

CALAMOS CONVERTIBLE & HIGH INCOME FUND

Form 497

March 06, 2013

Prospectus Supplement

(To Prospectus dated March 1, 2013)

Calamos Convertible and High Income Fund

Up to 6,232,167 Common Shares

Calamos Convertible and High Income Fund (the Fund, we, or our) has entered into a sales agreement dated September 30, 2011, as amended July 2, 2012 (the Sales Agreement) with JonesTrading Institutional Services LLC (JonesTrading) relating to the common shares of beneficial interest (common shares) offered by this prospectus supplement and the accompanying prospectus. In accordance with the terms of the Sales Agreement, we may offer and sell up to 6,232,167 of our common shares, no par value per share, from time to time through JonesTrading as our agent for the offer and sale of the common shares. As of January 31, 2013, the Fund had offered and sold 3,767,833 common shares pursuant to prior sales agreements with JonesTrading. Under the Investment Company Act of 1940, as amended (the 1940 Act), the Fund may not sell any common shares at a price below the current net asset value of such common shares, exclusive of any distributing commission or discount. The Fund is a diversified, closed-end management investment company which commenced investment operations in May 2003. Our investment objective is to provide total return through a combination of capital appreciation and current income.

Our common shares are listed on the NASDAQ Global Select Market (NASDAQ) under the symbol CHY. As of January 31, 2013, the last reported sale price for our common shares was \$12.76 per share.

Sales of our common shares, if any, under this prospectus supplement and the accompanying prospectus may be made in negotiated transactions or transactions that are deemed to be at the market as defined in Rule 415 under the Securities Act of 1933, as amended (the 1933 Act), including sales made directly on the New York Stock Exchange or sales made to or through a market maker other than on an exchange.

JonesTrading will be entitled to compensation of 100 to 250 basis points of the gross sales price per share for any common shares sold under the Sales Agreement, with the exact amount of such compensation to be mutually agreed upon by the Fund and JonesTrading from time to time. In connection with the sale of the common shares on our behalf, JonesTrading may be deemed to be an underwriter within the meaning of the 1933 Act and the compensation of JonesTrading may be deemed to be underwriting commissions or discounts.

Investing in our securities involves certain risks. You could lose some or all of your investment. See Risk Factors beginning on page 31 of the accompanying prospectus. You should consider carefully these risks together with all of the other information contained in this prospectus supplement and the accompanying prospectus before making a decision to purchase our securities.

The Securities and Exchange Commission has not approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Prospectus Supplement dated March 1, 2013

This prospectus supplement, together with the accompanying prospectus, sets forth concisely the information that you should know before investing. You should read the accompanying prospectus and prospectus supplement, which contain important information, before deciding whether to invest in our securities. You should retain the accompanying prospectus and prospectus supplement for future reference. A statement of additional information, dated March 1, 2013, as supplemented from time to time, containing additional information, has been filed with the Securities and Exchange Commission (Commission) and is incorporated by reference in its entirety into this prospectus supplement and the accompanying prospectus. This prospectus supplement, the accompanying prospectus and the statement of additional information are part of a shelf registration statement that we filed with the Commission. This prospectus supplement describes the specific details regarding this offering, including the method of distribution. If information in this prospectus supplement is inconsistent with the accompanying prospectus or the statement of additional information, you should rely on this prospectus supplement. You may request a free copy of the statement of additional information, the table of contents of which is on page 66 of the accompanying prospectus, request a free copy of our annual and semi-annual reports, request other information or make shareholder inquiries, by calling toll-free 1-800-582-6959 or by writing to the Fund at 2020 Calamos Court, Naperville, Illinois 60563. The Fund's annual and semi-annual reports also are available on our 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. Information included on our website does not form part of this prospectus supplement or the accompanying prospectus. You can review and copy documents we have 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 website (<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. 20549-0102.

