

CALAMOS CONVERTIBLE OPPORTUNITIES & INCOME FUND
Form N-CSRS
June 26, 2009

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-CSR
CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES
INVESTMENT COMPANY ACT FILE NUMBER: 811-21080**

EXACT NAME OF
REGISTRANT AS
SPECIFIED IN
CHARTER: **Calamos Convertible
Opportunities and Income Fund**

ADDRESS OF
PRINCIPAL
EXECUTIVE
OFFICES: 2020 Calamos Court, Naperville,

Illinois 60563-2787

NAME AND
ADDRESS OF
AGENT FOR
SERVICE: John P. Calamos, Sr., President,

Calamos Advisors LLC
2020 Calamos Court
Naperville, Illinois
60563-2787

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (630) 245-7200

DATE OF FISCAL YEAR END: October 31, 2009

DATE OF REPORTING PERIOD: November 1, 2008 through April 30, 2009

ITEM 1. REPORTS TO SHAREHOLDERS

Include a copy of the report transmitted to stockholders pursuant to Rule 30e-1 under the Act (17 CFR 270. 30e-1).

Managing Your Calamos Funds Investments

Calamos Investments offers several convenient means to monitor, manage and feel confident about your Calamos investment choice.

TABLE OF CONTENTS

Letter to Shareholders	1
Investment Team Discussion	3
Schedule of Investments	5
Statement of Assets and Liabilities	13
Statement of Operations	14
Statements of Changes In Net Assets	15
Statement of Cash Flows	16
Notes to Financial Statements	17
Financial Highlights	26
Report of Independent Registered Public Accounting Firm	27
About Closed-End Funds	30
Level Rate Distribution Policy and Automatic Dividend Reinvestment Plan	31
The Calamos Investments Advantage	32
Calamos Closed-End Funds	33

PERSONAL ASSISTANCE

800.582.6959

Dial this toll-free number to speak with a knowledgeable Client Services Representative who can help answer questions or address issues concerning your Calamos Fund

YOUR FINANCIAL ADVISOR

We encourage you to talk to your financial advisor to determine how Calamos Investments can benefit your investment portfolio based on your financial goals, risk tolerance, time horizon and income needs

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It's convenient, timely and helps reduce mailbox clutter.

You can view shareholder communications, including fund prospectuses, annual reports and other shareholder materials online long before the printed publications would have arrived by traditional mail.

Visit **www.calamos.com** and sign up for e-delivery.

Visit **www.calamos.com** for timely fund performance, detailed fund profiles,
fund news and insightful market commentary.

Letter to Shareholders

About the Fund

CHI utilizes a blend of high-yield and convertible securities to produce a stream of income paid out on a monthly basis.

The Fund's dynamic asset allocation approach and broad investment universe provides enhanced opportunities to pursue income and total returns.

Invests primarily in U.S. markets.

Dear Fellow Shareholder:

Enclosed is your semiannual report for the six months ended April 30, 2009. We appreciate the opportunity to correspond with you. Please carefully review this report, which includes Fund commentary from our investment team. The report also includes a listing of portfolio holdings, financial data and highlights, as well as detailed information about the performance and allocations of the Fund.

Early in the reporting period, we saw a continuation of extraordinary markets that unfolded in the summer of 2008. Throughout the opening months of the period, the markets reflected the anguish around the health of the financial system. Anxiety about the credit crisis, financial and auto industries, government stimulus plans and economic data contributed to a climate of extreme investor pessimism. Even securities issued by fundamentally strong companies saw their values plummet as the markets were roiled by volatility. These widespread declines continued through March 9, when the S&P 500 bottomed out at 676.53, a 13-year low.

However, the tide changed markedly during the later portion of the period, with markets staging a robust and much-welcomed rally off March lows. Investor sentiment was boosted by improving conditions in the credit markets, signs of life in the new issue debt markets, an upturn in global trade, strengthening in the manufacturing sector, increased business activity, rebounding mortgage applications and indications of housing starts reaching a short-term bottom. Central banks and governments around the world remained focused on shoring up investor confidence and attempting to stimulate normal economic activity.

Given the recent extreme gyrations, many investors wonder if the markets are poised for a lasting rebound or if another downturn looms ahead. The fact remains that bear and bull markets can only be identified in hindsight. Because of this, we caution against trying to time the turns. Instead, we encourage investors to follow a patient and disciplined approach, guided by their long-term objectives and risk tolerance. It's important to remember that opportunities exist in turbulent types of market environments. We believe the difference is that in the down markets, experience matters.

Since our early days in the 1970s, we've invested through many difficult periods. Although every market is different, we believe that our time-tested one team, one process approach, long-term perspective and exacting independent research will allow us to position the Fund advantageously for the road ahead. We comprehensively evaluate

companies and securities on their independent merits, within each portfolio as a whole, and also within the context of the evolving political and economic landscape.

Systemic risk has begun to abate; we have seen encouraging signs that the investing environment has improved. However, the global economy must address a confluence of economic, political and market influences. This will take time, and trial and error. We would not be surprised if we see volatile sideways-moving markets for the next several years. Nonetheless, we are looking positively to the future. We believe that emotion-driven selling has created select opportunities for long-term investors, across numerous asset classes. Many securities are trading at extremely attractive prices given their issuers' underlying fundamentals.

Convertible Opportunities and Income Fund
Letter to Shareholders **SEMIANNUAL REPORT** 1

Letter to Shareholders

Broadly speaking, we continue to favor issuers with stronger balance sheets and the ability to grow without relying on the capital markets. We emphasize companies with global leadership positions, well-recognized brands and capable management teams. Our investment process also reflects long-term thematic influences, such as productivity improvements, globalization, and infrastructure building.

Shortly after the beginning of the reporting period, the Fund's Board of Trustees elected to reduce the distributions in response to the very challenging market environment. We believe that the Fund's current distribution rate remains competitive in this interest rate environment, compared to other investment vehicles. The Board continues to monitor economic conditions and will set the distribution rate accordingly.

The Fund's Board of Directors also recently reviewed the costs and benefits associated with refinancing the Fund's outstanding Auction Rate Preferred Securities and concluded that such refinancing in today's low interest rate environment was in the best interest of both common and preferred shareholders of the Calamos funds. More information regarding the refinancing will be made available in upcoming announcements.

If you have any questions about your portfolio, please speak to your financial advisor or contact us at 800.582.6959, Monday through Friday from 8:00 a.m. to 6:00 p.m., Central Time. I also encourage you to visit our website at calamos.com on a regular basis, for updated commentary and more information about your funds.

We thank you for the opportunity to help you achieve your investment goals and look forward to serving you in the years to come.

Sincerely,

John P. Calamos, Sr.
Chairman, CEO and Co-CIO
Calamos Advisors LLC

This report is for informational purposes only and should not be considered investment advice.

Convertible Opportunities and Income Fund
2 **SEMIANNUAL REPORT** Letter to Shareholders

Investment Team Discussion

The Calamos Investment Management Team, led by Co-Chief Investment Officers John P. Calamos, Sr. and Nick P. Calamos, CFA, discusses the Fund's performance, strategy and positioning during the 6-month period ended April 30, 2009.

TOTAL RETURN***Common Shares Inception 06/26/02**

	6 Months	1 Year	Since Inception**
On Share Price	6.79%	-32.39%	4.51%
On NAV	21.42%	-26.15%	5.70%

*Total return measures net investment income and capital gain or loss from portfolio investments, assuming reinvestment of income and capital gains distributions.

**Annualized since inception.

SECTOR ALLOCATION

Consumer Discretionary	17.4%
Information Technology	16.5
Energy	10.7
Consumer Staples	10.5
Materials	10.3
Financials	10.2
Health Care	8.7
Industrials	8.4
Telecommunication Services	4.3
Utilities	0.5

Sector allocations are based on managed assets and may vary over time.

Calamos Convertible Opportunities and Income Fund (CHI) seeks total return through a combination of capital appreciation and current income by investing in a diversified portfolio of convertible securities and below-investment-grade (high-yield) fixed-income securities. The Fund's enhanced fixed-income strategy spans the credit quality range and uses a variety of debt instruments to achieve its objective. The strategy provides an alternative to investment-grade fixed-income instruments. With an overall bias toward higher quality securities, the Fund outperformed the high-yield and convertible markets on a net asset value (NAV) basis.

The underlying portfolio (as represented by net asset value, or NAV) of Calamos Convertible Opportunities and Income Fund (CHI) rose 21.42% for the 6-month period ended April 30, 2009. In comparison, the Credit Suisse High Yield Index¹ rose 12.39% and the Merrill Lynch All U.S. Convertibles Ex Mandatory Index² rose 10.75%. On a market price basis, the Fund returned 6.79% assuming reinvestment of distributions.

Overall, security selection and sector allocation added to relative returns during the period versus the Credit Suisse High Yield Index. Security selection in the information-technology sector, in particular in the semiconductors and application software industries, added the most value during the period. An overweight position and issue selection in the consumer-staples sector, in particular in the packaged foods industry, also added to relative returns. Issue selection and an underweight position to the consumer-discretionary sector, especially in the Internet and catalog retail industry, added to relative returns.

