Total Return 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 a high level of 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. Expanding the universe to include high yield bonds, bank loans and preferreds provides additional opportunities.
» Utilizes robust, independent credit research that unites quantitative and qualitative analyses into historical and forward-looking models. The result is a credit rating that reflects where a company is heading.

PORTFOLIO FIT
The fund may be suitable as the cornerstone of a fixed income allocation, with investments diversified across the major sectors of the US bond market. Complementary specialized fixed income strategies seek to enhance return potential and better manage risk.

AVERAGE ANNUAL RETURNS (%)

<table>
<thead>
<tr>
<th>Ticker</th>
<th>A SHares</th>
<th>C SHares</th>
<th>I SHares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ticker</td>
<td>CTRAX</td>
<td>CTRCX</td>
<td>CTRIX</td>
</tr>
<tr>
<td>Gross Expense Ratio</td>
<td>1.01%</td>
<td>1.76%</td>
<td>0.76%</td>
</tr>
</tbody>
</table>

As of prospectus dated 3/1/22

Key Drivers of Performance

» The fund’s (Class I shares at NAV) return of -5.72% underperformed the Bloomberg US Aggregate Bond Index return of -4.69% for the quarter.
» Security selection among non-financial corporate debt positions boosted second quarter performance, given our short duration positioning in the sector compared to the benchmark.
» Security selection among holdings in the mortgage-backed securities sector also benefitted performance.
» Conversely, security selection among Treasury securities detracted from performance during the quarter.
» The fund’s overweight allocation to corporate debt in a widening spread environment was also detrimental to performance.

Market Overview

» The broad US bond market, as tracked by the Bloomberg US Aggregate Bond Index, delivered materially negative returns for the quarter as interest rates moved substantially higher across the term structure.
» Intensifying the move, investment grade credit spreads widened further on the follow of wider spreads in the first quarter to close at 155 basis points over like maturity Treasuries. This compares with the cycle wides of 373 basis points in late March 2020.
» High yield spreads were wider close-to-close and experienced high intra-quarter volatility. Below investment grade spreads closed the reporting period at 570 basis points, or 244 basis points wider on the quarter.
» The US yield curve steepened slightly during the reporting period. The spread differential between 2-year and 10-year Treasuries moved 5 basis points wider to close at a spread of 5 basis points.

Not FDIC insured | May lose value | No bank guarantee

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. 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. You can obtain performance data current to the most recent month end by visiting 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.

Class I shares are offered primarily for direct investment by investors through certain tax-exempt retirement plans and by institutional clients, provided such plans or clients have assets of at least $1 million. For eligibility requirements and other available share classes see the prospectus and other Fund documents at www.calamos.com.
Duration/Yield Curve

Positioning
During the quarter, the team maintained the portfolio's duration at 5.9 years compared with the benchmark at 6.4 years on an option-adjusted basis.

Market Activity
With 2-year yields closing at 2.95%, up from 2.34%, and 10-year yields closing at 3.01%, up from 2.34%, the 2y10y curve* steepened during the quarter to close at +5 basis points.

Results
The short duration positioning was a positive factor for performance, and the fund’s overweight to maturities under one year (including term-loan exposure) adding the most value.

Security Type

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

Market Activity
Within the Bloomberg US Aggregate Bond Index, the Treasury sector delivered a return of -3.8%, followed by securitized products at -3.9%. Government related securities followed at -4.0%, trailed by the corporate debt sector which returned -7.3%.

Results
The fund overweight to corporate bonds and underweight to securitized products had a negative impact on performance.

Credit Quality

Positioning
The fund was underweight the AAA and AA rated credit tiers and had heavier exposures to the A, BBB, BB and B-rated credits.

Market Activity
During the second quarter, performance among rating categories was directional. As such, AAA rated bonds led all investment grade credit categories with a -3.8% return, followed by AA rated securities at -5.6%, A rated bonds at -6.5%, and BBB rated securities trailing at -7.9%.

Result
The team’s security selection among BBB and BB rated positions contributed to performance during the reporting period, as many of the fund’s lower rated corporate positions are short duration, which outperformed. However, the allocation to out-of-benchmark below investment grade securities offset all the selection benefit. Security selection among AAA rated positions also weighed on performance.

Market Commentary
The US investment grade bond market, as represented by the Bloomberg US Aggregate Bond Index, returned -7.26% during the second quarter.

Taken as a whole, second quarter data began a material slowdown 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, the 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. While time will tell if it equates to a domestic or global recession, the risk of one is clearly increasing.

Inflation measures continued to show 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 yet.

*A 2y10y curve is the yield differential between the 2-year and 10-year maturity points of the Treasury curve.
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 degree of influence on markets has waned as governments attempt to strike 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 health care 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 more 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. For investment grade spreads, the market closed at 155 basis points, wider than the 116 basis points in the prior quarter. The best performing sectors in the investment grade corporate market were other financial (-3.0%), banking (-5.0%), and finance companies (-5.2%), while other industrial (-10.7%), communications (-9.2%) and other utilities (-9.1%) 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 (for example, 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 US 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.

Given that economic growth at the aggregate level is all about marginal activity, 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 faced with 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.

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.

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 Total Return Bond Fund include: interest rate risk consisting of the risk of the borrower to miss payments, high yield risk, liquidity risk, mortgage-related and other asset-backed securities risk, including extension risk and prepayment risk, US Government security risk, foreign securities risk, non-US Government obligation risk and portfolio selection risk.

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.