CALAMOS CONVERTIBLE & HIGH INCOME FUND
Form 497
June 16, 2006

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under the Securities Act of 1933
File No. 333-132636

PROSPECTUS

3,900,000 SHARES

CALAMOS CONVERTIBLE AND HIGH INCOME FUND
COMMON SHARES OF BENEFICIAL INTEREST

$16.10 PER SHARE

We are selling 3,900,000 common shares of beneficial interest in this offering. We have granted the underwriters an option to purchase up to 570,000 additional common shares to cover over-allotments.

Common Shares. The currently outstanding common shares of Calamos Convertible and High Income Fund (the "Fund") are, and the common shares offered in this prospectus will be, listed on the New York Stock Exchange ("NYSE") under the trading or "ticker" symbol "CHY." The net asset value of the Fund's common shares at the close of business on June 15, 2006 was $14.87 per share, and the last sale price of the common shares on the NYSE on such date was $16.53. See "Market and Net Asset Value Information."

Investment Objective. The Fund is a diversified, closed-end management investment company which commenced investment operations in May 2003. The Fund's investment objective is to provide total return through a combination of capital appreciation and current income.

Portfolio Contents. Under normal circumstances, the Fund will invest at least 80% of its managed assets in a diversified portfolio of convertible securities and below investment grade (high yield/high risk) non-convertible debt securities. The portion of the Fund's assets invested in convertible securities and below investment grade (high yield/high risk) non-convertible debt securities will vary from time to time consistent with the Fund's investment objective, changes in equity prices and changes in interest rates and other economic and market factors, although, under normal circumstances, the Fund will invest at least 20% of its managed assets in convertible securities and at least 20% of its managed assets in below investment grade (high yield/high risk) non-convertible debt securities (so long as the combined total equals at least 80% of the Fund's managed assets). "Managed assets" means the total assets of the Fund (including any assets attributable to any leverage that may be outstanding) minus the sum of accrued liabilities (other than debt representing financial leverage). For this purpose, the liquidation preference on any preferred shares will not constitute a liability. Below investment grade (high yield/high risk) securities are rated Ba or lower by Moody's Investors Service, Inc. ("Moody's") or BB or lower by Standard & Poor's Corporation, a division of The McGraw-Hill Companies ("Standard & Poor's") or are unrated securities of comparable quality as determined by the Fund's investment adviser. Below investment grade securities are commonly referred to as "junk bonds" and are considered speculative with respect to the issuer's capacity to pay interest and repay principal. They involve greater risk of loss, are subject to greater price volatility and are less liquid, especially during periods of economic uncertainty or change, than higher rated securities. There can be no assurance that the Fund will achieve its investment objective.

INVESTING IN THE FUND'S COMMON SHARES INVOLVES RISKS. SHARES OF CLOSED-END

FUNDS FREQUENTLY TRADE AT A DISCOUNT FROM THEIR NET ASSET VALUE. THE RISK OF LOSS DUE TO A MARKET DISCOUNT MAY BE GREATER FOR INVESTORS EXPECTING TO SELL THEIR SHARES IN A RELATIVELY SHORT PERIOD AFTER COMPLETION OF THE PUBLIC OFFERING. SEE "RISK FACTORS" BEGINNING ON PAGE 30.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	PER SHARE	TOTAL(1)
Public offering price	$16.100	$62,790,000
Sales load	$ 0.644	$ 2,511,600
Proceeds to the Fund(2)	$15.456	$60,278,400

(1) The Fund has granted the underwriters an option to purchase up to an additional 570,000 common shares at the public offering price less the sales load within 30 days from the date of this prospectus, solely to cover over-allotments, if any. If such option is exercised in full, the total public offering price, sales load and proceeds to the Fund will be $71,967,000, $2,878,680 and $69,088,320, respectively. See "Underwriting."

(2) Estimated offering expenses are $291,800 in total and $0.075 on a per share basis and are not reflected in the table above. The net proceeds of this offering will be approximately $59,986,600 (or approximately $68,796,520 assuming the underwriters exercise the over-allotment option in full) after payment of offering costs and the deduction of the sales load.

The underwriters expect to deliver the common shares to purchasers on or about June 20, 2006.

CITIGROUP

A.G. EDWARDS

MERRILL LYNCH & CO.

RBC CAPITAL MARKETS

UBS INVESTMENT BANK

June 15, 2006

(continued from previous page)

Investment Adviser. Calamos Advisors LLC ("Calamos") is the Fund's investment adviser. See "Management of the Fund."

Preferred Shares. On July 28, 2003, the Fund issued six series of auction rate preferred shares (the "Preferred Shares"), liquidation preference $25,000 per share ($430,000,000 in the aggregate). The Preferred Shares are rated "Aaa" and "AAA" by Moody's and Fitch Ratings ("Fitch"), respectively. As of June 7, 2006, the aggregate liquidation preference of Preferred Shares represented approximately 31% of the Fund's total assets. The Fund may, in the future, issue additional series of Preferred Shares or other senior securities to the extent permitted by the Investment Company Act of 1940, as amended (the "1940 Act").

The Fund completed its initial public offering of common shares on May 27,

2003. After the payment of offering expenses and underwriting discounts, the Fund received $858.2 million in proceeds from the initial public offering and subsequent exercises of the underwriters' over-allotment option. The Fund's common shares are junior in liquidation and distribution rights to the Preferred Shares. The issuance of preferred shares, including the Preferred Shares, represents the leveraging of the Fund's common shares. The issuance of additional common shares offered by this prospectus will enable the Fund to increase the aggregate amount of its leverage; however, the Fund does not currently intend to issue additional leverage immediately following this offering. The use of leverage creates an opportunity for increased income and capital appreciation for common shareholders, but at the same time, it creates special risks that may adversely affect common shareholders. Because Calamos's fee is based on managed assets (including assets obtained through leverage), Calamos's fee is higher when the Fund is leveraged. There can be no assurance that a leveraged strategy will be successful during any period in which it is used. See "Leverage" and "Risk Factors -- Leverage."

You should read this prospectus, which contains important information about the Fund, before deciding whether to invest in the Fund's common shares, and retain it for future reference. A statement of additional information, dated June 15, 2006, containing additional information about the Fund, has been filed with the Securities and Exchange Commission (the "Commission") and is incorporated by reference in its entirety into this prospectus. You may request a free copy of the statement of additional information, the table of contents of which is on page 53 of this prospectus, by calling 1-800-582-6959 or by writing to the Fund. The Fund's annual and semi-annual reports are also available on its website at www.calamos.com, which also provides a link to the Commission's website, as described below, where the Fund's statement of additional information can be obtained. You can review and copy documents the Fund has filed at the Commission's Public Reference Room in Washington, D.C. Call 1-202-551-8090 for information. The Commission charges a fee for copies. You can get the same information free from the Commission's EDGAR database on the Internet (http://www.sec.gov). You may also e-mail requests for these documents to publicinfo@sec.gov or make a request in writing to the Commission's Public Reference Section, Washington, D.C. 20549-0213.

The Fund's common shares do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS. WE HAVE NOT, AND THE UNDERWRITERS HAVE NOT, AUTHORIZED ANY OTHER PERSON TO PROVIDE YOU WITH DIFFERENT INFORMATION. IF ANYONE PROVIDES YOU WITH DIFFERENT OR INCONSISTENT INFORMATION, YOU SHOULD NOT RELY ON IT. WE ARE NOT, AND THE UNDERWRITERS ARE NOT, MAKING AN OFFER TO SELL THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER OR SALE IS NOT PERMITTED.

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PROSPECTUS SUMMARY

This is only a summary. This summary may not contain all of the information that you should consider before investing in the Fund's common shares. You should review the more detailed information contained in this prospectus and in the statement of additional information, especially the information set forth under the heading "Risk Factors."

THE FUND..................... Calamos Convertible and High Income Fund is a diversified, closed-end management investment company which commenced investment operations in May 2003. Throughout the prospectus, we refer to Calamos Convertible and High Income Fund as the "Fund" or as "we," "us," or "our." See "The Fund."

THE OFFERING................. The Fund is offering 3,900,000 common shares of beneficial interest ("common shares") at a public offering price of $16.10 per share. The common shares are being offered by a group of underwriters led by Citigroup Global Markets Inc., A.G. Edwards & Sons, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, RBC Capital Markets Corporation and UBS Securities LLC. You must purchase at least 100 common shares ($1,610.00) in order to participate in the offering. The Fund has granted the underwriters the right to purchase up to an additional 570,000 common shares at the public offering price, less the sales load, within 30 days from the date of this prospectus to cover over-allotments. See "Underwriting." The provisions of the 1940 Act require that the public offering price of the common shares, less underwriting commissions and discounts, must equal or exceed the net asset value per share of the Fund's common shares (calculated within 48 hours of pricing).