Our securities 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.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus in making your investment decisions. We have not authorized any other person to provide you with different or inconsistent information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or solicitation of an offer to buy any securities in any jurisdiction where the offer or sale is not permitted. The information appearing in this prospectus supplement and in the accompanying prospectus is accurate only as of the dates on their covers. Our business, financial condition and prospects may have changed since such dates. We will advise investors of any material changes to the extent required by applicable law.

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the statement of additional information contain forward-looking statements. Forward-looking statements can be identified by the words may, will, intend, expect, estimate, continue, plan, anticipate, and similar, and the negative of such terms. By their nature, all forward-looking statements involve risks and uncertainties, and actual results could differ materially from those contemplated by the forward-looking statements. Several factors that could materially affect our actual results are the performance of the portfolio of securities we hold, the price at which our shares will trade in the public markets and other factors discussed in our periodic filings with the Commission. Currently known risk factors that could cause actual results to differ materially from our expectations include, but are not limited to, the factors described in the Risk Factors sections of the accompanying prospectus. We urge you to review carefully those sections for a more detailed discussion of the risks of an investment in our securities.

Although we believe that the expectations expressed in our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and are subject to inherent risks and uncertainties, such as those disclosed in the Risk Factors sections of the accompanying prospectus. All forward-looking statements contained or incorporated by reference in this prospectus supplement or the accompanying prospectus are made as of the date of this prospectus supplement or the accompanying prospectus, as the case may be. Except for our ongoing obligations under the federal securities laws, we do not intend, and we undertake no obligation, to update any forward-looking statement. The forward-looking statements contained in this prospectus supplement, the accompanying prospectus and the statement of additional information are excluded from the safe harbor protection provided by section 27A of the 1933 Act.

PROSPECTUS SUPPLEMENT SUMMARY

The following summary contains basic information about us and our securities. It is not complete and may not contain all of the information you may want to consider. You should review the more detailed information contained in this prospectus supplement and in the accompanying prospectus and in the statement of additional information, especially the information set forth under the heading "Risk Factors" beginning on page 31 of the accompanying prospectus.

The Fund

The Fund is a diversified, closed-end management investment company, with total managed assets of \$1.3 billion as of January 31, 2013.

Managed assets means the total assets of the Fund (including any assets attributable to any leverage that may be outstanding) minus the sum of liabilities (other than debt representing financial leverage). We commenced operations in June 2002 following our initial public offering. Our investment objective is to provide total return through a combination of capital appreciation and current income.

Investment Adviser

Calamos Advisors LLC (the Adviser or Calamos) serves as our 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 January 31, 2013, Calamos managed approximately \$30.7 billion in assets of individuals and institutions. Calamos is a wholly-owned subsidiary of Calamos Investments LLC and an indirect subsidiary of Calamos Asset Management, Inc., a publicly traded holding company.

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. See "Management of the Fund" on page 40 of the accompanying prospectus.

The principal business address of the Adviser is 2020 Calamos Court, Naperville, Illinois 60563.

The Offering

The Fund and Calamos entered into the Sales Agreement with JonesTrading Institutional Services LLC (JonesTrading) relating to the common shares offered by this prospectus supplement and the accompanying prospectus. In accordance with the terms of the Sales Agreement, we may offer and sell up to 6,232,167 of our common shares, no par value per share, from time to time through JonesTrading as our agent for the offer and sale of the common shares. As of January 31, 2013, the Fund had offered and sold 3,767,833 common shares pursuant to prior sales agreements with JonesTrading, resulting in proceeds (net of all fees, expenses and commissions) of \$42,792,625.

Our common shares are listed on the NASDAQ Global Select Market (NASDAQ) under the symbol CHY. As of January 31, 2013, the last reported sale price for our common shares was \$12.76.

