Dynamic Convertible and Income Fund (CCD) Quarterly Commentary

Fund Overview

The fund invests in convertibles and high-yield fixed-income securities with the aim of generating total return through a combination of capital appreciation and income. To help generate income and achieve a favorable risk-reward profile, the investment team can also sell options.

Current Annualized Distribution Rate
9.08%*

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.

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 DYNAMIC CONVERTIBLE AND INCOME FUND AVERAGE ANNUAL RETURNS (%)

	QTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE INCEPTION (3/27/15)
Calamos Dynamic Convertible and Income Fund						
Market Price	23.72	42.55	18.25	7.00	14.60	10.85
NAV	28.89	49.82	21.82	7.48	14.05	11.43

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 $0.1950 per share. Based on our current estimates, we anticipate that approximately $0.01950 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.

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 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 Remained Competitive

The fund's current annualized distribution rate was 9.08% 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 Convertible 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 28.89% on NAV and 23.72% on price. The market price and NAV returns outperformed the blended comparator index (80% ICE BofA All US Convertible Index, 20% Bloomberg US Corp HY 2% Issuer Capped Index), which advanced 13.82% for the period.

Contributing Factors. The Fund benefited from security selection and an average overweight position in information technology. Holdings in the semiconductor materials & equipment and technology hardware, storage & peripherals industries notably helped. Additionally, the Fund's underweight position and leading security selection in the consumer discretionary sector added value, notably in the broadline retail and automotive parts & equipment industries.

Detracting Factors. Security selection within the real estate sector detracted from performance during the quarter. Specifically, data center REITs and real estate services names lagged.

Positioning and Portfolio Changes

As of quarter-end, convertibles accounted for approximately 95% of the portfolio. At approximately 76%, unrated securities represent the largest rating class, though we perform our own credit analysis. By harnessing our proprietary research, we strive to unlock value in this tier and provide investors with a better risk-reward profile over time while offering a regular income stream. We hold 12% in the BBB credit tier and 10% in the BB/B credit tier. Less than 1% of our holdings are CCC-rated or below. The weighted-average duration of our bond holdings is 1.7 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. The financials and consumer discretionary sectors comprise the most significant relative underweights. With respect to these sectors, transaction & payment processing services and casinos & gaming are among the underweight industries.

Allocations to communication services and health care rose during the period with increased weights in interactive media & services and biotechnology. The industrials and materials allocations decreased during the period.

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 29% 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:
CCD - Dynamic Convertible and 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

You can purchase or sell common shares daily. Like any other stock, the 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 market price below their net asset value.

Investments by the Fund in lower-rated securities involve substantial risk of loss and present greater risks than investments in higher-rated securities, including less liquidity and increased price sensitivity to changing interest rates and to 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's ability to close out its position as a purchaser or seller of an over-the-counter or exchange-listed put or call option is dependent, in part, upon the liquidity of the options market. There are significant differences between the securities and options markets that could result in an imperfect correlation among these markets, causing a given transaction not to achieve its objectives. The Fund's ability to utilize options successfully will depend on the ability of the Fund's investment adviser to predict pertinent market movements, which cannot be assured.

Investment Adviser Purchase Risk. As contemplated in the Fund's prospectus, Calamos Advisors LLC (the "Adviser") has entered into a 10b5-1 Plan under which a registered broker-dealer (not a member of the underwriting syndicate involved in the offering of the Fund), as agent for the Adviser, will purchase in the open market up to $20 million of our common shares in the aggregate, on such terms and at times, and subject to a variety of market and discount conditions and a daily purchase limit, to be described in a subsequent press release. See "Management of the Fund — Related-Party Transactions" in the Fund's prospectus. Whether purchases will be made under the 10b5-1 Plan and how much will be purchased at any time is uncertain, dependent on prevailing market prices and trading volumes, all of which we cannot predict. Although intended to provide liquidity, these activities may have the effect of maintaining the market price of our common shares or suppressing a decline in the market price of the common shares, and, as a result, the price of our common shares may be higher than the price that otherwise might exist in the open market. Conversely, any eventual sale of purchased common shares by the Adviser and its affiliates may act as a catalyst for a decline in the Fund's market price, and therefore the market price of our common shares may be lower than the price that might otherwise exist in the open market.

Limited Term Risk. Unless the Termination Date is amended by shareholders in accordance with the Declaration of Trust, the Fund will be terminated on the 15th anniversary of its effective date, currently expected to be March 26, 2030. If the Fund's Board of Trustees believes that under then current market conditions it is in the best interests of the Fund to do so, the Fund may extend the Termination Date for one year, which is anticipated to be March 26, 2031, without a shareholder vote, upon the affirmative vote of three-quarters of the Trustees then in office. Beginning one year before the Termination Date (the "wind-down period"), the Fund may begin liquidating all or a portion of the Fund's portfolio. During the wind down period the Fund may deviate from its investment strategy. As a result, during the wind-down period the Fund's distributions may decrease, and such distributions may include a return of capital.

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.

Fixed Income Risk. 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.

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. IPO Price refers to the initial public offering price for shares of 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. **The 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. 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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