**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.

**Fund Performance Summary**

For the quarter ending September 30, 2023, the fund’s total return was -3.02% on NAV and -1.77% on market price. Our one-year return was 12.73% on NAV and 10.15% on price.

**3Q23 Fund Highlights**

**Advantaged Yield, Earned Distributions**

The fund (CPZ) provides monthly distributions that have been less dependent on interest rates versus traditional income strategies. As of September 30, 2023, the fund has paid distributions totaling $5.95 since inception. The fund is currently paying monthly distributions of $0.1400 per share.

As of September 30, 2023, the fund paid an annualized distribution rate of 11.36% on the fund’s market price. This distribution aligns with the investment team’s prioritization of healthy shareholder distributions, which have increased 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, and we maintained leverage of $120 million during the quarter. CPZ’s borrowing costs were approximately 586 basis points as of September 30, 2023. While these costs have increased this year, they remain relatively low. We believe the judicious use of leverage, at approximately 26% of NAV as of September 30, 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’**

**DATA AS OF 9/30/23**

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Annualized Distribution Rate</strong></td>
<td>11.36%</td>
<td>8.94%</td>
<td>5.39%</td>
<td>5.38%</td>
<td>4.59%</td>
<td>4.21%</td>
<td>2.03%</td>
<td>1.63%</td>
</tr>
</tbody>
</table>

CPZ provides a compelling alternative in a low yield world, supported by:

- Interest income
- Dividends from equities
- Options premiums
- Capital appreciation

*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.

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.

*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."
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 opportunities and cyclicals that appear “too cheap,” given our bias that US recession arrives later than many expect.

CPZ Portfolio Summary
Data as of 9/30/23. The portfolio is actively managed and holdings are subject to change without notice.

FUND FACTS
Number of Holdings 655
Total Managed Assets $457.2 mil
Shares 19.6 mil
NAV $17.15

ALLOCATION BY REGION NET ADJUSTED %
North America 49.8
Europe 3.4
Asia/Pacific 2.1
Caribbean 0.1
Latin America 0.0
Middle East/Africa 0.0

CREDIT QUALITY %
AAA 0.0
AA 0.0
A 1.1
BBB 36.0
BB 39.1
B 18.8
CCC and below 4.0
Unrated Securities 0.9

TOP 5 SECTOR WEIGHTINGS NET %
Industrials 22.4
Financials 19.3
Health Care 11.7
Consumer Discretionary 11.5
Communication Services 6.2

LARGEST HOLDINGS SECTOR % OF MANAGED ASSETS
Microsoft Corp. Information Technology 3.7
Amazon.com, Inc. Consumer Discretionary 3.7
Alphabet Inc. Communication Services 3.5
L3 Harris Technologies, Inc. Industrials 3.1
Paycom Software, Inc. Industrials 2.6
Visa Inc. Financials 2.6
CSX Corp. Industrials 2.5
Merck Company, Inc. Health Care 2.5
Morgan Stanley Financials 2.3
United Airlines Holdings, Inc. Industrials 2.2

ALLOCATION BY STRATEGY % OF UNLEVERED AUM % OF LEVERED AUM
Equities (Long) 78.7 58.1
Equities (Short) -42.5 -31.3
Fixed Income 19.7 14.5
Preferred Stock 19.1 14.1
Cash/Restricted for shorts 60.3 44.5
Convertibles 0.2 0.1
Total 135.6 100.0
Leverage -35.6 -26.2

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

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

The ebullient mood of June and early July was fueled by the promise of AI, strong summer travel, and further disinflation—all amidst a resilient economy and healthy earnings releases. The consensus capitulated to this optimism with the June breakout above 4200 for the S&P 500 Index followed by an extension. In contrast, we concluded that the controlling narrative of disinflation momentum had run its course and would give way to a more ambiguous outlook.

The key feature of the Q3 correction has been its controlled character in the context of the dramatic move higher in US long rates. Our hesitation to turn outright bearish reflects our judgment that the US will remain in a disinflation rather than deflation setting through 2024. The impressive GDP releases for Q3 (+8.6% nominal) underscore the momentum of US economic activity, which implies the challenge for equities is a question of “price” rather than fundamentals.

