CALAMOS®
TODAY FOR TOMORROW

From complexity to accessibility:

Democratizing autocallable yield notes through ETF innovation

A strategic collaboration with JP Morgan (Hedge provider) and MerQube (Index provider)

Executive summary

Calamos Investments is bringing one of the most in-demand forms of income to the ETF market. Autocallable yield notes (or "autocallables") have captured significant investor interest for their ability to deliver high stable income that is tied to equity market performance, rather than traditional fixed income factors like credit or duration.

Today, the total callable yield note market represents nearly 70%* of all structured note sales in the U.S. within a $200+ billion derivative income landscape. However, accessing these market-linked investments has traditionally required navigating operational and tax complexity, and substantial minimum investments.

The Calamos Autocallable Income ETF (CAIE) is the first laddered ETF to democratize autocallables through:

Callable yield notes represent nearly 70% of all structured note sales in the U.S. within a $200+ billion derivative income landscape

High stable income potential
Monthly coupons and principal preservation contingent on equity market performance

Tax-advantaged income
Seeks favorable tax treatment on distributions vs ordinary income

Model portfolio ready
Single ticker solution, liquid, and operationally efficient

Laddered exposure
Exposure to 52+ autocallables seeks to smooth income, reduces timing risk and eases operational burden of rolling into new vintages

* As of 12/31/24.

The $200 billion derivative income revolution

Over the past decade there has been increasing demand for differentiated sources of income that can keep pace with inflation and overall portfolio objectives, without taking on excessive risk. Traditional fixed income investments have struggled to deliver adequate yields, forcing investors to make difficult trade-offs:

- **Extend duration** Accepting significant interest rate risk
- **Degrade credit quality** Embracing default risk for marginal yield gains
- **Sacrifice liquidity** Locking up capital in illiquid alternatives

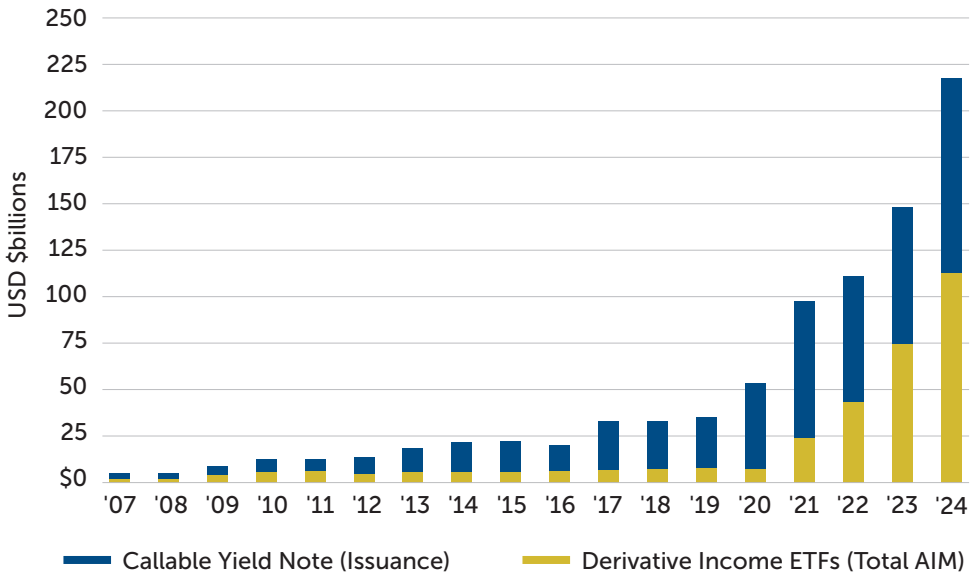
This demand has driven derivative income strategies to exceed $200 billion in assets across ETFs ($114B) and structured notes ($104B).

The appeal for derivative income is clear: *high income potential tied to equity markets rather than credit or interest rate risk.*

In the ETF space, this categorical growth has largely been through covered call writing strategies—designed to sell up-side equity exposure in exchange for premium income while subject to equity downside risk that is partially offset by income collected. Within structured notes, callable yield notes dominate the derivative income category—accounting for approximately 70% of issuance across the U.S. These market-linked investments offer yields significantly above traditional bonds by deriving returns from equity market parameters rather than credit spreads or duration.