SINCE INCEPTION MARKET PRICE AND NAV HISTORY

The portfolio's bias to higher quality issues helped performance. Within the Credit Suisse High Yield index, the higher quality tiers (BBB & BB rated) outperformed the lower quality tiers (B & CCC rated) during the period. Convertible bonds within the portfolio outperformed straight corporate bonds as convertibles reverted to fair value from the recent extreme discounts that reached their lows just prior to the end of October.

Investment Team Discussion

In contrast, weak selection in the financial sector detracted the most value during the quarter as our selected names in the diversified financial services and consumer finance industries underperformed. While some deeply depressed bonds have had gains this year (financial-sector corporate bonds were the best performers in the index during the period), we are not convinced the time is right to re-enter the sector. An underweight position in the telecommunication-services sector detracted from relative returns.

¹ The Credit Suisse High Yield Index is an unmanaged index of high yield debt securities. Source: Mellon Analytical Solutions, LLC.

² The Merrill Lynch All U.S. Convertibles Ex Mandatory Index represents the U.S. convertibles market excluding mandatory convertibles. Source: Mellon Analytical Solutions, LLC.

Convertible Opportunities and Income Fund

4 **SEMIANNUAL REPORT** Investment Team Discussion

Schedule of Investments

APRIL 30, 2009 (UNAUDITED)

PRINCIPAL AMOUNT		VALUE
CORPORATE BONDS (79.8%)		
	<i>Consumer Discretionary (18.8%)</i>	
3,446,000	Asbury Automotive Group, Inc. 7.625%, 03/15/17	\$ 2,084,830
2,954,000	Cooper Tire & Rubber Company 8.000%, 12/15/19	1,624,700
1,492,000	D.R. Horton, Inc. ¹ 7.875%, 08/15/11	1,484,540
522,000	DIRECTV Financing Company, Inc. 8.375%, 03/15/13	532,440
5,194,000	DISH Network Corp. 7.125%, 02/01/16	4,882,360
9,355,000	Expedia, Inc. 7.456%, 08/15/18	8,513,050
3,446,000	GameStop Corp. 8.000%, 10/01/12	3,514,920
8,862,000	General Motors Corp.Û** 7.200%, 01/15/11	1,019,130
1,477,000	7.125%, 07/15/13	147,700
8,370,000	Goodyear Tire & Rubber Company 7.000%, 03/15/28	4,980,150
5,662,000	Hanesbrands, Inc. 5.698%, 12/15/14	4,359,740
3,939,000	Hasbro, Inc. ¹ 6.600%, 07/15/28	3,269,874
2,954,000	Interpublic Group of Companies, Inc. 7.250%, 08/15/11	2,761,990
2,718,000	Jarden Corp.Û 7.500%, 05/01/17	2,419,020
2,730,000	Kellwood Company 7.625%, 10/15/17	136,500
2,954,000	Liberty Media Corp. 8.250%, 02/01/30	1,888,244
17,232,000	MGM MirageÛ 8.375%, 02/01/11	7,151,280

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1,694,000	Oxford Industries, Inc. 8.875%, 06/01/11	1,414,490
4,923,000	Phillips-Van Heusen Corp. 8.125%, 05/01/13	4,849,155
1,379,000	Pulte Homes, Inc. 8.125%, 03/01/11	1,385,895
985,000	7.875%, 08/01/11	987,463
	Royal Caribbean Cruises, Ltd. 7.500%, 10/15/27	3,101,490
4,923,000	7.500%, 10/15/27	3,101,490
2,462,000	7.000%, 06/15/13	1,920,360
985,000	7.250%, 06/15/16	659,950
	Service Corp. International 7.500%, 04/01/27 ¹	5,359,307
6,893,000	7.500%, 04/01/27 ¹	5,359,307
1,969,000	7.625%, 10/01/18	1,806,558
985,000	Sotheby's Holdings, Inc. ^{1*} 7.750%, 06/15/15	714,125
2,196,000	Toll Brothers, Inc. 8.250%, 02/01/11	2,190,510
12,506,000	Vail Resorts, Inc. ¹ 6.750%, 02/15/14	11,317,930
4,923,000	Warnaco Group, Inc. 8.875%, 06/15/13	4,947,615
985,000 GBP	Warner Music Group Corp. 8.125%, 04/15/14	837,866
		92,263,182
	Consumer Staples (11.5%)	
4,303,000	Alliance One International, Inc. ¹ 8.500%, 05/15/12	3,851,185
	Anheuser-Busch InBev, NV 5.500%, 01/15/18 ¹	9,327,925
9,847,000	5.500%, 01/15/18 ¹	9,327,925
985,000	5.000%, 03/01/19~	856,482
4,923,000	Chattem, Inc. 7.000%, 03/01/14	4,775,310
5,416,000	Chiquita Brands International, Inc. ¹ 8.875%, 12/01/15	4,630,680
1,969,000	Constellation Brands, Inc. 7.250%, 09/01/16	1,909,930
5,120,000	Del Monte Foods Company 8.625%, 12/15/12	5,248,000
3,446,000	NBTY, Inc. 7.125%, 10/01/15	3,118,630
	Pilgrim's Pride Corp. ^{**} 8.375%, 05/01/17	4,498,875
6,450,000	8.375%, 05/01/17	4,498,875
1,674,000	7.625%, 05/01/15 ¹	1,351,755
	Reynolds American, Inc. ¹ 7.300%, 07/15/15	4,944,824
5,416,000	7.300%, 07/15/15	4,944,824
2,954,000	7.625%, 06/01/16	2,688,140
2,954,000	7.250%, 06/15/37	2,231,579
9,847,000		6,991,370

	Smithfield Foods, Inc. ¹ 7.750%, 05/15/13	56,424,685
	Energy (12.4%)	
6,844,000	Arch Western Finance, LLC ¹ 6.750%, 07/01/13	6,005,610
3,609,000	Bristow Group, Inc. 7.500%, 09/15/17	2,941,335
8,862,000	Chesapeake Energy Corp. 7.500%, 06/15/14	8,418,900
2,728,000	6.875%, 11/15/20	2,236,960
1,969,000	Complete Production Services, Inc. 8.000%, 12/15/16	1,466,905
2,954,000	Comstock Resources, Inc. 6.875%, 03/01/12	2,688,140
2,954,000	Forest Oil Corp. 8.000%, 12/15/11	2,917,075
3,387,000	Frontier Oil Corp. 8.500%, 09/15/16	3,370,065
1,969,000	GulfMark Offshore, Inc. 7.750%, 07/15/14	1,663,805

Convertible Opportunities and Income Fund
Schedule of Investments **SEMIANNUAL REPORT** 5

See accompanying Notes to Schedule of Investments

Schedule of Investments

APRIL 30, 2009 (UNAUDITED)

PRINCIPAL AMOUNT		VALUE
7,484,000	Helix Energy Solutions Group, Inc.* 9.500%, 01/15/16	\$ 5,351,060
1,477,000	Hornbeck Offshore Services, Inc. 6.125%, 12/01/14	1,225,910
5,514,000	Petrohawk Energy Corp. 7.125%, 04/01/12	5,169,375
1,836,000	Range Resources Corp. 7.375%, 07/15/13	1,803,870
3,446,000	Superior Energy Services, Inc. ¹ 6.875%, 06/01/14	3,032,480
2,683,000	Valero Energy Corp. ¹ 7.500%, 06/15/15	2,671,004
9,847,000	Williams Companies, Inc. 7.750%, 06/15/31	8,390,048
1,969,000	7.500%, 01/15/31	1,633,262
		60,985,804
	Financials (6.0%)	
5,908,000	Ford Motor Credit Company, LLC 8.625%, 11/01/10	5,230,624
4,923,000	9.875%, 08/10/11	4,309,914
5,879,000	Leucadia National Corp. 8.125%, 09/15/15	4,967,755
2,954,000	7.000%, 08/15/13	2,555,210
5,416,000	Nuveen Investments, Inc.* 10.500%, 11/15/15	2,762,160
1,674,000	Omega Healthcare Investors, Inc. 7.000%, 04/01/14	1,569,375
2,475,000	Senior Housing Properties Trust ^U 7.875%, 04/15/15	2,178,000
9,847,000	SLM Corp.~ 8.450%, 06/15/18	6,005,548
		29,578,586

	Health Care (0.3%)	
1,674,000	Bio-Rad Laboratories, Inc. 7.500%, 08/15/13	1,648,890
	Industrials (6.1%)	
2,954,000	BE Aerospace, Inc. 8.500%, 07/01/18	2,680,755
1,231,000	Belden, Inc. 7.000%, 03/15/17	1,089,435
985,000	Cummins, Inc. ¹ 7.125%, 03/01/28	730,575
1,881,000	Deluxe Corp. ¹ 7.375%, 06/01/15	1,457,775
2,954,000	Gardner Denver, Inc. 8.000%, 05/01/13	2,592,135
2,462,000	GATX Corp.~ 8.875%, 06/01/09	2,466,210
1,576,000	H&E Equipment Service, Inc. 8.375%, 07/15/16	1,079,560
2,462,000	Interline Brands, Inc. 8.125%, 06/15/14	2,363,520
1,969,000	Kansas City Southern 13.000%, 12/15/13	2,096,985
2,403,000	SPX Corp. 7.625%, 12/15/14	2,384,978
6,893,000	Terex Corp. ¹ 7.375%, 01/15/14	6,134,770
2,954,000	Trinity Industries, Inc. 6.500%, 03/15/14	2,429,665
3,422,000	Wesco Distribution, Inc. 7.500%, 10/15/17	2,626,385
		30,132,748
	Information Technology (11.0%)	
2,954,000	Agilent Technologies, Inc. ¹ 6.500%, 11/01/17	2,446,128
7,385,000	Amkor Technology, Inc. 9.250%, 06/01/16	6,461,875
2,816,000		2,520,320
1,969,000	Celestica, Inc. 7.875%, 07/01/11	1,959,155
4,923,000	Flextronics International, Ltd. 6.500%, 05/15/13	4,639,927
4,480,000	Freescale Semiconductor, Inc. 8.875%, 12/15/14	1,545,600
5,416,000	Jabil Circuit, Inc. 8.250%, 03/15/18	4,495,280
3,574,000	Lender Processing Services, Inc. 8.125%, 07/01/16	3,556,130
	Lexmark International, Inc. ¹	

