High Income Fund First Quarter 2015 Report

CALAMOS® INVESTMENTS

OVERVIEW

The fund invests in a diversified portfolio of U.S. and non-U.S. high yield bonds.

KEY FEATURES

» Focus on the mid-credit tiers using three decades of credit evaluation to find issuers with sustainable revenues and lower risk of default

» Emphasis on total return, rather than an exclusive focus on yield, may enhance our ability to generate alpha and preserve capital over the entire credit cycles

» A disciplined process using fundamental analysis which can potentially provide the best opportunity for identifying investments

PORTFOLIO FIT

With a total return emphasis, the fund can complement speculative-grade or investment-grade credit exposure which may provide an attractive option for fixed income investors concerned about generating income.

FUND TICKER SYMBOLS

A Shares	C Shares	I Shares
CHYDX	CCHYX	CIHYX

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

» For the quarter, the fund's A shares gained 2.33% finishing slightly behind the BofA ML BB-B High Yield Constrained Index, up 2.67%. The portfolio was held back, in part, by underperforming selections within the B credit tier.

» An underweight position and security selection in the financials sector supported the quarterly return. The portfolio lacked holdings in the lagging consumer finance, specialized finance and regional banks industries. An overweight position and security selection in the telecommunication services sector weighed on results. Specifically, positions in the integrated and wireless telecommunications industries trailed.

» We remain focused on issuers' balance sheets and debt servicing abilities. We continue to favor mid-grade credits that we believe offer more favorable risk/reward profiles over the credit cycle, especially given the potential of a possible widening of credit spreads and higher default rates.

Market and Portfolio Overview

» During the first quarter, significant oil price declines and nervousness regarding the Federal Reserve's statement on the timing of interest rate hikes helped stimulate demand for high yield bonds.

» The CCC and below segment generated a 1.78% return for the month while the BB and B quality tiers rose 2.71% and 2.61%, respectively. Higher-quality high yield issues benefitted from their characteristically longer duration as interest rates fell during the period.

» High yield energy names continue improving their liquidity profile by tapping the capital markets and extending their debt-maturity profile as they wait out a recovery in the price of oil. In addition, several large acquisitions have been announced across various sectors, and we expect this trend will be a driver of high yield issuance.

» New high yield issuance continued at a brisk pace with $95.6 billion issued in the quarter, an increase of more than 8% year over year. Over half of issuance was earmarked for debt refinancing, a modest uptick from the first two months of the year.

AVERAGE ANNUAL RETURNS	QTD	YTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE I SHARE INCEPTION (3/1/02)	SINCE A SHARE INCEPTION (8/2/99)
Calamos High Income Fund								
I shares – at NAV	2.39%	2.39%	0.56%	5.73%	6.63%	6.30%	7.23%	N/A
A shares – at NAV	2.33	2.33	0.30	5.47	6.37	6.03	N/A	6.56%
A shares – Load adjusted	-2.54	-2.54	-4.45	3.76	5.34	5.51	N/A	6.23
BofA ML BB-B High Yield Constrained Index	2.67	2.67	3.18	7.42	8.38	7.51	8.16	6.87
Credit Suisse High Yield Index	2.59	2.59	1.39	7.07	8.29	7.72	8.94	7.48

The Credit Suisse High Yield Index return "Since A share Inception" start date is 7/31/99 and the "Since I share Inception" start date is 2/28/02.

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 redeemed, may be worth more or less than their original cost. Load-adjusted returns take into account the Fund's maximum 4.75% front-end sales load.* You can obtain performance data current to the most recent month end by visiting www.calamos.com.

Performance may reflect waivers or reimbursement of certain expenses. Returns for periods greater than 12 months are annualized. Calendar year returns measure net investment income and capital gain or loss from portfolio investments for each period specified. Average annual total return measures net investment income and capital gain or loss from portfolio investments as an annualized average. All performance shown assumes reinvestment of dividends and capital gains distributions. In calculating net investment income, all applicable fees and expenses are deducted from the returns. As of the prospectus dated 3/1/15, the Fund's gross expense ratios for Class A shares is 1.19%; Class I Shares is 0.94%, respectively.

