALAMOS INVESTMENTS

CPZ is an innovative solution for investors seeking income and capital appreciation in a complex and volatile financial world.

» A cornerstone long/short equity strategy works together with a preferred security and fixed-income strategy.

» This blending of global asset strategies offers a unique risk-adjusted solution in the closed-end fund space.

» Fund is designed to weather and capitalize on market complexities and dislocations.

» Investment team prioritizes the delivery of healthy distributions, while seeking risk-adjusted capital appreciation.

Current Annualized Distribution Rate*	11.63%

* 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. Information regarding the Fund's most recent distribution can be found in the table titled "Distribution Details," which follows. 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 managed rate distribution policy of CPZ, the 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.

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

There is no assurance that the Fund will achieve or maintain its investment objective.

Fund Performance Summary

For the quarter ending December 31, 2023, the fund's total return was 4.91% on NAV and 1.38% on market price. Our one-year return was 9.94% on NAV and 6.09% on market price.

4Q23 Fund Highlights

Advantaged Yield, Earned Distributions

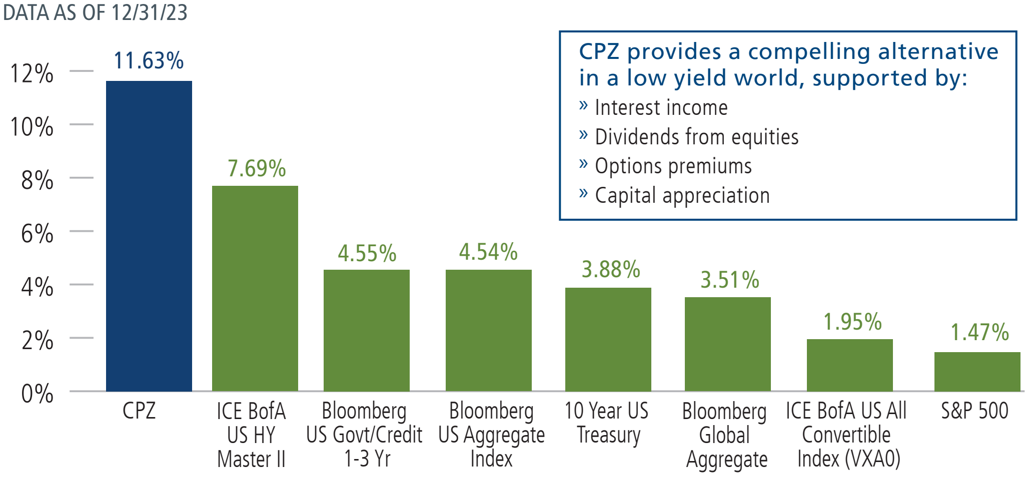
The fund (CPZ) provides monthly distributions that have been less dependent on interest rates than traditional income strategies. As of December 31, 2023, the fund has paid distributions totaling $6.37 since inception. The fund is currently paying monthly distributions of $0.1400 per share.

As of December 31, 2023, the fund paid an annualized distribution rate of 11.63% on the fund's market price. This distribution aligns with the investment team's prioritization of healthy shareholder distributions, which have increased by 27% since inception in November 2019. These increases reflect our continued confidence in the fund's ability to sustain its risk-managed returns across the equity and fixed-income markets while allowing investors to participate directly in those returns through higher monthly payouts.

Leverage

The ability to employ leverage is a feature of our strategy. We maintained leverage of $120 million during the quarter. CPZ's borrowing costs were approximately 586 basis points as of December 31, 2023. While these costs have increased this year, they are low relative to the general performance of the equity and fixed-income markets for the last year. We believe the judicious use of leverage, at approximately 26% of NAV as of December 31, 2023, will be accretive to performance as it has been over the fund's life.

MONETIZING CPZ'S MULTI-ASSET APPROACH: A DISTRIBUTION RATE THAT FAR EXCEEDED INDEXES[1]
DATA AS OF 12/31/23



Source Bloomberg, and US Department of the Treasury.

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.

[1]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. Distribution rate may vary.

Dividend yield is shown for stocks, current yield is shown for convertibles, yield to worst for remaining indexes. There are material differences between the indexes and the Calamos closed-end funds. Indexes are unmanaged, do not include fees and expenses and are not available for direct investments.

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Positioning Summary

Disinflation momentum was the key narrative in H1 2023. Since July, markets have struggled to price the risks of a more normalized ("higher for longer") rate environment.

The good news is that rates are rising because they can. Recession risk has remained remarkably low in 2023 and may well remain low through much of 2024.

Nonetheless, unwinding the legacy of unnaturally low interest rates is a transition and investors should consider how a normalized 5% 10-year yield changes the contours of our industry.

The long/short equity portfolio positioning is balanced between select quality GARP[2] opportunities and cyclicals that appear "too cheap," given our bias that US recession arrives later than many expect.

CPZ Portfolio Summary

Data as of 12/31/23. The portfolio is actively managed and holdings are subject to change without notice.