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1,969,000	5.900%, 06/01/13	1,780,956
1,477,000	6.650%, 06/01/18	1,181,600
1,477,000	Motorola, Inc.	
	8.000%, 11/01/11	1,475,012
985,000	National Semiconductor Corp.	
	6.150%, 06/15/12	887,746
3,446,000	Seagate Technology	
	6.800%, 10/01/16	2,498,350
5,957,000	SunGard Data Systems, Inc.	
	9.125%, 08/15/13	5,718,720
	Xerox Corp.	
9,355,000	8.000%, 02/01/27 ¹	6,552,710
6,893,000	7.625%, 06/15/13~	6,346,971
		54,066,480
	Materials (7.3%)	
1,969,000	Anglo American, PLC* ¹	
	9.375%, 04/08/14	2,045,220
1,765,000	Boise Cascade Holdings, LLC	
	7.125%, 10/15/14	789,838
	Ineos Group Holdings, PLC*	
4,727,000 EUR	7.875%, 02/15/16	1,078,865
985,000	8.500%, 02/15/16	152,675

Convertible Opportunities and Income Fund

6 SEMIANNUAL REPORT Schedule of Investments

See accompanying Notes to Schedule of Investments

Schedule of Investments

APRIL 30, 2009 (UNAUDITED)

PRINCIPAL AMOUNT		VALUE
4,923,000	Mosaic Company* ¹ 7.625%, 12/01/16	\$ 4,954,650
3,939,000	Neenah Paper, Inc. 7.375%, 11/15/14	1,595,295
7,878,000	Sealed Air Corp.* ¹ 6.875%, 07/15/33	5,202,166
1,969,000	Southern Copper Corp. ¹ 7.500%, 07/27/35	1,560,826
2,639,000	Steel Dynamics, Inc.* 7.750%, 04/15/16	2,098,005
7,705,000	Terra Industries, Inc. 7.000%, 02/01/17	7,281,225
1,969,000	Texas Industries, Inc. 7.250%, 07/15/13	1,634,270
3,939,000	Union Carbide Corp. ¹ 7.500%, 06/01/25	2,598,113
3,053,000		2,243,995
3,151,000	Westlake Chemical Corp. 6.625%, 01/15/16	2,442,025
		35,677,168
	<i>Telecommunication Services (5.8%)</i>	
4,638,000	CenturyTel, Inc. ¹ 6.875%, 01/15/28	3,404,993
6,007,000	Frontier Communications Corp. 9.000%, 08/15/31	4,805,600
5,908,000	Leap Wireless International, Inc. 9.375%, 11/01/14	5,878,460
5,908,000	Qwest Communications International, Inc. 7.750%, 02/15/31	4,224,220
9,847,000	Sprint Nextel Corp. ¹ 7.375%, 08/01/15	7,077,531
3,939,000	Syniverse Technologies, Inc. ¹ 7.750%, 08/15/13	3,367,845

		28,758,649
	Utilities (0.6%)	
5,416,000	Energy Future Holdings Corp. 10.250%, 11/01/15	3,100,660
	TOTAL CORPORATE BONDS (Cost \$495,352,190)	392,636,852
CONVERTIBLE BONDS (29.8%)		
	Consumer Discretionary (2.7%)	
4,000,000	Interpublic Group of Companies, Inc. 4.750%, 03/15/23~	3,495,000
1,000,000	4.250%, 03/15/23	903,750
10,000,000	Liberty Media Corp. (Time Warner, Inc.) ¹ Δ 3.125%, 03/30/23	8,237,500
1,870,000	Liberty Media Corp. (Viacom, CBS Corp. - Class B)Δ 3.250%, 03/15/31	698,912
		13,335,162
	Energy (2.2%)	
8,500,000	Chesapeake Energy Corp. 2.250%, 12/15/38	4,749,375
9,500,000	SeaDrill, Ltd. 3.625%, 11/08/12	6,365,000
		11,114,375
	Financials (1.8%)	
4,270,000	Health Care REIT, Inc. ¹ 4.750%, 07/15/27	3,997,787
1,000,000	4.750%, 12/01/26	957,500
5,000,000	SVB Financial Group* ¹ 3.875%, 04/15/11	3,981,250
		8,936,537
	Health Care (5.8%)	
8,500,000	Cubist Pharmaceuticals, Inc. ¹ 2.250%, 06/15/13	7,086,875
16,000,000	Life Technologies Corp. 3.250%, 06/15/25	16,140,000
5,500,000	Millipore Corp. 3.750%, 06/01/26	5,273,125
		28,500,000
	Industrials (4.5%)	
4,500,000		2,795,625

	Energy Conversion Devices, Inc. ¹	
	3.000%, 06/15/13	
10,500,000	L-3 Communications Holdings, Inc. ¹	
	3.000%, 08/01/35	10,552,500
2,500,000	Quanta Services, Inc. ¹	
	3.750%, 04/30/26	2,862,500
10,500,000	Trinity Industries, Inc.	
	3.875%, 06/01/36	5,893,125
		22,103,750
	<i>Information Technology (11.8%)</i>	
8,000,000	Blackboard, Inc.	
	3.250%, 07/01/27	7,560,000
5,500,000	Euronet Worldwide, Inc. ¹	
	3.500%, 10/15/25	4,489,375
8,500,000	Informatica Corp. ¹	
	3.000%, 03/15/26	8,765,625
23,250,000	Intel Corp.Û	
	2.950%, 12/15/35	20,053,125
16,500,000	Linear Technology Corp.	
	3.000%, 05/01/27	13,756,875
4,000,000	ON Semiconductor Corp. ¹	
	2.625%, 12/15/26	3,270,000
		57,895,000

Convertible Opportunities and Income Fund
Schedule of Investments **SEMIANNUAL REPORT**

7

See accompanying Notes to Schedule of Investments

Schedule of Investments

APRIL 30, 2009 (UNAUDITED)

PRINCIPAL AMOUNT		VALUE
4,010,000	<i>Materials (1.0%)</i> Newmont Mining Corp. ¹ 3.000%, 02/15/12	\$ 4,786,938
	TOTAL CONVERTIBLE BONDS (Cost \$175,906,622)	146,671,762
SYNTHETIC CONVERTIBLE SECURITIES (1.5%)		
<i>Corporate Bonds (1.2%)</i>		
	<i>Consumer Discretionary (0.3%)</i>	
54,000	Asbury Automotive Group, Inc. 7.625%, 03/15/17	32,670
46,000	Cooper Tire & Rubber Company 8.000%, 12/15/19	25,300
23,000	D.R. Horton, Inc. ¹ 7.875%, 08/15/11	22,885
8,000	DIRECTV Financing Company, Inc. 8.375%, 03/15/13	8,160
81,000	DISH Network Corp. 7.125%, 02/01/16	76,140
145,000	Expedia, Inc. 7.456%, 08/15/18	131,950
54,000	GameStop Corp. 8.000%, 10/01/12	55,080
138,000	General Motors Corp.Û** 7.200%, 01/15/11	15,870
23,000	7.125%, 07/15/13	2,300
130,000	Goodyear Tire & Rubber Company 7.000%, 03/15/28	77,350
88,000	Hanesbrands, Inc. 5.698%, 12/15/14	67,760
61,000	Hasbro, Inc. ¹ 6.600%, 07/15/28	50,638
46,000	Interpublic Group of Companies, Inc. 7.250%, 08/15/11	43,010
42,000		37,380