LISTING......................	Like the Fund's outstanding common shares, the common shares offered hereby will be listed on the NYSE under the symbol "CHY."
INVESTMENT OBJECTIVE..........	The Fund's investment objective is to provide total return through a combination of capital appreciation and current income. There can be no assurance that the Fund will achieve its investment objective. See "Investment Objective and Principal Investment Strategies -- Investment Objective."
INVESTMENT POLICIES...........	Primary Investments. Under normal circumstances, the Fund will invest at least 80% of its managed assets in a diversified portfolio of convertible securities and below investment grade (high yield/high risk) non-convertible debt securities. The portion of the Fund's assets invested in convertible securities and below investment grade (high yield/high risk) non-convertible debt securities will vary from time to time consistent with the Fund's investment objective, changes in equity prices and changes in interest rates and other economic and market factors, although, under normal circumstances, the Fund will invest at least 20% of its managed assets in convertible securities and at least 20% of its managed assets in below investment grade (high yield/high risk) non-convertible debt securities (so long as the combined total equals at least 80% of the Fund's managed assets). The Fund invests in securities with a broad range of

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maturities. The average term to maturity of the Fund's securities typically will range from five to ten years. See "Investment Objective and Principal Investment Strategies -- Principal Investment Strategies."

Convertible Securities. Investment in convertible securities forms an important part of the Fund's investment strategies. Under normal circumstances, the Fund will invest at least 20% of its managed assets in convertible securities. A convertible security is a debt security or preferred stock that is exchangeable for an equity security of the issuer at a predetermined price (the "conversion price"). Depending upon the relationship of the conversion price to the market value of the underlying security, a convertible security may trade more like an equity security than a debt instrument. The Fund may invest in convertible securities of any rating. See "Investment Objective and Principal Investment Strategies -- Principal

Investment Strategies -- Convertible Securities."

Synthetic Convertible Instruments. Calamos may also establish a "synthetic" convertible instrument by combining separate securities that possess the economic characteristics similar to a convertible security, i.e., an income component, and the right or obligation to acquire an equity security ("convertible component"). The income component is achieved by investing in non-convertible, fixed-income securities such as bonds, preferred stocks, money market instruments and other instruments that provide an income component. The convertible component is achieved by investing in warrants or options to buy common stock at a certain exercise price, or options on a stock index. The Fund may also purchase synthetic convertible instruments created by other parties, typically investment banks, including convertible structured notes. Different companies may issue the income and convertible components which may be purchased separately, and at different times. The Fund's holdings of synthetic convertible instruments are considered convertible securities for purposes of the Fund's policy to invest at least 20% of its managed assets in convertible securities and 80% of its managed assets in a diversified portfolio of convertible securities and below investment grade (high yield/high risk) non-convertible debt securities. See "Investment Objective and Principal Investment Strategies -- Principal Investment Strategies -- Synthetic Convertible Instruments."

High Yield Securities. Investment in high yield securities forms an important part of the Fund's investment strategies. The Fund will invest in high yield securities for either current income or capital appreciation or both. Under normal circumstances, the Fund will invest at least 20% of its managed assets in high yield non-convertible debt securities. These securities are rated Ba or lower by Moody's or BB or lower by Standard & Poor's or are unrated securities of comparable quality as determined by Calamos, the Fund's investment adviser. The Fund may invest in high yield securities of any rating. The Fund may, but currently

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does not intend to, invest up to 5% of its total assets in distressed securities that are in default or the issuers of which are in bankruptcy. Non-convertible debt securities rated below investment grade are commonly referred to as "junk bonds" and are considered speculative with respect to the issuer's capacity to pay interest and repay principal. They involve greater risk of loss, are subject to greater price volatility and are less liquid, especially during periods of economic uncertainty or change, than higher rated securities. See "Investment Objective and Principal Investment Strategies -- Principal Investment Strategies -- High Yield Securities."

Foreign Issuers. Although the Fund primarily invests in securities of U.S. issuers, the Fund may invest up to 25% of its managed assets in securities of foreign issuers, including debt and equity securities of corporate issuers and debt securities of government issuers in developed and emerging markets. The Fund may invest up to 15% of its managed assets in securities of foreign issuers in emerging markets. A foreign issuer is a company organized under the laws of a foreign country that is principally traded in the financial markets of a foreign country. For purposes of these percentage limitations, foreign securities do not include securities represented by American Depository Receipts ("ADRs") or securities guaranteed by a U.S. person. See "Investment Objective and Principal Investment Strategies -- Principal Investment Strategies -- Foreign Securities."

Rule 144A Securities. The Fund may invest without limit in securities that have not been registered for public sale, but that are eligible for purchase and sale by certain qualified institutional buyers ("Rule 144A Securities"). Calamos, under the supervision of the Board of Trustees, will determine whether securities purchased under Rule 144A are illiquid (that is, not readily marketable) and thus subject to the Fund's limit on investing no more than 15% of its managed assets in illiquid securities. See "Investment Objective and Principal Investment Strategies -- Principal Investment Strategies -- Rule 144A Securities."

Other Securities. The Fund may invest in other securities of various types. Normally, the Fund invests substantially all of its assets to meet its investment objective. For temporary defensive purposes, the Fund may depart from its principal investment strategies and invest part or all of its assets in securities with remaining maturities of less than one year, cash equivalents, or may hold cash. During such periods, the Fund may not be able to achieve its investment objective. See "Investment Objective and Principal Investment Strategies -- Principal Investment Strategies."

USE OF LEVERAGE BY THE FUND... The Fund currently uses, and may in the future use, financial leverage. On July 28, 2003, the Fund issued the Preferred Shares, liquidation preference $25,000 per share ($430,000,000 in the aggregate). As of June 7, 2006, the aggregate liquidation preference of the Preferred Shares represented approximately 31% of the Fund's total assets.

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The Fund may make further use of financial leverage through the issuance of additional preferred shares or may borrow money or issue debt securities; however, the Fund does not currently intend to issue additional leverage immediately following this offering. As a non-fundamental policy, such preferred shares, debt securities or borrowing may not exceed 38% of the Fund's total assets. However, the Board of Trustees reserves the right to issue preferred shares or debt securities or borrow to the extent permitted by the 1940 Act. See "Leverage."

The Fund may not be leveraged at all times and the amount of leverage, if any, may vary depending upon a variety of factors, including Calamos' outlook for the market and the costs that the Fund would incur as a result of such leverage. Leverage involves greater risks. The Fund's leveraging strategy may not be successful. By leveraging its investment portfolio, the Fund creates an opportunity for increased net income or capital appreciation. However, the use of leverage also involves risks, which can be significant. These risks include the possibility that the value of the assets acquired with the proceeds of leverage decreases although the Fund's liability to holders of preferred shares or other types of leverage is fixed, greater volatility in the Fund's net asset value and the market price of the Fund's common shares and higher expenses. In addition, the rights of lenders, the holders of Preferred Shares and the holders of debt securities issued by the Fund will be senior to the rights of the holders of common shares with respect to the payment of dividends or upon liquidation. Holders of Preferred Shares have voting rights in addition to and separate from the voting rights of common shareholders. See "Description of Shares -- Preferred Shares" and "Certain Provisions of the Agreement and Declaration of Trust and By-Laws." The holders of Preferred Shares, on the one hand, and the holders of the common shares, on the other, may have interests that conflict in certain situations.

Because Calamos' management fee is based upon a percentage of the Fund's managed assets, which include assets attributable to any outstanding leverage, the investment management fee will be higher if the Fund is leveraged and Calamos will have an incentive to leverage the Fund. Calamos intends to use financial leverage for the Fund only when it believes that the potential return on additional investments acquired with the proceeds of leverage is likely to exceed the costs incurred in connection with the borrowing or issuance of preferred shares. The Fund pays and common shareholders effectively bear any costs and expenses relating to any borrowings and to the issuance and ongoing maintenance of preferred shares. See "Leverage" and "Risk Factors -- Leverage."

INTEREST RATE TRANSACTIONS.... In order to reduce the interest rate risk inherent in the Fund's underlying investment and capital structure, the Fund, if market conditions are deemed favorable, may enter into interest rate swap or cap transactions. The use of interest rate swaps and caps is a highly specialized activity that involves investment tech-

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niques and risks different from those associated with ordinary portfolio security transactions.

In an interest rate swap, the Fund would agree to pay to the other party to the interest rate swap (which is known as the "counterparty") a fixed rate payment in exchange for the counterparty agreeing to pay to the Fund a payment at a variable rate that is expected to approximate the rate on any variable rate payment obligation on the Fund's leverage. The payment obligations would be based on the notional amount of the swap.

In an interest rate cap, the Fund would pay a premium to the counterparty to the interest rate cap and, to the extent that a specified variable rate index exceeds a predetermined fixed rate, would receive from the counterparty payments of the difference based on the notional amount of such cap. Depending on the state of interest rates in general, the Fund's use of interest rate swap or cap transactions could enhance or harm the overall performance of the common shares. See "Interest Rate Transactions."