Positive real interest rates imply a new emphasis on the time value of money. In 2023, the market has rewarded high free cash flows that can compete with higher bond yields, high-quality balance sheets, and secular thematic growth. Other pockets of sectors and styles have been punished depending upon their sensitivity to higher rates. In 2022, higher rates primarily impacted the fast-growing technology and concept names. In Q3, the less-profitable and higher-leveraged names were punished regardless of sector and style.

Traditional defensive sectors performed poorly. REITs and utilities were the weakest and unsurprisingly have the heaviest debt-laden balance sheets versus consumer staples and health care. Defensives suffered because their growth and yields were insufficient in a normalized yield world of 5%. Value areas such as airlines and banks underperformed due to fears of rising economic risk. Financials suffered generally on the fear that a rising cost of capital is too onerous for their leveraged models to overcome.

Given the unique features of today’s setting, we have sought defensive qualities in the stable growing parts of industrials, which have a track record of late-cycle outperformance and are apparent in earnings revisions today. Valuation is undemanding, and the sector benefits from several secular tailwinds, including automation, clean tech, on-shoring, and fiscal policy. In contrast, the valuation of consumer staples remains extended and has suffered more recently from concerns over the potential impact of GLP-1 obesity drugs on consumption.

Only the mega-caps led by Alphabet† and energy names delivered positive quarterly returns. The former benefited as investors crowded into “pristine” quality growth, which can benefit from higher rates because of net cash on their balance sheets. Energy responded to the bounce in crude prices (+30%) and the predictable mantra that rising geopolitical tensions and structural underinvestment foreshadow a new secular bull market.

The industrials and consumer discretionary areas declined in line with benchmarks on fears that economic risk would inevitably rise. We disagree with this conclusion, but the long portfolio suffered from its airline positioning (-188 basis points) and some idiosyncratic problems, including RTX (-71 basis points). The underweight in technology outside the mega-caps limited relative losses, as did individual shorts and index hedges. All combined, short exposures added +305 basis points to performance.

2023 has highlighted how powerful secular themes can overcome traditional sector and style behavior. In a later-cycle environment where the rate of change for corporate fundamentals grinds to less exciting levels, investors can overly discount the perceived winners and losers. AI exuberance as well as the hopes and fears swirling around obesity drugs (GLP-1) are also likely skewing perceptions. We anticipate much of this fever pitch to reverse in 2024.

**Fund Equity Performance and Positioning**

The fund’s AI exposure remains focused on the major cloud providers: Amazon.com,† Microsoft,† and Alphabet. All stand to benefit as the bulk of AI training and workloads will take place in the cloud for the typical corporate customer. The fund maintains full positions near 5% in all three names, although we added put options through October results. In addition, we added a 3% long position in Oracle, which is increasingly seen as an AI beneficiary and cloud provider.
Despite large gains through H1, the mega-caps held up better in Q3 and were neutral to fund performance. Alphabet was the notable outperformer as July results were stronger than expected, and the impressive scope of its AI effort came into focus. After defying gravity for much of the year, Apple came under pressure as reduced iPhone build plans and concern over China exposure weighed on results. While arguably a defensive luxury name, Apple remains too richly valued at a 10-point premium to the S&P 500 Index amid its flagging revenue growth.

Declines in Amazon and Microsoft reflect incremental concerns about consumer spending and their crowded positioning. Growth in their respective AWS and Azure cloud businesses is bottoming though not yet inflecting higher. While investments in AI infrastructure may weigh on free cash flow, we expect returns on those investments to be healthy, given how few competitors can provide AI as a service at scale. We are closely monitoring how well Microsoft will upsell enterprise customers on AI functionality within Office.

The broader rally in Semiconductors lost steam in Q3, and the fund’s short positions contributed 43 basis points versus 23 basis points lost on the long book. Exposures to AI include Taiwan Semiconductor, Intel, and AMD; the latter was sold earlier in the year but added back in Q3 in anticipation of its GPU product introduction. We sold Micron Technology based on our view that the stock was pricing in a faster recovery than is likely in 2024, and we are skeptical of its through-cycle profitability.