	Jarden Corp.Ù	
	7.500%, 05/01/17	
42,000	Kellwood Company	
	7.625%, 10/15/17	2,100
46,000	Liberty Media Corp.	
	8.250%, 02/01/30	29,404
268,000	MGM MirageÙ	
	8.375%, 02/01/11	111,220
26,000	Oxford Industries, Inc.	
	8.875%, 06/01/11	21,710
77,000	Phillips-Van Heusen Corp.	
	8.125%, 05/01/13	75,845
	Pulte Homes, Inc.	
21,000	8.125%, 03/01/11	21,105
15,000	7.875%, 08/01/11	15,038
	Royal Caribbean Cruises, Ltd.	
77,000	7.500%, 10/15/27	48,510
38,000	7.000%, 06/15/13	29,640
15,000	7.250%, 06/15/16	10,050
	Service Corp. International	
107,000	7.500%, 04/01/27 ¹	83,192
31,000	7.625%, 10/01/18	28,443
15,000	Sotheby s Holdings, Inc.* ¹	
	7.750%, 06/15/15	10,875
34,000	Toll Brothers, Inc.	
	8.250%, 02/01/11	33,915
194,000	Vail Resorts, Inc. ¹	
	6.750%, 02/15/14	175,570
77,000	Warnaco Group, Inc.	
	8.875%, 06/15/13	77,385
15,000 GBP	Warner Music Group Corp.	
	8.125%, 04/15/14	12,759
		1,433,254
	Consumer Staples (0.2%)	
67,000	Alliance One International, Inc. ¹	
	8.500%, 05/15/12	59,965
	Anheuser-Busch InBev, NV	
153,000	5.500%, 01/15/18 ¹	144,935
15,000	5.000%, 03/01/19~	13,043
77,000	Chattem, Inc.	
	7.000%, 03/01/14	74,690
84,000	Chiquita Brands International, Inc.Ù	
	8.875%, 12/01/15	71,820
31,000	Constellation Brands, Inc.	
	7.250%, 09/01/16	30,070
80,000	Del Monte Foods Company	
	8.625%, 12/15/12	82,000
54,000	NBTY, Inc.	
	7.125%, 10/01/15	48,870

	Pilgrim s Pride Corp.**	
100,000	8.375%, 05/01/17	69,750
26,000	7.625%, 05/01/15	20,995
	Reynolds American, Inc. ¹	
84,000	7.300%, 07/15/15	76,692
46,000	7.625%, 06/01/16	41,860
46,000	7.250%, 06/15/37	34,750
153,000	Smithfield Foods, Inc. ¹	
	7.750%, 05/15/13	108,630
		878,070
	Energy (0.2%)	
106,000	Arch Western Finance, LLC ¹	
	6.750%, 07/01/13	93,015
56,000	Bristow Group, Inc.	
	7.500%, 09/15/17	45,640
	Chesapeake Energy Corp.	
138,000	7.500%, 06/15/14	131,100
42,000	6.875%, 11/15/20	34,440

Convertible Opportunities and Income Fund
 8 SEMIANNUAL REPORT Schedule of Investments

See accompanying Notes to Schedule of Investments

Schedule of Investments

APRIL 30, 2009 (UNAUDITED)

PRINCIPAL AMOUNT		VALUE
31,000	Complete Production Services, Inc. 8.000%, 12/15/16	\$ 23,095
46,000	Comstock Resources, Inc. 6.875%, 03/01/12	41,860
46,000	Forest Oil Corp. 8.000%, 12/15/11	45,425
53,000	Frontier Oil Corp. 8.500%, 09/15/16	52,735
31,000	GulfMark Offshore, Inc. 7.750%, 07/15/14	26,195
116,000	Helix Energy Solutions Group, Inc.* 9.500%, 01/15/16	82,940
23,000	Hornbeck Offshore Services, Inc. 6.125%, 12/01/14	19,090
86,000	Petrohawk Energy Corp. 7.125%, 04/01/12	80,625
29,000	Range Resources Corp. 7.375%, 07/15/13	28,493
54,000	Superior Energy Services, Inc. ¹ 6.875%, 06/01/14	47,520
42,000	Valero Energy Corp. ¹ 7.500%, 06/15/15	41,812
153,000	Williams Companies, Inc. 7.750%, 06/15/31	130,362
31,000	7.500%, 01/15/31	25,714
		950,061
	<i>Financials (0.1%)</i>	
92,000	Ford Motor Credit Company, LLC 8.625%, 11/01/10	81,452
77,000	9.875%, 08/10/11	67,411
91,000	Leucadia National Corp. 8.125%, 09/15/15	76,895
46,000	7.000%, 08/15/13	39,790
84,000		42,840

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	Nuveen Investments, Inc.* 10.500%, 11/15/15	
26,000	Omega Healthcare Investors, Inc. 7.000%, 04/01/14	24,375
38,000	Senior Housing Properties Trust 7.875%, 04/15/15	33,440
153,000	SLM Corp.~ 8.450%, 06/15/18	93,312
		459,515
	Health Care (0.0%)	
26,000	Bio-Rad Laboratories, Inc. 7.500%, 08/15/13	25,610
	Industrials (0.1%)	
46,000	BE Aerospace, Inc. 8.500%, 07/01/18	41,745
19,000	Belden, Inc. 7.000%, 03/15/17	16,815
15,000	Cummins, Inc. ¹ 7.125%, 03/01/28	11,126
29,000	Deluxe Corp. ¹ 7.375%, 06/01/15	22,475
46,000	Gardner Denver, Inc. 8.000%, 05/01/13	40,365
38,000	GATX Corp.~ 8.875%, 06/01/09	38,065
24,000	H&E Equipment Service, Inc. 8.375%, 07/15/16	16,440
38,000	Interline Brands, Inc. 8.125%, 06/15/14	36,480
31,000	Kansas City Southern 13.000%, 12/15/13	33,015
37,000	SPX Corp. 7.625%, 12/15/14	36,722
107,000	Terex Corp. ¹ 7.375%, 01/15/14	95,230
46,000	Trinity Industries, Inc. 6.500%, 03/15/14	37,835
53,000	Wesco Distribution, Inc. 7.500%, 10/15/17	40,677
		466,990
	Information Technology (0.1%)	
46,000	Agilent Technologies, Inc. ¹ 6.500%, 11/01/17	38,091
115,000	Amkor Technology, Inc. 9.250%, 06/01/16	100,625
44,000		39,380

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31,000	Celestica, Inc. 7.875%, 07/01/11	30,845
77,000	Flextronics International, Ltd. 6.500%, 05/15/13	72,573
70,000	Freescale Semiconductor, Inc. 8.875%, 12/15/14	24,150
84,000	Jabil Circuit, Inc. 8.250%, 03/15/18	69,720
56,000	Lender Processing Services, Inc. 8.125%, 07/01/16	55,720
31,000	Lexmark International, Inc. ¹ 5.900%, 06/01/13	28,040
23,000	6.650%, 06/01/18	18,400
23,000	Motorola, Inc. 8.000%, 11/01/11	22,969
15,000	National Semiconductor Corp. 6.150%, 06/15/12	13,519
54,000	Seagate Technology 6.800%, 10/01/16	39,150
93,000	SunGard Data Systems, Inc. 9.125%, 08/15/13	89,280
145,000	Xerox Corp. 8.000%, 02/01/27 ¹	101,565

Convertible Opportunities and Income Fund
Schedule of Investments **SEMIANNUAL REPORT**

9

See accompanying Notes to Schedule of Investments

Schedule of Investments

APRIL 30, 2009 (UNAUDITED)

PRINCIPAL AMOUNT		VALUE
107,000	7.625%, 06/15/13~	\$ 98,524
		842,551
	Materials (0.1%)	
31,000	Anglo American, PLC* ¹ 9.375%, 04/08/14	32,200
27,000	Boise Cascade Holdings, LLC 7.125%, 10/15/14	12,082
73,000 EUR	Ineos Group Holdings, PLC* 7.875%, 02/15/16	16,661
15,000	8.500%, 02/15/16	2,325
77,000	Mosaic Company* ¹ 7.625%, 12/01/16	77,495
61,000	Neenah Paper, Inc. 7.375%, 11/15/14	24,705
122,000	Sealed Air Corp.* ¹ 6.875%, 07/15/33	80,561
31,000	Southern Copper Corp. ¹ 7.500%, 07/27/35	24,574
41,000	Steel Dynamics, Inc.* 7.750%, 04/15/16	32,595
120,000	Terra Industries, Inc. 7.000%, 02/01/17	113,400
31,000	Texas Industries, Inc. 7.250%, 07/15/13	25,730
61,000	Union Carbide Corp. ¹ 7.500%, 06/01/25	40,235
47,000	7.875%, 04/01/23	34,546
49,000	Westlake Chemical Corp. 6.625%, 01/15/16	37,975
		555,084
	Telecommunication Services (0.1%)	
72,000		52,859

	CenturyTel, Inc. ¹	
	6.875%, 01/15/28	
93,000	Frontier Communications Corp.	
	9.000%, 08/15/31	74,400
92,000	Leap Wireless International, Inc.	
	9.375%, 11/01/14	91,540
92,000	Qwest Communications International, Inc.	
	7.750%, 02/15/31	65,780
153,000	Sprint Nextel Corp. ¹	
	7.375%, 08/01/15	109,969
61,000	Syniverse Technologies, Inc. ¹	
	7.750%, 08/15/13	52,155
		446,703
	Utilities (0.0%)	
84,000	Energy Future Holdings Corp.	
	10.250%, 11/01/15	48,090
	TOTAL CORPORATE BONDS	6,105,928

**NUMBER OF
CONTRACTS****VALUE*****Purchased Options (0.3%)#***

	<i>Consumer Discretionary (0.1%)</i>	
	Nike, Inc. - Class B	
530	Call, 01/16/10, Strike \$60.00	235,850
450	Call, 01/16/10, Strike \$70.00	85,500
		321,350
	<i>Consumer Staples (0.1%)</i>	
1,070	Sysco Corp.	
	Call, 01/16/10, Strike \$30.00	42,800
825	Walgreen Company	
	Call, 01/16/10, Strike \$32.50	233,063
		275,863
	<i>Health Care (0.0%)</i>	
550	Gilead Sciences, Inc.	
	Call, 01/16/10, Strike \$55.00	130,625
	<i>Information Technology (0.1%)</i>	
65	Apple, Inc.	
	Call, 01/16/10, Strike \$170.00	29,575
	QUALCOMM, Inc.	
500	Call, 01/16/10, Strike \$45.00	213,750
415	Call, 01/16/10, Strike \$50.00	106,240