FUND FACTS	
Number of Holdings	651
Total Managed Assets	$461.0 mil
Shares	19.6 mil
NAV	$17.34

ALLOCATION BY REGION	NET ADJUSTED %
North America	31.4
Europe	5.8
Asia/Pacific	1.9
Caribbean	0.0
Latin America	0.0
Middle East/Africa	0.0

CREDIT QUALITY	%
AAA	0.0
AA	0.0
A	1.6
BBB	35.6
BB	39.8
B	17.5
CCC and below	4.2
Unrated Securities	1.3

TOP 5 SECTOR WEIGHTINGS	NET %
Industrials	18.6
Financials	13.7
Health Care	11.7
Consumer Discretionary	11.5
Communication Services	6.3

LARGEST HOLDINGS	SECTOR	% OF MANAGED ASSETS
L3 Harris Technologies, Inc.	Industrials	3.5
Microsoft Corp.	Information Technology	3.4
United Airlines Holdings Inc.	Industrials	3.4
Alphabet.com Inc.	Communication Services	3.4
Amazon.com Inc.	Consumer Discretionary	3.1
Danaher Corp.	Health Care	2.9
CSX Corp.	Industrials	2.8
Zimmer Biomet Holdings, Inc.	Health Care	2.8
Hyatt Hotels Corp.	Consumer Discretionary	2.6
Merck & Company, Inc.	Health Care	2.6

ALLOCATION BY STRATEGY

ASSET TYPE	% OF UNLEVERED AUM	% OF LEVERED AUM
Equities (Long)	64.2	47.5
Equities (Short)	-50.9	-37.6
Fixed Income	19.8	14.7
Preferred Stock	19.6	14.5
Cash/Proceeds from Short	82.2	60.8
Convertibles	0.3	0.2
Total	**135.2**	**100.0**
Leverage	-35.2	-26.0

CURRENCY BREAKDOWN	INVESTED PORTFOLIO % (EXCL CASH)
United States Dollar	100.0
British Pound Sterling	0.0
Euro	0.0
Mexican Peso	0.0
Canadian Dollar	0.0

[2]Growth at a reasonable price (GARP) describes firms with superior top-line growth that are not excessively valued on earnings.

Investment Policy Change

On December 12, 2023, the Board of Trustees approved a change to the fund's non-fundamental 80% investment policy to increase the ability of the fund to invest in diversified income-producing securities up to 40% of the fund's managed assets. This notice has been provided to shareholders 60 days in advance of the change.

Per the change, the fund may, ***but is not required to*** invest up to 40% of its managed assets opportunistically in the Fixed Income Sleeve. The initial allocation to the Fixed Income Sleeve was capped at 20% per the fund's original prospectus dated November 26, 2019.

Today's investment landscape is characterized by a normalized (i.e., pre-2008) interest rate setting, which is a profound departure from the investment landscape that existed when the fund was launched in November 2019.

We believe that adopting a "proactive approach" for future investment flexibility to better take advantage of an evolving market and interest rate environment is in both the current and long-term best interests of the fund's shareholders.

The change is expected to be effective February 12, 2024.

Market Overview

After managing the net equity exposure in the 10% to 30% range through the correction, we pivoted and reduced short exposures (S&P 500 hedges, select industrial, semiconductor, and financial shorts). However, because of the ambiguity around the disinflation narrative, this pivot was too modest in the context of the subsequent sharp equity recovery. In the absence of a more aggressive net long positioning entering November, combined with the dominance of the mega-caps across benchmark returns, the fund's equity return lagged relative to broad market equity indices.

Looking to 2024, the script has flipped from a year ago because the path of inflation or disinflation, perhaps even deflation is opaque. Meanwhile, a broad consensus is coalescing around immaculate disinflation amidst a soft landing for the economy. The latest rally in equities and bonds has eased financial conditions and reduced the likelihood of imminent policy easing, even as rising expectations of easing are partly fueling this rise in risk appetite.

We see tempered upside for corporate earnings, the likelihood that rates do not go lower, and full valuations (20x 2024 S&P 500 earnings) amidst a backdrop of normalized real rates. The sharp rally of the past quarter has left markets with little room to maneuver amidst fragile convictions. This ambivalence argues for focusing on stock and industry dispersion rather than a material repricing of the equity benchmarks.

Nothing is Obvious

2023 was an uncommon year. The US economy turned out to be much stronger than most forecasters expected, equity returns were dominated by the so-called "Magnificent 7," the rebound of cryptocurrencies implied speculative liquidity remains abundant, and interest rate volatility was the highest since the Global Financial Crisis. To cap this, the Federal Reserve wrote itself an impressive encore in December that surprised many.

Pivots by central bankers are typically positive for financial asset prices, and investors have learned as much. However, Powell's deterministic influence on markets in the absence of any economic breakage has raised eyebrows. The end of deflation created conditions that should enable the Federal Reserve to leave center stage and let other factors play the leading role in determining asset prices. Nonetheless, it feels as if the impulse for interventionist central banking remains endemic to the financialized welfare state.

