

Convertible Opportunities and Income Fund (CHI) Quarterly Commentary

CALAMOS[®]
INVESTMENTS

Fund Overview

The fund seeks total return through capital appreciation and current income by investing in a diversified portfolio of convertible securities and high-yield corporate bonds.

Market Overview

Equity markets delivered solid gains in the second quarter, with convertible securities participating meaningfully in the equity upside. The US Convertible market advanced 16.78% in the second quarter, as measured by the ICE BofA All US Convertible Index, and slightly outperformed the US equity market's 15.20% return, as reflected by the S&P 500 Index. The strategy's returns have been strong this year, a result that we believe reflects both the quality of the opportunity set and the benefits of our active management. Looking ahead, we are confident the strategy is well positioned to navigate a complex and rapidly evolving environment.

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DATA AS OF 6/30/26

CALAMOS CONVERTIBLE OPPORTUNITIES AND INCOME FUND AVERAGE ANNUAL RETURNS (%)

	QTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE INCEPTION (6/26/02)
Calamos Convertible Opportunities and Income Fund						
Market Price	28.09	42.85	18.49	8.30	14.01	10.38
NAV	24.45	42.52	20.42	7.39	12.71	10.41

Returns of less than 12 months are cumulative returns. Returns for periods greater than 12 months are annualized returns. 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.

Performance data quoted represents past performance, which is no guarantee of future results. Current performance may be lower or higher than the performance quoted. Portfolios are managed according to their respective strategies which may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of the benchmark(s). Portfolio performance, characteristics and volatility may differ from the benchmark(s) shown.

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.

***The Fund's most recent distribution payable 7/21/26 was \$0.0950 per share. Based on our current estimates, we anticipate that approximately \$0.0950 is paid from ordinary income or capital gains and \$0.0000 of the distribution represents a return of capital.** 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 are subject to re-characterization for tax purposes after the end of the fiscal year. This information is not legal or tax advice. Consult a professional regarding your specific legal or tax matters. Under the Fund's managed distribution policy, distributions paid to common shareholders may include net investment income, net realized short-term capital gains, net realized long-term capital gains and return of capital. When the net investment income and net realized capital gains are not sufficient, a portion of the level rate distribution will be a return of capital. In addition, a limited number of distributions per calendar year may include net realized long-term capital gains. Distribution rate may vary.

There is no assurance that the Fund will achieve or maintain its investment objective. Please refer to back page for important notes. All returns are in USD terms unless otherwise indicated.

Current Annualized Distribution Rate

8.48%*

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.

Within the US convertible index, sector-level results were mixed during the second quarter. The sectors that performed best during the quarter included information technology (+35.4%), industrials (+14.6%), and health care (+11.9%). The sectors that lagged the convertible index the most included materials (-7.1%), utilities (-0.6%), and energy (-0.6%).

Unrated convertibles (+20.2%) outperformed speculative-grade (+12.9%) and investment-grade (+2.2%) issues. Roughly 80% of the US convertible market was unrated on average at the end of the second quarter, according to data from ICE BofA.

New convertible issuance volume has been remarkable, with global issuance totaling \$83.6 billion in the second quarter, led by US companies, which issued \$62.7 billion. The year-to-date global convertible issuance total of \$137.5 billion has surpassed the calendar year totals of all but six of the past 28 years. Convertibles have historically served as growth capital for growth companies, and the AI build-out provides an ideal backdrop for that dynamic to continue. The recent entry of Google into the convertible market reinforces our view that the asset class represents a unique opportunity to invest alongside today's leaders and tomorrow's leaders in risk-managed structures.

The US high yield bond market, as represented by the Bloomberg Barclays US Corporate High Yield 2% Issuer Capped Index, returned +2.47% in the second quarter. High-yield spreads closed the quarter 47 bps tighter at +270, retracing much of the widening experienced during the first quarter's energy shock. Investment grade spreads also moved tighter over the period, closing near +74 basis points, 15 basis points inside the prior quarter's close. Returns across credit qualities were directional, with lower-rated credits leading the recovery as risk appetite returned; CCCs led at +3.0%, while B-rated credits returned +2.8% and BBs trailed at +2.3%. Trailing twelve-month defaults on high yield bonds ticked higher, running near 2.7% as of the most recent monthly reading, still well below the long-term average of 3.4%. The best-performing sectors in the Bloomberg Barclays US Corporate High Yield 2% Issuer Capped Index were banks (+3.7%), finance companies (+3.7%), and natural gas utilities (+3.4%), while communications (+1.6%), energy (+1.6%), and insurance (+1.7%) represented the largest laggards.

