Market Neutral Income Fund Quarterly Commentary

CALAMOS INVESTMENTS

Summary

- Calamos Market Neutral Income Fund (CMNIX) is designed to be an all-weather fixed-income alternative, seeking to deliver consistent absolute returns with little exposure to interest-rate risk.
- 2026 has demonstrated the value of our approach: While the bond market generated meager gains, CMNIX posted a steady advance for the second quarter and year to date, as it has for longer periods.
- The fund's core strategies, convertible arbitrage and hedged equity, were both additive over the quarter, as were the allocations to merger arbitrage and SPAC arbitrage.

Fund Performance and Positioning

The fund combines two complementary strategies with different responses to volatility: hedged equity generates income by writing options while maintaining equity exposure, whereas arbitrage seeks alpha and uncorrelated returns.

Calamos Market Neutral Income Fund Class I shares at NAV (CMNIX) delivered a positive absolute return of 2.70% in the second quarter, finishing ahead of its benchmark Bloomberg US Government/Credit Index, up 0.70%. The fund's four core strategies—hedged equity, convertible arbitrage, merger arbitrage, and SPAC arbitrage—all contributed positively.

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DATA AS OF 6/30/26

CALAMOS MARKET NEUTRAL INCOME FUND AVERAGE ANNUAL RETURNS (%)

	QTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE I SHARE INCEPTION	SINCE A SHARE INCEPTION
Calamos Market Neutral Income Fund							
I Shares - at NAV (Inception—5/10/00)	2.70	6.70	6.89	4.85	4.86	4.65	N/A
A Shares - at NAV (Inception—9/4/90)	2.67	6.41	6.62	4.58	4.59	N/A	5.89
A Shares Load adjusted	0.34	4.01	5.81	4.11	4.09	N/A	5.75
Bloomberg US Govt/Credit Bond Index	0.70	3.32	3.97	-0.10	1.59	4.13	5.09
Bloomberg Short Treasury 1-3 Month Index	0.92	3.96	4.73	3.61	2.35	1.93	2.75
Morningstar Relative Value Arbitrage Category	3.46	9.32	7.48	4.60	5.26	4.03	N/A

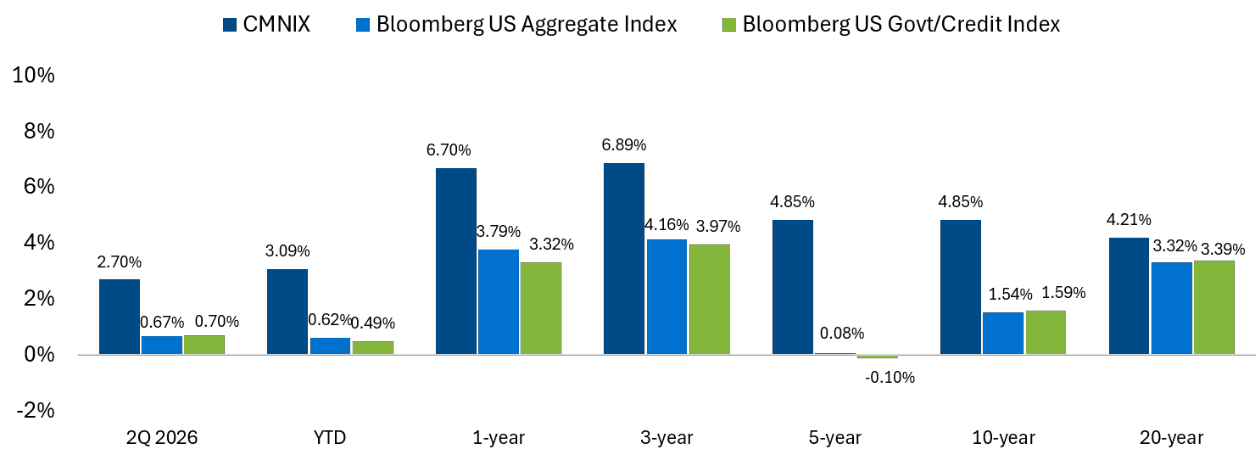
Performance data quoted represents past performance, which is no guarantee of future results. Current performance may be lower or higher than the performance quoted. Please refer to Important Risk Information. The principal value and return of an investment will fluctuate so that your shares, when redeemed, 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 2.75%. 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 funds' gross expense ratios as of the prospectus dated 2/27/2026 are as follows: Class A: 1.26%, Class C: 2.01%, Class I: 1.01% and Class R6: 0.92%.

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.

We manage CMNIX to provide stable performance regardless of interest rates. The fund has outperformed the bond market over the quarter and year to date, as it has over longer periods.