INVESTMENT ADVISER........... Calamos is the Fund's investment adviser. Calamos is responsible on a day-to-day basis for investment of the Fund's portfolio in accordance with its investment objective and policies. Calamos makes all investment decisions for the Fund and places purchase and sale orders for the Fund's portfolio securities. As of May 31, 2006, Calamos managed approximately $48.4 billion in assets of individuals and institutions. Calamos is an indirect subsidiary of Calamos Asset Management, Inc., whose voting shares are majority-owned by Calamos Family Partners, Inc., which is controlled by John P. Calamos, Sr. and the Calamos family.

The Fund pays Calamos an annual fee, payable monthly, for its investment management services equal to 0.80% of the Fund's average weekly managed assets. Calamos has contractually agreed to waive a portion of its management fee at the annual rate of 0.10% of the average weekly managed assets of the Fund for the first five full years of the Fund's operations (through May 31, 2008), and to waive a declining amount for an additional three years (0.07% of the average weekly managed assets through May 31, 2009, 0.05% through May 31, 2010 and 0.03% through May 31, 2011). See "Management of the Fund."

PORTFOLIO MANAGERS............ John P. Calamos and Nick P. Calamos are responsible for managing the portfolio of the Fund. During the past five years, John P. Calamos has been Chairman, CEO and Co-Chief Investment Officer of Calamos and Nick P. Calamos has been Senior Executive Vice President and Co-Chief Investment Officer of Calamos.

CUSTODIAN, TRANSFER AGENT AND DIVIDEND DISBURSING AGENT... The Bank of New York serves as the Fund's custodian, transfer agent and dividend disbursing agent. See "Custodian, Transfer Agent, Dividend Disbursing Agent and Registrar."

FUND ACCOUNTANTS.............. State Street Bank and Trust Company ("State Street") and Calamos provide fund accounting and financial accounting services to the Fund.

DISTRIBUTIONS................. The Fund has made regular monthly distributions to its common shareholders of $0.1219 per share since August 2003. Additionally, the Fund made a one-time distribution of $0.0920 per share in January 2006. The Fund intends to distribute to common shareholders all or a portion of its net investment income monthly and net realized capital gains, if any, at least annually.

The Fund currently intends to make monthly distributions to common shareholders at a level rate established by the Board of Trustees. The rate may be modified by the Board of Trustees from time to time. Monthly distributions may include net investment income, net realized short-term capital gain and, if necessary, return of capital. Net realized short-term capital gain distributed to shareholders will be taxed as ordinary income. In addition, one distribution per calendar year may include net realized long-term capital gain, which will be taxed at long-term capital gain rates. A distribution of an amount in excess of the Fund's current and accumulated earnings and profits, if any, will be treated by a shareholder as a tax-free return of capital. There is no guarantee that the Fund will realize capital gain in any given year. Pursuant to the requirements of the 1940 Act and other applicable laws, a notice would accompany each monthly distribution with respect to the estimated source of the distribution made. Distributions are subject to re-characterization for federal income tax purposes after the end of the fiscal year. The Fund may at times in its discretion pay out less than the entire amount of net investment income earned in any particular period and may at times pay out such accumulated undistributed income in addition to net investment income earned in other periods in order to permit the Fund to maintain its level distribution policy. As a result, the dividend paid by the Fund to holders of common shares for any particular period may be more or less than the amount of net investment income earned by the Fund during such period.

In January 2004, Calamos, on behalf of itself and certain funds (including the Fund), filed an exemptive application with the Commission seeking an order under the 1940 Act permitting those funds to make periodic distributions of long-term capital gain. There can be no assurance that the Commission will grant such an order. The staff of the Commission has indicated that it has suspended the processing of exemptive applications requesting the type of relief referenced above, pending review by the staff of the results of an industry-wide inspection focusing on the dividend practices of closed-end investment companies. There can be no assurance as to when that review might be completed or whether, following that review, the staff would process such applications or grant such relief.

Pursuant to the Fund's Automatic Dividend Reinvestment Plan, unless a shareholder is ineligible or elects otherwise, all dividends and capital gains distributions are automatically reinvested in additional common shares of the Fund. However, an investor can choose to receive dividends and distributions in cash. Because not all investors can participate in the automatic dividend reinvestment plan, you should contact your broker or nominee to confirm that you are eligible to participate in the plan. See "Dividends and Distributions; Automatic Dividend Reinvestment Plan."

RISKS........................ Market Discount Risk. The Fund's common shares have traded both at a premium and at a discount relative to net asset value. The public offering price represents a 8.27% premium over the per share net asset value on June 15, 2006; however, there can be no assurance that this premium will continue after this offering or that the shares will not again trade at a discount. Common shares of closed-end investment companies frequently trade at prices lower than their net asset value. Depending on the premium of the Fund's common shares, the Fund's net asset value may be reduced immediately following this offering by the offering expenses paid by the Fund, including the sales load. See "Use of Proceeds."

In addition to net asset value, the market price of the Fund's common shares may be affected by such factors as the Fund's use of leverage, dividend stability, portfolio credit quality, liquidity, market supply and demand of the common shares and the Fund's dividends paid (which are, in turn, affected by expenses), call protection for portfolio securities and interest rate movements. See "Leverage," "Risk Factors" and "Description of Shares." The Fund's common shares are designed primarily for long-term investors, and you should not purchase common shares if you intend to sell them shortly after purchase.

Convertible Securities. Investment in convertible securities forms an important part of the Fund's investment strategies. Under normal circumstances, the Fund will invest at least 20% of its managed assets in convertible securities. Convertible securities generally offer lower interest or dividend yields than non-convertible securities of similar quality. The market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. However, the convertible security's market value tends to reflect the market price of the common stock of the issuing company when that stock price is greater than the convertible security's "conversion price." The conversion price is defined as the predetermined price at which the convertible security could be exchanged for the associated stock. As the market price of the underlying common stock declines, the price of the convertible security tends to be influenced more by the yield of the convertible security. Thus, it may not decline in price to the same extent as the underlying common stock. In the event of a liquidation of the issuing company, holders of convertible securities would be paid before the company's common stockholders. Consequently, the issuer's convertible securities generally

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entail less risk than its common stock. See "Risk Factors -- Convertible Securities."

Synthetic Convertible Instruments. The value of a synthetic convertible instrument may respond differently to market fluctuations than a convertible security because a synthetic convertible instrument is composed of two or more separate securities, each with its own market value. In addition, if the value of the underlying common stock or the level of the index involved in the convertible component falls below the exercise price of the warrant or option, the warrant or option may lose all value. Synthetic convertible instruments created by other parties have the same attributes of a convertible security; however, the issuer of the synthetic convertible instrument assumes the credit risk associated with the investment, rather than the issuer of the underlying equity security into which the instrument is convertible. Therefore, the Fund is subject to the credit risk associated with the party creating the synthetic convertible instrument. See "Risk Factors -- Synthetic Convertible Instruments."

High Yield Securities. Investment in high yield securities forms an important part of the Fund's investment strategies. Under normal circumstances, the Fund will invest at least 20% of its managed assets in high yield non-convertible debt securities. The Fund may invest in high yield securities of any rating. The Fund may, but currently does not intend to, invest up to 5% of its total assets in distressed securities that are in default or the issuers of which are in bankruptcy. Investment in high yield securities involves substantial risk of loss. Below investment grade non-convertible debt securities or comparable unrated securities are commonly referred to as "junk bonds" and are considered predominantly speculative with respect to the issuer's ability to pay interest and principal and are susceptible to default or decline in market value due to adverse economic and business developments. The market values for high yield securities tend to be very volatile, and these securities are less liquid than investment grade debt securities. For these reasons, your investment in the Fund is subject to the following specific risks:

- increased price sensitivity to changing interest rates and to a deteriorating economic environment;

- greater risk of loss due to default or declining credit quality;

- adverse company specific events are more likely to render the issuer unable to make interest and/or principal payments; and

- if a negative perception of the high yield market develops, the price and liquidity of high yield securities may be depressed. This negative perception could last for a significant period of time.

Adverse changes in economic conditions are more likely to lead to a weakened capacity of a high yield issuer to make principal payments and interest payments than an investment grade issuer. The principal amount of high yield securities outstanding has

proliferated in the past decade as an increasing number of issuers have used high yield securities for corporate financing. An economic downturn could severely affect the ability of highly leveraged issuers to service their debt obligations or to repay their obligations upon maturity.

The secondary market for high yield securities may not be as liquid as the secondary market for more highly rated securities, a factor which may have an adverse effect on the Fund's ability to dispose of a particular security. There are fewer dealers in the market for high yield securities than for investment grade obligations. The prices quoted by different dealers may vary significantly and the spread between the bid and asked price is generally much larger than for higher quality instruments. Under adverse market or economic conditions, the secondary market for high yield securities could contract further, independent of any specific adverse changes in the condition of a particular issuer, and these instruments may become illiquid. As a result, the Fund could find it more difficult to sell these securities or may be able to sell the securities only at prices lower than if such securities were widely traded. Prices realized upon the sale of such lower rated or unrated securities, under these circumstances, may be less than the prices used in calculating the Fund's net asset value. See "Risk Factors -- High Yield Securities."