Our reluctance to chase NVIDIA after selling it in Q2 reflects our view that investors are underestimating the amount of AI-driven activity that CPUs will handle and overstating the amount that GPUs will handle. Although AI is a priority across corporates, we see little evidence that traditional corporates are pulling the trigger on incremental spending. Numerous C-suite conversations have underscored few revenue drivers beyond the general benefit to cloud services. The fund maintains a small position in Analog Devices, which we reduced from higher levels in Q2.

The fund maintains short positions in semiconductor equipment, including Lam Research. Expectations for 2024 wafer demand are elevated if recent Chinese trailing-edge demand proves unsustainable. Most of today’s demand resilience reflects Chinese advanced purchases on fears of US sanctions, which points to material oversupply for the lagging-edge technologies in coming years. Microchip was a modest contributor to the short book, and we hedged a portion of our semi-long exposure with the VanEck Semiconductor ETF, contributing 28 basis points.

The fund has avoided the high-multiple, long-duration software names, and this decision still feels correct in a “higher for longer” rate setting. While the group’s sensitivity to rates is diminishing, many names are merely controversial rather than crowded, and profitability is scarce if one factors in stock compensation. It will take years before cash flows can credibly support current valuations. Today’s “time value of money” implies investors will be slow to re-embrace “growth at any price.”

The short position in Salesforce reflects our view that cost-cutting enthusiasm is overdone in the context of its maturing product and low salesforce productivity. Decades ago, Salesforce was the case study for how investors should value a steady growth, low-profit SaaS company. It may again prove the case for what happens when SaaS companies transition to modest growth without profitability. Investors are enthralled with management targets for 30% margins, yet these exclude stock compensation and other costs that will become relevant once the structural deceleration in growth is more apparent.
In payment services, we added modestly to the core long position in Visa on the view that its defensive growth, inflation protection for earnings, and exposure to the right parts of consumer spending should support the stock. The payments arena is consolidating and oversupplied with new technologies, but Visa should be least affected. It is better managed and less controversial than PayPal and other new competitors and is a net beneficiary of the cross-border recovery in travel.

Outside technology, the fund favors names that will benefit from a sustained economic expansion into 2024. The broadest exposures here include diversified industrials and transports. These rallied impressively in H1 but retreated sharply in Q3. Industrials were reduced from 34.6% at the beginning of Q3 to 24.9% at the end of September but still detracted 452 basis points from performance. Chief culprits were airlines, aerospace, and defense names.

A portion of the losses in industrials was offset by the addition in July of the XLI Industrial hedge (+96 basis points), but our long exposure proved too concentrated. Another problem was the disappointment of RTX, whose Pratt & Whitney aircraft division issued a surprise engine recall. Management’s inability to clarify credibly the extent of the issue frustrated investors, and we sold the stock with a -20% loss. With hindsight, we believe management has been disingenuous about this manufacturing problem for years.

Aircraft lessors held up well compared to other rate-sensitive names. We used the strength in AerCap Holdings NV to exit the position while retaining our stake in Air Lease. L3Harris Technologies declined along with other defense primes due to margin fears and mounting concerns that dysfunction in Congress would complicate defense appropriations. We maintain our core position due to its sustainable sales growth (+10% in 2024), health earnings and free cash flow, and strong valuation support, with a free-cash-flow yield near 7%.

The pricing outlook for airfares should remain constructive for longer than expected due to structural changes on the capacity front. Higher financing costs, pilot shortages, and equipment delays have made it difficult for the lowest-cost players to add capacity. Meanwhile, the recovery in corporate and international travel has gained steam. The post-pandemic inflation surge implies the existing fleets of the legacy carriers cannot be replaced anywhere near their embedded costs, with positive implications for future returns.

We therefore favor the legacy carriers. We trimmed positions in Delta Air Lines and sold American Airlines near peak levels in June. That said, we did not expect the near 30% declines in Delta and United Airlines, which imply airfares returning to recession levels. Of course, the higher cost of jet fuel is squeezing margins, which occurred before the industry could adjust pricing. Many of these names are trading near crisis-like valuations. Any calming of the oil market and a sustained consumer through 2024 should lead to sharply higher share prices.