		349,565
	TOTAL PURCHASED OPTIONS	1,077,403
	TOTAL SYNTHETIC CONVERTIBLE SECURITIES	
	(Cost \$11,555,424)	7,183,331
NUMBER OF SHARES		VALUE
CONVERTIBLE PREFERRED STOCKS (21.4%)		
	<i>Consumer Discretionary (0.9%)</i>	
6,750	Stanley Works ¹	
	5.125%	4,515,750
	<i>Consumer Staples (2.9%)</i>	
295,000	Archer Daniels Midland Company ¹	
	6.250%	9,888,400
22,000	Bunge, Ltd.	
	4.875%	1,515,250
5,500		
	5.125%	2,681,250
		14,084,900
	<i>Financials (5.6%)</i>	
160,000	Affiliated Managers Group, Inc. ¹	
	5.100%	4,280,000
140,000	American International Group, Inc.	
	8.500%	715,400
15,500	Bank of America Corp.	
	7.250%	9,067,500
302,800	Citigroup, Inc.	
	6.500%	9,568,480

Convertible Opportunities and Income Fund
10 SEMIANNUAL REPORT Schedule of Investments

See accompanying Notes to Schedule of Investments

Schedule of Investments

APRIL 30, 2009 (UNAUDITED)

NUMBER OF SHARES		VALUE
55,000	Reinsurance Group of America, Inc. ¹ 5.750%	\$ 2,296,250
2,500	Wells Fargo & Company 7.500%	1,545,000
		27,472,630
	<i>Health Care (6.0%)</i>	
2,000	Mylan, Inc. 6.500%	1,704,000
132,000	Schering-Plough Corp. 6.000%	27,883,680
		29,587,680
	<i>Materials (6.0%)</i>	
200,000	Freeport-McMoRan Copper & Gold, Inc. 6.750%	13,800,000
1,400 CHF	Givaudan, SA 5.375%	8,279,669
220,000	Vale Capital, Ltd. (Companhia Vale do Rio Doce) ^Δ 5.500%	7,702,200
		29,781,869
	TOTAL CONVERTIBLE PREFERRED STOCKS (Cost \$163,278,403)	105,442,829
	COMMON STOCKS (3.2%)	
	<i>Consumer Discretionary (1.6%)</i>	
96,119	Amazon.com, Inc. ^{#1}	7,739,502
	<i>Financials (0.6%)</i>	
107,700	MetLife, Inc. ¹	3,204,075

175,608	<i>Industrials (1.0%)</i> Avery Dennison Corp. ¹	5,046,974
	TOTAL COMMON STOCKS (Cost \$20,323,560)	15,990,551
NUMBER OF CONTRACTS		VALUE
PUT OPTIONS (0.0%)#		
830	<i>Financials (0.0%)</i> SVB Financial Group Put, 01/16/10, Strike \$10 (Cost \$142,763)	114,125
NUMBER OF SHARES		VALUE
INVESTMENT IN AFFILIATED FUND (1.8%)		
8,935,825	Calamos Government Money Market Fund - Class I Shares (Cost \$8,935,825)	8,935,825
INVESTMENT OF CASH COLLATERAL FOR SECURITIES ON LOAN (2.7%)		
13,116,000	Goldman Sachs Financial Square Prime Obligations Fund	13,116,000
136,094	Bank of New York Institutional Cash Reserve Series B	17,692
	TOTAL INVESTMENT OF CASH COLLATERAL FOR SECURITIES ON LOAN (Cost \$13,252,094)	13,133,692
TOTAL INVESTMENTS (140.2%) (Cost \$888,746,881)		690,108,967
PAYABLE UPON RETURN OF SECURITIES ON LOAN (-2.7%)		(13,252,094)
LIABILITIES, LESS OTHER ASSETS (-16.4%)		(80,575,706)
PREFERRED SHARES AT REDEMPTION VALUE INCLUDING DIVIDENDS PAYABLE (-21.1%)		(104,011,485)
NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS (100.0%)		\$ 492,269,682
NUMBER OF CONTRACTS		VALUE

WRITTEN OPTIONS (-1.4%)

	<i>Financials (-1.4%)#</i>	
790	MetLife, Inc.	
	Call, 09/19/09, Strike \$25.00	(655,700)
	SPDR Trust Series 1	
1,200	Call, 06/20/09, Strike \$78.00	(1,263,000)
1,200	Call, 06/20/09, Strike \$77.00	(1,362,000)
1,175	Call, 05/16/09, Strike \$76.00	(1,318,938)
1,034	Call, 05/16/09, Strike \$72.00	(1,563,925)
750	Call, 06/20/09, Strike \$81.00	(613,125)
	TOTAL WRITTEN OPTIONS	
	(Premium \$2,030,235)	(6,776,688)

NOTES TO SCHEDULE OF INVESTMENTS

- ¹ Security, or portion of security, is held in a segregated account as collateral for loans aggregating a total value of \$217,196,033.
- Ù Security, or portion of security, is on loan.
Variable rate or step bond security. The rate shown is the rate in effect at April 30, 2009.
- * 144A securities are those that are exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities are generally issued to qualified institutional buyers (QIBs), such as the Fund. Any resale of these securities must generally be effected through a sale that is exempt from registration (e.g. a sale to another QIB), or the security must be registered for public sale. At April 30, 2009, the market value of 144A securities that were not subject to mandatory issuer registration obligations is \$12,591,924 or 2.6% of net assets applicable to common shareholders.
- ~ Security, or portion of security, is held in a segregated account as collateral for written options aggregating a total value of \$19,413,155.
- Δ Securities exchangeable or convertible into securities of one or more entities different than the issuer. Each entity is identified in the parenthetical.

Schedule of Investments

APRIL 30, 2009 (UNAUDITED)

** Pilgrim's Pride Corp. and General Motors Corp. filed for bankruptcy protection on December 1, 2008 and June 1, 2009, respectively.

Non-income producing security.

Investment in affiliated fund. During the period from November 1, 2008 through April 30, 2009, the fund had net purchases of \$6,537,838 and earned \$51,837 in dividends from the affiliated fund. As of October 31, 2008, the fund had holdings of \$2,397,987 in the affiliated fund.

On September 15, 2008, Lehman Brothers Holdings, Inc., the sole holding of the Bank of New York Institutional Cash Reserve Fund Series B (a series of such fund created to isolate such Lehman exposure), filed for bankruptcy protection. Such securities are being valued in accordance with valuation procedures approved by the board of trustees.

FOREIGN CURRENCY ABBREVIATIONS

CHF	Swiss Franc
EUR	European Monetary Unit
GBP	British Pound Sterling

Note: Value for securities denominated in foreign currencies is shown in U.S. dollars. The principal amount for such securities is shown in the respective foreign currency. The date shown on options represents the expiration date on the option contract. The option contract may be exercised at any date on or before the date shown.

INTEREST RATE SWAPS

Counterparty	Fixed Rate (Fund Pays)	Floating Rate (Fund Receives)	Termination Date	Notional Amount	Unrealized Appreciation/ (Depreciation)
BNP Paribas	1.865% quarterly	3 month LIBOR	4/14/2012	\$55,000,000	\$ 20,764
BNP Paribas	2.430% quarterly	3 month LIBOR	4/14/2014	\$80,000,000	195,482
					\$ 216,246

Convertible Opportunities and Income Fund
12 **SEMIANNUAL REPORT** Schedule of Investments

See accompanying Notes to Financial Statements

Statement of Assets and Liabilities

April 30, 2009 (unaudited)

ASSETS

Investments in securities, at value* (cost \$879,811,056)	\$ 681,173,142
Investments in affiliated fund (cost \$8,935,825)	8,935,825
Cash with custodian (interest bearing)	367,684
Unrealized appreciation on swaps	216,246
Receivables:	
Accrued interest and dividends	14,384,628
Investments sold	5,281,250
Fund shares sold	481,833
Prepaid expenses	81,182
Other assets	75,810
 Total assets	 710,997,600

LIABILITIES

Options written, at value (premium \$2,030,235)	6,776,688
Payables:	
Note payable	89,000,000
Cash collateral for securities on loan	13,252,094
Investments purchased	5,000,000
Affiliates:	
Investment advisory fees	369,211
Deferred compensation to trustees	75,810
Financial accounting fees	6,261
Trustees fees and officer compensation	5,589
Other accounts payable and accrued liabilities	230,780
 Total liabilities	 114,716,433

PREFERRED SHARES

\$25,000 liquidation value per share applicable to 4,160 shares, including dividends payable	104,011,485
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NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	\$ 492,269,682
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COMPOSITION OF NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS

Common stock, no par value, unlimited shares authorized 52,653,172 shares issued and outstanding	\$ 748,893,222
Undistributed net investment income (loss)	(14,734,126)
Accumulated net realized gain (loss) on investments, written options, foreign currency transactions, and swaps	(38,723,672)
Unrealized appreciation (depreciation) of investments, written options, foreign currency translations, and swaps	(203,165,742)

NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS \$ 492,269,682

Net asset value per common share based on 52,653,172 shares issued and outstanding \$ 9.35

* Includes securities loaned with a value of \$12,792,373.