Interest Rate Risk. In addition to the risks discussed above, debt securities are subject to certain risks, including:

- if interest rates go up, the value of debt securities in the Fund's portfolio generally will decline;

- during periods of declining interest rates, the issuer of a security may exercise its option to prepay principal earlier than scheduled, forcing the Fund to reinvest in lower yielding securities. This is known as call or prepayment risk. Debt securities frequently have call features that allow the issuer to repurchase the security prior to its stated maturity. An issuer may redeem an obligation if the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer;

- during periods of rising interest rates, the average life of certain types of securities may be extended because of lower than expected principal payments. This may lock in a below market interest rate, increase the security's duration (the estimated period until the security is paid in full) and reduce the value of the security. This is known as extension risk; and

- rising interest rates could result in an increase in the cost of the Fund's leverage and could adversely affect the ability of the Fund to meet asset coverage requirements with respect to leverage. See "Risk Factors -- Interest Rate Risk."

Illiquid Investments. The Fund may invest up to 15% of its managed assets in securities that, at the time of investment, are

illiquid (determined using the Commission's standard applicable to investment companies, i.e., securities that cannot be disposed of within 7 days in the ordinary course of business at approximately the value at which the Fund has valued the securities). The Fund may also invest without limit in securities that have not been registered for public sale, but that are eligible for purchase and sale by certain qualified institutional buyers. Calamos, under the supervision of the Board of Trustees, will determine whether securities purchased under Rule 144A are illiquid (that is, not readily marketable) and thus subject to the Fund's limit of investing no more than 15% of its managed assets in illiquid securities. Investments in Rule 144A Securities could have the effect of increasing the amount of the Fund's assets invested in illiquid securities if qualified institutional buyers are unwilling to purchase these Rule 144A Securities. Illiquid securities may be difficult to dispose of at a fair price at the times when the Fund believes it is desirable to do so. Investment of the Fund's assets in illiquid securities may restrict the Fund's ability to take advantage of other market opportunities. The market price of illiquid securities generally is more volatile than that of more liquid securities, which may adversely affect the price that the Fund pays for or recovers upon the sale of illiquid securities. Illiquid securities are also more difficult to value and Calamos' judgment may play a greater role in the valuation process. The risks associated with illiquid securities may be particularly acute in situations in which the Fund's operations require cash and could result in the Fund borrowing to meet its short-term needs or incurring losses on the sale of illiquid securities. See "Risk Factors -- Illiquid Investments."

Foreign Securities. Investments in non-U.S. issuers may involve unique risks compared to investing in securities of U.S. issuers. These risks are more pronounced to the extent that the Fund invests a significant portion of its non-U.S. investments in one region or in the securities of emerging market issuers. These risks may include:

- less information about non-U.S. issuers or markets may be available due to less rigorous disclosure or accounting standards or regulatory practices;

- many non-U.S. markets are smaller, less liquid and more volatile. In a changing market, Calamos may not be able to sell the Fund's portfolio securities at times, in amounts and at prices it considers reasonable;

- an adverse effect of currency exchange rates or controls on the value of the Fund's investments;

- the economies of non-U.S. countries may grow at slower rates than expected or may experience a downturn or recession;

- economic, political and social developments may adversely affect the securities markets; and

- withholding and other non-U.S. taxes may decrease the Fund's return. See "Risk Factors -- Foreign Securities."

Leverage. The Fund has issued Preferred Shares and may issue additional preferred shares or borrow money or issue debt securities. The borrowing of money or issuance of debt securities and preferred shares, including the outstanding Preferred Shares, represents the leveraging of the Fund's common shares. As a non-fundamental policy, such preferred shares, debt securities or borrowing may not exceed 38% of the Fund's total assets. Leverage creates risks which may adversely affect the return for the holders of common shares, including:

- the likelihood of greater volatility of net asset value and market price of the Fund's common shares;

- fluctuations in the dividend rates on any preferred shares or in interest rates on borrowings and short-term debt;

- increased operating costs, which may reduce the Fund's total return; and

- the potential for a decline in the value of an investment acquired with borrowed funds, while the Fund's obligations under such borrowing remain fixed.

To the extent the income or capital appreciation derived from securities purchased with funds received from leverage exceeds the cost of leverage, the Fund's return will be greater than if leverage had not been used. Conversely, if the income or capital appreciation from the securities purchased with such funds is not sufficient to cover the cost of leverage or if the Fund incurs capital losses, the return of the Fund will be less than if leverage had not been used, and therefore the amount available for distribution to common shareholders as dividends and other distributions will be reduced or potentially eliminated.

Certain types of borrowings may result in the Fund being subject to covenants in credit agreements, including those relating to asset coverage, borrowing base and portfolio composition requirements and additional covenants that may affect the Fund's ability to pay dividends and distributions on common shares in certain instances. The Fund may also be required to pledge its assets to the lenders in connection with certain types of borrowings. The Fund may be subject to certain restrictions on investments imposed by guidelines of one or more nationally recognized rating organizations which may issue ratings for the preferred shares or short-term debt instruments issued by the Fund. These guidelines may impose asset coverage or portfolio composition requirements that are more stringent than those imposed by the 1940 Act. See "Risk Factors -- Leverage."

Interest Rate Transactions Risk. The Fund may enter into an interest rate swap or cap transaction in order to reduce the interest rate risk inherent in the Fund's underlying investments and capital structure. A decline in interest rates may result in a decline in the value of the swap or cap, which may result in a

decline in the net asset value of the Fund. See "Risk Factors -- Interest Rate Transactions Risk."

Tax Risk. The Fund may invest in convertible securities or other securities the federal income tax treatment of which may not be clear or may be subject to recharacterization by the Internal Revenue Service. It could be more difficult for the Fund to comply with the tax requirements applicable to regulated investment companies if the tax characterization of the Fund's investments or the tax treatment of the income from such investments were successfully challenged by the Internal Revenue Service. See "U.S. Federal Income Tax Matters."

Management Risk. Calamos' judgment about the attractiveness, relative value or potential appreciation of a particular sector, security or investment strategy may prove to be incorrect. See "Risk Factors -- Management Risk."

Antitakeover Provisions. The Fund's Agreement and Declaration of Trust and By-laws include provisions that could limit the ability of other entities or persons to acquire control of the Fund or to change the composition of its Board of Trustees. Such provisions could limit the ability of shareholders to sell their shares at a premium over prevailing market prices by discouraging a third party from seeking to obtain control of the Fund. These provisions include staggered terms of office for the Trustees, advance notice requirements for shareholder proposals, and super-majority voting requirements for conversion of the Fund to an open-end investment company or a merger, asset sale or similar transaction. Holders of Preferred Shares have voting rights in addition to and separate from the voting rights of common shareholders with respect to certain of these matters. See "Description of Shares -- Preferred Shares" and "Certain Provisions of the Agreement and Declaration of Trust and By-Laws." The holders of preferred shares, on the one hand, and the holders of the common shares, on the other, may have interests that conflict in these situations. See "Risk Factors -- Antitakeover Provisions."

Market Disruption Risk. Certain events have a disruptive effect on the securities markets, such as terrorist attacks (including the terrorist attacks in the United States on September 11, 2001), war and other geopolitical events, earthquakes, storms or other disasters. The Fund cannot predict the effects of similar events in the future on the markets or economy of the U.S. or other countries. High yield securities tend to be more volatile than higher rated debt securities so that these events and any actions resulting from them may have a greater impact on the prices and volatility of high yield securities than on higher rated securities. See "Risk Factors -- Market Disruption Risk."

SUMMARY OF FUND EXPENSES

The following table contains information about the costs and expenses that common shareholders will bear directly or indirectly, after giving effect to issuance of common shares pursuant to this prospectus, assuming no exercise of the over-allotment option granted to the underwriters. The table assumes that existing leverage (Preferred Shares with an aggregate liquidation preference of $430,000,000) remain outstanding. "Managed assets" means the total assets of the Fund (including any assets attributable to any leverage that may be outstanding) minus the sum of accrued liabilities (other than debt representing financial leverage). The liquidation preference of preferred shares is not considered a liability for this purpose.

SHAREHOLDER TRANSACTION FEES	
Sales Load (as a percentage of offering price)	4.00%
Offering Expenses of the Common Shares borne by the Fund (as a percentage of offering price)	0.48%
Dividend Reinvestment Plan Fees	None(1)

ANNUAL EXPENSES	PERCENTAGE OF NET ASSETS ATTRIBUTABLE TO COMMON SHARES (ASSUMES OUTSTANDING LEVERAGE)(2)
Management Fee	1.16%
Other Expenses	0.09%
Leverage Costs(2)	0.12%
Total Annual Expenses	1.37%
Fee Waiver (until May 31, 2008)	(0.15)%(3)
Net Annual Expenses	1.22% (4)

EXPENSE EXAMPLE: The following example illustrates the expenses (including the sales load of $40 and estimated offering expenses of $4.80) that you would pay on a $1,000 investment in common shares, assuming (1) net annual expenses of 1.22% of net assets attributable to common shares through May 31, 2008, 1.27% through May 31, 2009, 1.30% through May 31, 2010, 1.33% through May 31, 2011 and 1.37% thereafter and (2) a 5% annual return:(5)

	1 YEAR	3 YEARS	5 YEARS	10 YEA
Total Expenses Incurred(6)	$57	$82	$111	$198

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(1) A shareholder that directs the plan agent to sell shares held in a dividend reinvestment account will pay brokerage charges.