Chair Powell did highlight a dramatic change in thinking about the 2024 outlook. Not only has US inflation declined rapidly, but the Fed's Beige Book survey of regional economic conditions drawn from businesses around the country points to moderating activity. On the other hand, the Fed's preferred inflation index, the core personal consumption expenditure (PCE) deflator still rose 3.5% in October, substantially above the 2% target.

Powell did add the caveat that further rate increases could still be required, perhaps acknowledging that the Fed's own forecasts have been miserably wide of the mark. Even so, many forecasters have underestimated the resilience of the

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CPZ LONG/SHORT EQUITY SLEEVE MEGA-CAP EXPOSURE AVERAGE Q4 2023

STOCK	Q4 RETURN	AVERAGE WEIGHT	NET CONTRIBUTION (IN BPS) TO CPZ PORTFOLIO
Alphabet (Long)	6.8%	5.1%	+38
Amazon (Long)	19.5%	5.6%	+88
Microsoft (Long)	19.3%	5.1%	+100
Apple (Short)	12.6%	-2.6%	-17
Total		**13.2%**	**+209**

US economy, which implies they still may not see what is actually driving events. And yet, confidence is high that the inflation dragon has been slayed. Amidst all of this, Powell suggested that quantitative tightening (QT) would continue even after the Fed gets to the point of reducing policy rates.

The muted drag of higher interest rates for consumers and corporates alike should imply that there is equally less benefit from lower policy rates. If the Fed decides to ease in the absence of tighter financial conditions, the largest delta of these policy shifts may be perceptions of inflation risk later in 2024. This is why we expect any upside in financial asset prices following Fed cuts to be muted versus the historical experience.

A total return of 10% for 2024 is plausible, though much may await early autumn when markets get a sense of the election outcome. The actions of the Fed may count for less and equities will remain (and have been) more sensitive to the weight of data evidence as it unfolds. Central bankers have not been especially right on much in the current decade. The odds are that this does not change in 2024.

The market has it right. The business cycle will be sustained, and most stocks fairly reflect this. We see opportunities for rotation when the mega-caps perform less uniformly. The free cash flow yield of equities is roughly equal to the US 10-year yield for the first time since 2007, implying that investors assume that interest rates have further to decline because inflation will further decelerate. Again, it all comes back to inflation.

Fund Equity Performance and Positioning

Tactically managing the fund's net equity exposure was our primary consideration in Q4. Beginning in late July, we adjusted the net equity exposure lower on the expectation of greater downside volatility into autumn. As the equity pullback accelerated into October, our emphasis turned to avoiding any deleterious outcome for calendar 2023.

From August into October, we managed the delta-adjusted net exposures in the 10%–30% range, with additional put protection that would reduce exposures further in a severe market outcome. We did not turn more outright bearish because the US remains in a disinflation rather than deflation setting. Following the FOMC meeting on November 1, we pivoted and reduced our short exposures by ~20%, led by reductions in the S&P 500 hedges and select industrial, semiconductor, and financial shorts.

This pivot was too modest in the context of the subsequent sharp equity recovery, partly because we were perplexed by the Fed's sudden shift in outlook and partly because its more complete pivot in December pointed to rate cuts unlikely to materialize. Our hesitation to embrace the unfolding bullish action mainly concerned ambiguity toward the controlling narrative of disinflation and whether it would extend through 2024.

Despite the large long positions in Microsoft,† Google,† and Amazon† through 2023, fund performance struggled to keep pace as nearly 60% of benchmark returns were driven by just seven stocks. The dominance of the mega-caps is hardly accidental. They remain some of the most remarkable businesses on the planet. To wit, Microsoft generates free cash flow margins (~30%) that are three times the margins of the S&P 500 Index. In the wake of the post-pandemic digestion of technology spend, the recovery of mega-cap fundamentals over the past five quarters has been uniformly stark versus the broader equity universe.

† Please see page 10 for additional details regarding securities referenced.

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2023 highlighted how powerful secular themes like AI (where Microsoft and Google are early leaders) can overcome traditional industry and style behavior. In a later-cycle environment where the rate of change of corporate fundamentals grinds to less exciting levels, investors can overly discount the perceived winners and losers. This misreading is as true for the hopes and fears around obesity drugs (GLP-1) as it is around generative AI.

We expect the performance leadership of the mega-caps to climax (at least tactically) in Q1 as their earnings releases draw more scrutiny. The valuations of the strongest names like Microsoft and Nvidia† will grapple with the reality that the progression of AI across the economy takes time. In 2023, the best outcome came from simply owning all of these names. In 2024, rotation within the mega-caps may be decisive. The fund remains short Apple† and Tesla.†

Generative AI will likely be a big deal, but most of the early studies of how this technology will evolve are not worth the paper they are written on. It is too early and uncertain. Historically, technology eliminates blue-collar work and increases white-collar productivity. If AI can accelerate productivity gains across service industries, the more advanced economies that have a higher proportion of services within GDP will benefit, possibly with structurally higher growth rates.