Convertible Opportunities and Income Fund
Statement of Assets and Liabilities **SEMIANNUAL REPORT** 13

See accompanying Notes to Financial Statements

Statement of Operations

Six Months Ended April 30, 2009 (unaudited)**INVESTMENT INCOME**

Interest	\$ 23,235,636
Dividends	5,759,394
Dividends from affiliates	51,837
Securities lending income	56,276
Total investment income	29,103,143

EXPENSES

Investment advisory fees	2,457,529
Financial accounting fees	35,813
Transfer agent fees	15,351
Accounting fees	22,185
Auction agent and rating agency fees	163,085
Audit fees	30,793
Legal fees	26,616
Deferred debt structuring fee	2,898,756
Custodian fees	8,525
Printing and mailing fees	109,912
Registration fees	26,353
Trustees fees and officer compensation	27,053
Program fee	593,662
Liquidity fee	2,111,698
Interest expense	887,262
Arrangement fee	2,055
Other	20,053
Total expenses	9,436,701
Less expense reductions	(348,418)
Net expenses	9,088,283
NET INVESTMENT INCOME (LOSS)	20,014,860

REALIZED AND UNREALIZED GAIN (LOSS)

Net realized gain (loss) from:

Investments, excluding purchased options	(30,536,569)
Purchased options	(12,540,842)
Foreign currency transactions	(92,657)
Written options	4,368,707
Swaps	(18,471)

Change in net unrealized appreciation/depreciation on:

Investments, excluding purchased options	96,980,625
Purchased options	10,530,407
Foreign currency translations	96,646
Written options	(3,715,660)
Swaps	232,900

NET REALIZED AND UNREALIZED GAIN (LOSS) 65,305,086

NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS 85,319,946

DISTRIBUTIONS TO PREFERRED SHAREHOLDERS FROM

Net investment income (382,963)

NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON
SHAREHOLDERS RESULTING FROM OPERATIONS

\$ 84,936,983

Convertible Opportunities and Income Fund
14 **SEMIANNUAL REPORT** Statement of Operations

See accompanying Notes to Financial Statements

Statements of Changes in Net Assets

	Six Months Ended April 30, 2009 (Unaudited)	Year Ended October 31, 2008
OPERATIONS		
Net investment income (loss)	\$ 20,014,860	\$ 56,269,665
Net realized gain (loss) from investments in securities, written options, foreign currency transactions, and swaps	(38,819,832)	27,052,024
Change in net unrealized appreciation/depreciation on investment in securities, written options, foreign currency translations, and swaps	104,124,918	(384,549,692)
Distributions to preferred shareholders from:		
Net investment income	(382,963)	(6,153,862)
Capital gains		(5,764,493)
 Net increase (decrease) in net assets applicable to common shareholders resulting from operations	 84,936,983	 (313,146,358)
DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM		
Net investment income	(28,149,710)	(68,163,485)
Capital gains	(915,564)	(15,227,041)
 Net decrease in net assets from distributions to common shareholders	 (29,065,274)	 (83,390,526)
CAPITAL STOCK TRANSACTIONS		
Proceeds from common shares sold	24,393,621	12,194,151
Offering costs related to common shares sold	(50,000)	(206,264)
Reinvestment of distributions resulting in the issuance of common stock	3,019,512	8,586,698
 Net increase (decrease) in net assets from capital stock transactions	 27,363,133	 20,574,585
 TOTAL INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	 83,234,842	 (375,962,299)

NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS

Beginning of period	\$ 409,034,840	\$ 784,997,139
End of period	492,269,682	409,034,840
Undistributed net investment income (loss)	\$ (14,734,126)	\$ (6,216,313)

Convertible Opportunities and Income Fund
Statements of Changes in Net Assets **SEMIANNUAL REPORT** 15

See accompanying Notes to Financial Statements

Statement of Cash Flows

Six Months Ended April 30, 2009 (unaudited)**CASH FLOWS FROM OPERATING ACTIVITIES:**

Net increase/(decrease) in net assets from operations	\$ 85,319,946
Adjustments to reconcile net increase/(decrease) in net assets from operations to net cash used in operating activities:	
Change in unrealized appreciation or depreciation on swaps	(232,900)
Change in written options	3,059,325
Purchase of investment securities	(61,697,645)
Proceeds from disposition of investment securities	105,238,096
Amortization and accretion of fixed-income securities	(1,152,321)
Purchase of short term investments, net	(6,537,838)
Net realized gains/losses from investments, excluding purchased options	30,536,569
Net realized gains/losses from purchased options	12,540,842
Change in unrealized appreciation or depreciation on investments, excluding purchased options	(96,980,625)
Change in unrealized appreciation or depreciation on purchased options	(10,530,407)
Net change in assets and liabilities:	
(Increase)/decrease in assets:	
Accrued interest and dividends receivable	1,251,677
Cash collateral for securities on loan	31,247,000
Prepaid expenses	2,894,582
Other assets	68,955
Increase/(decrease) in liabilities:	
Payables to affiliates	(54,196)
Payable upon return of securities loaned	(31,247,000)
Other accounts payable and accrued liabilities	(699,742)
 Net cash provided by/(used in) operating activities	 \$ 63,024,318

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from common shares sold	23,911,788
Offering costs related to common shares sold	(50,000)
Distributions to common shareholders	(26,045,762)
Distributions to preferred shareholders	(472,958)
Repayments of Note payable	(60,000,000)
 Net cash provided by/(used in) financing activities	 \$ (62,656,932)

Net increase/(decrease) in cash and cash equivalents	\$	367,386
Cash at beginning of the year	\$	298
Cash at end of the year	\$	367,684
Supplemental disclosure		
Cash paid for interest	\$	1,386,942

Non-cash financing activities not included herein consist of reinvestment of dividends and distributions of \$3,019,512.

Convertible Opportunities and Income Fund
16 **SEMIANNUAL REPORT** Statement of Cash Flows

See accompanying Notes to Financial Statements

Notes to Financial Statements

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization. Calamos Convertible Opportunities and Income Fund (the Fund) was organized as a Delaware statutory trust on April 17, 2002 and is registered under the Investment Company Act of 1940 (the 1940 Act) as a diversified, closed-end management investment company. The Fund commenced operations on June 26, 2002.

The Fund's investment objective is to provide total return through a combination of capital appreciation and current income. Under normal circumstances, the Fund will invest at least 80% of its managed assets in a diversified portfolio of convertibles and non-convertible income securities. Managed assets means the Fund's total assets (including any assets attributable to any leverage that may be outstanding) minus total liabilities (other than debt representing financial leverage).

Portfolio Valuation. The valuation of the Fund's portfolio securities is in accordance with policies and procedures adopted by and under the ultimate supervision of the board of trustees.

Portfolio securities that are traded on U.S. securities exchanges, except option securities, are valued at the last current reported sales price at the time the Fund determines its net asset value (NAV). Securities traded in the over-the-counter market and quoted on The NASDAQ Stock Market are valued at the NASDAQ Official Closing Price, as determined by NASDAQ, or lacking a NASDAQ Official Closing Price, the last current reported sale price on NASDAQ at the time a Fund determines its NAV.

When a most recent last sale or closing price is not available, equity securities, other than option securities, that are traded on a U.S. securities exchange and other securities traded in the over-the-counter market are valued at the mean between the most recent bid and asked quotations in accordance with guidelines adopted by the board of trustees. Each option security traded on a U.S. securities exchange is valued at the mid-point of the consolidated bid/ask quote for the option security, also in accordance with guidelines adopted by the board of trustees. Each over-the-counter option that is not traded through the Options Clearing Corporation is valued based on a quotation provided by the counterparty to such option under the ultimate supervision of the board of trustees.

Fixed income securities are generally traded in the over-the-counter market and are valued by independent pricing services or by dealers who make markets in such securities. Valuations of fixed income securities consider yield or price of bonds of comparable quality, coupon rate, maturity, type of issue, trading characteristics and other market data and do not rely exclusively upon exchange or over-the-counter prices.

Trading on European and Far Eastern exchanges and over-the-counter markets is typically completed at various times before the close of business on each day on which the New York Stock Exchange (NYSE) is open. Each security trading on these exchanges or over-the-counter markets may be valued utilizing a systematic fair valuation model provided by an independent pricing service approved by the board of trustees. The valuation of each security that meets certain criteria in relation to the valuation model is systematically adjusted to reflect the impact of movement in the U.S. market after the foreign markets close. Securities that do not meet the criteria, or that are principally traded in other foreign markets, are valued as of the last reported sale price at the time the Fund determines its NAV, or when reliable market prices or quotations are not readily available, at the mean between the most recent bid and asked quotations as of the close of the appropriate exchange or other designated time. Trading of foreign securities may not take place on every NYSE business day. In addition, trading may take place in various foreign markets on Saturdays

or on other days when the NYSE is not open and on which the Fund's NAV is not calculated.

If the pricing committee determines that the valuation of a security in accordance with the methods described above is not reflective of a fair value for such security, the security is valued at a fair value by the pricing committee, under the ultimate supervision of the board of trustees, following the guidelines and/or procedures adopted by the board of trustees.