(2) Leverage Costs in the table reflect the weighted average cost to the Fund of Preferred Shares, expressed as a percentage of the Fund's net assets, based on interest rates and dividend rates during the period ended January 31, 2006, including expenses associated with ratings agencies' ratings of the Preferred Shares. The table assumes outstanding Preferred Shares of $430 million, which reflects leverage in an amount representing approximately 31% of total assets.

(3) Calamos has contractually agreed to waive a portion of its management fee at the annual rate of 0.10% of average weekly managed assets through May 31, 2008, 0.07% of the average weekly managed assets in the following year through May 31, 2009, 0.05% of the average weekly managed assets in the following year through May 31, 2010 and 0.03% of the average weekly managed assets in the following year through May 31, 2011. Assuming Preferred Shares in an amount equal to 31% of the Fund's total assets immediately after issuance and calculated as a percentage of net assets attributable to common shares, those amounts would be 0.15% for each year through May 31, 2008, 0.10% through May 31, 2009, 0.07% through May 31, 2010 and 0.04% through May 31, 2011. Without the waiver, "Total Annual Expenses" would be estimated to be 1.37% of average daily net assets attributable to common shares.

(4) Net Annual Expenses may increase if Other Expenses and Leverage Costs increase.

(5) The example assumes that the estimated "Other Expenses" set forth in the fee table are accurate and that all dividends and distributions are reinvested at net asset value and that the Fund is engaging in leverage of 31% of total assets, assuming a 0.12% cost of leverage. THE EXAMPLE SHOULD NOT BE CONSIDERED A REPRESENTATION OF FUTURE EXPENSES. ACTUAL EXPENSES MAY BE GREATER OR LESS THAN THOSE ASSUMED. MOREOVER, THE FUND'S ACTUAL RATE OF RETURN MAY BE GREATER OR LESS THAN THE HYPOTHETICAL 5% RETURN SHOWN IN THE EXAMPLE.

(6) Assumes waiver of fees at the annual rate of 0.10% of average weekly managed assets through May 31, 2008, 0.07% in the following year through May 31, 2009, 0.05% in the following year through May 31, 2010 and 0.03% in the following year through May 31, 2011. Calamos has not agreed to waive any portion of its fees and expenses beyond May 31, 2011. See "Management of the Fund -- Investment Management Agreement."

The purpose of the table above is to help you understand all fees and expenses that you, as a common shareholder, would bear directly or indirectly. The amount set forth under "Other Expenses" is based upon estimates for the current year, assuming no exercise of the over-allotment option granted to the underwriters. The table assumes that the Fund issues $60,000,000 in common shares. If the Fund issues fewer common shares, all other things being equal, these expenses, as a percentage of net assets, would increase. For additional information with respect to the Fund's expenses, see "Management of the Fund." Other expenses include custodial and transfer agency fees, legal and accounting expenses, and listing fees.

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FINANCIAL HIGHLIGHTS

The information contained in the table below shows the audited operating performance of the Fund for the periods ending October 31, 2003, October 31, 2004 and October 31, 2005 and the unaudited operating performance for the Fund for the period from November 1, 2005 through January 31, 2006.

	NOVEMBER 1, 2005 THROUGH JANUARY 31, 2006 (UNAUDITED)	FOR THE YEAR ENDED		MAY 28, 2003 THROUGH OCTOBER 31, 2003
		2005	2004	
Net asset value, beginning of period..........	$ 15.21	$ 15.47	$ 14.80	$ 14.32(
Income from investment operations:				
Net investment income (loss)................	0.50	1.49	1.60	0.44
Net realized and unrealized gain (loss) from investments, foreign currency and interest rate swaps......................	0.42	(0.09)	0.63	0.46
Dividends to preferred shareholders from:				
Net investment income (common share equivalent basis).......................	(0.07)	(0.20)	(0.10)	(0.02)

Total from investment operations.........	0.85	1.20	2.13	0.88
Less dividends to common shareholders from:				
Net investment income......................	(0.40)	(1.34)	(1.46)	(0.37)
Capital gains..............................	(0.06)	(0.12)	--	--
Capital charge resulting from issuance of common and preferred shares.................	--	--	--	(0.03)
Net asset value, end of period...............	$ 15.60	$ 15.21	$ 15.47	$ 14.80
Market value, end of period..................	$ 15.99	$ 15.52	$ 16.74	$ 16.00
Total investment return based on(b):				
Net asset value............................	5.65%	7.99%	14.91%	5.92%
Market value...............................	6.13%	1.83%	15.02%	9.36%
Ratios and supplemental data:				
Net assets applicable to common shareholders, end of period (000's omitted)..............	$968,971	$940,736	$945,037	$891,152
Preferred shares, at redemption value ($25,000 per share liquidation preference) (000's omitted)..................................	$430,000	$430,000	$430,000	$430,000
Ratios to average net assets applicable to common shareholders:				
Net expenses(c)(d).........................	1.22%	1.23%	1.25%	1.11%
Gross expenses prior to waiver of expenses by the advisor(c)(d)....................	1.37%	1.38%	1.40%	1.24%
Net investment income (loss)(c)(d)..........	8.95%	9.55%	10.56%	7.85%
Preferred share dividends(c)................	1.84%	1.30%	0.65%	0.34%
Net investment income (loss), net of preferred share dividends(c)............	7.11%	8.25%	9.91%	7.51%
Portfolio turnover rate......................	8%	55%	27%	20%
Asset coverage per preferred share, at end of period(e)..................................	$ 81,353	$ 79,708	$ 79,952	$ 76,811

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* Commencement of operations.

(a) Net of sales load of $0.675 on initial shares issued and beginning net asset value of $14.325.

(b) Total investment return is calculated assuming a purchase of common stock on the opening of the first day and a sale on the closing of the last day of the period reported. Dividends and distributions

are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total return is not annualized for periods less than one year. Brokerage commissions are not reflected. NAV per share is determined by dividing the value of the Fund's portfolio securities, cash and other assets, less all liabilities, by the total number of common shares outstanding. The common share market price is the price the market is willing to pay for shares of the Fund at a given time. Common share market price is influenced by a range of factors, including supply and demand and market conditions.

(c) Annualized for periods less than one year.

(d) Does not reflect the effect of dividend payments to preferred shareholders.

(e) Calculated by subtracting the Fund's total liabilities (not including Preferred Shares) from the Fund's total assets and dividing this by the number of Preferred Shares outstanding.

THE FUND

Calamos Convertible and High Income Fund is a diversified, closed-end management investment company which commenced investment operations in May 2003. The Fund was organized under the laws of the state of Delaware on March 12, 2003, and has registered under the 1940 Act. On May 27, 2003, the Fund issued an aggregate of 52,200,000 common shares, no par value, in an initial public offering and commenced its operations. On June 11, 2003 and July 15, 2003, the Fund issued an additional 4,000,0000 and 3,800,000 common shares, respectively, in connection with exercises by the underwriters of their over-allotment option. The net proceeds of the initial public offering and subsequent exercises of the over-allotment option were approximately $858.2 million after the payment of offering expenses. On July 28, 2003, the Fund issued the Preferred Shares, liquidation preference $25,000 per share ($430,000,000 in the aggregate). The Fund's common shares are listed on the NYSE under the symbol "CHY." The Fund's principal office is located at 2020 Calamos Court, Naperville, Illinois 60563, and its telephone number is 1-800-582-6959.

The following provides information about the Fund's outstanding securities as of January 31, 2006:

TITLE OF CLASS	AMOUNT AUTHORIZED	AMOUNT HELD BY THE FUND OR FOR ITS ACCOUNT	AMOUNT OUTSTANDING EXCLUSIVE OF AMOUNT HELD BY THE FUND OR FOR ITS ACCOUNT
	(UNAUDITED)		
Common Shares.........................	Unlimited	0	62,130,161
Preferred Shares......................	Unlimited	0	17,200
Series M...........................		0	3,000
Series TU..........................		0	3,000
Series W...........................		0	3,000
Series TH..........................		0	3,000
Series F...........................		0	3,000
Series A...........................		0	2,200

The following sets forth information about the Fund's outstanding Preferred Shares as of the dates indicated below:

FISCAL YEAR ENDED	TOTAL LIQUIDATION PREFERENCE OUTSTANDING	ASSET COVERAGE PER SHARE ($25,000 LIQUIDATION PREFERENCE)	AVERAGE FAIR VALUE PER $25,000 DENOMINATION OR PER SHARE AMOUNT(A)
October 31, 2005.......................	$430,000,000	$79,708	$25,000
October 31, 2004.......................	$430,000,000	$79,952	$25,000
October 31, 2003(b)....................	$430,000,000	$76,811	$25,000

(a) Fair value of the Preferred Shares approximates the liquidation preference because dividend rates payable on the Preferred Shares are determined at auctions and fluctuate with changes in current market interest rates.