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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Fund Quarterly Attribution

	ENERGY	MATERIALS	INDUSTRIALS	CONSUMER DISCRETIONARY	CONSUMER STAPLES	HEALTH CARE	FINANCIALS	INFORMATION TECHNOLOGY	TELECOM SERVICES	UTILITIES
HIGH INCOME FUND VERSUS BOFA ML HIGH YIELD BB-B CONSTRAINED INDEX										
Value Added from Sector	-0.04	0.00	0.00	-0.02	-0.03	-0.01	0.02	0.02	-0.02	-0.01
Value Added from Selection & Interaction	0.01	0.03	-0.06	0.07	0.04	0.05	0.06	0.03	-0.09	-0.04
Total Added Value	-0.03	0.03	-0.06	0.05	0.02	0.04	0.08	0.06	-0.11	-0.05
SECTOR WEIGHTS (AVERAGE % WEIGHT DURING THE QUARTER)										
High Income Fund	14.07	9.12	16.08	24.23	2.41	8.63	6.35	8.09	6.80	0.93
BofA ML High Yield BB-B Constrained Index	14.18	8.97	10.78	20.68	4.43	8.33	13.66	4.81	9.66	4.24
Over/underweight	-0.11	0.15	5.30	3.55	-2.02	0.31	-7.31	3.28	-2.85	-3.31
SECTOR RETURNS (%)										
High Income Fund	2.42	3.17	2.29	2.83	6.19	2.75	3.01	3.67	2.09	-1.42
BofA ML High Yield BB-B Constrained Index	2.24	2.60	2.63	2.53	4.13	2.21	2.31	3.34	3.28	3.01
Relative Return	0.18	0.58	-0.34	0.30	2.06	0.54	0.69	0.34	-1.20	-4.43

Calculations may be subject to rounding.

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Market Commentary

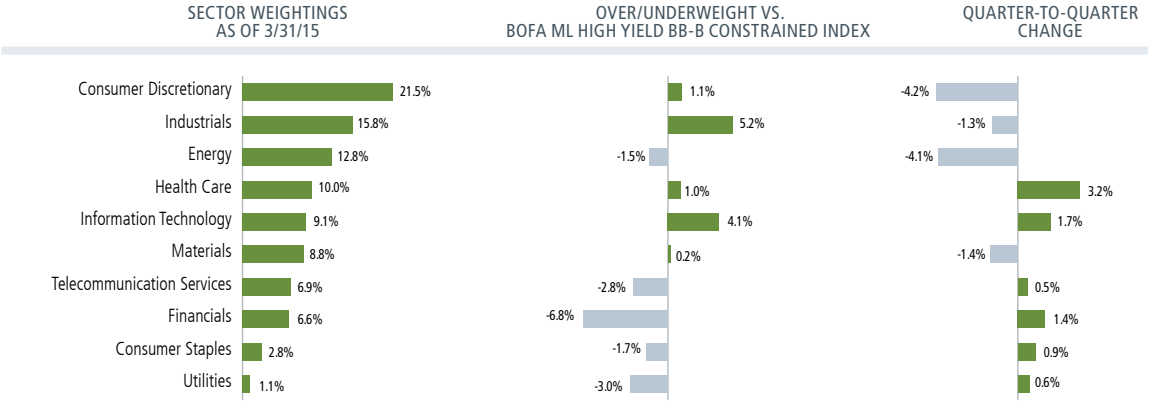
OUTLOOK

We believe 2015 is destined to be a volatile year as the U.S. inches closer to its first rate hike in almost a decade. Questions persist regarding global economic growth, the global impact of the European quantitative easing program, oil price volatility, currency wars, Greek debt negotiations, and geopolitical flare ups throughout the Middle East. Our view on interest rates remains unchanged as offsetting forces should keep rates in a trading range. When the Federal Reserve's first rate hike approaches, it will likely be counteracted by the historically low level of sovereign bond yields in Europe kept in check by quantitative easing. In high yield, we expect volatility with some pressure on technicals, and we believe ultimately the market will price in the likelihood of higher default rates and higher liquidity premiums. However, defaults will not occur uniformly across industries, which underscore the importance of rigorous fundamental research when selecting investment candidates. We expect returns will be challenged to generate better-than-coupon returns over the next year. However, for risk-tolerant fixed income investors, the high yield asset class is still attractive within the fixed income universe.

Positioning

We remain focused on issuers' balance sheets and debt servicing abilities. With equal diligence, we continue to assess the impact of various exogenous macro factors (such as a strengthening dollar, oil prices and interest rate increases) on the overall financial stability and creditworthiness of an issuer. We continue to favor mid-grade credits (BB/B) that we believe offer more favorable risk/reward profiles over the credit cycle, especially given the possibilities of widening of credit spreads and higher default rates. The portfolio's largest overweight positions relative to the benchmark are to the industrials and information technology sectors. Its largest underweight positions currently include financials and utilities.

SECTOR POSITIONING



Sector weightings exclude cash or cash equivalents, any government/sovereign bonds or instruments on broad indexes the portfolio may hold. Holdings and weightings are subject to change daily. You can obtain a complete list of holdings by visiting www.calamos.com. Please see additional disclosures on last page.

In mid-January, we reduced our heavy exposure to the energy sector by selling our most stressed positions. With the enormous plunge in oil prices, we felt there was still substantial downside if oil prices kept cratering. Within the oil-and-gas exploration and production industry specifically, we looked to position the portfolio in names that could survive even if low oil prices persisted for the next few years. Simply put, we reduced our allocation to the lowest quality names in favor of higher-quality names in this area. Our aim is to improve the risk/return profile in the sector allocation and the portfolio as a whole.