For example, for Microsoft to repeat its 2023 share performance (+60%) translates into an incremental gain of market capitalization of $1.7 trillion. The “Magnificent 7”combined market caps exceed $12 trillion, or greater in aggregate than the Fed’s balance sheet. A price change of 10% in these names is roughly equivalent to the reduction in the Fed’s balance sheet under Quantitative Tightening over the past year.

Apart from the direction of monetary policy, investor focus has remained squarely on the impact of 2023’s two most prominent themes: obesity drugs and AI. As fears of GLP-1-induced demand destruction spread across pharma, medical devices, orthopedic implants, cardiovascular intervention, and sleep apnea treatment, we increased the fund’s long positions in health care from 10% to 15% by adding to positions in Danaher,† Zimmer Biomet,† and Medtronic.† The fund’s primary AI exposure remains the major cloud providers Amazon, Microsoft, and Alphabet, with the renewed addition

of Nvidia late in the quarter. All stand to benefit as enterprises look for cloud partners as they plot their AI strategies. The fund maintains full positions in all four names and tactically added to Oracle,† which is increasingly seen as an AI beneficiary and cloud provider. Taiwan Semi,† a more indirect beneficiary, was also increased—it remains one of the cleanest setups in semis in 2024.

After consolidating in the prior quarter, the mega-caps resumed their march higher led by nearly 20% moves in Amazon and Microsoft. Apple moved higher along with the major indices, but our short position was hedged by a call option spread. Alphabet was comparatively sluggish after outperforming in the prior quarter. All told, the fund captured 209 basis points in contribution from 13.1% average net long exposure in these names, a return of 16%.

Wary of the gathering dominance of these few favored stocks, the fund added call option spreads to capture further upside momentum into the New Year without exposing clients to concentration risk. As noted, Nvidia, Taiwan Semiconductor, and Oracle were added to this mix of full long positions.

Semiconductors also reversed in late October and rallied 20% for the quarter. Fund positioning included the propitious exits of some hedges (SMH ETF) and rotation among names held. We exited Advanced Micro (AMD) and Intel on strength and allocated the proceeds into Nvidia, which had marked time in recent quarters despite two more significant boosts to the fiscal 2024 earnings outlook.

We are sensitive to the possibility that the AI-fueled demand for GPUs is unsustainable. Nonetheless, AMD’s CEO pitched a $400 billion TAM (total addressable market) for AI datacenter chips in 2027, convincing many that the revolution had begun. This spending implies incremental revenues from generative AI of $800 billion plus (assuming a 50% contribution margin). Whether or not this is plausible, it has huge implications, and a range of stocks have ridden higher on its coattails.

† Please see page 10 for additional details regarding securities referenced.

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Nvidia is the emblematic leader, and its revenues in 2024 will be 10x higher than in 2018. Investor sentiment has swung from viewing Nvidia as an effective monopoly on AI processing to worrying about share loss to AMD, Intel, and application-specific ICs (ASICs) - and then back again to concluding that Nvidia retains the lion's share of the market. We faded these moves and made money in all three names. The fund re-established a full long position in Nvidia entering the New Year.

The $400 billion TAM for AI data center chips by 2027 may prove wildly optimistic, but it is the direction of travel for now. The outlook will become clarified as the year progresses. Investors will eventually understand AMD and ASICs for what they are: challengers, at best, traveling along with Nvidia. Even Nvidia can become unattractive at a price above $650/share or 30x the 2025 earnings estimate of $22. Much of this sunny optimism may climax later in Q1.

Taiwan Semiconductor is the fund's other core long position in semis. It is an indirect beneficiary of AI buildouts but, more generally, is the driving force behind continued node migrations and the cost efficiencies that create industry demand; it enjoys an effective monopoly on leading-edge capacity. Elsewhere, inventory corrections in automotive semis grew more apparent, and ongoing excess equipment shipments to China masked broader weakness elsewhere.

We sold the long position in Analog Devices above $200/share on the former inventory concerns and increased our short position in KLA Corp.[†] on the latter. We maintain small short positions in Microchip[†] and Lam Research[†] but closed the 5% SMH (VanEck Semi ETF) short hedge in late October based on the view that investors would look through these issues in any revived risk-on setting.

The high multiple, long-duration software names predictably rallied with everything, yet we question the durability of the moves beyond a thematic rate trade. Businesses that had once grown 50%–100% are now growing 20%–30%, and we struggle to justify valuations based on 15x–20x sales with profits scarce. Software will remain a more heterogeneous selection exercise as growth opportunities narrow, and AI segregates the "haves" from the "have-nots."

We maintain a short position in Salesforce because its maturing core product and low salesforce productivity are limiting profitability after excessive stock compensation. Investors are embracing management targets for 30% profit margins, yet these exclude M&A, stock comp, and other costs that will become relevant once the structural deceleration in growth is understood. Management has done well to hype the AI opportunity, but these initiatives only drive ~15% of its business.

We exited the disappointing long position in Paycom, which posted a major earnings disappointment that undermined its long-term targets. We maintain a core long position in Oracle, which is an underappreciated AI beneficiary and a share gainer in cloud infrastructure. Monetization should improve as large database customers migrate to the Oracle cloud.