(b) For the period May 28, 2003 (commencement of operations) through October 31, 2003.

CAPITALIZATION

The following table sets forth the capitalization of the Fund as of January 31, 2006, and as adjusted to give effect to the issuance of the common shares offered hereby. As indicated below, common shareholders will bear the offering costs associated with this offering.

	ACTUAL	AS ADJUSTED
	(UNAUDITED)	
PREFERRED SHARES OUTSTANDING:		
Preferred shares, no par value per share, $25,000 stated value per share, at liquidation value; unlimited shares authorized (no shares issued; and 17,200 shares issued, respectively)	$430,000,000	$ 430,000,000
COMMON SHAREHOLDERS' EQUITY:		
Common shares, no par value per share, unlimited shares authorized, 62,130,161 (Actual) and 66,030,161 (As Adjusted) shares outstanding*	$885,876,721	$ 945,863,321
Additional paid-in capital	--	--
Undistributed net investment income (loss)	1,520,089	1,520,089
Accumulated net realized gain (loss) on investments, foreign currency transactions and interest rate swaps	7,344,692	7,344,692
Net unrealized appreciation (depreciation) on investments, foreign currency translation and interest rate swaps	74,229,342	74,229,342
Net assets applicable to common shares	$968,970,844	$1,028,957,444

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* None of these outstanding shares are held by or for the account of the Fund.

MARKET AND NET ASSET VALUE INFORMATION

The Fund's currently outstanding common shares are, and the common shares offered by this prospectus, subject to notice of issuance, will be, listed on the NYSE. The Fund's common shares commenced trading on the NYSE on May 28, 2003.

The Fund's common shares have traded both at a premium and at a discount in relation to net asset value. Although the Fund's shares recently have been trading at a premium above net asset value, there can be no assurance that this will continue after the offering or that the shares will not again trade at a discount. Shares of closed-end investment companies frequently trade at a discount from net asset value. See "Risk Factors -- Market Discount Risk."

The following table sets forth for each of the quarters indicated the high and low closing market prices for common shares of the Fund on the NYSE, and the net asset value and the premium or discount from net asset value at which the common shares were trading, expressed as a percentage of net asset value, at each of the high and low sales price provided. See "Net Asset Value" for information as to the determination of the Fund's net asset value.

	MARKET PRICE(1)		NET ASSET VALUE		PREMIUM/(DISCOUNT) TO NET ASSET VALUE(2)	
QUARTER ENDED	HIGH	LOW	HIGH	LOW	HIGH	LOW
January 31, 2004...............	$17.10	$15.72	$15.72	$14.74	8.78%	6.65%
April 30, 2004.................	17.05	14.80	15.26	15.21	11.73%	-2.70%
July 31, 2004..................	15.90	14.00	14.80	14.56	7.43%	-3.85%
October 31, 2004...............	16.74	15.72	15.47	14.71	8.21%	6.87%
January 31, 2005...............	17.18	16.25	16.01	15.69	7.31%	3.57%
April 30, 2005.................	17.00	14.72	15.93	15.43	6.72%	-4.60%
July 31, 2005..................	16.83	15.26	15.70	14.64	7.20%	4.23%
October 31, 2005...............	16.74	15.25	15.91	15.05	5.22%	1.33%
January 31, 2006...............	16.31	15.50	15.47	15.29	5.43%	1.37%
April 30, 2006.................	16.60	15.73	15.60	15.24	6.41%	3.22%

Source of Market Prices: Bloomberg Financial.

(1) Based on high and low closing market price during the respective quarter.

(2) Based on the Fund's computations.

The last reported sale price, net asset value per common share and percentage premium to net asset value per share of the common shares on June 7, 2006 were $16.86, $15.16 and 11.21%, respectively. As of June 7, 2006, the Fund had 62,407,199 common shares outstanding and net assets of the Fund were $946,016,926.

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PORTFOLIO COMPOSITION

The allocation of the Fund's total investments of $1,343,255,027 by market sector, as of May 31, 2006, is shown in the following chart. The information in the chart is unaudited.
(PIE CHART)

Telecommunication Services	2.3
Consumer Discretionary	20.6
Financials	16
Industrials	13.2
Energy	11.3
Information Technology	9.1

Consumer Staples	8.1
Healthcare	7.4
Materials	7.4
Utilities	4.6

The allocation of the Fund's total investments, including cash, of $1,356,945,056 by security type, as of May 31, 2006, is shown in the following chart. The information in the chart is unaudited.
(PIE CHART)

Cash	1
Convertible Securities	39.1
High Yield (Fixed Income)	59.9

The Fund is actively managed and the allocations shown in the charts above, as well as the identity of the market sectors and security types, may change significantly over time.

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USE OF PROCEEDS

The net proceeds of this offering will be approximately $59,986,600 (or approximately $68,796,520 assuming the underwriters exercise the over-allotment option in full) after payment of offering costs estimated to be approximately $291,800 and the deduction of the sales load.

The Fund will invest the net proceeds of the offering in accordance with the Fund's investment objective and policies as stated below. It is presently anticipated that the Fund will invest substantially all of the net proceeds in securities that meet the investment objective and policies within two months after completion of this offering. Pending such investment, the Fund anticipates that all or a portion of the proceeds will be invested in U.S. government securities or high grade, short-term money market instruments. If necessary, the Fund may also purchase, as temporary investments, securities of other open-or closed-end investment companies that invest primarily in the types of securities in which the Fund may invest directly. A delay in the anticipated use of proceeds could lower returns and lower the Fund's distribution for the outstanding common shares and the common shares offered hereby. See "Investment Objective and Principal Investment Strategies."

INVESTMENT OBJECTIVE AND PRINCIPAL INVESTMENT STRATEGIES

INVESTMENT OBJECTIVE

The Fund's investment objective is to provide total return through a combination of capital appreciation and current income. The Fund's investment objective may be changed by the Board of Trustees without a shareholder vote. The Fund makes no assurance that it will realize its objective. An investment in the Fund may be speculative in that it involves a high degree of risk and should not constitute a complete investment program. See "Risk Factors."

PRINCIPAL INVESTMENT STRATEGIES

Under normal circumstances, the Fund will invest at least 80% of its managed assets in a diversified portfolio of convertible securities and below investment grade (high yield/high risk) non-convertible debt securities. This is a non-fundamental policy and may be changed by the Board of Trustees of the Fund provided that shareholders are provided with at least 60 days' prior written notice of any change as required by the rules under the 1940 Act. The portion of the Fund's assets invested in convertible securities and below investment grade (high yield/high risk) non-convertible debt securities will vary from time to time consistent with the Fund's investment objective, changes in equity prices and changes in interest rates and other economic and market factors, although, under normal circumstances, the Fund will invest at least 20% of its managed assets in convertible securities and at least 20% of its managed assets in below investment grade (high yield/high risk) non-convertible debt securities (so long as the combined total equals at least 80% of the Fund's managed assets). The Fund invests in securities with a broad range of maturities. The average term to maturity of the Fund's securities typically will range from five to ten years.

The Fund starts from a universe of primarily convertible and high yield non-convertible debt securities, and performs fundamental research to assess credit. The Fund filters out securities with high probability of bankruptcy, declining credits, or distressed credits. The Fund also screens issues based on equity characteristics of the security, such as intrinsic/economic business value, cash flow generation, and sufficient access to capital. The Fund then ensures there is sufficient return potential, and assesses relative risk/reward. Finally, the Fund performs top-down portfolio construction by actively managing the security mix, overlay macro/industry themes, and diversity by sector and industry.

CONVERTIBLE SECURITIES. Investment in convertible securities forms an important part of the Fund's investment strategies. Under normal circumstances, the Fund will invest at least 20% of its managed assets in convertible securities. A convertible security is a debt security or preferred stock that is exchangeable for an equity security of the issuer at a predetermined price. Depending upon the relationship of the

conversion price to the market value of the underlying security, a convertible security may trade more like an equity security than a debt instrument. The Fund may invest in convertible securities of any rating.

SYNTHETIC CONVERTIBLE INSTRUMENTS. Calamos may also establish a "synthetic" convertible instrument by combining separate securities that possess economic characteristics similar to a convertible security, i.e., an income component and the right or obligation to convert to an equity security ("convertible component"). The income component, is achieved by investing in non-convertible, fixed-income securities such as bonds, preferred stocks, money market instruments and other instruments that provide an income component. The convertible component is achieved by investing in warrants or options to buy common stock at a certain exercise price, or options on a stock index. In establishing a synthetic instrument, Calamos may also pool a basket of fixed-income securities and a basket of warrants or options that produce the economic characteristics similar to a convertible security. Within each basket of fixed-income securities and warrants or options, different companies may issue the fixed-income and convertible components, which may be purchased separately and at different times.

