Short-Term Bond Fund  Second Quarter 2022 Report

OVERVIEW
Through its multi-sector fixed income strategy, the fund invests predominantly in US issuers with the goal of generating high current income and total return in excess of the benchmark over market cycles.

KEY FEATURES
» Employs bond-by-bond portfolio construction with a focus on being well compensated for risks taken. We believe a disciplined process, grounded in fundamental research, enables us to achieve higher total returns with less volatility.
» Draws on a broader investable universe to enhance portfolio construction and risk management. Including high yield bonds, bank loans and preferreds provides additional opportunities.
» Assesses how ESG factors impact a company’s cash flow and risk profile. Environmental, social and governance factors may support long-term returns and contribute to risk management.

PORTFOLIO FIT
The fund may be suitable for investors seeking current income accompanied by lower volatility over a one-year to two-year time horizon.

AVERAGE ANNUAL RETURNS (%)

<table>
<thead>
<tr>
<th></th>
<th>QTD</th>
<th>1-YEAR</th>
<th>3-YEAR</th>
<th>SINCE INCEPTION (09/19/18)</th>
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<tbody>
<tr>
<td><strong>A Shares</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>I shares – at NAV</td>
<td>-1.40</td>
<td>-4.08</td>
<td>0.59</td>
<td>1.49</td>
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<tr>
<td>A shares – at NAV</td>
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<td>-4.32</td>
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<tr>
<td>A Shares – Load adjusted</td>
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<td>-6.47</td>
<td>-0.37</td>
<td>0.66</td>
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<tr>
<td><strong>Bloomberg US Govt/Credit 1-3 Years Index</strong></td>
<td>-0.63</td>
<td>-3.56</td>
<td>0.31</td>
<td>1.28</td>
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<tr>
<td><strong>Morningstar Short-Term Bond Category</strong></td>
<td>-2.00</td>
<td>-5.19</td>
<td>0.18</td>
<td>0.99</td>
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Index data shown is from the last day of the month of the fund’s share class inception, since comparative index data is available only for full monthly periods.

Key Drivers of Performance
» The fund (Class I shares at NAV) returned -1.40% versus the Bloomberg US Govt/Credit 1-3 Years Index return of -0.63% for the quarter.
» The out-of-benchmark allocation to CMBS holdings boosted second quarter performance.
» The out-of-benchmark allocation to taxable municipal bonds also supported performance during the reporting period.
» Security selection among non-financial corporate debt positions detracted from second quarter performance, given the fund’s inclusion of out-of-benchmark below investment grade holdings.
» Security selection among financial corporate debt positions also dragged on performance, given the fund’s inclusion of out-of-benchmark below investment grade holdings.

Market and Portfolio Overview
» Through the fourth quarter, spreads on short-term investment grade corporate bonds (1-3 year maturities) widened materially by 34 basis points to close at 93 basis points. This was the widest quarter-end close since 3Q 2020.
» Front-end Treasuries flattened substantially during the reporting period as the Fed continued its tightening of monetary policy. While three-month bills closed up 114 basis points at 1.63%, three-year notes moved from 2.51% to 3.01%, resulting in a flattening of the 3m3y curve* to 138 basis points.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE
**Duration/Yield Curve**

**Positioning**
The fund’s option-adjusted duration ended the quarter unchanged at 1.9 years, slightly longer than the benchmark duration of 1.8 years.

**Market Activity**
With one-year yields closing at 2.74% up from 1.60%, and three-year yields closing at 3.01%, up from 2.51%, the 1y3y curve* flattened by 64 basis points during the second quarter as the Fed continued its policy tightening in response to continued inflation pressure.

**Results**
The duration was a non-factor for relative performance.

**Security Type**

**Positioning**
The fund was overweight to corporate securities and asset-backed securities and underweight both Treasuries and agency securities. Within the corporate bond asset class, the largest overweights were in the consumer non-cyclical and consumer cyclical sectors.

**Market Activity**
Within the Bloomberg 1-3 Year Government/Credit Index, Treasury bonds delivered the highest return for the first quarter at -0.52%, followed by government related bonds at -0.54%, and finally corporate debt at -1.02%. The out-of-benchmark Bloomberg US ABS Index returned -0.91%.