Outside the mega-caps and technology, long exposures favor businesses that will benefit from sustained US demand on the assumption that fears of an imminent recession are unfounded. Among cyclicals, industrials remain the largest sector exposure at ~25% and contributed 180 basis points to performance in Q4. Much of this was sourced from the recovery in transports, with airlines and railroads.

The outlook for airfares remains constructive because of changes on the capacity front and the problems at Boeing in particular. Higher financing costs, pilot shortages, and equipment delays imply the lowest-cost players can no longer add undisciplined capacity. The recovery in corporate and international travel is gaining steam. We favor the legacy carriers but took a tax loss in Delta in late October and switched to American Airlines[†] and JETS (US Global Jets ETF)[†] while maintaining the position in United Airlines.[†]

The railroads are US-centric beneficiaries of supply chain normalization and onshoring but with limited exposure to labor or energy costs. 2024 should see a new freight cycle emerge with a volume recovery driving high incremental margins. The industry structure is oligopolistic, and we prefer its stable pricing features relative to traditional consumer staples. Our favored names remain Union Pacific[†] and CSX Corp.[†]

[†] Please see page 10 for additional details regarding securities referenced.

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Honeywell† remains a core long position in diversified industrials and trades at a material discount to peers despite a higher quality portfolio of businesses. In materials, the fund sold a small position in Linde PLC, a European industrial gas producer with strong pricing power. By our estimates, less than one-half of Biden's infrastructure stimulus has been spent. That said, the further we progress the more valuations should compress. We are wary of cyclical businesses overinvesting at this point.

L3Harris Technologies† recovered in Q4, partly due to activist involvement that spurred a change of the CFO. The move was also buoyed by an escalation in military conflicts and a growing sense that the pressure on margins due to the post-pandemic inflation surge is normalizing. The stock was a top contributor (detailed later), adding 103 basis points to performance as a full position. We look to add more defense names as the share of fixed-price contracts established pre-pandemic decreases.

In consumer discretionary, we remain biased in favor of services versus goods, and larger longs include Hyatt† and Marriott.† We maintain a long position in food-services distributor Sysco,† a beneficiary of restaurant spend and back-to-office trends. Our enthusiasm for consumer staples is constrained because they face a more difficult comparator: measures of financial stability are increasingly populated by technology businesses, which are more profitable and grow much faster.

Despite underperformance in 2023, many defensives like consumer staples, utilities, and REITs must become cheaper yet to appear "statistically cheap" versus the rest of the equity universe. We are not there yet. Another problem is higher real interest rates, which have demoted the relative attractiveness of their stable earnings and dividend yield. All this fits with the logic that the time value of money is more important in this decade versus the prior.

Elsewhere in consumer and across retail we remain selective. We traded Nike and CarMax around earnings without a material performance impact and closed short positions in late November in defensive retailers Walmart and Costco. We maintain the 2% short position in Tesla† on the view that EV adoption is slowing and Tesla is losing share to rivals due to its tired product line-up. We expect the Cybertruck to flop commercially and see a 20% downside to 2024 earnings estimates.

Health care is a sector where the fund added exposure in 2023 and comprised 15% of the long book at yearend. We maintain a full position in Merck,† added to Medtronic and Zimmer Biomet, and rotated from Thermo Fisher (to crystallize tax losses in late October) into a larger Danaher position. We like the recovery growth characteristics of the sector and see opportunity in the wake of weakness caused by speculation that GLP-1 obesity drugs will disrupt the industry.

Combined with the recovery in elective procedure volumes post-pandemic, tailwinds for medical device names like Zimmer and Medtronic should become more apparent in 2024. In contrast, higher medical losses are weighing on managed care names. We sold United Healthcare and have decided to step away from this area altogether. We maintain small short positions in Mettler Toledo and ResMed as hedges to the medical device long positions.

The bottom in financials naturally coincided with the peak in interest rates as the sector has traditionally been a prime beneficiary from any steepening in the yield curve. Despite the ensuing 20% rally, any reduction in short rates may not prove as supportive as suggested by history. The easing of pressure is helpful, yet the pandemic low in rates was so low that most of the industry's headwinds (i.e., cap rates for commercial real estate) will not properly dissipate for years to come.

Banks are cheap, but they remain challenged. Tepid loan demand, higher regulatory burdens, and competition from private credit all remain structural headwinds. Late in the quarter, we exited Huntington Bancshares and maintain a long position in Wells Fargo† that is partially hedged by a short position in Bank of America. We maintain a core long in Morgan Stanley† for a potential recovery in capital markets activity and further progress in its Wealth Management division.

† Please see page 10 for additional details regarding securities referenced.

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The fund added a long position in British Petroleum† in November, given its compelling earnings and cash flow yield. Oil prices are subdued despite war tensions and supply cuts from Saudi Arabia, probably because non-OPEC producers can comfortably meet the growth in demand. This leaves a tricky balancing act for other suppliers. China's economic problems imply it is no longer a major source of incremental demand. As the fund's only oil exposure, BP is an attractively yielding placeholder until more clarity emerges.