The Fund also may use fair value pricing, pursuant to guidelines adopted by the board of trustees and under the ultimate supervision of the board of trustees, if trading in the security is halted or if the value of a security it holds is materially affected by events occurring before the Fund's pricing time but after the close of the primary market or exchange on which the security is listed. Those procedures may utilize valuations furnished by pricing services approved by the board of trustees, which may be based on market transactions for comparable securities and various relationships between securities that are generally recognized by

Notes to Financial Statements

institutional traders, a computerized matrix system, or appraisals derived from information concerning the securities or similar securities received from recognized dealers in those securities.

When fair value pricing of securities is employed, the prices of securities used by the Fund to calculate its NAV may differ from market quotations or official closing prices. In light of the judgment involved in fair valuations, there can be no assurance that a fair value assigned to a particular security is accurate.

Investment Transactions. Investment transactions are recorded on a trade date basis as of April 30, 2009. Net realized gains and losses from investment transactions are reported on an identified cost basis. Interest income is recognized using the accrual method and includes accretion of original issue and market discount and amortization of premium. Dividend income is recognized on the ex-dividend date, except that certain dividends from foreign securities are recorded as soon as the information becomes available after the ex-dividend date.

Foreign Currency Translation. Values of investments and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars using a rate quoted by a major bank or dealer in the particular currency market, as reported by a recognized quotation dissemination service.

The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments.

Reported net realized foreign currency gains or losses arise from disposition of foreign currency, the difference in the foreign exchange rates between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the ex-date or accrual date and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes (due to the changes in the exchange rate) in the value of foreign currency and other assets and liabilities denominated in foreign currencies held at prior end.

Allocation of Expenses Among Funds. Expenses directly attributable to the Fund are charged to the Fund; certain other common expenses of Calamos Advisors Trust, Calamos Investment Trust, Calamos Convertible Opportunities and Income Fund, Calamos Convertible and High Income Fund, Calamos Strategic Total Return Fund, Calamos Global Total Return Fund and Calamos Global Dynamic Income Fund are allocated proportionately among each fund to which the expenses relate in relation to the net assets of each fund or on another reasonable basis.

Use of Estimates. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Income Taxes. No provision has been made for U.S. income taxes because the Fund's policy is to continue to qualify as a regulated investment company under the Internal Revenue Code of 1986, as amended, and distribute to shareholders substantially all of its taxable income and net realized gains.

Dividends and distributions paid to shareholders are recorded on the ex-dividend date. The amount of dividends and distributions from net investment income and net realized capital gains is determined in accordance with federal income tax regulations, which may differ from U.S. generally accepted accounting principles. To the extent these book/tax differences are permanent in nature, such amounts are reclassified within the capital accounts based on their

federal tax-basis treatment. These differences are primarily due to differing treatments for foreign currency transactions, contingent payment debt instruments and methods of amortizing and accreting on fixed income securities. The financial statements are not adjusted for temporary differences.

The Fund recognized no liability for unrecognized tax benefits in connection with Financial Accounting Standards Board (FASB) Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* an interpretation of FASB *Statement No. 109*. A reconciliation is not provided as the beginning and ending amounts of unrecognized benefits are zero, with no interim additions, reductions or settlements. Tax years 2004 - 2007 remain subject to examination by the U.S. and the State of Illinois tax jurisdictions.

Convertible Opportunities and Income Fund

18 **SEMIANNUAL REPORT** Notes to Financial Statements

Indemnifications. Under the Fund's organizational documents, the Fund is obligated to indemnify its officers and trustees against certain liabilities incurred by them by reason of having been an officer or trustee of the Fund. In addition, in the normal course of business, the Fund may enter into contracts that provide general indemnifications to other parties. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. Currently, the Fund's management expects the risk of material loss in connection to a potential claim to be remote.

New Accounting Pronouncements. Effective November 1, 2008, the Fund adopted the provisions of the *Statement of Financial Accounting Standard No. 157, Fair Value Measurements* (SFAS 157). SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS 157 requires disclosure surrounding the various inputs used to determine a valuation, and these inputs are segregated into three levels. Tables summarizing the Fund's investments under these levels are shown in the Notes to Financial Statements, Note 11 - Valuations.

Effective November 1, 2008, the Fund adopted the Statement of Financial Accounting Standards No. 161, *Disclosures about Derivative Instruments and Hedging Activities* (SFAS 161). SFAS 161 requires that objectives for using derivative instruments be disclosed in terms of underlying risk and accounting designation. The required disclosures are reflected in the Schedule of Investments, Statement of Operations, and in the Notes to Financial Statements, Note 6 - Derivative Instruments.

NOTE 2 - INVESTMENT ADVISOR AND TRANSACTIONS WITH AFFILIATES OR CERTAIN OTHER PARTIES

Pursuant to an investment advisory agreement with Calamos Advisors LLC (Calamos Advisors), the Fund pays an annual fee payable monthly, equal to 0.80% based on the average weekly managed assets. Calamos Advisors has contractually agreed to waive a portion of its management fee at the annual rate of 0.11% of the average weekly managed assets of the Fund (through June 30, 2009 and to waive a declining amount for two additional years (0.04% of the average weekly managed assets in 2010). For the period ended April 30, 2009, the total advisory fee waived pursuant to such agreement was \$337,910 and is included in the Statement of Operations under the caption - Less expense reductions .

Calamos Advisors has agreed to waive a portion of its advisory fee charged to the Fund equal to the advisory fee paid by Calamos Government Money Market Fund (GMMF, an affiliated fund and a series of Calamos Investments Trust) attributable to the Fund's investment in GMMF, based on daily net assets. For the period ended April 30, 2009, the total advisory fee waived pursuant to such agreement was \$10,508 and is included in the Statement of Operations under the caption - Less expense reductions .

Pursuant to a financial accounting services agreement, the Fund also pays Calamos Advisors a fee for financial accounting services payable monthly at the annual rate of 0.0175% on the first \$1 billion of combined assets; 0.0150% on the next \$1 billion of combined assets and 0.0110% on combined assets above \$2 billion (for purposes of this calculation combined assets means the sum of the total average daily net assets of Calamos Investment Trust, Calamos Advisors Trust, and the total average weekly managed assets of Calamos Convertible and High Income Fund, Calamos Convertible Opportunities and Income Fund, Calamos Strategic Total Return Fund, Calamos Global Total Return Fund, and Calamos Global Dynamic Income Fund). Managed assets means the Fund's total assets (including any assets attributable to any leverage that may be outstanding) minus total liabilities (other than debt representing

financial leverage). Financial accounting services include, but are not limited to, the following: managing expenses and expenses payment processing; monitoring the calculation of expense accrual amounts; calculating, tracking and reporting tax adjustments on all assets and monitoring trustee deferred compensation plan accruals and valuations. The Fund pays its pro rata share of the financial accounting services fee to Calamos Advisors based on its respective assets used in calculating the fee.

The Fund reimburses Calamos Advisors for a portion of compensation paid to the Fund's Chief Compliance Officer. This compensation is reported as part of Trustees' fee and officer compensation expenses on the Statement of Operations.

A trustee and certain officers of the Fund are also officers and directors of Calamos Financial Services LLC (CFS) and Calamos Advisors. Such trustee and officers serve without direct compensation from the Fund.

Notes to Financial Statements

The Fund has adopted a deferred compensation plan (the Plan). Under the Plan, a trustee who is not an interested person (as defined in the 1940 Act) and has elected to participate in the Plan (a participating trustee) may defer receipt of all or a portion of his compensation from the Fund. The deferred compensation payable to the participating trustee is credited to the trustee's deferral account as of the business day such compensation would have been paid to the participating trustee. The value of amount deferred for a participating trustee is determined by reference to the change in value of Class I shares of one or more funds of Calamos Investment Trust designated by the participant. The value of the account increases with contributions to the account or with increases in the value of the measuring shares, and the value of the account decreases with withdrawals from the account or with declines in the value of the measuring shares. Deferred compensation investments of \$78,810 are included in Other assets on the Statement of Assets and Liabilities at April 30, 2009. The Fund's obligation to make payments under the Plan is a general obligation of the Fund and is included in Payable for deferred compensation to Trustees on the Statement of Assets and Liabilities at April 30, 2009.

NOTE 3 INVESTMENTS

Purchases and sales of investments, excluding short-term investments, for the period ended April 30, 2009 were as follows:

Purchases	\$ 66,624,957
Proceeds from sales	(110,514,850)

The following information is presented on a federal income tax basis as of April 30, 2009. Differences between the cost basis under U.S. generally accepted accounting principles and federal income tax purposes are primarily due to temporary differences.

The cost basis of investments for federal income tax purposes at April 30, 2009 was as follows:

Cost basis of investments	\$ 898,319,830
Gross unrealized appreciation	6,272,886
Gross unrealized depreciation	(214,483,749)
Net unrealized appreciation (depreciation)	\$ (208,210,863)

NOTE 4 INCOME TAXES

The Fund intends to make monthly distributions from its income available for distribution, which consists of the Fund's dividends and interest income after payment of Fund expenses, and net realized gains on stock investments. At least annually, the Fund intends to distribute all or substantially all of its net realized capital gains, if any.