We increased the allocation to the health care sector during the quarter. We added to the health care facilities, health care services, pharmaceuticals and health care equipment industries. We continue to see the health care sector benefiting from several trends including increased access to health care in emerging markets and the implementation of the Affordable Care Act in the U.S.

We also increased the allocation to the consumer discretionary sector by adding holdings from the tires and rubber, broadcasting, leisure facilities and household appliance industries. We continue to favor strong franchises in the sector, with well-known brands, sustainable growth catalysts and improving fundamentals.

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Fund Information

LARGEST TEN HOLDINGS[1]	
Sprint Corp.	1.8%
Edgen Murray Corp.	1.4
Ally Financial, Inc.	1.4
L Brands, Inc.	1.3
Carrizo Oil & Gas, Inc.	1.2
HCA, Inc.	1.1
ArcelorMittal, SA	1.1
Liberty Interactive, LLC	1.1
Spirit AeroSystems Holdings, Inc.	1.1
Six Flags Entertainment Corp.	1.1
TOTAL	12.6

Holdings and weightings are subject to change daily. Holdings are provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned.

[1] Largest 10 Holdings are calculated as a percentage of Net Assets. The tables exclude cash or cash equivalents, any government/sovereign bonds or broad based index hedging securities the portfolio may hold. You can obtain a complete listing of holdings by visiting www.calamos.com.

FUND FACTS	FUND	BOFA ML HIGH YIELD BB-B CONSTRAINED INDEX
Number of Holdings	144	1,864
Total Net Assets	$144.8 million	N/A
Weighted Average Duration	5.02 years	4.94 years
Weighted Average Maturity	6.38 years	8.20 years
30-Day SEC Yield (A shares)	4.45%	N/A
Portfolio Turnover (12 months)	54.61%	N/A

FUND INFORMATION	A SHARES	B SHARES	C SHARES	I SHARES
Sales Load/Maximum Sales Charge	Front-End/4.75%	Back-End/5.00%	Level-Load/1.00%	N/A
Gross Expense Ratio°	1.19%	1.94%	1.94%	0.94%
Net Expense Ratio°	1.19%	1.94%	1.94%	0.94%

° As of prospectus dated 3/1/15

Term Definitions

Credit spread is the additional yield an investor receives for a security with credit risk, over the yield it would receive for a risk-free security, such as U.S. Treasuries. A tightening of spreads implies the market is factoring in less risk. **Coupon clipping** refers to a bond investment strategy that favors bonds with higher yields than the benchmark as a way to generate out-performance. **Yield to worst** is the lowest potential yield that can be received on a bond without the issuer actually defaulting. **Spread to worst** measures the difference from the worst performing security to the best, and can be seen as a measure of dispersion of returns within a given market or between markets. **Yield curve** is a line that plots the interest rates, at a set point in time, of bonds having equal credit quality, but differing maturity dates. The most frequently reported yield curve compares the three-month, two-year, five-year and 30-year U.S. Treasury debt. **Dollar price** is percentage of par, or face value, at which a bond is quoted. Dollar price is one method by which the price of a bond is quoted. **Quantitative easing** is an unconventional monetary policy in which a central bank purchases government securities or other securities from the market in order to lower interest rates and increase the money supply. **Debt/capital ratio** is a measure of a company's financial leverage, calculated as the company's debt divided by its total capital. **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. Credit ratings are assigned to companies by Fourth-party groups, such as Standard & 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).

Index Definitions

The **BofA Merrill Lynch BB-B U.S. High Yield Constrained Index (HUC4)** contains all securities in the **BofA Merrill Lynch U.S. High Yield Index** rated BB1 through B3, based on an average of Moody's, S&P and Fitch, but caps issuer exposure at 2%. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%. **Credit Suisse High Yield Index** is an unmanaged index of high yield debt securities.

Additional Information

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.

Important Fund Risk Information.

An investment in the Fund(s) is subject to risks, and you could lose money on your investment in the Fund(s). There can be no assurance that the Fund(s) will achieve its investment objective. Your investment in the Fund 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 High Income Fund include: high yield risk consisting of increased credit and liquidity risks, convertible securities risk consisting of interest rate risk and credit risk, synthetic convertible instruments risk, interest rate risk, credit risk, liquidity risk, portfolio selection risk, foreign securities risk and liquidity 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 obtaining information. In addition, emerging markets may present additional risk due to potential for greater economic and political instability in less developed countries. The Fund's fixed income securities are subject to interest rate risk. If rates increase, the value of the Fund's investments generally declines. 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.

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 or call 1-800-582-6959. Read it carefully before investing.

CALAMOS® INVESTMENTS

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