We have written little about the non-US outlook in part because the opportunities overseas pale in comparison. In addition, the global business cycle has historically ebbed and flowed in unison, yet this appears broken. US economic resilience is juxtaposed with deflationary conditions in China and Europe. Put simply, the bar for engaging risk abroad is high. US dollar strength is unlikely to reverse as long as US nominal GDP outperforms everything else.

China remains in a deep balance-sheet recession. While this crisis parallels the US experience in 2008, there are two key differences. First, it appears to be twice the size of the US problem relative to the size of the respective economies. Second, China's crisis has been neither diagnosed nor treated correctly. Part of the problem is political, as President Xi has openly campaigned against the kind of remedies applied by US institutions post-2008.

Until balance sheets across the property sector (20%–30% of the economy) have been repaired, it is hard to see an end to this. And it is hard to deflate a housing bubble painlessly when it comprises 75% of household wealth. This explains why standard fiscal and monetary measures have failed to revive the patient. As Chinese exports stagnate5 against the backdrop of the US-Sino rivalry, it is harder for China to grow its way out of the asset bubble.

The investment implications are straightforward: avoid Chinese plays and multinationals that are unduly sensitive to this deflationary impulse. Industries like energy and commodities may struggle to gain the kind of traction we normally anticipate amid a brighter US economic setting. By adding some deflationary impulse to the global landscape, the good news is that the prospects for less-inflationary US outcomes are reinforced.

Fund Dynamic Preferred and Fixed Income Performance and Positioning

The fund's preferred securities underperformed the ICE BofA United States All Capital Securities Index during the quarter. Security selection among both banks and REITs supported returns in comparison to the benchmark. This outperformance was more than offset by the team's selections among insurance, electric utilities, and energy companies. The fund continues to invest heavily in institutional-style preferreds, whose coupons are typically fixed rate for five years and then reset off five-year Treasuries. We favor these structures as they trade with greater liquidity and help mitigate interest-rate volatility. Instruments with this structure represent greater than 80% of preferred holdings in the fund. In large part, the underperformance during the quarter was a result of this allocation decision, as traditional, perpetual preferreds with longer durations benefitted from a significant interest rate rally in the quarter.

The fund's high-yield securities slightly underperformed the Bloomberg High Yield 2% issuer Capped Index for the quarter. Selection in consumer discretionary services (selections in casinos & gaming companies) and selection in health care (selections in health care facilities) outperformed relative to the index, whereas selections in financial companies (selections in asset management and custody banks) and selection in materials companies (specifically metal, glass and plastic containers) underperformed.

Economic data released in the fourth quarter displayed some "goldilocks" qualities, as third-quarter growth accelerated handily, inflation continued its downward trend, employment conditions were stronger and steadier than expected, and retail sales and personal income data indicated a healthy consumer.

The strong data has led to consensus forecasts calling for a soft landing in 2024. That said, as we saw in 2023, consensus forecasts often disappoint. We believe the market's implied path for forward interest rates assigns meaningful probabilities for both no-landing and hard-landing scenarios, as well as the consensus view. Despite continued progress, it's still too early to claim success in the battle against inflation. The recent move to lower Treasury rates seems to support another round of demand for durable goods and improving activity levels in the stagnant housing market.

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The Fed reacted to the mixed indicators with continued composure, maintaining a steady monetary policy stance through the fourth quarter. Given the magnitude of past policy shifts and the variable lags of policy implementation, we welcome the Fed's patience. The Fed's research indicates that 9 to 12-month lags are typical for policy action to begin affecting economic imbalances, with longer time lags needed for the full impact. At the end of 2022, the Fed's overnight policy rate was 4.25% to 4.50%, meaning at least 100 basis points of tightening had yet to transmit to economic activity.

Risk markets appear to reflect high confidence in avoiding recession. Following their third-quarter slumps, the S&P 500 Index gained 11.7%, and the Russell 2000 Index returned 14.0%, while leveraged finance markets returned 7.2% on lower Treasury rates and tighter spreads. The breadth of results was also impressive, as all but the energy sector delivered positive equity returns, while all sectors of the high-yield market were positive. At ~20x forward earnings, stocks are trading richer than 90% of historical observations, while credit spreads are more indicative of expansion than broad-based decline.

As discussed, high-yield spreads closed the quarter significantly tighter, driving strong returns. The index closed the year at +323 basis points on an option-adjusted basis, down from 396 in the prior quarter. Investment-grade spreads were also tighter, closing the period at +99 basis points following the previous quarter's close of +121. Returns across credit qualities were consistent, with BBs leading slightly at 7.4%, B-rated issuers returned 7.0%, and CCC credits lagged at 6.9%. Trailing 12-month defaults increased from 2.1% in September to 2.8%, but remain below the long-term average of 3.4%.

