High Income Opportunities Fund Quarterly Commentary

CALAMOS INVESTMENTS

Fund Overview

Through its multi-sector fixed-income strategy, the fund invests mainly in high-yield securities from US issuers with the goal of generating high current income and total return in excess of the benchmark over complete market cycles.

Market Overview

The US high yield bond market, as represented by the Bloomberg US Corporate High Yield 2% Issuer Capped Index, returned 2.47% in the second quarter.

When we published our first-quarter outlook, the US-Israel strikes on Iran had just upended what had been a constructive start to the year in the markets. During the second quarter, energy prices round-tripped back to their pre-conflict levels despite the absence of a hard resolution to the conflict. A 60-day negotiating window emerged, and Hormuz traffic partially resumed, though tanker traffic and shipping insurance premiums remained displaced from pre-conflict norms. Signals from the negotiations were inconsistent throughout the quarter, and several of the conditions that produced the conflict remain unresolved. Just days into the third quarter, kinetic actions from both sides reignited. However, crude prices have not reacted as strongly as they did in early March, providing some modicum of relief to lower- and middle-income consumers. We expect this will allow economic growth to continue, even as we remain mindful of other emerging inflation risks tied to AI-related demand for memory and chips.

Commentary continues page 2…

DATA AS OF 6/30/26

CALAMOS HIGH INCOME OPPORTUNITIES FUND AVERAGE ANNUAL RETURNS (%)

	QTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE I SHARE INCEPTION	SINCE A SHARE INCEPTION
Calamos High Income Opportunities Fund							
I Shares - at NAV (Inception—3/1/02)	2.20	5.53	8.29	3.96	5.30	5.96	N/A
A Shares - at NAV (Inception—8/2/99)	2.14	5.26	8.02	3.70	5.04	N/A	5.58
A Shares Load adjusted	-0.20	2.89	7.20	3.23	4.52	N/A	5.39
Bloomberg US High Yield 2% Issuer Capped Index	2.47	5.91	8.86	4.17	5.81	7.29	6.51
Morningstar High Yield Bond Category	2.47	5.70	8.22	3.89	5.12	5.83	5.07

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 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.

The funds' gross expense ratios as of the prospectus dated 2/27/2026 are as follows: A Shares 1.40%, C Shares 2.15% and I Shares 1.15%.

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.

The Federal Reserve underwent a leadership change during the quarter, as Chairman Kevin Warsh took the helm with an explicit focus on restoring price stability after five consecutive years of inflation-target misses. The new chair has signaled a preference for reduced forward guidance—he declined to offer a personal "dot" in the Committee's June Summary of Economic Projections—while task forces examine potential changes to the Fed's communications, balance sheet management, data collection, and inflation framework. The practical result has been a meaningful increase in rate volatility, particularly at the front end of the curve, where Fed guidance previously had the greatest influence. The market now prices roughly one-and-a-half hikes through year-end 2026, with a terminal rate near 4%, a sharp reversal from the multiple-cut expectations that predominated entering the year.

Corporate credit fundamentals have held up better than the macro headlines might suggest. High-yield defaults remain well below long-term averages, and while leverage has ticked modestly higher, the increase reflects heavier debt issuance rather than deteriorating earnings—revenue and EBITDA growth have remained solid, and interest coverage has stayed stable. New issuance volumes across investment-grade, high-yield, and securitized markets are all pacing toward record years, driven in large part by data center and digital infrastructure financing needs. New-issue demand has thus far absorbed the additional supply, though we are monitoring the technical backdrop closely for signs that record issuance is beginning to pressure spreads.

Risk markets rallied sharply during the quarter as easing geopolitical tensions and a resilient earnings backdrop lifted sentiment. The S&P 500 gained approximately 15.2%, its best quarterly showing in several years, while the Russell 2000 advanced approximately 21.2%, with smaller companies fully participating in the rally. The high-yield market returned 2.5% as spreads retraced much of the widening tied to the first quarter's energy shock. At quarter-end valuations, the S&P 500 traded near 21x forward earnings, in the higher range of historical observations, while credit spreads reflected a market once again pricing in a largely benign outlook for corporate credit.