GROWTH IN DERIVATIVE INCOME BASED PRODUCTS

Across ETFs and structured notes (2007-2024)



Data as of 12/31/24. Autocallable note issuance data source: J.P. Morgan and Structured Retail Products, as of 12/31/24. Derivative Income Funds AUM data source: Morningstar, as of 12/31/24. "Derivative Income" is categorized by Morningstar as encompassing ETFs and mutual funds that primarily use options to generate income, typically through strategies like covered call writing. **Past performance is not indicative of future performance.**

THE APPEAL FOR DERIVATIVE INCOME IS CLEAR:

High income potential tied to equity markets rather than credit or interest rate risk

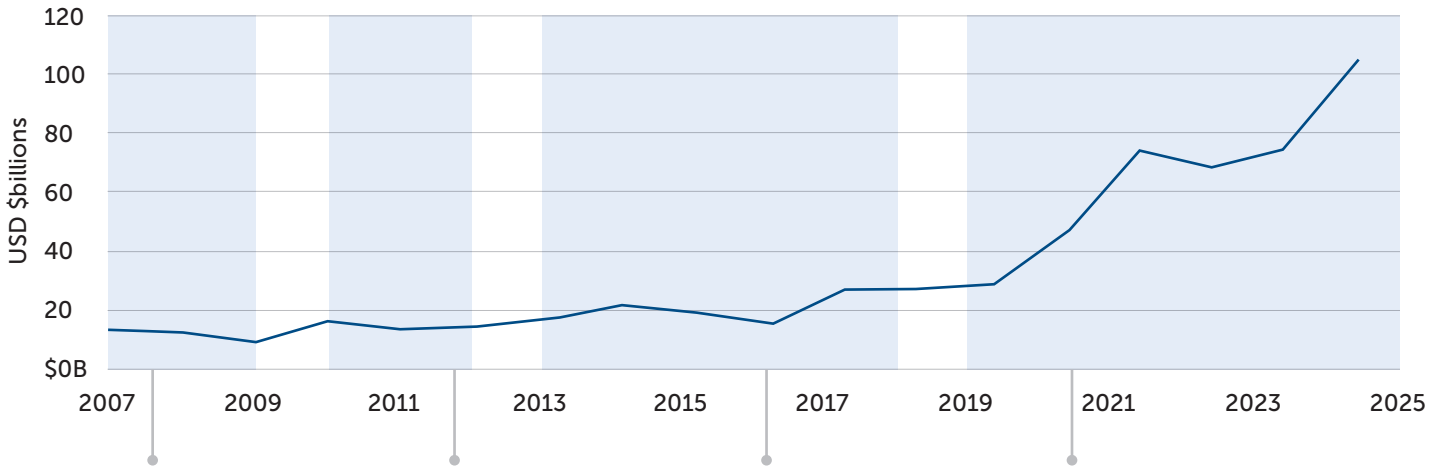
The evolution: From reverse convertibles to autocallables

The autocallable yield note space has roots in the convertible bond market—territory well-known to Calamos, one of the largest convertible managers in the United States. Traditional convertibles make regular coupon payments and give investors the option to convert their holdings into shares when the company's stock price rises. The reverse convertible flipped this concept entirely: instead of offering generally lower coupons and potential conversion to equity on the upside, the "rev-con" allowed investors to receive significantly enhanced coupon payments—typically much higher than traditional bonds—but contingent upon the underlying stock not falling below predetermined levels, at which point the reverse convertible would convert from a bond into shares of the underlying stock.

This innovation marked a turning point—reverse convertibles became the first income-generating structured notes tied to equity market performance rather than traditional fixed-income factors like credit quality or interest rate duration. The appeal was immediate: significantly higher yields without the constraints of credit spreads or interest rate risk. Today, the yield note space has grown into a $100b+ market, with many investors opting for callability features and optimized underlying reference indexes in an effort to generate a differentiated source of income.

TIMELINE OF AUTOCALLABLE YIELD NOTE MARKET

Total yield product sales (2007-Present)



Pre-2009
Non-callable: 70%
Callable: 30%
Market share: 35%

Proliferation of stock-linked non-callable yield products known as "Reverse covertibles"

2010-2012
Non-callable: 39%
Callable: 61%
Market share: 32%

Move from reverse convertible to callable, index-linked (primarily single underlier) yield products

2013-2018
Non-callable: 8%
Callable: 92%
Market share: 41%

Steady maturation of the market, introduction of worst-of index underliers. "Phoenix" coupon convention. Euro barriers etc.

2019-Present
Non-callable: 2%
Callable: 98%
Market share: 53%

Rate environment drives demand for yield, with introduction of "optimized" broad-based underliers (e.g. MerQube Vol Advantage)

Source: Structuredretailproducts.com

Demand despite limitations

Institutional demand for autocallable yield notes remains high, but accessing them has traditionally meant accepting some limitations:

Navigation of complex structured notes market

Manual reinvestment when notes are called early

Tax complexity

Limited liquidity and high minimum investments ($250,000+)

Given the popularity of autocallables and the explosive growth of derivative income strategies, the delivery of these market-linked investments to the liquid, transparent, tax-efficient ETF wrapper represents a natural evolution.

What is an autocallable yield note?

An autocallable is a market-linked investment whose coupon payments and principal at maturity are tied to equity market performance. Think of it as a bond whose income depends on the stock market not falling too far.