The fund has a combined long exposure of 5.5% in railroads, which are US-centric beneficiaries of supply-chain normalization and on-shoring but with limited exposure to labor or energy cost inflation. The industry structure is oligopolistic, and we prefer its stable pricing features relative to traditional defensives such as consumer staples and utilities. Our favored names are CSX Corp. and Union Pacific, where the newly announced CEO should drive improved network efficiency in the coming years.

Among diversified industrials, Honeywell remains a core long. Its valuation has returned to a discount to peers despite a high-quality, diversified portfolio of businesses, including significant exposure to the end markets of commercial aerospace and building automation. In its latest earnings release, order growth accelerated to 10%, and backlog increased 8% to a record $31 billion. We exited the long positions in Parker Hannifin and Celanese near peak levels in July. In Materials, the fund maintains a small position in Linde PLC, a European industrial gas producer with strong pricing power.

In consumer discretionary, we remain biased away from goods in favor of services, including core long positions in Hyatt Hotels and Marriott International. Both stand to benefit from corporate and international travel as well as sustained revenue per available room (RevPAR) strength. Marriott’s asset-light model is increasingly attractive in today’s
setting of more cost inflation. We maintain select leisure-oriented names, including Caesars Entertainment and Sysco. The latter is a beneficiary of restaurant recovery and back-to-office trends.

Elsewhere in consumer and across retail, we remain selective. We exited Nike ahead of earnings and Tesla on the view that repeated price cuts will eventually highlight the impact of competition starting to bite. The fund is short Costco and Walmart as both are richly valued in a world of higher interest rates, while their sales growth is directly vulnerable to the disinflation in food and gas prices.

Health care is the one defensive sector where the fund has been adding exposure, accounting for 14.7% of the long book at the end of September. We like its diversified growth theme, given the cyclical nature of other parts of the portfolio and its credible valuation versus other defensives. It has underperformed in 2023 but is showing relative strength against other defensives. We have generally accumulated names on weakness, with new long positions in Merck and Zimmer Biomet and incremental additions on price weakness to the existing positions of Danaher, Thermo Fisher Scientific, and Medtronic PLC.

The energy sector enjoyed some respite in Q3 as supply cuts from Saudi Arabia and Russia led to higher oil prices. The fund benefited modestly from its call options in the Energy Select SPDR Fund (XLE). However, these were closed in mid-September on the view that economic activity outside the US continues to slow, with Chinese consumption particularly at risk. For 18 months, the Chinese have been purchasing crude in much larger quantities than their final product demand can support—likely reflecting the restocking of their Strategic Reserves through compelling Russian price discounts.

There is a broad view that supply underinvestment must lead to higher oil prices. However, global upstream oil and gas spending is tracking $545 billion in 2023, up 10% from last year and 82% from 2020 lows. This spending is healthy and underpins stable production amidst materially declining unit costs driven by efficiency gains. Oil markets are highly complex, and it is striking that oil prices have not been able to move higher despite the Ukraine war and the latest flare-ups in the Middle East. The fund concluded the quarter with no energy exposure.

Financials have been controversial, and banks struggled to garner support after the March collapses. Higher rates, tepid loan demand, and reduced capital return due to heightened regulatory requirements have all weighed on performance. We reduced our net exposure in financials (which includes Visa) from 15.2% to 9.0% during Q3 and our exposure to traditional banks from 4.7% to 4.4%. We trimmed Huntington Bancshares to crystallize tax losses. We maintain a reduced core position in Morgan Stanley, which we trimmed near peak levels in Q1.

Elsewhere in financials, short additions in Bank of America and the SPDR S&P Regional Banking ETF (KRE) were primarily neutral to performance. Investors are bewildered by the narrative shift around banks from “credit concerns” to a “shrinking deposit base.” It is unclear how quantitative tightening may be driving the latter; it is harder to understand the core earning power of any financial versus the 2008 experience. In the prior cycle, margins excluding credit losses appeared stable; today’s cycle is the reverse.

Finally, global investors have discovered the Chinese economic recovery from a disastrous 2022 is underwhelming. There is hope for policy stimulus later in 2023, but this overlooks the structural problems that China is experiencing, starting with an abrupt downshift in economic potential due to the country’s over-commitment to a centralized investment-led growth model, which can experience abrupt downturns in return on invested capital.

