

Total Return 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 a high current income and total return in excess of the benchmark over market cycles.

Market Overview

The US investment-grade bond market, as represented by the Bloomberg US Aggregate Index, returned 0.67% 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 TOTAL RETURN BOND FUND AVERAGE ANNUAL RETURNS (%)

	QTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE INCEPTION
Calamos Total Return Bond Fund						
I Shares - at NAV (Inception—6/27/07)	0.89	3.88	4.48	0.46	1.75	3.31
A Shares - at NAV (Inception—6/27/07)	0.71	3.61	4.22	0.19	1.48	3.04
A Shares Load adjusted	-1.57	1.26	3.45	-0.27	1.09	2.84
Bloomberg US Aggregate Bond Index	0.67	3.79	4.16	0.08	1.54	3.19
Morningstar Intermediate Core-Plus Bond Category	1.01	4.06	4.81	0.49	2.11	3.51

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 1.26%, C Shares 2.01% and I Shares 1.01%.

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. 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%.

Within the broad investment-grade market, corporate bonds were the best-performing major component during the quarter, followed by government-related debt, while securitized products and Treasuries lagged. Within securitized products, asset-backed securities outperformed, while mortgage-backed securities weighed on the sector's blended return.

Performance Review

For the quarter ending June 30, 2026, the fund returned 0.89% (Class I shares at NAV) versus the Bloomberg US Aggregate Bond Index return of 0.67%.

Positive Influences on Performance

- The fund's overweight allocation to corporate bonds issued by financial institutions contributed to relative returns during the reporting period, particularly those in the insurance industry.
- The fund's underweight allocation to Treasuries, the weakest performer among security types, was also additive.

Negative Influences on Performance

- Within industrial (non-financial) corporate debt, security selection among transportation issuers was a drag on performance.
- The lack of non-US sovereign bonds in the portfolio hindered relative returns, as that component of the benchmark was among the strongest-performing.

Positioning and Portfolio Changes

Despite the recent flattening, we believe the long-term yield curve steepening thesis remains intact. Large fiscal deficits, an elevated term premium, a Fed chair focused on price credibility over accommodation, and structurally higher front-end rate volatility all argue against a meaningful decline in longer rates. Based on these expectations, we have positioned the Calamos Total Return Bond Fund with a duration short of its benchmark, with the underweight concentrated in long-end exposure.

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 within high yield and the BBB tier within investment grade—but the combination of unresolved geopolitical risk, 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.

Our philosophy remains rooted in being adequately compensated for the risks we 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 to add exposure at the lower end of the credit spectrum.

Duration/Yield Curve

Positioning

The fund remains positioned with duration short of its benchmark, and the underweight concentrated in long-end exposure. This reflects our continued expectation for a steeper yield curve, driven by large fiscal deficits, an elevated term premium, and a Fed chair who prioritizes price credibility over accommodation.

Market Activity

Two-year Treasury yields closed the quarter at 4.17% and 10-year yields at 4.47%, leaving the 2s10s curve with a positive slope of 30 basis points at quarter-end. Front-end rate volatility increased meaningfully following the Fed leadership transition, as the new chair's preference for reduced forward guidance left the market more reliant on data in setting near-term rate expectations.

Results

Overall, the duration underweight was beneficial for relative performance as Treasury rates increased during the quarter. The prevailing curve move during the quarter was for short-term rates to lead the move upward (i.e., curve flattening) as the market priced in less transparency from the Federal Reserve. For fiscal and term-premium reasons, we believe the long-end steepener thesis remains intact.

Security Type**Positioning**

The fund continues to be overweight corporate bonds, mortgage-backed securities, and asset-backed securities, funded by underweights to Treasuries and government-related debt.

Market Activity

Within the Bloomberg US Aggregate Index, corporate bonds led all major components with a return of 1.40%. Government-related debt returned 0.84%, followed by the securitized sector at 0.58% and Treasuries trailing at 0.32%. Within securitized products, returns were bifurcated: asset-backed securities returned 0.75%, while mortgage-backed securities were the drag on the sector, weighing down the blended securitized return; ABS remains a small component of the benchmark.

Results

The fund's overweight to corporate bonds was the strongest contributor among security types, as the sector was the best performer in the benchmark. The underweight to Treasuries, the weakest-performing sector, also supported relative performance. Within securitized products, the fund's overweight to asset-backed securities was additive given ABS's outperformance, while the overweight to mortgage-backed securities was a modest drag, as MBS lagged the broader market. The underweight to government-related debt was a modest headwind, as that sector outperformed both securitized products and Treasuries during the quarter.

Credit Quality**Positioning**

The fund remains underweight the AA-rated category (largely represented by Treasuries in the index) against overweights in AAA, A, and BBB-rated positions. Given the modest widening and subsequent retracement in credit spreads over the past two quarters, the team has continued to maintain a quality bias across strategies without meaningfully sacrificing income.

Market Activity

Performance among rating categories was directional, with lower-rated credits leading the way. BBB-rated bonds returned 1.72% for the quarter, followed by A-rated positions at 1.27%. AA-rated securities, dominated by Treasuries, returned 0.42%, while the AAA category trailed at 0.38%.

Results

The fund's overweight to A and BBB rated positions was the primary support for relative performance, as those categories led all major rating buckets during the quarter. The underweight to AA-rated securities, dominated by Treasuries, was also additive given that category's weaker relative performance. The overweight to AAA-rated paper was a modest drag, as that category lagged the broader market despite its higher credit quality.

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. Present leadership has little incentive, in our view, to begin a tenure by shifting gears prematurely.

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:

[CTRIX - Total Return 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

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 Second-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). The **2y10y curve** is the yield differential between the 2-year and 10-year maturity points of the Treasury curve.

Index Definitions

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 **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 **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 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 Total Return 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-backed securities risk, including extension risk and prepayment risk, US Government security risk, foreign securities risk, non-US Government obligation risk and portfolio selection 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. 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.

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.



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