Key structure of an autocallable

Life span	Typically 3-5 years
Coupon barrier	Level where payments stop if breached (e.g., -40%)
Maturity barrier	Principal protection threshold (e.g., -40%)
Reference index	The underlying market benchmark that determines coupon payments and principal protection (i.e., MerQube US Large-Cap Vol. Advantage Index)

The trade-off is simple

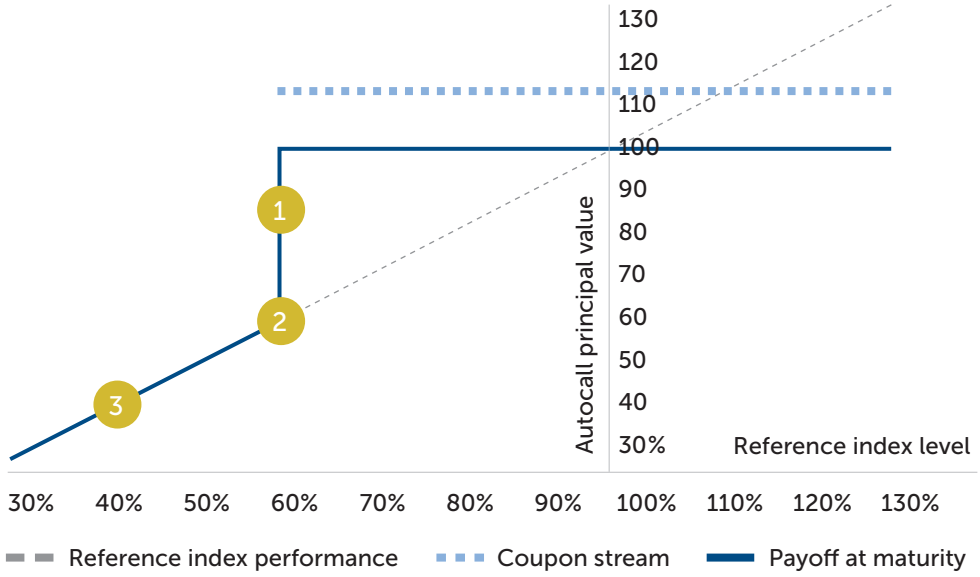
Autocallable yield notes allow investors to seek bond-like income that's historically has been much higher than traditional fixed income (often 11-14% annually), in exchange for the risk that a severe market downturn could interrupt your payments or, in the worst case, result in some loss of principal.

An autocallable is a market-linked investment whose coupon payments and principal at maturity are tied to equity market performance not falling below a set threshold.

Historical context

From a historical perspective, the most likely scenario has been that the market generally rises beyond its initial level over time, which would have resulted in the autocallable notes paying a steady coupon and returning full principal well before maturity. However, one should not discount the risk of a severe sustained market decline scenario (e.g., Global Financial Crisis), where some impact to coupon payments and principal value would have occurred.

The overall payoff profile of a single autocallable note with these parameters is illustrated below.



An autocallable pays a regular coupon payment and returns principal, so long as a reference index is not below a set threshold (e.g., -40%).

During the life of this illustrative note, the investor may face one of three possible outcomes.

1. **Reference Index rises or stays flat—**
   Investor will receive monthly income until the note is called, and then receives principal back
2. **Reference Index declines moderately but remains above -40% barrier**
   Investor receives monthly income for the full 5 years until maturity, then receives principal back
3. **Reference Index crashes severely, dropping below the -40% barrier**
   In this scenario coupon payments stop. If the reference index recovers above the -40% barrier, coupon payments will resume. Finally, if the reference index declines -40% or more at maturity (e.g., in 5 years), the investor will experience a principal loss proportional to that decline.

At each observation date
The note's coupon will be paid so long as the reference index is above the coupon barrier of -40%. As illustrated, the light blue "coupons" stop when reference index is trading below the 60% principal barrier (i.e., -40%).

At maturity
Historically, most autocallable notes are called well in advance of maturity. However, in the event that a note has not been called at any point over its 5-year life, then at maturity the note will face one of two outcomes:

- return full principal + final coupon if the -40% protective barrier has not been breached at maturity
- return less than full principal if the protective barrier has been breached.

The autocallable "easy button"

Advisors have long recognized the value of autocallables, and despite the operational limitations (high minimums, tax complexity, manual reinvestment) have embraced the space because the differentiated income source justified the effort. Through the Calamos Autocallable Income ETF (CAIE), these friction points have been removed.

CAIE is a groundbreaking ETF that provides diversified exposure to autocallables in the benefit-rich ETF wrapper. Through this approach, CAIE not only simplifies the experience for advisors and investors, but improves the overall structure as well, adding liquidity, transparency, diversification and tax-efficiency along the way.