Distributions Remain Competitive

The fund's current annualized distribution rate was 8.48% of the market price as of June 30, 2026. We believe the fund's monthly distributions are highly competitive. For example, the ICE BofA All US Convertibles Index had a yield of 2.14%, the 10-year US Treasury bond yield was 4.44%, and the ICE BofA US High Yield Index effective yield was 6.99% as of June 30, 2026.

Performance Review

For the quarter ending June 30, 2026, the fund rose 28.09% on price and 24.45% on NAV. The price and NAV returns finished well above the blended comparator index (50% ICE BofA All US Convertible Index, 50% Bloomberg US Corp HY 2% Issuer Capped Index), which returned 9.47% for the period.

Contributing Factors. The fund benefited from security selection and an average overweight position in information technology, as holdings in technology hardware, storage & peripherals, and semiconductor materials & equipment added to returns. Additionally, favorable security selection in industrials boosted the fund's performance, especially in the heavy electrical equipment and cargo ground transportation industries.

Detracting Factors. Relative to the comparator index, security selection within the real estate sector detracted from performance during the second quarter. Data center REITs lagged, as did real estate services. In addition, security selection within the multi-utilities and electric utilities industries of the utilities sector lost ground.

Positioning and Portfolio Changes

As of quarter end, convertible securities account for approximately 73% of the portfolio. Corporate bonds comprise around 20%. At approximately 64%, most convertibles are unrated, though we perform our own credit analysis. Investment-grade-rated issues represent nearly 13% of the portfolio. We also hold a large percentage in the BB-credit tier (approximately 14%), which offers attractive valuations and provides access to a large portion of the convertible bond universe, enabling us to optimize returns through our proprietary research capabilities. We continue to take a selective approach to CCC credits, which represent approximately 1% of the portfolio as of quarter end. The weighted average duration of our bond holdings is 2.2 years.

From a sector standpoint, the portfolio's largest absolute weights are information technology and industrials, while the smallest sector weights with holdings are consumer staples and materials. We favor investments in information technology and industrials relative to the index. Semiconductor materials & equipment represents our largest industry overweight in information technology, and aerospace & defense constitutes our largest industry overweight in industrials. We maintain underweight allocations in consumer discretionary and financials, with hotels, resorts & cruise lines (in consumer discretionary) and transaction & payment processing services (in financials) among the underweight industries.

Allocations to information technology and communication services rose during the period with increased weights in semiconductor materials & equipment and interactive media & services. Both industrials and materials allocations decreased modestly with reduced weights in aerospace & defense and gold.

Leverage

We believe the current economic environment favors the prudent use of leverage to enhance total return and support the fund's distribution rate. As of June 30, 2026, leverage represented approximately 30% of total managed assets.

Outlook

The geopolitical backdrop remains unsettled, but there are reasons for measured optimism. The Middle East conflict appears to be persisting, yet both sides continue to search for face-saving off ramps. A successful de-escalation could lower the geopolitical risk premium, ease oil prices, and provide a meaningful tailwind for consumers and the broader economy. Beneath the geopolitical noise, broader market conditions are constructive: economic growth is solid, overall credit quality is sound, bankruptcy risk is low, and access to capital remains plentiful across IPOs, equity, and debt markets.

Looking toward the back half of the year, we expect volatility to remain a feature of markets. While midterm elections, geopolitical developments, the ongoing debate over AI's durability, and Fed policy uncertainty are among the more foreseeable sources of volatility, we expect markets to remain sensitive to a range of developments. We continue to emphasize companies with improving margins and free cash flow, accelerating returns on invested capital, and attractive equity valuations. Owning these companies through convertible structures allows us to pursue that growth with the benefit of downside mitigation, a combination we believe is particularly valuable when the range of potential outcomes remains wide.

For additional information or to download a fact sheet, please visit the fund's profile page:

[CHI - Convertible Opportunities & Income Fund | Calamos Investments](#)

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 1-866-363-9219. Read it carefully before investing.