The Fund may also purchase synthetic convertible instruments created by other parties, typically investment banks, including convertible structured notes. Convertible structured notes are fixed income debentures linked to equity. Convertible structured notes have the attributes of a convertible security; however, the investment bank that issued the convertible note assumes the credit risk associated with the investment, rather than the issuer of the underlying common stock into which the note is convertible. Purchasing synthetic convertible instruments may offer more flexibility than purchasing a convertible security. Different companies may issue the fixed-income and convertible components, which may be purchased separately and at different times. The Fund's holdings of synthetic convertible instruments are considered convertible securities for purposes of the Fund's policy to invest at least 20% of its managed assets in convertible securities and 80% of its managed assets in a diversified portfolio of convertible securities and below investment grade (high yield/high risk) non-convertible debt securities.

HIGH YIELD SECURITIES. Investment in high yield non-convertible debt securities forms an important part of the Fund's investment strategies. The Fund will invest in high yield securities for either current income or capital appreciation or both. Under normal circumstances, the Fund will invest at least 20% of its managed assets in high yield non-convertible debt securities. The high yield securities in which the Fund invests are rated Ba or lower by Moody's or BB or lower by Standard & Poor's or are unrated but determined by Calamos to be of comparable quality. The Fund may invest in high yield securities of any rating. The Fund may, but currently does not intend to, invest up to 5% of its total assets in distressed securities that are in default or the issuers of which are in bankruptcy. Non-convertible debt securities rated below investment grade are commonly referred to as "junk bonds" and are considered speculative with respect to the issuer's capacity to pay interest and repay principal. Below investment grade non-convertible debt securities involve greater risk of loss, are subject to greater price volatility and are less liquid, especially during periods of economic uncertainty or change, than higher rated debt securities.

OTHER INCOME SECURITIES. The Fund may also invest in investment grade income securities. The Fund's investments in investment grade income securities may have fixed or variable principal payments and all types of interest rate and dividend payment and reset terms, including fixed rate, adjustable rate, zero coupon, contingent, deferred, payment in kind and auction rate features.

PREFERRED SHARES. The Fund may invest in preferred shares. The preferred shares in which the Fund typically will invest will be convertible securities. Preferred shares are equity securities, but they have many characteristics of fixed income securities, such as a fixed dividend payment rate and/or a liquidity preference over the issuer's common shares. However, because preferred shares are equity securities, they may be more susceptible to risks traditionally associated with equity investments than the Fund's fixed income securities.

FOREIGN SECURITIES. Although the Fund primarily invests in securities of U.S. issuers, the Fund may invest up to 25% of its managed assets in securities of foreign issuers, including debt and equity securities of corporate issuers and debt securities of government issuers in developed and emerging markets. The Fund may invest up to 15% of its managed assets in securities of foreign issuers in emerging markets. A

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foreign issuer is a company organized under the laws of a foreign country that is principally traded in the financial markets of a foreign country. For purposes of these percentage limitations, foreign securities do not include securities represented by ADRs or securities guaranteed by a U.S. person.

RULE 144A SECURITIES. The Fund may invest without limit in Rule 144A Securities. Calamos, under the supervision of the Board of Trustees, will consider whether securities purchased under Rule 144A are illiquid and thus subject to the Fund's limit of investing no more than 15% of its managed assets in illiquid securities. A determination of whether a Rule 144A Security is liquid or not is a question of fact. In making this determination, Calamos will consider the trading markets for the specific security, taking into account the unregistered nature of a Rule 144A Security. In addition, Calamos could consider the (1) frequency of trades and quotes, (2) number of dealers and potential purchasers, (3) dealer undertakings to make a market and (4) nature of a security and of marketplace trades (e.g., the time needed to dispose of the security, the method of soliciting offers and the mechanics of transfer). The liquidity of Rule 144A Securities will be monitored and, if as a result of changed conditions, it is determined that a Rule 144A Security is no longer liquid, the Fund's holdings of illiquid securities would be reviewed to determine what, if any, steps are required to assure that the Fund does not invest more than 15% of its assets in illiquid securities. Investing in Rule 144A Securities could have the effect of increasing the amount of the portfolio's assets invested in illiquid securities if qualified institutional buyers are unwilling to purchase such securities.

REITS. The Fund may invest in real estate investment trusts ("REITs"). REITs primarily invest in income producing real estate or real estate related loans or interests. REITs are generally classified as equity REITs, mortgage REITs or a combination of equity and mortgage REITs. Equity REITs invest the majority of their assets directly in real property and derive income primarily from the collection of rents. Equity REITs can also realize capital gains by selling properties that have appreciated in value. Mortgage REITs invest the majority of their assets in real estate mortgages and derive income from the collection of interest payments. REITs are not taxed on income distributed to shareholders; provided, they comply with the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"). The Fund will indirectly bear its proportionate share of any management and other expenses paid by REITs in which it invests in addition to the expenses paid by the Fund. Debt securities issued by REITs are, for the most part, general and unsecured obligations and are subject to risks associated with REITs.

U.S. GOVERNMENT SECURITIES. U.S. government securities in which the Fund invests include debt obligations of varying maturities issued by the U.S. Treasury or issued or guaranteed by an agency or instrumentality of the U.S. government, including the Federal Housing Administration, Federal Financing Bank, Farmers Home Administration, Export-Import Bank of the United States, Small Business Administration, Government National Mortgage Association, General Services Administration, Central Bank for Cooperatives, Federal Farm Credit Banks, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association ("FNMA"), Maritime Administration, Tennessee Valley Authority, District of Columbia Armory Board, Student Loan Marketing Association, Resolution Fund Corporation and various institutions that previously were or currently are part of the Farm Credit System (which has been undergoing reorganization since 1987). Some U.S. government securities, such as U.S. Treasury bills, Treasury notes and Treasury bonds, which differ only in their interest rates, maturities and times of issuance, are supported by the full faith and credit of the United States. Others are supported by: (i) the right of the issuer to borrow from the U.S. Treasury, such as securities of the Federal Home Loan Banks; (ii) the discretionary authority of the U.S. government to purchase the agency's obligations, such as securities of the FNMA; or (iii) only the credit of the issuer. No assurance can be given that the U.S. government will provide financial support in the future to U.S. government agencies, authorities or instrumentalities that are not supported by the full faith and credit of the United States. Securities guaranteed as to principal and interest by the U.S. government, its agencies, authorities or instrumentalities include: (i) securities for which the payment of principal and interest is backed by an irrevocable letter of credit issued by the U.S. government or any of its agencies, authorities or instrumentalities; and (ii) participations in loans made to non-U.S. governments or other entities that are so guaranteed. The secondary market for certain of these participations is limited and, therefore, may be regarded as illiquid. U.S. government securities include STRIPS and CUBES, which are issued by the U.S. Treasury as component parts of U.S. Treasury bonds and represent scheduled interest and principal payments on the bonds.

ZERO COUPON SECURITIES. The securities in which the Fund invests may include zero coupon securities, which are debt obligations that are issued or purchased at a significant discount from face value. The discount approximates the total amount of interest the security will accrue and compound over the period until maturity or the particular interest payment date at a rate of interest reflecting the market rate of the security at the time of issuance. Zero coupon securities do not require the periodic payment of interest. These investments benefit the issuer by mitigating its need for cash to meet debt service, but generally require a higher rate of return to attract investors who are willing to defer receipt of cash. These investments may experience greater volatility in market value than U.S. government securities that make regular payments of interest. The Fund accrues income on these investments for tax and accounting purposes, which is distributable to shareholders and which, because no cash is received at the time of accrual, may require the liquidation of other portfolio securities to satisfy the Fund's distribution obligations, in which case the Fund will forgo the purchase of additional income producing assets with these funds. Zero coupon U.S. government securities include STRIPS and CUBES, which are issued by the U.S. Treasury as component parts of U.S. Treasury bonds and represent scheduled interest and principal payments on the bonds.

INVESTMENTS IN EQUITY SECURITIES. Consistent with its objective, the Fund may invest in equity securities. Equity securities, such as common stock, generally represent an ownership interest in a company. Although equity securities have historically generated higher average returns than fixed income securities, equity securities have also experienced significantly more volatility in those returns. An adverse event, such as an unfavorable earnings report, may depress the value of a particular equity security held by the Fund. Also, the prices of equity securities, particularly common stocks, are sensitive to general movements in the stock market. A drop in the stock market may depress the price of equity securities held by the Fund.

OTHER INVESTMENT COMPANIES. The Fund may invest in the securities of other investment companies to the extent that such investments are consistent with the Fund's investment objective and policies and are permissible under the 1940 Act. Under the 1940 Act, the Fund may not acquire the securities of other domestic or non-U.S. investment companies if, as a result, (1) more than 10% of the Fund's total assets would be invested in securities of other investment companies, (2) such purchase would result in more than 3% of the total outstanding voting securities of any one investment company being held by the Fund, or (3) more than 5% of the Fund's total assets would be invested in any one investment company. These limitations do not apply to the purchase of shares of any investment company in connection with a merger, consolidation, reorganization or acquisition of substantially all the assets of another investment company.