How CAIE Works

CAIE provides investors continuous exposure to a portfolio of 52+ autocallables, staggered weekly, each with similar terms and whose coupon payments and principal at maturity are tied to the same reference index: MerQube US Large Cap Vol Advantage Index— a US Large-Cap index optimized specifically for autocallable strategies. The terms of each autocallable within CAIE are outlined below:

Maturity: 5 years

Coupon payments: Monthly

Coupon barrier: -40%

Maturity barrier: -40% (principal protection threshold)

Autocallable level: Called if Reference Index is positive after 1 year non-call period

Reference index: MerQube US Large-Cap Vol Advantage Index

Ultimately, this portfolio of autocallables is culminated inside an index that is then traded on swap between Calamos and JP Morgan (swap counterparty). This process is what ultimately delivers the coupons and market values of the underlying autocallables to the ETF, and ultimately to the investor.

Professional Portfolio Management

Laddered exposure to 52+ autocallables entered weekly

Automatic reinvestment when notes are called

Institutional execution through swap with JP Morgan

Optimized reference index designed specifically for autocallables

COMPARING TRADITIONAL AUTOCALLABLES TO THE CALAMOS AUTOCALLABLE INCOME ETF

Traditional autocallables	Calamos Autocallable Income ETF (CAIE)
$250,000+ minimums	Any investment amount
Limited liquidity	Daily ETF trading
Potential Tax Complexity	1099 reporting
Single timing risk point	Risk spread across 52+ checkpoints
Manual reinvestment	Automatic reinvestment
Operational complexity	Model portfolio ready

Under the hood: The power of laddering autocalls

The key breakthrough CAIE offers investors: Instead of investing in one autocallable with a high coupon and a -40% maturity barrier, investors gain exposure to a professionally managed portfolio of 52+ autocallables, each staggered one week apart, all tied to the same reference index designed to maximize coupon rates and reduce reinvestment risk.

This laddered approach fundamentally transforms the structured note experience by eliminating single-point timing risk, providing ongoing liquidity, and seeking a more consistent performance profile while maintaining the enhanced yield potential that makes autocallables appealing.

COMPARING TRADITIONAL AUTOCALLABLES TO CAIE'S LADDERED APPROACH

Single autocallable note	Calamos laddered approach
Significant principal risk at single maturity point	Reduced tail risk—Even if some notes breach barriers, others remain intact
Potentially lumpy income (binary event tied to single market performance)	Seeks smoothed income from multiple notes paying coupons at different times
Coupon rate highly sensitive to market factors	Potentially less sensitive and more stable coupon rates
Reinvestment risk and complexity	Principal automatically reinvested

CAIE offers diversified exposure to multiple autocallables, smoothing the extremes and delivering a potentially more predictable and stable income stream.

Visualizing the difference

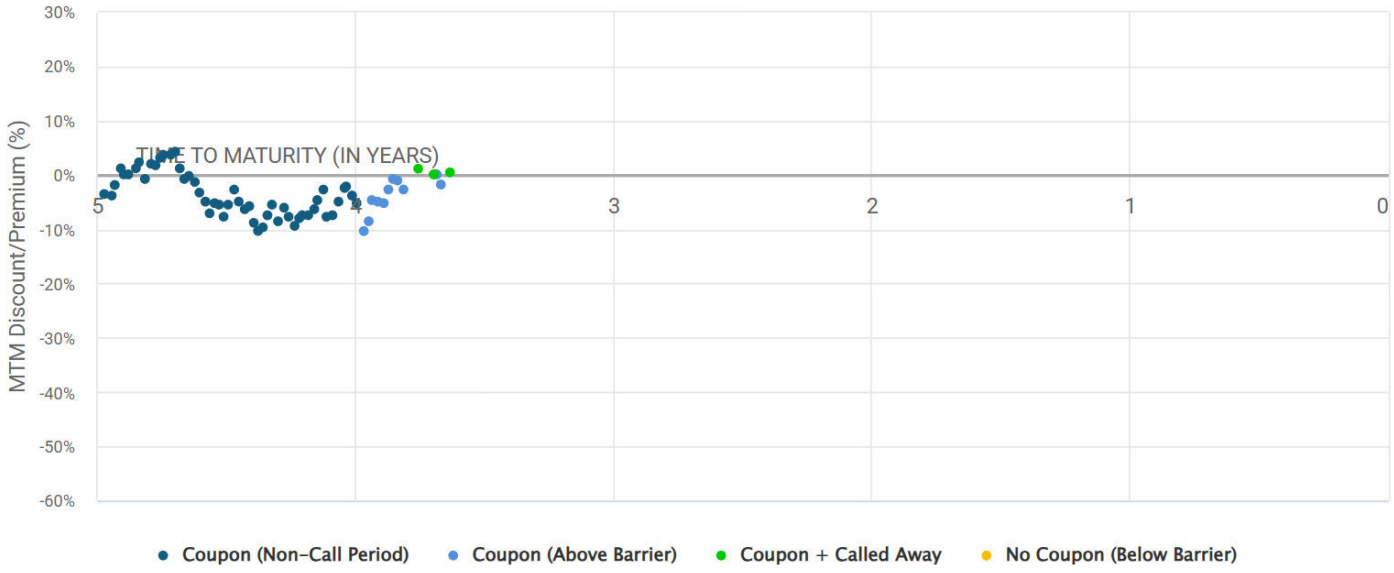
Imagine 52+ different investors each buying one autocallable note at different times over 5 years. Some will hit barriers, some won't. Some will be called early, and a few might make it to maturity. CAIE delivers the diversified outcome of all investors combined—smoothing the extremes and delivering a more predictable result.