The best-performing sectors in the Bloomberg US High Yield 2% Issuer Capped Index were brokers and asset managers (+11.8%), banks (+9.4%), and natural gas utilities (+8.8%), while transportation (+4.3%), energy (+5.2%), and other industrial (+6.5%) represented the significant laggards.

Positioning Discussion

Fundamental measures of credit health in the market, such as leverage, interest coverage, and cash balances, remain in healthy territory, but measures are deteriorating. Weaker credit fundamentals may prove temporary, but we expect them to continue through 2024. As such, we are shifting toward a more defensive posture by reducing positions with heavy cyclicality, weaker contingent liquidity plans, and those with assets exposed to rapid value deterioration. We believe issuer selection will be critical as clear winners and losers emerge from a weaker-than-trend environment. We continue to position duration short of the benchmark in our high-yield portfolios, in which interest-rate sensitivity is not the primary driver of absolute or relative performance.

From an economic sector perspective, the portfolio holds overweight positions in the consumer non-cyclical and insurance sectors. Underweights include consumer cyclicals and capital goods.

From a credit-quality perspective, the fund is overweight out-of-benchmark investment-grade positions and underweight to all below-investment-grade rating categories. The team continues to find positions in both leveraged loans and investment-grade credit that we believe benefit the portfolio's construction, and overall, we slightly increased the fund's allocation to investment-grade credit during the quarter as we seek to increase portfolio credit quality.

Calamos Long/Short Equity & Dynamic Income Trust (CPZ)

LONG/SHORT EQUITY SLEEVE HOLDINGS CITED (% OF NET ASSETS END WEIGHTS AS OF 12/31/23)

† Amazon.com Inc. 4.5%; American Airlines Group Inc. 2.4% Apple Inc. -2.9%; BP PLC 2.9%; CSX Corp. 4.0%; Danaher Corp. 4.1%; Google (Alphabet Inc.) 4.9%; Honeywell International Inc., 3.2%; Hyatt Hotels Corp. 3.7%; KLA Corp -0.52%; L3 Harris Technologies Inc. 5.0%; Lam Research Corp. -2.9%; Marriott International Inc. 2.8%; Medtronic PLC 3.3%; Merck & Co. Inc. 3.7%; Microchip Technologies Inc. -1.1% Microsoft Corp. 4.9%, Morgan Stanley 3.7%; BP PLC Nvidia Corp. 3.5% Oracle Corp. 2.5%; Sysco Corp. 2.8%; Taiwan Semiconductor Manufacturing Co. Ltd. 2.5%; Tesla Inc. -1.8%; Union Pacific Corp. 2.3%; United Airlines Holdings Inc. 4.8%; US Global JETS ETF 2.5%; Wells Fargo & Co. 2.3%; Zimmer Biomet Holdings Inc. 3.9%.

CPZ, AVERAGE ANNUAL RETURNS AS OF 12/31/23 (%)

Q3		1 YEAR		3 YEAR		SINCE INCEPTION (11/29/19)	
NAV	MARKET PRICE	NAV	MARKET PRICE	NAV	MARKET PRICE	NAV	MARKET PRICE
4.91	1.38	9.94	6.09	3.95	3.35	5.81	1.20

Returns of less than 12 months are cumulative returns. Average annual return measures net investment income and capital gain or loss from portfolio investments as an annualized average, assuming reinvestment of income and capital gain distributions. In calculating net investment income, all applicable fees and expenses are deducted from the returns.

Past performance is no guarantee of future results. Average annual return measures net investment income and capital gain or loss from portfolio investments as an annualized average, assuming reinvestment of income and capital gain distributions. In calculating net investment income, all applicable fees and expenses are deducted from the returns.

As with other investments, market price will fluctuate with the market and 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. Returns at NAV reflect the deduction of the Fund's management fee, debt leverage costs and other expenses. You can purchase or sell common shares daily. Like any other stock, market price will fluctuate with the market. Upon sale, your shares may have a market price that is above or below net asset value and may be worth more or less than your original investment. Shares of closed-end funds frequently trade at a discount which is a market price that is below their net asset value.

DISTRIBUTION DETAILS, MOST RECENT PAYABLE

Payable Date	Distribution	Net Investment Income	Short-Term Capital Gains	Long-Term Capital Gains	Return of Capital
01/11/2024	$0.1400	$0.0511	$0.0610	$0.0000	$0.0279

Ordinary income includes net investment income and short-term capital gains. The distribution tables provided here are for informational purposes only. 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 may be subject to re-characterization for tax purposes after the end of the fiscal year. Individual (non-corporate) shareholders with taxable accounts will receive written notification regarding the components and tax treatment for distributions via Form 1099-DIV. If your distributions are reinvested in additional shares, you will receive a statement reflecting the reinvestment of the distribution. This information is not legal or tax advice. Consult a professional regarding your specific legal or tax matters.

Calamos Long/Short Equity & Dynamic Income Trust (CPZ)

Opinions, estimates, forecasts, and statements of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice. The views and strategies described may not be appropriate for all investors. References to specific securities, asset classes and financial markets are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations.