Distributions are recorded on the ex-dividend date. The Fund distinguishes between distributions on a tax basis and a financial reporting basis. Accounting principles generally accepted in the United States of America require that only distributions in excess of tax basis earnings and profits be reported in the financial statements as a return of capital. Permanent differences between book and tax accounting relating to distributions are reclassified to paid-in-capital. For tax purposes, distributions from short-term capital gains are considered to be from ordinary income. Distributions in any year may include a return of capital component. The tax character of distributions for the period ended April 30, 2009 will be determined at the end of the Fund's current fiscal year.

Distributions during the fiscal year ended October 31, 2008 were characterized for federal income tax purposes as follows:

Distributions paid from:

Ordinary income	\$ 74,005,570
Long-term capital gains	21,745,025

Notes to Financial Statements

As of October 31, 2008, the components of accumulated earnings/(loss) on a tax basis were as follows:

Undistributed ordinary income	\$ 1,103,023
Undistributed capital gains	917,159
Total undistributed earnings	2,020,182
Accumulated capital and other losses	
Net unrealized gains/(losses)	(314,333,334)
Total accumulated earnings/(losses)	(312,313,152)
Other	(182,097)
Paid-in capital	721,530,089
Net assets applicable to common shareholders	\$ 409,034,840

NOTE 5 COMMON SHARES

There are unlimited common shares of beneficial interest authorized and 52,653,172 shares outstanding at April 30, 2009. Calamos Advisors owned 13,474 of the outstanding shares at April 30, 2009. Transactions in common shares were as follows:

	Six Months Ended April 30, 2009 (unaudited)	Year Ended October 31, 2008
Beginning shares	49,513,661	47,938,822
Shares sold	2,788,809	920,233
Shares issued through reinvestment of distribution	350,702	654,606
Ending shares	52,653,172	49,513,661

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that the Fund may from time to time purchase its shares of common stock in the open market.

NOTE 6 DERIVATIVE INSTRUMENTS

Foreign Currency Risk. The Fund may engage in portfolio hedging with respect to changes in currency exchange rates by entering into foreign currency contracts to purchase or sell currencies. A forward foreign currency contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. Risks associated with such contracts include, among other things, movement in the value of the foreign currency relative to the U.S. dollar and the ability of the counterparty to perform. The net unrealized gain, if any, represents the credit risk to the Fund on a forward foreign currency contract. The contracts are valued daily at forward foreign exchange rates and an unrealized gain or loss is recorded. The Fund realizes a gain or loss when a position is closed or upon settlement of the contracts. There were no open forward currency contracts at April 30, 2009.

Equity Risk. The Fund may engage in option transactions and in doing so achieve the similar objectives to what it would achieve through the sale or purchase of individual securities. A call option, upon payment of a premium, gives the purchaser of the option the right to buy, and the seller of the option the obligation to sell, the underlying security, index or other instrument at the exercise price. A put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the seller the obligation to buy, the underlying security, index, or other instrument at the exercise price.

To seek to offset some of the risk of a potential decline in value of certain long positions, the Fund may also purchase put options on individual securities, broad-based securities indexes or certain exchange traded funds (ETFs). The Fund may also seek to generate income from option premiums by writing (selling) options on a portion of the equity securities (including securities that are convertible into equity securities) in the Fund's portfolio, on broad-based securities indexes, or certain ETFs.

When the Fund purchases an option, it pays a premium and an amount equal to that premium is recorded as an asset. When the Fund writes an option, it receives a premium and an amount equal to that premium is recorded as a liability. The asset or liability is

Notes to Financial Statements

adjusted daily to reflect the current market value of the option. If an option expires unexercised, the Fund realizes a gain or loss to the extent of the premium received or paid. If an option is exercised, the premium received or paid is recorded as an adjustment to the proceeds from the sale or the cost basis of the purchase in determining whether the Fund has realized a gain or loss. The difference between the premium and the amount received or paid on a closing purchase or sale transaction is also treated as a realized gain or loss. Gain or loss on purchased options is included in net realized gain or loss on investment transactions. Gain or loss on written options is presented separately as net realized gain or loss on written options.

As of April 30, 2009, the Fund had outstanding purchased options and written options as listed on the Schedule of Investments. For the period ended April 30, 2009, the Fund had the following transactions in options written:

	Number of Contracts	Premiums Received
Options outstanding at October 31, 2008	4,880	\$ 2,686,570
Options written	29,089	\$ 7,249,236
Options closed	(27,254)	\$ (7,647,540)
Options expired	(550)	\$ (4,496)
Options exercised	(16)	\$ (253,535)
Options outstanding at April 30, 2009	6,149	\$ (2,030,235)

Interest Rate Risk. The Fund may engage in interest rate swaps primarily to manage duration and yield curve risk, or as alternatives to direct investments. An interest rate swap is a contract that involves the exchange of one type of interest rate for another type of interest rate. Three main types of interest rate swaps are coupon swaps (fixed rate to floating rate in the same currency); basis swaps (one floating rate index to another floating rate index in the same currency); and cross-currency interest rate swaps (fixed rate in one currency to floating rate in another). In the case of a coupon swap, the Fund may agree with a counterparty that the Fund will pay a fixed rate (multiplied by a notional amount) while the counterparty will pay a floating rate multiplied by the same notional amount. If interest rates rise, resulting in a diminution in the value of the Fund's portfolio, the Fund would receive payments under the swap that would offset, in whole or in part, such diminution in value; if interest rates fall, the Fund would likely lose money on the swap transaction. Unrealized gains are reported as an asset and unrealized losses are reported as a liability on the Statement of Assets and Liabilities. The change in value of swaps, including accruals of periodic amounts of interest to be paid or received on swaps, is reported as change in net unrealized appreciation/depreciation in the Statement of Operations. A realized gain or loss is recorded upon payment or receipt of a periodic payment or termination of the swap agreements. Swap agreements are stated at fair value. Notional principal amounts are used to express the extent of involvement in these transactions, but the amounts potentially subject to credit risk are much smaller. In connection with these contracts, securities may be identified as collateral in accordance with the terms of the respective swap contracts in the event of default or bankruptcy.

Premiums paid to or by the Fund are accrued daily and included in realized gain (loss) when paid on swaps in the accompanying Statement of Operations. The contracts are marked-to-market daily based upon third party vendor valuations and changes in value are recorded as unrealized appreciation (depreciation). Gains or losses are realized upon early termination of the contract. Risks may exceed amounts recognized in the Statement of Assets and

Liabilities. These risks include changes in the returns of the underlying instruments, failure of the counterparties to perform under the contracts terms, counterparty s creditworthiness, and the possible lack of liquidity with respect to the contracts.

As of April 30, 2009, the Fund had outstanding interest rate swap agreements as listed on the Schedules of Investments.

Below are the types of derivatives in the Fund by location as presented in the Statement of Asset and Liabilities:

	Assets	Liabilities
	Statement of Assets and Liabilities Location	Statement of Assets and Liabilities Location
Derivative Type		
Option contracts	Investments in securities	Options written
Foreign exchange contracts	Unrealized appreciation on forward foreign currency contracts	Unrealized depreciation on forward foreign currency contracts

Below are the types of derivatives in the Fund by gross value as of April 30, 2009:

	Assets		Liabilities	
	Statement of Assets & Liabilities Location	Value	Statement of Assets & Liabilities Location	Value
Derivative Type:				
Options purchased	Investments in securities	\$ 1,191,528	Options written	\$ 6,776,000
Interest Rate				
Contracts	Unrealized appreciation on swaps	216,246	Unrealized depreciation on swaps	
Default				
Contracts	Unrealized appreciation on swaps		Unrealized depreciation on swaps	

VOLUME OF DERIVATIVE ACTIVITY FOR THE SIX MONTHS ENDED APRIL 30, 2009*

Equity:		
Purchased options		11,830
Written options		29,089
Foreign currency contracts		
Interest rate swaps		195,000,000
Credit swaps		

* Activity during the period is measured by opened number of contracts for options and opened notional amount for swap contracts.

NOTE 7 PREFERRED SHARES

There are unlimited shares of Auction Rate Cumulative Preferred Shares (Preferred Shares) authorized. The Preferred Shares have rights as determined by the board of trustees. The 4,160 shares of Preferred Shares outstanding consist of seven series, 552 shares of M, 552 shares of TU, 553 shares of W, 553 shares of TH, 650 shares of W28, 650 shares of TH7, and 650 shares of F7. The Preferred Shares have a liquidation value of \$25,000 per share plus any accumulated but unpaid dividends, whether or not declared.

Dividends on the Preferred Shares are cumulative at a rate typically reset every seven days based on the results of an auction. Dividend rates ranged from 0.08% to 4.30% for the period ended April 30, 2009. Under the 1940 Act, the Fund may not declare dividends or make other distributions on its common shares or purchase any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding Preferred Shares would be less than 200%.

If all holders of Preferred Shares who want to sell their shares are unable to do so because there are insufficient bidders in the auction at rates below the maximum rate as prescribed by the terms of the security, a failed auction results. When an auction fails, all holders receive the maximum rate and may be unable to sell their shares at the next

auction. The maximum applicable rate on preferred shares is 150% of the AA Financial Commercial Paper Rate.

During the period February 13, 2008 to April 30, 2009, the auctions for the Preferred Shares of the Fund were not successful. As a result, the Preferred Share dividend rates were reset to the maximum applicable rate which is 150% of the AA Financial Commercial Paper Rate. Failed auctions result not from an event of default or a credit issue but a liquidity event.