

Growth and Income Fund Quarterly Commentary

CALAMOS[®]
INVESTMENTS

Summary

- We maintain a positive and constructive risk posture, with the caution of last quarter eased; the mid-cycle expansion persists now that the energy shock has resolved.
- Our base case is that the expansion continues near a 2% pace with inflation steadily moderating; the central uncertainty has shifted from geopolitics to the rate path, which we view as too uncertain to position around directionally.
- AI infrastructure remains the earnings engine of this market, contributing roughly 60% of S&P 500 earnings growth this quarter, but narrow leadership and stretched positioning warrant a more risk-aware stance.
- We used the quarter's strength to build a more balanced portfolio. We added areas with real growth tailwinds and improving returns on capital outside AI, lowered energy exposure, and used convertible securities and options to restrike the portfolio's risk-reward profile.

Calamos Growth and Income Fund (CGIIX)

Morningstar Overall Rating



Among 121 Moderately Aggressive Allocation Funds.

The Fund's risk-adjusted returns based on load-waived Class I Shares had 4 stars for 3 years, 4 stars for 5 years, and 5 stars for 10 years out of 121, 115 and 101 Moderately Aggressive Allocation Funds, respectively, for the period ended 6/30/2026.

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DATA AS OF 6/30/26

CALAMOS GROWTH AND INCOME FUND AVERAGE ANNUAL RETURNS (%)

	QTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE A SHARE INCEPTION	SINCE I SHARE INCEPTION
Calamos Growth and Income Fund							
I Shares - at NAV (Inception—9/18/97)	15.72	22.86	18.93	11.14	13.39	N/A	10.57
A Shares - at NAV (Inception—9/22/88)	15.63	22.54	18.63	10.86	13.11	11.43	N/A
A Shares Load adjusted	10.14	16.71	16.72	9.79	12.56	11.29	N/A
S&P 500 Index	15.20	22.32	20.61	13.41	15.51	11.47	9.42
ICE BofA All US Convert Ex Mand Index	17.89	36.38	18.86	7.58	13.94	10.34	9.27
Morningstar Moderately Aggressive Allocation Category	11.42	20.15	15.57	8.58	10.34	8.40	6.37

Performance data quoted represents past performance, which is no guarantee of future results. Current performance may be lower or higher than the performance quoted. Please refer to Important Risk Information. 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 4.75%. 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.

The fund's gross expense ratios as of the prospectus dated 2/27/2026 are as follows: A Shares 1.05%, C Shares 1.80%, I Shares 0.80% and R6 Shares 0.73%.

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.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

- We would reverse course if inflation re-accelerated and the Fed turned decisively toward hikes, if hyperscaler spending or return-on-investment evidence deteriorated, or if labor market data broke decisively.

Investment Manager Discussion

The US economy remains in a mid-cycle expansion, supported by fiscal tailwinds, a deregulatory impulse, resilient labor demand, and a capital spending boom driven by artificial intelligence.

Our [April outlook](#) argued that the Iran conflict was a disruption within a mid-cycle expansion and that the inflation shock would remain confined to energy. That view held. Oil prices have fallen, core inflation has not broken higher even as it remains elevated, and the expansion has continued. Calamos Growth and Income Fund (CGIIX) returned 15.72% for the quarter, ahead of the S&P 500 Index's 15.20%. Our concentration in AI infrastructure and semiconductors, held largely through the convertible sleeve, proved advantageous, as did selection in financials, industrials, and health care. The convertible structure and hedges that cushioned the first quarter's decline moderated participation in the rebound.

Growth Drivers Remain Intact

The positive forces supporting the expansion have not been impaired. Fiscal support continues to flow through, the deregulatory impulse is additive to growth, and the AI infrastructure buildout remains a meaningful driver of the real economy. The hyperscalers have shown no inclination to pull back; their capital spending guidance has continued to ratchet higher, and their suppliers are converting that spending into earnings at exceptional incremental margins.