Transparency through technology

Through the Calamos Autocallable Dashboard, investors can see exactly how many autocallables CAIE is exposed to and where they stand relative to coupon payments, market value, premium/discount to par, and expiration. This provides real-time visibility into the portfolio's performance. This dashboard is illustrated below, and can be found at calamos.com/acdashboard.

The illustration below shows a snapshot of a laddered autocallable portfolio on July 8, 2025—a particularly volatile time in the market marked by tariff uncertainty. Each "dot" is representative of an autocallable within the overall laddered strategy. This visualization demonstrates how the laddered approach spreads risk across multiple entry points and market conditions, with automatic reinvestment handling all operational complexity behind the scenes.

AUTOCALLABLE DASHBOARD



Dot color	Zone	Coupon paid	Principal value (When called or at maturity)
Dark blue	**Not called** Above barrier, within 1yr non-call period.	Yes	100%
Light blue	**Not called** Above barrier, below starting value.	Yes	100%
Green	**Called away** Above barrier, outside non-call period.	Yes	100%
Gold	**Not called** Below barrier.	No	Principal at risk

It's important to note that while each autocallable is designed to return principal when called and over the life of the autocallable (unless the maturity barrier is breached), the liquidity of the ETF means that autocallables are marked-to-market and can therefore trade at a premium or discount to their par values throughout the interim period. This information is all displayed in the Autocallable Dashboard.

MerQube US Large-Cap Vol Advantage Index (MQUSLVA): a broad equity benchmark optimized for autocallables

Each autocallable references the MerQube US Large-Cap Vol Advantage Index (MQUSLVA)— a next-generation benchmark optimized specifically for autocallable performance:

- Systematic construction maximizes income generation potential
- Volatility targeting and daily decrement help contribute to high stable coupon stream
- Large-cap focus ensures liquidity and transparency
- Single index avoids complex "worst-of" correlations

Since the launch of the index in 2021, MerQube has become a preferred reference asset for some of the world's leading autocallable note issuers (e.g., JP Morgan), earning recognition as "the future of the autocallable space" for its ability to stabilize note parameters and enhance income potential.

The MerQube US Large-Cap Vol Advantage Index provides exposure to E-Mini S&P 500 Futures contracts while targeting an overall reference index volatility of 35%. A 0.016% daily deduction is also applied daily to the reference index return which aids in dividend stabilization and to further achieve high stable income. More information about the reference index can be found at https://merqube.com/indices/MQUSLVA.

By referencing an optimized US large cap reference index and employing -40% coupon barriers and 5-year -40% maturity barriers, CAIE may provide investors with a high level of monthly income while capitalizing on the low probability event that a 5-year option with a -40% barrier will be exercised. However, it's important to note this equity tail risk is one of the primary risks investors are taking on in exchange for higher than "traditional" coupons.

Each autocallable references the MerQube US Large-Cap Vol Advantage Index (MQUSLVA) —a next-generation benchmark optimized specifically for autocallable performance

Historical perspectives

To properly analyze the laddered autocallable strategy, three benchmarks provide important reference points for understanding historical performance. The first is the index that Calamos trades swap on with JP Morgan. The second is the reference index each autocallable's coupon and maturity value are tied to. And third is the S&P 500 Total Return Index - valuable for analyzing the relative value of the other two indexes.

1. **MerQube US Large-Cap Vol Advantage Autocallable Index (the "Laddered Index", ticker: MQAUTOCL)**
   A custom benchmark tracking a weekly laddered portfolio of synthetic autocallable notes, each with 5-year maturities and -40% coupon and maturity barriers. This index is traded on swap JP Morgan and serves as the foundation for delivering the laddered autocallable experience inside CAIE.

2. **MerQube US Large-Cap Vol Advantage Index (the "Reference Index", ticker: MQUSLVA)**
   The underlying benchmark for each autocallable within the Laddered Index. The Reference Index level determines whether each autocallable pays coupons and matures at par. It's important to note this index is not the experience of the ETF itself, which is generally more in line with MQAUTOCL.