This dysfunction points to the necessity for far-reaching structural reforms, but these are inherently political. The ability of the system to adapt is hindered by the reality that the entire system—interest rates, access to credit, tax policy, operating licenses, and so forth—is geared to this model. We await the response of the Chinese leadership in late autumn, whose success or failure to regenerate economic vibrancy holds implications for global interest rates in 2024.
As China remains stuck in a slow-motion economic crisis and discontent amongst Party elites grows, President Xi has softened his attitude towards the US and is “making nice” with the Western powers to reduce the pace of disinvestment by foreign firms. However, neither China nor the US are under any illusion that a genuine improvement in relations is feasible. Everyone is trying to put a temporary floor under a deterioration that will be relentless. We have been bearish on the Chinese economy for years. The fund has no direct Chinese equity involvement, and we remain wary of non-Chinese equities that could get dragged into the morass, partly explaining our short thesis on Apple and the semi equipment names. The seismic shift in China’s economic landscape points to pervasive ramifications that far exceed those associated with the collapse of the Soviet Union in its day.

We have been bearish on the Chinese economy for years. The fund has no direct Chinese equity involvement, and we remain wary of non-Chinese equities that could get dragged into this morass. This is part of our short thesis on Apple and the semi equipment names. A seismic shift in China’s economic landscape points to pervasive ramifications that cannot be compared to the collapse of the Soviet Union in its day.

How will the deflationary forces from China be distributed across the world? Could the return of capital flows to the US underpin a decade or more of economic resilience? How do the non-US economies absorb normalized US interest rates that might be inappropriate or debilitating for their economies?

For now, the islands of US economic resilience and US dollar strength argue for minimal non-US equity exposures. These are currently less than 5% of the fund’s total.

**Fund Dynamic Preferred and Fixed Income Performance and Positioning**

The fund’s preferred securities outperformed the ICE BofA United States All Capital Securities Index during the quarter. Relative to the index, selection among financials (holdings in diversified banks) and an overweight and selection in industrials (holdings in trading companies and distributors) contributed to returns. However, security selection among real estate (holdings in real estate operating companies) and selection in consumer discretionary companies (primarily an overweight in automobile manufacturing companies) weighed on performance. The fund continues to invest heavily in institutional-style preferreds, whose coupons are typically fixed rate for five years and then reset off of five-year Treasuries, to help mitigate interest-rate sensitivity.

The fund’s high-yield securities slightly outperformed the Bloomberg US High Yield 2% issuer Capped Index for the quarter. Selection in communication services (notably in cable & satellite companies) and selection in energy (namely oil & gas storage and transportation) outperformed relative to the index, whereas holdings in health care companies (notably health care facilities) and selection in materials companies (specifically metal, glass and plastic containers) underperformed.

Third-quarter economic data generally exceeded economists’ estimates, and some downtrodden areas continued a bounce from lows hit in the first and second quarters. Manufacturing surveys continue to show activity contracting, but measures improved slightly during the quarter. Consumer confidence, shaken by inflation, bank failures, higher interest expenses, and the resumption of student loan payments also improved quarter over quarter after hitting an all-time low in the summer of 2022. These developments occurred against a backdrop of falling inflation and stable employment conditions.

Despite improved data, there are some areas of concern. Leading economic indicators contracted during each month of the quarter. The unemployment rate ticked up to 3.8%, albeit driven by an increase in the labor participation rate.

The Fed reacted to the mixed indicators with composure, adopting a more measured pace for adjusting policy. Given the magnitude of past policy shifts and the variable lags of policy implementation, we welcome the Fed’s more flexible approach. The Fed’s own research indicates that lags of 9 to 12 months are typical for policy action to begin affecting economic imbalances, with longer time lags needed for the full impact. To keep it simple, the effective fed funds rate 12 months ago was 3.12%, and more than 200 basis points of additional tightening (at a minimum) has yet to flow to the real economy.
Risk markets are reflecting less confidence in conditions. Equities retreated across market capitalizations as the S&P 500 Index lost -3.3%, and the Russell 2000 Index declined -5.1%, while leveraged finance markets increased 0.5%. The latter occurred despite the substantial sell-off in Treasuries. In our view, equity returns this quarter reflect growing doubt that earnings momentum can continue unimpeded. Results were more mixed at the sector level, with 10 of the 18 sectors in the high-yield universe delivering positive returns for the quarter.