AI infrastructure alone is set to contribute the majority of the market's earnings growth this quarter, if consensus expectations hold. That concentration is the source of both the market's strength and its fragility. We are watching for the inflection where hyperscaler cloud and AI services profit growth outpaces capital spending growth, which would validate the return-on-investment case; enterprise adoption outside of coding, funded largely by new budget rather than reallocation, is an emerging driver we continue to monitor. More important for positioning, earnings growth is beginning to broaden beyond AI infrastructure into financials, industrials, and health care, and that broadening is the basis for our rebalancing.

Rates and the Inflation Question

The forces weighing against the expansion are real but, in our assessment, manageable. The central uncertainty has shifted from geopolitics to the rate path. We expect inflation to steadily moderate as the tariff impulse fades, energy prices normalize, and the low oil intensity of US output limits the pass-through, though core inflation remains elevated, and the decline will be gradual.

The distribution of rate outcomes around that view is unusually wide. Some observers see sticky inflation forcing the Federal Reserve toward hikes and a higher-for-longer regime; others see constraints on growth requiring easing and a steeper curve. Reduced forward guidance adds to rate volatility. We

view the path as too uncertain to position around directionally, and we treat the higher-term-premium, higher-volatility regime as the defining risk to a portfolio with our equity sensitivity.

Portfolio Positioning and Outlook

Our positioning reflects this framework. We keep core exposure to AI infrastructure, semiconductors, and semiconductor equipment, where we continue to see real growth tailwinds and improving returns on capital, but we hold that exposure with more risk awareness. Momentum has been the market's dominant factor and contributed to our returns this quarter, but the recent rise in volatility makes us more cautious. We trimmed the most extended names, expressed the theme increasingly through convertible securities and lower-multiple semiconductor holdings, and retained options as a downside overlay.

We used the quarter's strength to build a more balanced portfolio, adding areas with real growth tailwinds and improving returns on capital outside AI: financials as beneficiaries of the rate and regulatory environment, industrials tied to electrification, transport, and re-shoring, and health care and biotech, where returns on capital are improving. Several of these areas have been negatively correlated with the AI leadership this year, and we added them in part to stabilize the portfolio against a reversal in that narrow leadership. We lowered energy exposure as oil normalized. We increased equity exposure over the quarter in a risk-managed way, deploying our cash and short-term Treasury reserves while adding to less-crowded exposure and keeping our hedges in place.

We assign the highest probability to a base case in which the expansion persists near a 2% pace, inflation steadily moderates, and market leadership broadens as earnings widen beyond AI infrastructure. The upside case sees faster disinflation, accelerating AI monetization, and a benign resolution of the rate path, producing a rally with cyclical and non-AI participation. The downside case sees inflation proving sticky and the Federal Reserve pushed toward hikes with a spike in term premium, or the AI capital spending cycle stalling as hyperscaler financing tightens, political backlash builds, and demand proves less durable than spending. Given narrow leadership, a break would be amplified.

The catalysts that will determine which path materializes are the second-quarter earnings season and the breadth of growth beyond AI infrastructure, the trajectory of inflation and the Fed's response, and the stability of oil and the Strait of Hormuz. An extended re-acceleration in inflation that forces the Fed toward hikes, a downward revision to hyperscaler spending or return-on-investment evidence, or a decisive break in labor market data would prompt us to de-risk through the convertible and options sleeves; faster disinflation and clearer AI monetization would prompt us to add. The cycle persisted through the disruption. We expect it now to broaden, and we are positioned to participate as leadership widens.

John Hillenbrand, CPA

Co-CIO and Senior Co-Portfolio Manager

July 1, 2026

Market Overview

The second quarter of 2026 delivered a remarkable turnaround for US equities, with the S&P 500 surging 15.2%—the strongest quarterly performance in six years and, notably, the best second-quarter return of any midterm-election year on record. After a difficult first quarter dominated by fears surrounding the Iran conflict, markets found their footing as talk of ceasefires and agreements eased pressure on energy prices and gave interest rates room to stabilize. The rally was refreshingly broad-based. While technology led the way, all size and style segments advanced, with small and mid caps outpacing large caps. Underpinning it all were exceptional earnings strength and forward-looking 2026 and 2027 earnings estimates revised meaningfully higher across nearly every sector, evidence that this rally is being driven by fundamentals rather than multiple expansion alone.