CMNIX's Recent Performance Extends a Longer Pattern of Consistent Outperformance



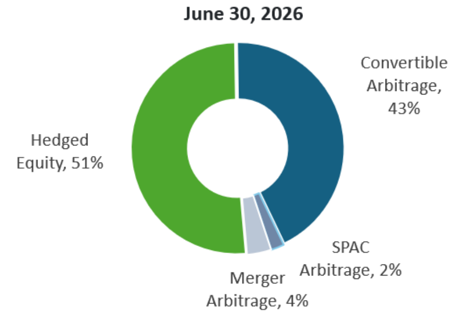
Data as of 6/30/2026. Source: Morningstar. **Performance data quoted represents past performance, which is no guarantee of future results. Current performance may be lower or higher than the performance quoted. Please refer to Important Risk Information. The principal value and return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. All performance shown assumes reinvestment of dividends and capital gains distributions. The fund's gross expense ratio as of the prospectus dated 2/27/2026 is 1.01% for Class I shares.**

Market Overview

The second quarter of 2026 brought a sharp reversal of the conditions that had defined the first quarter. After falling 4.3% in 1Q, the S&P 500 rallied approximately 15.2% during the quarter, leaving the index up 10.2% for the year. The Bloomberg US Government/Credit Bond Index returned 0.70% for the quarter and 0.49% year to date, as the fixed-income market continued to recalibrate around the path of Federal Reserve policy. The Fed left the Fed Funds rate unchanged during the quarter (3.50% to 3.75%). It is against this backdrop, and relative to the Government/Credit Index rather than to equities, that we believe CMNIX is best measured.

Hedged Equity Strategy

CMNIX Strategy Allocation



As of June 30. 2026.

The hedged equity strategy was the most significant contributor to returns for both the second quarter and year to date through June 30, 2026. Although our decision to run a heavier-than-average, more defensive hedge meant that we gave up some equity market upside participation, the increased income we earned from our hedge offset it. Higher interest rates make the calls we write more expensive and the puts we buy cheaper, and when combined with current moderate volatility levels, we believe that a more defensive, income-focused hedge remains ideal for our investors.

We were also active at the margin during the quarter. The core of the hedge stayed in place, but we traded around a small piece of our end-of-June 7500 short calls as volatility moved, covering and reselling that slice repeatedly to monetize the intra-quarter swings. We ultimately rolled a large portion of the hedge out to August. The structure of the book pays us to be hedged and patient—a posture we believe is most favorable as equities press higher and as policy and geopolitical uncertainty persist.

Other factors that impacted the strategy included:

Equity Performance. The S&P 500 advanced 15.20% during the quarter. The equity sleeve rose in line with the broader market.

Interest Rates. The current short-term interest rate continues to provide a wide spread between calls written and long puts, which has been supportive of the hedged equity strategy.

Volatility. The CBOE Volatility Index (VIX) declined to 16.45 from its 25.25 value at the beginning of the quarter, with much of the declining volatility observed after the US-Iran cease fire announced in April. Fed policy expectations, geopolitical issues, and earnings season uncertainty continue to create "volatility in volatility."

Convertible Arbitrage Strategy

Convertible arbitrage posted gains broadly in line with hedged equity for both the quarter and year to date. We're taking advantage of record-breaking new issuance in the convertible market. US convertible issuance reached $62.7 billion in the quarter and $90.0 billion year to date, a pace that annualizes to approximately $180 billion, which would easily surpass last year's record $119.5 billion to set an all-time high. 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 companies, and the AI build-out provides an ideal backdrop for that dynamic to continue.

The headline deal was Alphabet's (GOOG/GOOGL) entry into the market. Its two-tranche mandatory convertible totaled more than $19 billion, making it the largest US convertible ever issued. The fact that a mega-cap, Mag Seven issuer chose the convertible structure is also important. Companies are often reluctant to access the capital market in ways that differ from what their market cap or sector peers typically do, so its decision to enter the market could open the door for other mega-cap names to follow.

Alphabet's issuance was part of a deep roster of large transactions. The issuer mix continues to skew toward capital-intensive growth sectors: AI compute, datacenter and networking infrastructure, semiconductors, crypto-adjacent names, and fintech.

Terms have stayed broadly in line with last year, and investors have continued to step up to meet the supply. That said, a handful of issuers have begun to push terms: We have seen deals priced with zero coupons and conversion premiums north of 60% that not only get done but trade well out of the gate. However, the more telling and encouraging signal is that the secondary market took down record supply without existing paper trading down. This points to structural demand, rather than a temporary bid, and this backdrop sets up well for our unlevered arb approach.

Other factors that impacted the strategy included:

Interest Rate Environment. While the Federal Reserve left its top overnight interest rate unchanged, interest rates rose beyond the short end of the curve. The yield on the 1-Year Treasury rose from 3.68% to 3.98% while the yield on the 5-Year Treasury rose from 3.92% to 4.19%. The average US high-yield corporate credit spread narrowed by 55 basis points quarter over quarter to 293 basis points over government securities, according to Bloomberg. The rising intermediate interest rates and narrowing spreads largely offset the credit impact on the convertibles' bond component during the quarter.