High-yield spreads changed little, closing at 396 basis points on an option-adjusted basis, up from 392 in the prior quarter. Investment-grade spreads were also stable, closing the period at +121 basis points following the previous quarter’s close of +123. Lower quality outperformed as CCCs returned 2.5%, B-rated paper returned 0.8%, and rate-sensitive BBs returned -0.4%. After increasing for most of the year, defaults declined sharply to 2.1% in the last 12 months as a large default from September 2022 rolled off the calculation. We expect this measure to climb and close the 2023 calendar year near the 2.5% average of the post-GFC era. The best-performing sectors in the Bloomberg US High Yield 2% Issuer Capped Index were brokers and asset managers (+3.5%), banks (+3.2%), and other financials (+1.9%), while utilities (-1.0%), transportation (-0.7%), and REITs (-0.5%) represented the most significant laggards.

**Positioning Discussion**

Fundamental measures of credit health in the market, like leverage, interest coverage, and cash balances remain healthy, but we are no longer seeing improvement in these datasets. Weaker credit fundamentals may prove temporary, but we expect them to continue through year-end and into 2024. As such, we are shifting toward a more defensive posture by reducing positions with heavy cyclical, weaker contingent liquidity plans, and exposure to rapidly deteriorating values. 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 high-yield portfolios where 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, we are positioned with an underweight to BB-rated issuers. We continue to find out-of-benchmark positions in both leveraged loans and investment-grade credit that we believe will benefit the portfolio’s construction. Overall, the team increased the fund’s allocation to investment-grade credit during the quarter to increase the portfolio’s quality.
LONG/SHORT EQUITY SLEEVE HOLDINGS CITED (% OF NET ASSETS END WEIGHTS AS OF 9/30/23)

† Advanced Micro Devices Inc. (AMD) 2.4%; Air Lease Corp. 2.8%; Analog Devices Inc. 1.0%; Bank of America Corp. 0.0%; Caesars Entertainment Inc. 1.9%; Costco Wholesale Corp. -1.8%; CSX Corp. 3.6%; Danaher Corp. 2.5%; Delta Air Lines 3.2%; Honeywell International Inc. 2.9%; Huntington Bancshares Inc. 1.9%; Hyatt Hotels Corp. 3.1%; Intel Corp. 3.0%; SPDR S&P Regional Banking ETF 0.1%; Lam Research Corp. -2.8%; Linde PLC 1.0%; Marriott International Inc. 2.5%; Medtronic PLC 2.7%; Merck & Co. Inc. 3.5%; Morgan Stanley 3.2%; Oracle Corp. 2.9%; Salesforce Inc. -1.4%; Sysco Corp. 1.9%; Taiwan Semiconductor Manufacturing Co Ltd. 2.7%; Thermo Fisher Scientific Inc. 2.5%; Union Pacific Corp. 1.9%; United Airlines Holdings Inc. 3.1%; Visa Inc. 3.6%; Walmart Inc. -1.1%; Zimmer Biomet Holdings Inc. 2.7%

CPZ, AVERAGE ANNUAL RETURNS AS OF 9/30/23 (%)

<table>
<thead>
<tr>
<th>Q3</th>
<th>1 YEAR</th>
<th>3 YEAR</th>
<th>SINCE INCEPTION (11/29/19)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAV</td>
<td>MARKET PRICE</td>
<td>NAV</td>
<td>MARKET PRICE</td>
</tr>
<tr>
<td>-3.02</td>
<td>-1.77</td>
<td>12.73</td>
<td>10.15</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Payable Date</th>
<th>Distribution</th>
<th>Net Investment Income</th>
<th>Short-Term Capital Gains</th>
<th>Long-Term Capital Gains</th>
<th>Return of Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>October</td>
<td>10/19/2023</td>
<td>$0.1400</td>
<td>$0.0000</td>
<td>$0.1400</td>
<td>$0.0000</td>
</tr>
</tbody>
</table>

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.
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 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 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 reinvested or received.

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 pass-throughs), 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 BofA US All Capital Securities Index, a subset of the ICE BofA US Corporate Index, includes all fixed-to-floating rate, perpetualcallableand 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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