3. **S&P 500 Total Return**
   A broad measure of US large-cap performance, providing context for the MerQube indices' risk-adjusted approach

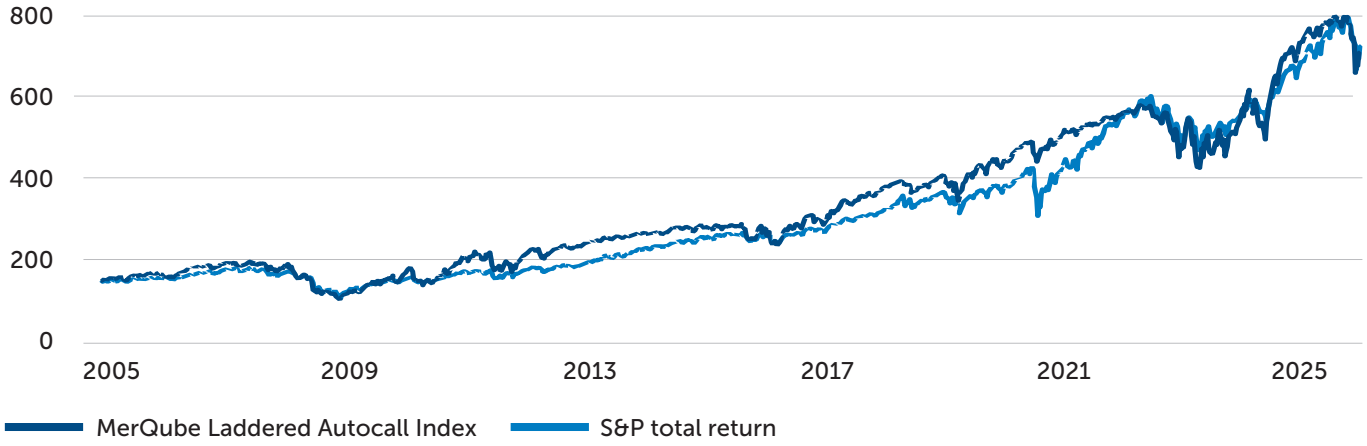
Given this framework, there are two key questions we can answer through a historical lens.

- What are the historical return characteristics, coupon stability, and principal preservation rates of the Laddered Autocallable Index?
- How often has the MerQube US Large-Cap Vol Advantage Index fallen below the -40% barrier? In other words, how effective was the protection?

We answer these questions via the historical data that follows:

MQAUTOCL: Historical Return Profile

The chart below shows the historical performance and total return of the MerQube US Large-Cap Vol Advantage Autocallable Index (ticker: MQAUTOCL) relative to the S&P 500 Total Return Index, followed by key summary statistics. Unmanaged index returns, unlike fund returns, do not reflect fees, expenses or sales charges. Investors cannot invest directly in an index.



Summary statistics—Laddered autocallable index
(May 2005—May 2025)

Average coupon per annum	12.6%
Average life of each autocallable	1.5 years
Average % of coupons paid	96.1%
% of autocallables matured below barrier	2.9%
Average number of notes	79

Exhibited a historic return profile similar to the S&P 500, with slightly higher beta and volatility

Key takeaways: Laddered Autocallable Index

97%
of the autocallables in the index
matured at par over
the last 20 years, while paying out

96%
of the coupons, illustrating
significant income stability
and principal preservation over time

Improved recovery potential:
As markets fall, new notes are established with barriers set at lower levels