**Results**
The overweight positions to corporate securities weakened performance during the reporting period.

**Credit Quality**

**Positioning**
The fund was underweight the AAA credit tier and had heavier exposure to the A, BBB, BB and B rated credit tiers.

**Market Activity**
Within the Bloomberg 1-3 Year Government/Credit Index, AA rated bonds led all rating categories with a -0.52% return, followed by AA rated securities at -0.60%, A rated issuers at -0.70%, and finally BBB rated bonds which returned -1.14%.

**Result**
Given the directional range of returns across rating categories, the lower average credit quality of the portfolio dragged on fund performance.

**Market Commentary**
The US short-duration, investment grade bond market, as represented by the Bloomberg 1-3 Year Government/Credit Index, returned -1.0% during the second quarter.

Taken as a whole, second quarter data began to materially slow down from the post pandemic growth environment the economy experienced over these last two years. From a nominal perspective, some areas like retail sales and personal spending indicated that consumer activity continued to grow even as inflation related to food and energy drove the cost of essentials to uncomfortably high levels. Meanwhile purchasing manager indices, which are calibrated to indicate growth when above 50, have not fallen below that critical level. On the other hand, consumer confidence levels sank to all-time lows, primarily driven by gloomy expectations for the future. Simultaneously, data across a range of measures missed economist expectations by wider margins based on economic surprise indices. All of this points to a serious deceleration. Time will tell if it equates to a domestic or global recession, the risk of one is clearly increasing.

Inflation measures continued to price increases across a wide range of goods and services. The Producer Price Index (PPI), a measure of the price change in goods as they leave their place of production, grew by more than 10% annualized in May. PPI sometimes serves as a leading indicator for consumer prices as producers pass along higher raw material costs to consumers in future months, which is a cause for concern as consumer prices for May registered a multi-decade high. With several food and energy commodities surging higher into the later part of the quarter, it is possible that headline PPI could increase further.

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*A 3m3y curve is the yield differential between the 3-month and 3-year maturity points of the Treasury curve. A 1y3y curve is the yield differential between the 1-year and 3-year maturity points of the Treasury curve.

Past performance does not guarantee future results. Please see additional disclosures on last page.
The Fed has turned its focus entirely to fighting persistent inflation and maintaining an anchor around long-term inflation expectations. A severe decoupling of inflation expectations from the Fed’s stated target of 2% over time could lead to changes in consumer behavior and a greater likelihood of a price-wage spiral. Having already hiked its overnight interest rate from the zero lower bound to a range of 1.50%–1.75%, markets are anticipating seven more 25 basis points Fed hikes to take effect before year-end. The actual amount of policy tightening from here will be driven in large part by how the inflation environment unfolds in the coming months. Quantitative tightening has officially begun, as well, with the Fed allowing balance sheet holdings of Treasury and mortgage-backed securities to roll off as opposed to reinvesting the proceeds.

Covid is far from gone, but its level of influence on markets seems to have waned as governments attempt to hit the appropriate balance between public health and economic normalcy. A lack of fiscal stimulus will also translate to a deceleration in spending as Covid era transfer payments are unlikely to re-emerge.

Domestic equity markets delivered deeply negative returns across market capitalizations and styles. Historically, defensive sectors such as consumer non-discretionary, utilities and healthcare outperformed while consumer discretionary and technology sectors fared worse. The strongest performing sector across asset classes has been energy, which is unusual given the growth outlook but reflects the strength of both the commodity complex and operating margins of the sector.

High-yield credit spreads were substantially wider. Having drifted from post-Covid averages at the close of the previous quarter, credit sold off aggressively into quarter end as the market repriced higher recession risk. The move wider in investment grade spreads was moderate and orderly. After closing the first quarter with option-adjusted spreads on high yield bonds at 328 basis points, the market waned this past quarter, closing at 570 basis points. Short-duration investment grade spreads, closing at 93 basis points, were substantially wider from 59 basis points in the prior quarter. The best performing sectors in the short-duration investment grade corporate market included natural gas (-0.7%), basic industry (-0.7%) and brokerage/asset managers/exchanges (-0.8%), while other industrials (-1.6%), finance companies (-1.5%) and insurance (-1.3%) represented the largest laggards.

