

Short-Term Bond Fund Quarterly Commentary

CALAMOS[®]
INVESTMENTS

Fund Overview

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

Market Overview

The Bloomberg US Government/Credit 1-3 Year Index returned 0.48% during the second quarter of 2026.

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.

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DATA AS OF 6/30/26

CALAMOS SHORT-TERM BOND FUND AVERAGE ANNUAL RETURNS (%)

	QTD	1-YEAR	3-YEAR	5-YEAR	SINCE INCEPTION
Calamos Short-Term Bond Fund					
I Shares - at NAV (Inception—9/19/18)	0.81	3.76	5.32	2.80	3.07
A Shares - at NAV (Inception—9/19/18)	0.75	3.51	5.06	2.55	2.83
A Shares Load adjusted	-1.52	1.19	4.25	2.08	2.53
Bloomberg US Govt/Credit 1-3 Years Index	0.48	3.14	4.64	2.12	2.47
Bloomberg US Credit 1-3 Year Index	0.79	3.75	5.29	2.64	2.97
Morningstar Short-Term Bond Category	0.85	3.70	5.35	2.42	2.71

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 0.64% and I Shares 0.39%.

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

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. Credit spreads broadly retraced much of the widening tied to the first quarter's energy shock.

Performance Review

For the quarter ending June 30, 2026, the fund returned 0.81% (Class I shares at NAV), edging out the Bloomberg US Govt/Credit 1-3 Year Index's 0.48% increase.

Positive Influences on Performance

- The fund's overweight to corporate credit—particularly within the Consumer Cyclical sector (automotive suppliers, gaming, leisure, and airlines)—was the largest driver of relative outperformance, as risk sentiment recovered sharply following the de-escalation of the Middle East conflict and spreads retraced much of the first quarter's widening.
- The fund's substantial out-of-benchmark allocation to asset-backed securities—most notably within esoteric/other ABS and auto loan collateral—was additive. The sector delivered steady positive returns that are captured entirely through allocation, since ABS carries no weight in the benchmark.

Negative Influences on Performance

- The fund's longer-than-benchmark duration profile weighed on relative performance, as front-end Treasury yields backed up sharply following the Federal Reserve's leadership transition and the market's hawkish repricing of the policy path.
- Security selection among the BBB issuers held by the fund was also a drag on performance during the quarter.

Positioning and Portfolio Changes

The fund's duration remains positioned longer than its benchmark. Within credit, we do not yet see a compelling case for adding risk aggressively given unresolved geopolitical risk, a less predictable Fed, and record new-issue supply. We will continue to selectively add credit exposure—including leveraged loans and out-of-benchmark ABS—where we believe we are being adequately compensated for the risk. We will maintain the fund's overweight to corporate securities and asset-backed securities by underweighting Treasuries.

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

Duration/Yield Curve

Positioning

The fund ended the quarter with a duration modestly longer than its benchmark.

Market Activity

Following the Federal Reserve's leadership transition, new Chairman Kevin Warsh signaled a preference for reduced forward guidance and focus on restoring price stability, and front-end rate volatility increased meaningfully as a result. Two-year Treasury yields rose from 3.79% to 4.17% during the quarter as the market priced out the multiple 2026 rate cuts it had anticipated entering the year and began pricing in the possibility of hikes instead. The curve flattened as short rates led the move higher.

Results

The fund's longer-duration profile was a clear detractor from relative performance this quarter, as the sharp back-up in front-end yields weighed on that incremental rate exposure. Sector allocation and security selection within the credit portfolio more than offset this drag, placing the fund ahead of its benchmark for the period overall.

Security Type

Positioning

The fund remained substantially overweight corporate securities—financial institutions, industrial, and utility issuers collectively represented approximately 64% of the portfolio versus 22% for the benchmark. Out-of-benchmark securitized products with ABS, agency MBS, CMBS, CMO, and housing-related exposure together represented approximately 25% of assets. These overweights were funded by a large underweight to Treasuries. Within corporate bonds, the largest overweights were in the consumer cyclical, technology, and consumer non-cyclical sectors. The team also maintained a meaningful allocation to senior secured leveraged loans spread across a range of industries, representing approximately 10% of assets.

Market Activity

Corporate credit and other spread sectors performed strongly during the quarter as risk appetite recovered. Within the benchmark, industrial issuers returned 0.79%, financial institutions 0.92%, and utilities 0.84%, while Treasuries returned just 0.37% amid the back-up in front-end yields. Out-of-benchmark sectors captured similar tailwinds: the fund's ABS holdings returned 0.92%, and a number of individual leveraged loan positions delivered low single-digit performance for the quarter.

Results

The fund's large overweight to corporate credit and out-of-benchmark securitized and loan exposure, together with the corresponding underweight to Treasuries, was the dominant driver of relative outperformance during the quarter. Security selection within consumer cyclical names—including automotive suppliers, gaming, leisure, and airlines—and across the fund's leveraged loan book was particularly strong. A handful of idiosyncratic credits detracted modestly, including one household appliance manufacturer whose bonds widened sharply on company-specific concerns.

Credit Quality

Positioning

The fund continues to carry a meaningful allocation to below investment-grade-rated exposure and senior secured loans, alongside a significant overweight to AAA securities largely in the form of asset-backed security exposure.

Market Activity

Performance across rating categories was directional and risk-on, with lower-rated credits leading the recovery as risk appetite returned. This trend was present in both the investment-grade and high-yield markets.

Results

The fund's exposure to BB- and B-rated corporate credit and leveraged loans was a strong positive contributor as spreads retraced the prior quarter's widening. Security selection among the fund's BBB-rated issuers was a modest drag on results.

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—the portion of the curve most relevant to the fund's mandate. Present leadership has little incentive, in our view, to begin a tenure by shifting gears prematurely, which argues for continued caution concerning the timing of any resumption of cuts.

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. We believe the domestic economy has enough underlying momentum to avoid recession even if the conflict were to resume, though growth would likely shift lower in that scenario.

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

[CSTIX - Short-Term Bond 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

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. 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. 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 and 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). A **3m3y curve** is the yield differential between the 3-month and 3-year maturity points of the Treasury curve. A **1y3y curve** is the yield differential between the 1-year and 3-year maturity points of the Treasury curve.

Index Definitions

The **Bloomberg US Government/Credit 1-3 Year Index** includes all medium and larger issues of US government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities of between 1 and 3 years and are publicly issued. The **Bloomberg Asset-Backed Securities (ABS) Index** is the ABS component of the Bloomberg US Aggregate Index. The Asset-Backed Securities (ABS) Index has three subsectors: credit and charge cards, autos and utility. The index includes pass-through, bullet, and controlled amortization structures. 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 **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. **Morningstar Short-Term Bond Category** funds invest primarily in corporate and other investment-grade US fixed-income issues and typically have durations of 1.0 to 3.5 years. Short-term is defined as 25% to 75% of the three-year average effective duration of the MCB1.

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 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 Short-Term Bond Fund** include: interest rate risk consisting of loss of value for income securities as interest rates rise, credit risk consisting of the risk of the borrower to miss payments, high-yield risk, liquidity risk, mortgage-related and other asset-back securities risk, including extension risk and prepayment risk, US Government security risk, foreign securities risk, non-US Government obligation risk and portfolio selection 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.

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. 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.



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