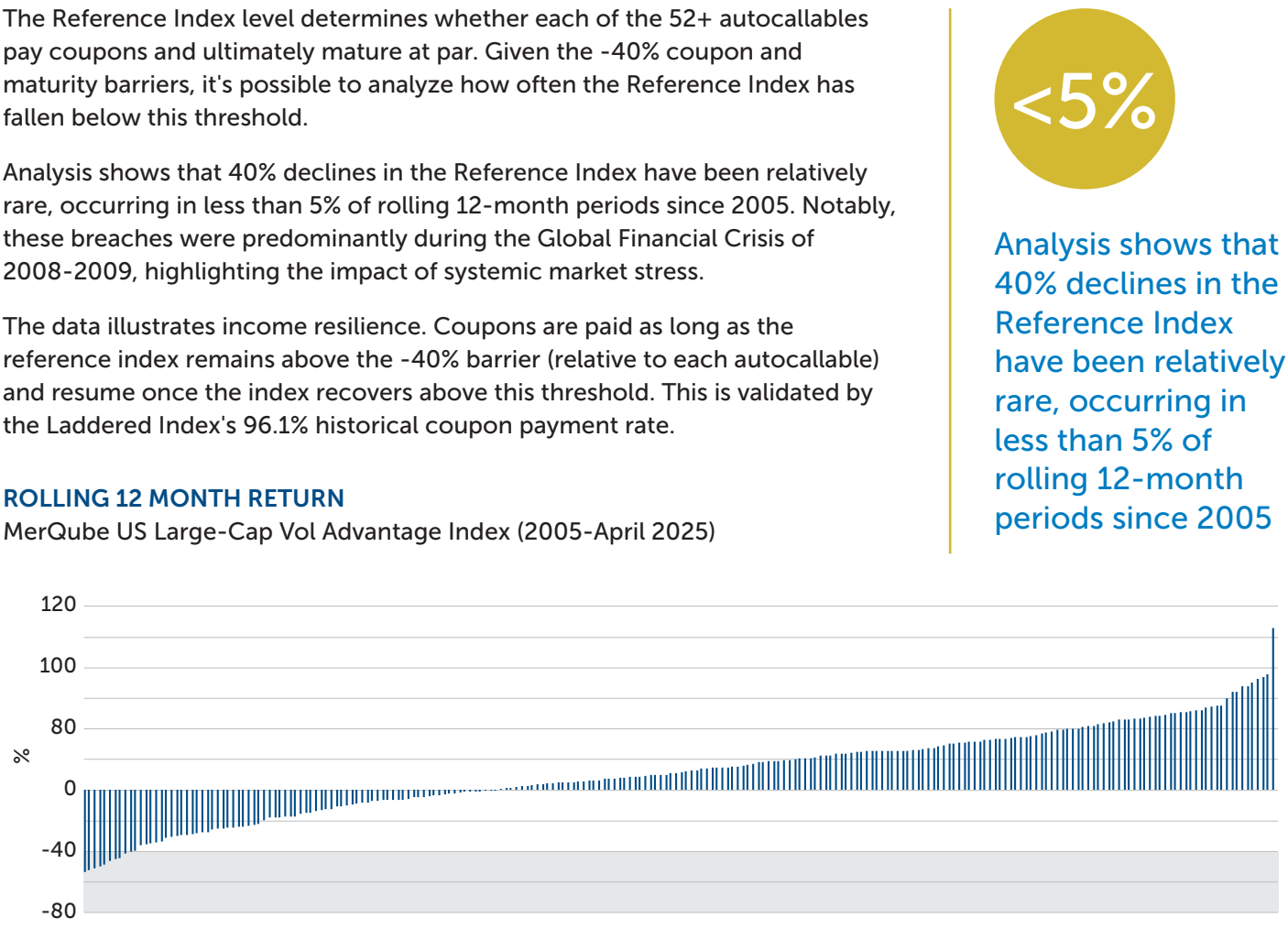
Past performance is no guarantee of future results. See sources on page 16.

MerQube US Large-Cap Vol Advantage Index (the "reference index") history rolling 12 month returns

The Reference Index level determines whether each of the 52+ autocallables pay coupons and ultimately mature at par. Given the -40% coupon and maturity barriers, it's possible to analyze how often the Reference Index has fallen below this threshold.

Analysis shows that 40% declines in the Reference Index have been relatively rare, occurring in less than 5% of rolling 12-month periods since 2005. Notably, these breaches were predominantly during the Global Financial Crisis of 2008-2009, highlighting the impact of systemic market stress.

The data illustrates income resilience. Coupons are paid as long as the reference index remains above the -40% barrier (relative to each autocallable) and resume once the index recovers above this threshold. This is validated by the Laddered Index's 96.1% historical coupon payment rate.



ROLLING 12 MONTH RETURN

MerQube US Large-Cap Vol Advantage Index (2005-April 2025)

This data draws two important conclusions:

1. **Barriers provide meaningful protection—** - 40% declines are rare in the MerQube US Large-Cap Vol Advantage Index

2. **Timing risk is real—** Barrier breaches can devastate traditional single-note investors, making laddered exposure essential for risk reduction

The above data is precisely why CAIE's laddered approach transforms the strategy. While individual notes face binary risk at each coupon observation date and at maturity, a portfolio of 52+ autocallables laddered weekly dramatically reduces the impact of poorly timed entries. Even during 2008-2009, autocallables entered before and after the crisis would have performed differently, smoothing overall returns and reducing risk.

Past performance is no guarantee of future results. Source: MerQube Indices, 5/31/05 – 4/30/25. Past performance not indicative of future results. MerQube US Large Cap Vol Advantage Autocallable Index is not a proxy for Calamos Autocallable Income ETF (CAIE). The results of the MerQube index will differ to those of CAIE. Investors should consider the risks of investing in CAIE and review the prospectus prior to investing. Unmanaged index returns, unlike fund returns, do not reflect fees, expenses or sales charges. Investors cannot invest directly in an index.