Sales of our common shares, if any, under this prospectus supplement and the accompanying prospectus may be made in negotiated transactions or transactions that are deemed to be at the market as defined in Rule 415 under the 1933 Act, including sales made directly on the New York Stock Exchange or sales made to or through a market maker other than on an exchange. See "Plan of Distribution" in this prospectus supplement. Our common shares may not be sold through agents, underwriters or dealers without delivery or deemed delivery of a prospectus and a prospectus supplement describing the method and terms of the offering of our securities. Under the 1940 Act, the Fund may not sell any common shares at a price below the current net asset value of such common shares, exclusive of any distributing commission or discount.

Use of Proceeds

Unless otherwise specified in this prospectus supplement, we currently intend to use the net proceeds from the sale of our common shares in this offering primarily to invest in accordance with our investment objective and policies (as described under **Investment Objective and Principal Investment Strategies**, beginning on page 20 of the accompanying prospectus) within approximately three months of receipt of such proceeds. We may also use proceeds from the sale of our securities to retire all or a portion of any short-term debt we incur in pursuit of our investment objective and policies, and for working capital purposes, including the payment of interest and operating expenses, although there is currently no intent to issue securities primarily for this purpose. Reduction of the leverage employed by the Fund will reduce our assets available for investment, and may have a negative impact on the Fund. See **Leverage**, beginning on page 26 of the accompanying prospectus, and **Risk Factors** **Reduction of Leverage Risk** on page 38 of the accompanying prospectus.

CAPITALIZATION

Pursuant to the Sales Agreement with JonesTrading, we may offer and sell up to 6,232,167 of our common shares, no par value per share, from time to time through JonesTrading as our agent for the offer and sale of the common shares under this prospectus supplement and the accompanying prospectus. There is no guaranty that there will be any sales of our common shares pursuant to this prospectus supplement and the accompanying prospectus. The table below shows our historical capitalization as of October 31, 2012 and the estimated capitalization of the Fund assuming the sale of the remaining common shares that are subject to the Sales Agreement on a pro forma, as adjusted basis as of January 31, 2013. Actual sales, if any, of our common shares, and the actual application of the proceeds thereof, under this prospectus supplement and the accompanying prospectus may be different than as set forth in the table below. In addition, the price per share of any such sale may be greater or less than \$12.76 depending on the market price of our common shares at the time of any such sale. To the extent that the market price per share of our common shares on any given day is less than the net asset value per share on such day, we will instruct JonesTrading not to make any sales on such day.

The following table sets forth our capitalization:

on a historical basis as of October 31, 2012;

As of January 31, 2013, on a pro forma as adjusted basis to reflect (1) the assumed sale of 6,232,167 of our common shares at \$12.76 per share (the last reported sale price for our common shares on the NASDAQ on January 31, 2013), in an offering under this prospectus supplement and the accompanying prospectus; (2) the investment of net proceeds assumed from such offerings in accordance with our investment objective and policies, after deducting the assumed aggregate commission of \$795,225 (representing an estimated commission paid to JonesTrading of 1% of the gross sales price per share in connection with sales of common shares effected by JonesTrading in each offering) and offering costs payable by us of \$185,000 and (3) the overall increase of the Fund's borrowings pursuant to its Committed Facility Agreement and the implementation of its Credit Agreement on January 29, 2013 to \$335,000,000.

	Actual	As Adjusted
Loans	\$ 314,000,000	\$ 335,000,000(1)
Shareholders' Equity		
Common shares, no par value per share, unlimited shares authorized, 72,148,383 outstanding (actual), and 78,380,550 shares outstanding (as adjusted)	1,001,340,288	1,079,882,514
Undistributed net investment income (loss)	(24,767,444)	(24,767,444)
Accumulated net realized gain (loss) on investments, foreign currency transactions and interest rate swaps	(75,865,228)	(75,865,228)
Net unrealized appreciation (depreciation) on investments, foreign currency translations and interest rate swaps	43,105,697	43,105,697
Net assets applicable to common shareholders	943,813,313	1,022,355,539
Total Capitalization	\$ 1,257,813,313	\$ 1,357,355,539(1)

(1) Figures do not reflect additional structural leverage related to certain securities lending programs, which were \$19 million as of January 31, 2013.

