Short-Term Bond Fund Second Quarter 2019 Report

CALAMOS® INVESTMENTS

OVERVIEW

Through its multi-sector fixed income strategy, the fund invests predominantly in U.S. issuers with the goal of generating a high level of current income consistent with preservation of principal.

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. Expanding the universe to include high yield bonds, bank loans and preferreds provides additional opportunities.
- Utilizes robust, independent credit research. Our fixed income investment process unites quantitative and qualitative analyses into historical and forward-looking models. The result is a credit rating reflective of where a company is heading.
- 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.
- Applies a macro overlay to capitalize on misunderstood industries and sectors. The overlay acts as a risk control that also considers the business cycle, geopolitical factors, inflation and real rate expectations.

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.

FUND TICKER SYMBOLS

A Shares	I Shares
CSTBX	CSTIX

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

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

Key Drivers of Performance

- The fund's out-of-benchmark allocation to securities with durations longer than three-years boosted performance.
- Security selection in the financial institutions sector also benefitted the fund.
- The fund's overweight allocation to securities with durations under one year weighed on return.
- Security selection in BB rated credits detracted from performance.

Market and Portfolio Overview

- The short-maturity U.S. investment grade bond market, as represented by the Bloomberg Barclays 1-3 Year Government/Credit Index, returned 1.48% during the first quarter.
- Through the first quarter, spreads on short-term investment-grade corporate bonds (1-3 year maturities) widened slightly, from 55 basis points to 59 basis points.
- While interest rates on three-month Treasury bills fell by 30 basis points during the quarter, the rates of three-year Treasury notes were lower by 50 basis points, further inverting the short end of the yield curve as the market anticipated rate cuts.

AVERAGE ANNUAL RETURNS	QTD	SINCE INCEPTION (09/19/18)
Calamos Short-Term Bond Fund		
I shares – at NAV	1.49%	3.91%
A shares – at NAV	1.53	3.71
A Shares – Load adjusted	-0.74	1.37
BBgBarc US Govt/Credit 1-3 Years Index	1.48	4.03

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 and return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. Performance reflected at NAV does not include the Fund's maximum front-end sales load of 2.25%. Had it been included, the Fund's return would have been lower. For the most recent month-end fund performance information visit www.calamos.com.

Returns for periods greater than 12 months are annualized. Average annual total return measures net investment income and capital gain or loss from portfolio investments as an annualized average. In calculating net investment income, all applicable fees and expenses are deducted from the returns. All performance shown assumes reinvestment of dividends and capital gains distributions. The Fund also offers Class C shares, the performance of which may vary. As of the prospectus dated 8/29/18, the Fund's gross expense ratio are 0.95% for Class A shares and 0.70% for Class I shares.

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

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Duration/Yield Curve

Positioning

The fund's duration ended the quarter at 1.8 years, level with the benchmark duration of 1.8 years.

Market Activity

With three-month yields closing at 2.20% down from 2.38%, and three-year yields closing at 1.71%, down from 2.21%, the 3m3y curve further inverted by 30 basis points during the first quarter, and longer-duration securities outperformed.

Results

The level duration positioning was neutral for performance. However, performance benefitted from the fund owning an out-of-benchmark allocation to positions with durations between three and five years.

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 Barclays 1-3 Year Government/Credit Index, corporate bonds delivered the highest return for the first quarter at 1.55%. Treasuries returned 1.47%, followed by government-related securities at 1.32%. The out-of-benchmark Bloomberg Barclays U.S. ABS Index returned 1.67%.

Results

The overweight allocations to corporate bonds, the strongest performing sector of the market, and out-of-benchmark allocation to asset-backed securities both improved performance.

Credit Quality

Positioning

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

Market Activity

For the quarter, lower-rated credits in the one to three year maturity investment-grade market outperformed slightly. BBB rated bonds returned 1.60%, while A rated credits returned 1.52% and AA securities rose 1.40%.

Result

Our overweight allocation to the BBB rated category and the fund's out-of-index high yield bond exposure benefitted performance.

Market Summary

The short-maturity U.S. investment grade bond market, as represented by the Bloomberg Barclays 1-3 Year Government/Credit Index, returned 1.48% during the first quarter.