Portfolio implementation: Three powerful use cases

Equity alternative

Seeks high stable income, with long-term equity-like total return profile.

Implementation: Replace part of the portfolio's equity exposure with CAIE to boost income while maintaining equity-like total return.

Yield diversification / enhancement

Generate differentiated source of income greater than traditional high yield bonds.

Implementation: Allocate a portion of your high yield bonds to CAIE for potentially enhanced yield and differentiated risk factors.

Tax-efficient income sleeve

Seeks to maximize after-tax income, and more favorable distributions than traditional notes or bonds. Potential solution for taxable accounts.

Implementation: Swap inefficient notes or covered call ETFs for CAIE, and generate more tax-efficient income with 1099 reporting.

Strategic collaboration with J.P. Morgan and MerQube

CAIE is powered by a strategic team of three industry leaders:

J.P.Morgan

JP Morgan
Serves as the ETF's primary swap counterparty and hedge provider, bringing balance sheet strength and structuring expertise to ensure optimal execution and risk management.

MerQube

MerQube indices
Provides the optimized reference index specifically designed for autocallable performance.

CALAMOS® TODAY FOR TOMORROW

Calamos investments
ETF issuer and portfolio manager of CAIE, delivering autocallable performance via the benefit-rich ETF wrapper.

Today, more than $3 billion in assets have been invested in autocallable notes tied to the MerQube US Large-Cap Vol Advantage Index. CAIE brings this same institutional-quality approach to all investors through an innovative laddered approach, inside the benefit-rich ETF structure.

Calamos expertise

Calamos Investments brings decades of experience in alternative income strategies to the ETF marketplace. As pioneers in convertible securities and options-based strategies, the firm has built a reputation for developing sophisticated approaches to income generation and risk management.

Conclusion: A smart approach to structured income

The Calamos Autocallable Income ETF revolutionizes structured note investing by seeking high stable income potential, barrier protection, and operational simplicity—all within a transparent and tax-efficient ETF framework.

This actively managed approach combines consistent parameters across 52+ autocallables with an optimized reference index to efficiently provide attractive yield potential. For investors facing today's income challenges, CAIE offers a single-ticker solution that addresses the limitations of both conventional fixed income and traditional autocallable access while enhancing portfolio efficiency. For those familiar with autocallables, CAIE is the "easy button."

High stable income potential

Barrier protection

Operational simplicity

Disclosures

Before investing, carefully consider a 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.

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 Autocallable Income ETF** include: autocallable structure risk, contingent income risk, early redemption risk, barrier risk, authorized participant concentration risk, calculation methodology risk, cash holdings risk, correlation risk, costs of buying and selling fund shares, counterparty risk, credit risk, derivatives risk, equity securities risk, index risk, interest rate risk, investment in a subsidiary, laddered portfolio risk, liquidity risk, market maker risk, market risk, new fund risk, non-diversification risk, premium-discount risk, secondary market trading risk, swap agreement risk, tax risk, trading issues risk, valuation risk, and volatility target index risk.

Autocallable Structure Risk—The Fund's returns are correlated to the performance of a synthetic portfolio of autocallable notes tracked by the Laddered Autocall Index.

Autocallable notes have specific structural features that may be unfamiliar to many investors:

- **Contingent Income Risk:** Coupon payments from the Autocalls are not guaranteed and will not be made if the Underlying Index falls below the Coupon Barrier on observation dates. This means the Fund may generate significantly less income than anticipated during market downturns.
- **Early Redemption Risk:** Autocalls in the Portfolio may be called before their scheduled maturity if the Underlying Reference Index reaches or exceeds the Autocall Barrier on observation dates. This automatic early redemption could force reinvestment of that portion of the portfolio at lower rates if market yields have declined.
- **Barrier Risk:** If the Underlying Reference Index falls below the Protection Level Barrier at the maturity of an Autocall in the Portfolio, that portion of the Portfolio will be fully exposed to the negative performance of the Underlying Reference Index from its initial level. This conditional protection creates a binary outcome that can result in sudden, significant losses if barriers are breached.

Sources for page 12:

Source: MerQube Indices, 5/31/05 – 4/30/25. Past performance not indicative of future results. MerQube US Large Cap Vol Advantage Autocallable Index is not a proxy for Calamos Autocallable Income ETF (CAIE). The results of the MerQube index will differ to those of CAIE. Investors should consider the risks of investing in CAIE and review the prospectus prior to investing. Unmanaged index returns, unlike fund returns, do not reflect fees, expenses or sales charges. Investors cannot invest directly in an index. MerQube US Large Cap Vol Advantage Autocallable Index is not a proxy for Calamos Autocallable Income ETF (CAIE). The results of the MerQube index will differ to those of CAIE. Investors should consider the risks of investing in CAIE and review the prospectus prior to investing.

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