Looking at the quarter within the S&P 500 Index (+15.2%), information technology (+31.8%) was the big winner after being among the biggest laggards last quarter and was the only sector to advance above the overall index. Industrials (+14.9%), consumer discretionary (+9.3%), financials (+9.0%), health care (+8.8%), real estate (+8.5%), and communication services (+8.3%) all delivered strong returns for the quarter, despite lagging the headline index number. Materials (+2.0%), consumer staples (+0.3%), utilities (-0.5%), and energy (-13.5%) were the laggards this quarter, and energy's negative return should be considered in light of its market-leading performance last quarter.

Performance Review

For the quarter ended June 30, 2026, the fund returned 15.72% (Class I shares at NAV) compared with the S&P 500 Index return of 15.20%.

Positive Influences on Performance

Industrials. The fund's favorable security selection in industrials boosted relative performance. Heavy electrical equipment was a leading contributor and our lack of exposure to industrial conglomerates assisted returns.

Financials. Leading security selection and an average underweight position in financials added to performance. Holdings in financial exchanges & data helped relative performance. Additionally, our lack of exposure to multi-sector names assisted relative returns.

Negative Influences on Performance

Information Technology. Over the period, security selection and an average underweight position in the information technology sector were a drag on returns, as holdings in the semiconductors and electronic components industries hurt performance.

Utilities. An average overweight stance within the multi-utilities and electric utilities industries of the utilities sector lost ground on a relative basis.

Fund Holdings – Contributors

Seagate Technology Holdings (STX2)

3.50% Convertible due 6/1/28 | 0.9% of fund as of 5/31/26

Profile: Seagate is one of the two dominant makers of hard disk drives and mass capacity data storage, supplying nearline enterprise drives for cloud and data center storage alongside consumer and edge products. Founded in 1978, the company is incorporated in Ireland with its principal operations in the United States, and it is classified within the technology hardware, storage, and peripherals industry of the information technology sector.

Analysis: We hold the Seagate 3.50% convertible due June 2028 rather than the common stock. In the second quarter of 2026, the convertible returned 148%, while Seagate common returned 146.5%. The convertible captured roughly 101% of the common's move, participating fully in the AI storage rally and edging slightly ahead of the equity. The company's stock and convertible bond performance reflected the AI storage demand cycle, record margins, and sharply higher free cash flow.

Bloom Energy Corp. (BE)

0% Convertible due 11/15/30 | 0.7% of fund as of 5/31/26

Profile: Bloom Energy designs and manufactures solid oxide fuel cell systems, marketed as Bloom Energy Servers, which generate electricity on the customers' premises from natural gas, biogas, or hydrogen, bypassing the grid. Founded in 2001 and headquartered in San Jose, California, the company trades on the New York Stock Exchange and is classified within the electrical equipment industry of the industrials sector.

Analysis: We held the Bloom Energy convertible due November 2030, electing to hold a convertible rather than a higher risk-reward equity position, which is not a member of the S&P 500 Index. In the second quarter of 2026, the convertible returned an impressive 72%. The move reflected AI data-center power demand, expanded Oracle capacity commitments, and the shift to rolling four-quarter profitability.

Fund Holdings – Detractors

PPL Corporation (PPL2)

2.88% Convertible due 3/15/28 | 0.5% of fund as of 5/31/26

Profile: PPL is a regulated electric and gas utility serving roughly 3.5 million customers across Pennsylvania, Kentucky, and Rhode Island, with earnings driven by rate-base growth and regulatory outcomes rather than commodity or market cycles. The company, which traces its roots to 1920s Pennsylvania Power and Light, is headquartered in Allentown, Pennsylvania, and is classified within the electric utilities industry.