**Outlook**

Risk premia are back. Investors are demanding a higher level of compensation for any level of assumed risk across asset classes and securities, including higher requirements for equity investments in the form of lower multiples, higher spread compensation for credit risk, and higher term premia for duration risks. Some of these shifts were bound to happen as the Fed unwinds years of extraordinarily easy monetary policy as we emerge from the Covid pandemic. And some of these shifts are related to outlooks that expect weaker growth and employment data to start showing up alongside of persistent, generationally high inflation. We expect the uncertainty and associated higher levels of compensation to endure.

The probability of left-tail risk (e.g., a recession, supply chain issues, a return to Covid lockdowns) is increasing, along with the median expectation for growth moving materially lower. This calls for a risk-off environment with lower asset prices. So far, we believe little of the Fed’s activity has
transmitted to the real economy. Even if we apply the shortest of historical lags, we are barely three months removed from the first step higher in overnight rates, and even less so from the moves of greater magnitude. However, the market has done a lot of tightening of financial conditions on its own.

Inflation is rotating away from goods and toward services as more consumer dollars are spent on experiences outside the home post-pandemic, including travel. This is a negative development from our perspective because goods are largely produced outside the United States while services are almost entirely produced and consumed domestically, leading to a greater likelihood of a price-wage spiral. Additionally, the massive moves higher in shelter components of the Consumer Price Index will continue to play out over the next year as those measurements are gradually included in the calculation. The Fed's inflation fight is likely to be more difficult and longer than most market participants are acknowledging. The associated elevated volatility being applied to account for a wide range of potential outcomes is unfortunately here to stay for a while.

Economic growth at the aggregate level is about marginal activity, but we also expect real economic growth to roll over much more quickly and prominently than broad market expectations. People in the bottom income quartile have exhausted their pandemic savings and are facing costs of essentials that are hundreds of dollars a month higher than they were a year ago. Although a technical recession may be avoided, this level of deterioration in economic activity will feel like a recession to many Americans.

We may be near the peak differential between economic data and market outlook. Something will have to give. Our bias is toward economic activity deterioration as opposed to risk assets moving meaningfully higher. Even so, yields have increased significantly and fixed income securities now offer investors a return for taking these risks. In addition, quality assets should provide more of their traditional safe haven status if a bear case were to occur.

NOTES

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. Owning a bond fund is not the same as directly owning fixed-income securities. If the market moves, losses will occur instantaneously, and there will be no ability to hold a bond to maturity. Average effective duration provides a measure of the Fund's interest rate sensitivity—the longer a fund's duration, the more sensitive it is to shifts in interest rates. Average effective maturity is the weighted average of the maturities in a portfolio of bonds. Option adjusted spread (OAS) is the yield spread which has to be added to a benchmark yield curve to discount a security's payments to match its market price; uses a dynamic pricing model that accounts for embedded options and is usually measured in basis points.

The Bloomberg US Government/Credit 1-3 Years Index includes all medium and larger issues of US government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities of between 1 and 3 years and are publicly issued. The Bloomberg Asset-Backed Securities (ABS) Index is the ABS component of the Bloomberg US Aggregate Index. The Asset-Backed Securities (ABS) Index has three subsectors: credit and charge cards, autos and warranties. The index includes pass-through, bullet, and controlled amortization structures. 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.

Additional Information

A credit rating is a relative and subjective measure of a bond issuer's credit risk, including the possibility of default. Credit ratings are assigned to companies by Second-party groups, such as Standard and Poor's. Assets with the highest ratings are referred to as "investment grade" while those in the lower tiers are referred to as "non-investment grade" or "high-yield." Ratings are measured using a scale that typically ranges from AAA (highest) to D (lowest). 30-Day SEC Yield reflects the dividends and interest earned by the Fund during the 30-day period ended as of the date stated above after deducting the Fund's expenses for that same period.

Past performance does not indicate future results. No investment strategy or objective is guaranteed and a client's account value can fluctuate over time and be worth more or less that the original investment. 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. The information contained herein, while not guaranteed as to the accuracy or completeness, has been obtained from sources we believe to be reliable. 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.

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). 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 Short-Term Bond Fund include: interest rate risk consisting of loss of value for income securities as interest rates rise, credit risk consisting of the risk of the borrower to miss payments, high-yield risk, liquidity risk, mortgage-related and other asetback securities risk, including extension risk and prepayment risk, US Government security risk, foreign securities risk, non-US Government obligation risk and portfolio selection 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.

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 which can be obtained by calling 1-800-582-6959. Read it carefully before investing.

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