High-yield spreads closed the quarter 47 basis points 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 12-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 Cap 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 significant laggards.

Performance Review

For the quarter ending June 30, 2026, the fund returned 2.20% (Class I shares at NAV) compared to the Bloomberg US High Yield 2% Issuer Capped Index's 2.47% return.

Positive Influences on Performance

- Security selection among consumer non-cyclical issuers was a tailwind for performance during the quarter, particularly in the pharmaceuticals and food and beverage industries.
- Security selection among communications issuers was also supportive of returns, primarily within the cable satellite industry.

Negative Influences on Performance

- Security selection among other financial issuers (specifically a financial software provider) weighed on performance.
- The fund's underweight allocation to the technology sector dragged returns lower during the quarter.

Positioning and Portfolio Changes

From an economic sector perspective, the portfolio holds overweight positions in consumer non-cyclical, energy, and banking. Underweights include technology, capital goods, and consumer cyclical.

Over the course of the quarter, notable sector changes to the portfolio included:

- The team increased the fund's allocation to the basic industry sector, namely within the chemicals and metal and mining industries.
- The fund's allocation to consumer cyclical issuers was reduced through the sale of positions in the gaming and retailers industries.

From a credit quality perspective, the fund continues to carry roughly 6% of assets in out-of-benchmark, investment-grade exposure. These positions largely represent secured debt instruments from below investment-grade issuers. The team also continues to find positions in leveraged loans that we believe benefit the portfolio's construction, and during the second quarter, the loan allocation was increased from 15.2% to 17.0%.

Positioning Implications

We are maintaining the quality bias established over several prior quarters, as we do not expect credit beta to outperform in this environment. Spread widening earlier in the year improved relative value at the lower end of the credit spectrum (the CCC tier), but the combination of unresolved geopolitical risk—reinforced by the renewed conflict entering the third quarter—a less predictable Fed, and record supply volumes does not yet present a compelling case for adding risk aggressively. We will selectively add credit exposure where we believe we are being compensated for it.

Based on these expectations, in Calamos High Income Opportunities Fund, where interest-rate sensitivity has a lower impact on returns, the fund is positioned short of benchmark duration.

Our philosophy remains rooted in ensuring our shareholders are adequately compensated for the risks they take. We maintain meaningful exposures to acceptable credit risks identified through our research-driven process, while continuing to monitor for improved relative value opportunities to add exposure at the lower end of the credit spectrum.

Outlook

The reignition of kinetic conflict just days into the third quarter introduces renewed uncertainty to our energy-price outlook, though crude has not yet reacted as sharply and shows no sign, so far, of retesting first-quarter highs. Should prices remain contained, we would still expect energy prices to drift lower over the balance of the year, and we believe inflation has likely peaked and will moderate over the coming quarters.

A new Fed chair prioritizing price credibility, operating with deliberate opacity, and overseeing structural reviews of Fed operations is likely to introduce higher rate volatility, particularly at the front end of the curve.

Credit fundamentals remain solid; the modest uptick in leverage reflects debt issuance rather than earnings deterioration—an important distinction. Record issuance volumes across investment-grade, high-yield, and securitized markets reflect strong demand but merit continued monitoring as supply accumulates.

For additional information or to download a fact sheet, please visit the fund's profile page:
CIHYX - High Income Opportunities 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.

Term Definitions

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). **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. **Average effective duration** provides a measure of the Fund's interest rate sensitivity—the longer a fund's duration, the more sensitive it is to shifts in interest rates. **Average effective maturity** is the weighted average of the maturities in a portfolio of bonds.

Index Definitions

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. The **Morningstar High Yield Bond Category** represents funds with at least 65% of assets in bonds rated below BBB. Investors cannot invest directly in an index. 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 Index** is generally considered representative of the US stock market. The **Russell 2000® Index** measures the performance of the small-cap segment of the US equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index and represents approximately 7% of its total market capitalization. The **Atlanta GDPNow** is a model created by the Federal Reserve Bank of Atlanta that provides the latest forecast "nowcast" of the official estimated gross domestic product (GDP) growth based on available economic data for the current measured quarter.

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 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 Opportunities 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, 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.

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 than 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**.**

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