Convertible Valuations. Convertible valuations richened during the quarter. US Convertibles began the quarter trading at an average 0.37% discount to their theoretical fair value and ended at a 0.01% premium, according to ICE BofA. The theoretical fair value of a convertible can be determined by the sum of its bond and option components. The fact that convertible valuations have richened against a backdrop of record issuance reflects convertibles' strong demand.

Volatility. Declining volatility was a headwind for the strategy because it generally reduces the value of a convertible's option component and limits trade rebalance opportunities. However, individual name volatility continued to provide selective opportunities.

Merger Arbitrage and SPAC Arbitrage

Merger arbitrage and SPAC arbitrage both gained ground for the quarter and year to date. In the merger arb space, deal flow is healthy, and financing is wide open. Federal antitrust regulation has become less of a burden, with vertical and complementary combinations clearing Washington quickly. There are higher regulatory risks on the state and international levels, but we're still seeing the environment improve overall.

In SPAC arbitrage, we remain focused on structures with positive yield-to-expiration, where short-term rates allow attractive carry on cash held in trust. We continue to deploy the strategy opportunistically and do not anticipate materially increasing the allocation absent a more compelling valuation environment.

Outlook

In CMNIX, we're not focused on making directional calls on the market. Instead, we want to position the fund to be prepared for as many potential outcomes as possible. In an environment where there's uncertainty on multiple fronts, we believe this approach will continue to drive steady performance, providing a powerful alternative for investors worried about interest rates and Fed policy direction, equity valuations, and the potential for sharp rotations in a narrow market.

We see many tailwinds for CMNIX's multi-strategy approach. Convertible issuance should stay robust, benefiting our convertible arbitrage strategy. The rate and volatility environment should provide tailwinds for our hedged equity strategy, and the regulatory backdrop for merger activity remains supportive.

For additional information or to download a fact sheet, please visit the fund's profile page:
CMNIX - Market Neutral 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.

Term Definitions

Convertible Arbitrage involves buying convertible bonds and short selling their underlying equities to attempt to hedge against equity risk, while still providing the potential for upside returns. A **Covered Call Writing strategy** begins with a portfolio of stocks, most of which pay dividends. (Stock provisions include securities convertible into the underlying stocks.) We then write (sell) calls and buy puts against a portion of this basket. The **Credit Suisse Fear Barometer** essentially tracks the willingness of investors to pay up for downside protection with collar trades on the S&P 500 Index. The **Morningstar Relative Value Arbitrage Category** is comprised of funds that seek out pricing discrepancies between pairs or combinations of securities regardless of asset class. A **call option** gives the buyer the right to purchase stocks at a predetermined strike price. If these securities rise above the strike price, the buyer may exercise the option and the fund (seller) must pay the buyer the difference as determined by the option contract. By writing calls on securities held in the portfolio, the fund can generate income from option premiums. A **put option** gives the purchaser the right to sell a security to the writer at a predetermined price. Put options rise in value as the underlying securities decline in value. Through put options, the fund seeks to offset some of the risk of a potential decline in a portfolio holding. **Alpha** is a measurement of performance on a risk-adjusted basis. A positive alpha shows that performance of a portfolio was higher than expected given the risk. A negative alpha shows that the performance was less than expected given the risk. **Beta** is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

Index Definitions

The **Bloomberg US Government/Credit Bond Index** comprises long-term government and investment-grade corporate debt securities and is generally considered representative of the performance of the broad US bond market. Unlike convertible bonds, US Treasury bills are backed by the full faith and credit of the US government and offer a guarantee as to the timely repayment of principal and interest. The **ICE BofA All US Convertibles Index (VXA0)** is comprised of approximately 700 issues of only convertible bonds and preferreds of all qualities and measures the return of all US 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 **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 **Bloomberg Short Treasury 1-3 Month Index** is generally considered representative of the performance of short-term money market investments and is provided to show how the Fund's performance compares to public obligations of the US Treasury with maturities of 1-3 months. The **S&P 500 Index** is generally considered representative of the US stock market. The **S&P 500® Equal Weight Index (EWI)** 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 EWI 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 **Bloomberg US Aggregate Index** is a broad-based benchmark of the US investment grade and global investment grade bond market, including Treasury, government related, corporate and securitized fixed-rate bonds.

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.

Covered Call Writing Risk: As the writer of a covered call option on a security, the fund foregoes, during the option's life, the opportunity to profit from increases in the market value of the security, covering the call option above the sum of the premium and the exercise price of the call. 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.

Convertible Hedging Risk: If the market price of the underlying common stock increases above the conversion price on a convertible security, the price of the convertible security will increase. The fund's increased liability on any outstanding short position would, in whole or in part, reduce this gain.

The principal risks of investing in the **Market Neutral Income Fund** include: equity securities risk consisting of market prices declining in general, convertible securities risk consisting of interest rate risk and credit risk, synthetic convertible instruments risk, convertible hedging risk, covered call writing risk, options risk, short sale risk, interest rate risk, credit risk, high-yield risk, liquidity risk, portfolio selection risk, and portfolio turnover risk. In addition, emerging markets may present additional risk due to potential for greater economic and political instability in less developed countries.

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