The constituents of the S&P 500 delivered positive revenue and earnings results again in the first quarter of 2019, with over 75% besting analyst expectations for earnings, which is above the long-term average. However, only 57% reported revenue above analyst expectations, which is slightly below the long-term average and continues a downward trend from the previous quarter. While earnings growth from a year prior was only 1.6%, it was the first time that the prior year's quarter was also affected by the Tax Cuts and Jobs Act. We expect this will significantly moderate earnings growth in 2019 from what had been a much stronger pace through 2018. Increased international tensions exacerbated by the trade war between the U.S. and China have interrupted supply chains and led to indications of manufacturing activity slowing around the globe. However, risk assets valuations seem to have continued market support, as domestic stock markets are near all-time highs and credit spreads have been well behaved.

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

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SECTOR ALLOCATION	FUND %
Investment Grade Corporate Debt	53.1
High Yield Corporate Debt	7.7
Government Debt	17.6
Securitized Debt	15.0
Syndicated Loans	5.7
U.S. Municipal Debt	0.3
Cash	0.7
Receivables Less Liabilities	-0.1

FUND FACTS	FUND	INDEX
Number of Holdings	413	1,622
Total Net Assets (mil)	217.1 M	N/A
Portfolio Turnover (12 months)	N/A	N/A
Distribution Frequency	Monthly	N/A
Distibution Accrual	Daily	N/A
Average Effective Duration	1.84 years	1.82 years
Average Effective Maturity	2.41 years	1.91 years
Option Adjusted Spread (OAS)	68 bps	15 bps

FUND INFORMATION	A SHARES	I SHARES
Sales Load/Maximum Sales Charge	Front-End/2.25%	N/A
Gross Expense Ratio [1]	0.95%	0.70%
Net Expense Ratio [1,2]	0.65%	0.40%

[1] As of prospectus dated 9/1/19.

[2] The Fund's investment advisor has contractually agreed to reimburse Fund expenses through 3/1/22 to the extent necessary so that Total Annual Fund Operating Expenses (excluding taxes, interest, short interest, short dividend expenses, brokerage commissions, acquired fund fees and expenses, and extraordinary expenses, if any) of Class A and Class I are limited to 0.65% and 0.40% of average net assets, respectively. Calamos Advisors may recapture previously waived expense amounts within the same fiscal year for any day where the respective Fund's expense ratio falls below the contractual expense limit up to the expense limit for that day. This undertaking is binding on CALAMOS ADVISORS and any of its successors and assigns. This agreement is not terminable by either party.

The Federal Reserve met twice during the quarter, maintaining its benchmark overnight rate at 2.25% to 2.50% at meetings in May and June. The statement following the June meeting took on an increasingly dovish tone. The Fed indicated that the U.S. economy was facing re-emergent crosscurrents related to international trade negotiations and a global growth slowdown. Fed expectations shifted from a median estimate of zero hikes to a median estimate of one rate cut before the end of 2019. The futures market on the federal funds rate, however, is pricing in a 100% certainty that the Fed will cut rates by the end of the year, while the odds of multiple rate cuts have increased to over 50%. It is important to note that the European Central Bank has stated that additional stimulus will be needed "in the absence of any improvement" in growth and inflation measures, and several other developed and emerging market central banks have cut rates to support economic growth in their countries.

Lower interest rates across the U.S. yield curve drove the majority of the quarter's positive return, while credit spreads in both the investment-grade and high yield markets closed the quarter tighter. The yield spread between 3-month Treasury bills and 10-year notes inverted into negative territory during the quarter. Historically, an inversion of this measure has been viewed by economists as a leading indicator of recession.

Outlook

While we expect the rate of domestic economic growth to slow, Calamos views the risk of an imminent recession as low. We would characterize the economy as being in the late innings of expansion, and corporate credit fundamentals are beginning to show early signs of weakening. The significant shift in Fed statements and expectations leave us believing that the next monetary policy move will be a cut in the Federal funds rate. We expect the timing of that event to be shaped by incoming domestic economic data, but also influenced by global macroeconomic developments. We continue to maintain strict discipline to our rigorous, fundamentally driven investment process as we believe it is critical pick spots wisely and appropriately balance risk/reward.

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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 Barclays U.S. Government/Credit 1-3 Years Index** includes all medium and larger issues of U.S. government, investment-grade corporate, and investmentgrade international dollar-denominated bonds that have maturities of between 1 and 3 years and are publicly issued.

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 First-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 "noninvestment grade" or "high-yield. Ratings are measured using a scale that typically ranges from AAA (highest) to D (lowest). Current (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 assetback securities risk, including extension risk and prepayment risk, U.S. Government security risk, foreign securities risk, non-U.S. 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.

CALAMOS® INVESTMENTS

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