Important Fund Information

The goal of the managed distribution policy is to provide investors with a predictable, though not assured, level of cash flow. Monthly distributions paid may include net investment income, net realized short-term capital gains, net realized long-term capital gains, and, if necessary, return of capital. Maintenance of this policy may increase transaction and tax costs associated with the fund.

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 third-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).

Leverage creates risks that may adversely affect returns, including the likelihood of greater volatility in the net asset value and market price of common shares, and fluctuations in the variable rates of leverage financing. The ratio is the percent of total managed assets.

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.

The Fund may invest in foreign securities and invest in an array of security types and market-cap sizes, each of which has a unique risk profile. As a result of political or economic instability in foreign countries, there can be special risks associated with investing in foreign securities. These include fluctuations in currency exchange rates, increased price volatility, and difficulty obtaining information.

Investments by the Fund in lower-rated securities involve substantial risk of loss and present greater risks than investments in higher-rated securities, including lower liquidity and greater price sensitivity to changing interest rates and a deteriorating economic environment. 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. There are certain risks associated with an investment in a convertible bond such as default risk—that the company issuing a convertible security may be unable to repay principal and interest, and interest rate risk—that the convertible may decrease in value if interest rates increase.

The Fund may invest in derivative securities, including options. The use of derivatives presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities. There is no assurance that any derivative strategy used by the Fund will succeed. One of the risks associated with purchasing an option is that the fund pays a premium whether or not the option is exercised. The Fund may seek to purchase index put options to help reduce downside exposure; however, the effectiveness of the fund's index option-based risk management strategy may be reduced if the fund's equity portfolio does not correlate to the performance of the underlying option positions. The Fund also risks losing all or part of the cash paid for purchasing index options. Unusual market conditions or lack of a ready market of any particular option at a specific time may reduce the effectiveness of the fund's option strategies, and for these and other reasons the fund's option strategies may not reduce the fund's volatility to the extent desired. From time to time, the Fund may reduce its holdings of put options, resulting in an increased exposure to a market decline. Please refer to the fund's prospectus for a full description of risks. Parties entering an interest rate swap take on exposure to a given interest rate; the exposure can be long or short depending on whether a counterparty is paying or receiving the fixed rate. At the same time, each party takes on the risk—known as counterparty credit risk—that the other party will default at some time during the life of the contract.

Term Definitions

A **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. **EBITDA** stands for earnings before interest, taxes, depreciation, and amortization. It is a measure of a company's profitability that excludes the effects of its capital structure, tax strategy, and depreciation methods.

Index Definitions

The **Bloomberg US Corporate 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 **CBOE Volatility Index** or **VIX** (based on its CBOE ticker symbol) shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options. The **Russell 2500® Index** measures the performance of the small to midcap growth segment of the US equity universe. The index is published and maintained by FTSE Russell. The **ICE BofA All US Convertibles Index (VXA0)** comprises approximately 700 issues of only convertible bonds and preferreds of all qualities. **ICE BofA US High Yield Master II Index** consists of below investment-grade US dollar-denominated corporate bonds that are publicly issued in the US domestic and yankee bonds. Issues included in the index have maturities of one year or more and have a credit rating lower than BBB-/Baa3, but are not in default. The index includes domestic high-yield bonds, including deferred interest bonds and payment-in-kind securities. Source ICE Data Indices, LLC, used with permission. ICE permits use of the ICE BofA indices and related data on an 'as is' basis, makes no warranties regarding same, does not guarantee the suitability, quality, accuracy, timeliness, and/or completeness of the ICE BofA Indices or data included in, related to, or derived therefrom, assumes no liability in connection with the use of the foregoing and does not sponsor, endorse or recommend Calamos Advisors LLC or any of its products or services. The **S&P 500 Index** is generally considered representative of the US stock market. The **S&P/LSTA US Leveraged Loan Index** is designed to reflect the performance of the leveraged loan market. 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. The **S&P 500 Equal Weighted Index** is the equal-weight version of the widely-used S&P 500. The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 Equal Weighted Index is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance.

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.

The information contained herein is based on internal research derived from various sources and does not purport to be statements of all material facts relating to the sectors, securities and markets mentioned. The information contained herein, while not guaranteed as to the accuracy or completeness, has been obtained from sources we believe to be reliable. Opinions expressed herein are as of the date of publication and are subject to change without notice due to various factors and may not necessarily come to pass. Information contained herein is for informational purposes only and should not be considered investment advice.

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