Analysis: We owned the PPL 2.88% convertible due March 2028. In the second quarter of 2026, the convertible declined by -2.52% while PPL common stock, which we did not own, returned -4.10% for the quarter. Holding the convertible rather than the shares mitigated downside. The underlying drivers of performance were more energy related than fundamentally driven, including data-center load growth in the Pennsylvania service territory, a generation joint venture with Blackstone Infrastructure, and steady regulated earnings.

EQT Corporation (EQT)

Common Stock | 0.4% of fund as of 5/31/26

Profile: EQT is the largest natural gas producer in the United States, operating primarily in the Appalachian Basin, and it reintegrated midstream infrastructure through acquisition to become a vertically integrated natural gas company. Founded in 1888 as the Equitable Gas Company and renamed EQT Corporation in 2009, the company is headquartered in Canonsburg, Pennsylvania, in the Pittsburgh area, and is classified under the oil and gas exploration and production industry of energy.

Analysis: The portfolio owned the common stock, and in the second quarter of 2026, EQT common declined -16%. The position is affected by natural gas prices, production efficiency, and the long-term LNG and AI power demand narrative. For the quarter, the company did report strong earnings ahead of consensus, with revenues also exceeding consensus, and pointed to strong operational execution. Energy was a weak sector this quarter, and rather than standing still, we adapted by reducing our energy sector weight.

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

[CGIIX - Growth and Income Mutual 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.

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.

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.

Index Definitions

The **ICE BofA All US Convertibles Index (VXA0)** comprises approximately 700 issues of convertible bonds and preferreds of all qualities and measures the return of all US convertibles. The **ICE BofA All US Convertibles ex Mandatory Index (VOA0)** represents the US convertible market excluding mandatory convertibles. 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 **Morningstar Moderately Aggressive Allocation** funds seek to provide both income and capital appreciation by primarily investing in multiple asset classes, including stocks, bonds, and cash. These moderately aggressive strategies prioritize capital appreciation over preservation. They typically expect volatility similar to a strategic equity exposure between 70% and 85%. The **Russell 2000® Index** measures the performance of the small-cap segment of the US equity universe. The growth indices are constructed to provide a comprehensive and unbiased barometer of the growth market. The value indices are constructed to provide a comprehensive and unbiased barometer of the value market. The **S&P 500 Index** is generally considered representative of the US stock market. The **S&P 500 Value Index** measures the performance of stocks within the S&P 500 Index that have value-oriented characteristics, such as lower price-to-earnings ratios and price-to-book ratios. The **S&P 500 Growth Index** measures the performance of stocks within the S&P 500 Index that have growth-oriented characteristics, such as higher earnings growth rates and higher price-to-earnings ratios. The **Bloomberg US Aggregate Bond Index** is a broad-based flagship benchmark that measures the investment-grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS

(agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency). The **Bloomberg US High Yield 2% Issuer Capped Index** measures the performance of high-yield corporate bonds with a maximum allocation of 2% to any one issuer.

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.

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). There can be no assurance that the Fund(s) will achieve its investment objective. 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 Growth and Income Fund** include: convertible securities risk consisting of the potential for a decline in value during periods of rising interest rates and the risk of the borrower to miss payments, synthetic convertible instruments risk consisting of fluctuations inconsistent with a convertible security and the risk of components expiring worthless, equity securities risk, growth stock risk, small and midsized company risk, interest rate risk, credit risk, liquidity risk, high yield risk, forward foreign currency contract risk and portfolio selection risk.

Morningstar Ratings™ are based on risk-adjusted returns and are through 6/30/26 for the share class listed and will differ for other share classes. Morningstar ratings are based on a risk-adjusted return measure that accounts for variation in a fund's monthly historical performance (reflecting sales charges), placing more emphasis on downward variations and rewarding consistent performance. Within each asset class, the top 10%, the next 22.5%, 35%, 22.5%, and the bottom 10% receive 5, 4, 3, 2 or 1 star, respectively. Each fund is rated exclusively against US domiciled funds. The information contained herein is proprietary to Morningstar and/or its content providers; may not be copied or distributed; and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Source: ©2026 Morningstar, Inc.



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