IMPORTANT FUND INFORMATION
Investments by the Fund(s) in lower-rated securities involve substantial risk of loss and present greater risks than investments in higher-rated securities, including less liquidity and increased price sensitivity to changing interest rates and to a deteriorating economic environment.

Fixed Income Security Risk. Fixed income securities are subject to interest rate risk; as interest rates go up, the value of debt securities in the Fund's portfolio generally will decline.

Convertible Securities Risk. The value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors also, may have an effect on the convertible security's investment value.

Equity Securities Risk. Equity investments are subject to greater fluctuations in market value than other asset classes as a result of such factors as the issuer's business performance, investor perceptions, stock market trends and general economic conditions. Equity securities are subordinated to bonds and other debt instruments in a company's capital structure in terms of priority to corporate income and liquidation payments. The Fund may invest in preferred stocks and convertible securities of any rating, including below investment grade.

Short Selling Risk. The Fund will engage in short sales for investment and risk management purposes, including when the Adviser believes an investment will underperform due to a greater sensitivity to earnings growth of the issuer, default risk or interest rates. In times of unusual or adverse market, economic, regulatory or political conditions, the Fund may not be able, fully or partially, to implement its short selling strategy. Periods of unusual or adverse market, economic, regulatory or political conditions may exist for extended periods of time. Short sales are transactions in which the Fund sells a security or other instrument that it does not own but can borrow in the market. Short selling allows the Fund to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities and to obtain a low cost means of financing long investments that the Adviser believes are attractive. If a security sold short increases in price, the Fund may have to cover its short position at a higher price than the short sale price, resulting in a loss. The Fund will have substantial short positions and must borrow those securities to make delivery to the buyer under the short sale transaction. The Fund may not be able to borrow a security that it needs to deliver or it may not be able to close out a short position at an acceptable price and may have to sell related long positions earlier than it had expected. Thus, the Fund may not be able to successfully implement its short sale strategy due to limited availability of desired securities or for other reasons.

Limited Term Risk. Unless the limited term provision of the Fund's Declaration of Trust is amended by shareholders in accordance with the Declaration of Trust, or unless the Fund completes the Eligible Tender Offer and converts to perpetual existence, the Fund will dissolve on the Dissolution Date. The Fund is not a so called "target date" or "life cycle" fund whose asset allocation becomes more conservative over time as its target date, often associated with retirement, approaches. In addition, the Fund is not a "target term" fund whose investment objective is to return its original NAV on the Dissolution Date. The Fund's investment objective and policies are not designed to seek to return to investors that purchase Shares in this offering their initial investment of $20.00 per Share on the Dissolution Date or in the Eligible Tender Offer, and such investors and investors that purchase Shares after the completion of this offering may receive more or less than their original investment upon dissolution or in the Eligible Tender Offer.

TERMS
Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

Managed Distribution Policy is an investment company's commitment to common shareholders to provide a predictable, but not assured, level of cash flow. Market Price refers to the price at which shares of the fund trade in the market. NAV or Net Asset Value refers to the net value of all the assets held in the fund. IPO Price refers to the initial public offering price for shares of the fund.

Managed Assets are the total assets of the Fund (including any assets attributable to any leverage that may be outstanding) minus the sum of liabilities (other than debt representing financial leverage).

Leverage creates risks which may adversely affect return, including the likelihood of greater volatility of net asset value and market price of common shares as well as fluctuations in the variable rates of the leverage financing. The ratio is the percent of borrowing to total assets. There is no assurance that the Fund will achieve or maintain its investment objective.

Ordinary income includes net investment income and short-term capital gains. The distribution tables provided here are for informational purposes only. 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 may be subject to re-characterization for tax purposes after the end of the fiscal year. Individual (non-corporate) shareholders with taxable accounts will receive written notification regarding the components and tax treatment for distributions via Form 1099-DIV. If your distributions are reinvested in additional shares, you will receive a statement reflecting the reinvestment of the distribution. This information is not legal or tax advice. Consult a professional regarding your specific legal or tax matters.

INDEX DEFINITIONS
S&P 500 Index is generally considered representative of the US stock market. **Bloomberg US Aggregate Bond Index** covers the US-dominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities. The index includes bonds from the Treasury, Government-Related, Corporate, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS sectors. **Bloomberg Global Aggregate Index** is a measure of global investment grade debt from 24 local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. **ICE BofA All US Convertibles Index** represents the US convertible market. **ICE BofA HY Master II Index** represents the US high-yield market. **Bloomberg US Govt/Credit 1-3 Year Index** measures the performance of investment grade, US dollar-denominated, fixed-rate, taxable corporate and government-related debt with 1 year to less than 3 years to maturity. The **ICE BofAML US All Capital Securities Index**, a subset of the ICE BofA US Corporate Index, includes all fixed-to-floating rate, perpetual callable and capital securities. The **Bloomberg US High Yield 2% Issuer Capped Index** measures the performance of high yield corporate bonds with a maximum allocation of 2% to any one issuer. The **Russell 2000® Index** measures the performance of the small-cap segment of the US equity universe.

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