The Fund, as a holder of the securities of other investment companies, will bear its pro rata portion of the other investment companies' expenses, including advisory fees. These expenses are in addition to the direct expenses of the Fund's own operations.

TEMPORARY DEFENSIVE INVESTMENTS. Under unusual market or economic conditions or for temporary defensive purposes, the Fund may invest up to 100% of its total assets in securities issued or guaranteed by the U.S. government or its instrumentalities or agencies, certificates of deposit, bankers' acceptances and other bank obligations, commercial paper rated in the highest category by a nationally recognized statistical rating organization or other fixed income securities deemed by Calamos to be consistent with a defensive posture, or may hold cash. The yield on such securities may be lower than the yield on lower rated fixed income securities.

REPURCHASE AGREEMENTS. The Fund may enter into repurchase agreements with broker-dealers, member banks of the Federal Reserve System and other financial institutions. Repurchase agreements are arrangements under which the Fund purchases securities and the seller agrees to repurchase the securities within a specific time and at a specific price. The repurchase price is generally higher than the Fund's purchase price, with the difference being income to the Fund. The counterparty's obligations under the

repurchase agreement are collateralized with U.S. Treasury and/or agency obligations with a market value of not less than 100% of the obligations, valued daily. Collateral is held by the Fund's custodian in a segregated, safekeeping account for the benefit of the Fund. Repurchase agreements afford the Fund an opportunity to earn income on temporarily available cash at low risk. In the event of commencement of bankruptcy or insolvency proceedings with respect to the seller of the security before repurchase of the security under a repurchase agreement, the Fund may encounter delay and incur costs before being able to sell the security. Such a delay may involve loss of interest or a decline in price of the security. If the court characterizes the transaction as a loan and the Fund has not perfected a security interest in the security, the Fund may be required to return the security to the seller's estate and be treated as an unsecured creditor of the seller. As an unsecured creditor, the Fund would be at risk of losing some or all of the principal and interest involved in the transaction.

LENDING OF PORTFOLIO SECURITIES. The Fund may lend portfolio securities to registered broker-dealers or other institutional investors deemed by Calamos to be of good standing under agreements which require that the loans be secured continuously by collateral in cash, cash equivalents or U.S. Treasury bills maintained on a current basis at an amount at least equal to the market value of the securities loaned. The Fund continues to receive the equivalent of the interest or dividends paid by the issuer on the securities loaned as well as the benefit of an increase and the detriment of any decrease in the market value of the securities loaned and would also receive compensation based on investment of the collateral. The Fund would not, however, have the right to vote any securities having voting rights during the existence of the loan, but would call the loan in anticipation of an important vote to be taken among holders of the securities or of the giving or withholding of consent on a material matter affecting the investment.

As with other extensions of credit, there are risks of delay in recovery or even loss of rights in the collateral should the borrower of the securities fail financially. At no time would the value of the securities loaned exceed 33 1/3% of the value of the Fund's total assets.

PORTFOLIO TURNOVER. It is the policy of the Fund not to engage in trading for short-term profits although portfolio turnover rate is not considered a limiting factor in the execution of investment decisions for the Fund.

LEVERAGE

The Fund may issue preferred shares or debt securities or borrow to increase its assets available for investment. The Fund had Preferred Shares outstanding in an aggregate liquidation preference representing approximately 31% of the Fund's total assets as of June 7, 2006. As a non-fundamental policy, such preferred shares, debt securities or borrowing may not exceed 38% of the Fund's total assets. However, the Board of Trustees reserves the right to issue preferred shares or debt securities or borrow to the extent permitted by the

1940 Act. The Fund generally will not issue preferred shares or debt securities or borrow unless Calamos expects that the Fund will achieve a greater return on such leverage than the additional costs the Fund incurs as a result of such leverage. The Fund also may borrow money as a temporary measure for extraordinary or emergency purposes, including the payment of dividends and the settlement of securities transactions which otherwise might require untimely dispositions of the Fund's holdings. When the Fund leverages its assets, the fees paid to Calamos for investment management services will be higher than if the Fund did not leverage because Calamos' fees are calculated based on the Fund's managed assets, which include the proceeds of the issuance of preferred shares or debt securities or any outstanding borrowings. Consequently, the Fund and Calamos may have differing interests in determining whether to leverage the Fund's assets.

The Fund's use of leverage is premised upon the expectation that the Fund's leverage costs will be lower than the return the Fund achieves on its investments with the leverage proceeds. Such difference in return may result from the Fund's higher credit rating or the short-term nature of its borrowing compared to the long-term nature of its investments. Because Calamos seeks to invest the Fund's total assets (including the assets obtained from leverage) in the higher yielding portfolio investments or portfolio investments with the potential for capital appreciation, the holders of common shares will be the

beneficiaries of any incremental return. Should the differential between the underlying assets and cost of leverage narrow, the incremental return "pick up" will be reduced. Furthermore, if long-term interest rates rise without a corresponding increase in the yield on the Fund's portfolio investments or the Fund otherwise incurs losses on its investments, the Fund's net asset value attributable to its common shares will reflect the decline in the value of portfolio holdings resulting therefrom.

Leverage creates risks which may adversely affect the return for the holders of common shares, including:

- the likelihood of greater volatility of net asset value and market price of common shares;

- fluctuations in the dividend rates on any preferred shares or in interest rates on borrowings and short-term debt;

- increased operating costs, which may reduce the Fund's total return; and

- the potential for a decline in the value of an investment acquired with borrowed funds, while the Fund's obligations under such borrowing remains fixed.

To the extent the income or capital appreciation derived from securities purchased with funds received from leverage exceeds the cost of leverage, the Fund's return will be greater than if leverage had not been used. Conversely, if the income or capital appreciation from the securities purchased with such funds is not sufficient to cover the cost of leverage or if the Fund incurs capital losses, the return of the Fund will be less than if leverage had not been used, and therefore the amount available for distribution to common shareholders as dividends and other distributions will be reduced or potentially eliminated. Calamos may determine to maintain the Fund's leveraged position if it expects that the long-term benefits to the Fund's common shareholders of maintaining the leveraged position will outweigh the current reduced return. Capital raised through the issuance of preferred shares or debt securities or borrowing will be subject to dividend payments or interest costs that may or may not exceed the income and appreciation on the assets purchased. The issuance of additional classes of preferred shares involves offering expenses and other costs and may limit the Fund's freedom to pay dividends on common shares or to engage in other activities. The Fund also may be required to maintain minimum average balances in connection with borrowings or to pay a commitment or other fee to maintain a line of credit; either of these requirements would increase the cost of borrowing over the stated interest rate. The Fund will pay (and common shareholders will bear) any costs and expenses relating to any borrowings and to the issuance and ongoing maintenance of preferred shares or debt securities (for example, distribution related expenses such as a participation fee paid at an annual rate of 0.25% of Preferred Share liquidation preference to broker-dealers successfully participating in Preferred Share auctions). Net asset value will be reduced immediately following any additional offering of preferred shares or debt securities by the costs of that offering paid by the Fund.

Under the 1940 Act, the Fund is not permitted to issue preferred shares unless immediately after such issuance the net asset value of the Fund's portfolio is at least 200% of the liquidation value of the aggregate amount of outstanding preferred shares (i.e., such liquidation value may not exceed 50% of the value of the Fund's total assets). Under the 1940 Act, the Fund may only issue one class of senior securities representing equity. So long as Preferred Shares are outstanding, additional senior equity securities must rank on a parity with the Preferred Shares. In addition, the Fund is not permitted to declare any cash dividend or other distribution on its common shares unless, at the time of such declaration, the net asset value of the Fund's portfolio (determined after deducting the amount of such dividend or distribution) is at least 200% of such liquidation value. Under the 1940 Act, the Fund is not permitted to incur indebtedness unless immediately after such borrowing the Fund has an asset coverage of at least 300% of the aggregate outstanding principal balance of indebtedness (i.e., such indebtedness may not exceed 33 1/3% of the value of the Fund's total assets). Under the 1940 Act, the Fund may only issue one class of senior securities representing indebtedness. Additionally, under the 1940 Act, the Fund may not declare any dividend or other distribution upon any class of its shares, or purchase any such shares, unless the aggregate indebtedness of the Fund has, at the time of the declaration of any such dividend or

distribution or at the time of any such purchase, an asset coverage of at least 300% after deducting the amount of such dividend, distribution, or purchase price, as the case may be.

The Fund is subject to certain restrictions on investments imposed by guidelines of Standard & Poor's and Fitch, which have issued ratings for the Preferred Shares and may do so for debt instruments issued by the Fund. These guidelines impose asset coverage or portfolio composition requirements that are more stringent than those imposed by the 1940 Act. Certain types of borrowings may result in the Fund being subject to covenants in credit agreements, including those relating to asset coverage, borrowing base and portfolio composition requirements and additional covenants that may affect the Fund's ability to pay dividends and distributions on common shares in certain instances. The Fund also may be required to pledge its assets to the lenders in connectio