SUMMARY OF FUND EXPENSES

The following table and example contain information about the costs and expenses that common shareholders will bear directly or indirectly. In accordance with SEC requirements, the table below shows our expenses, including leverage costs, as a percentage of our average net assets as of January 31, 2013, and not as a percentage of gross assets or managed assets. By showing expenses as a percentage of average net assets, expenses are not expressed as a percentage of all of the assets we invest. The table and example are based on our capital structure as of January 31, 2013.

As of January 31, 2013, the Fund had \$335 million in borrowings outstanding and additional structural leverage of \$19 million, representing 26.8% of managed assets.

Shareholder Transaction Expenses

Sales Load (as a percentage of offering price)	1.00%(1)
Offering Expenses Borne by the Fund (as a percentage of offering price)	0.23%
Dividend Reinvestment and Cash Purchase Plan Fees(2)	None

	Percentage of Average Net Assets Attributable to Common Shareholders
Annual Expenses	
Management Fee(3)	1.07
Leverage Costs(4)	0.37
Other Expenses(5)	0.08
Acquired Fees and Expenses	0.00
Total Annual Expenses	1.52

Example:

The following example illustrates the expenses that common shareholders would pay on a \$1,000 investment in common shares, assuming (1) net annual expenses of 1.52% of net assets attributable to common shares; (2) a 5% annual return; and (3) all distributions are reinvested at net asset value:

	1 Year	3 Years	5 Years	10 Years
Total Expenses Paid by Common Shareholders(6)	\$ 27	\$ 59	\$ 94	\$ 191

The example should not be considered a representation of future expenses. Actual expenses may be greater or less than those assumed. Moreover, our actual rate of return may be greater or less than the hypothetical 5% return shown in the example.

(1) Represents the estimated commission with respect to our common shares being sold in this offering, which we will pay to JonesTrading in connection with sales of common shares effected by JonesTrading in this offering. While JonesTrading is entitled to a commission of 1% to 2.5% of the gross sales price for common shares sold, with the exact amount to be agreed upon by the parties, we have assumed, for purposes of this offering, that JonesTrading will receive a commission of 1% of such gross sales price. This is the only sales load to be paid in connection with this offering. There is no guaranty that there will be any sales of our common shares pursuant to this prospectus supplement and the accompanying prospectus. Actual sales of our common shares under this prospectus supplement and the accompanying prospectus, if any, may be less than as set forth in the table. In addition, the price per share of any such sale may be greater or less than the price set forth in the table, depending on the market price of our common shares at the time of any such sale.

(2)

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Shareholders will pay a transaction fee plus brokerage charges if they direct the Plan Agent to sell common shares held in a Plan account. In addition, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open-market purchases in connection with the reinvestment of dividends or distributions. If a participant elects to have the Plan Agent sell part or all of his or her common

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shares and remit the proceeds, such participant will be charged his or her pro rata share of brokerage commissions on the shares sold. See Automatic Dividend Reinvestment Plan on page 52 of the accompanying prospectus.

- (3) The Fund pays Calamos an annual management fee, payable monthly, for its investment management services in an amount equal to 0.80% of the Fund's average weekly managed assets. In accordance with the requirements of the Commission, the table above shows the Fund's management fee as a percentage of average net assets attributable to common shares. By showing the management fee as a percentage of net assets, the management fee is not expressed as a percentage of all of the assets the Fund intends to invest. For purposes of the table, the management fee has been converted to 1.07% of the Fund's average weekly net assets as of January 31, 2013 by dividing the total dollar amount of the management fee by the Fund's average weekly net assets (managed assets less outstanding leverage).
- (4) Reflects estimated interest expense on \$335 million in borrowings under the Committed Facility Agreement and a Credit Agreement, plus \$19 million in additional structural leverage related to certain securities lending programs, as described in the prospectus under Prospectus Summary Use of Leverage by the Fund .
- (5) Other Expenses are based on estimated amounts for the current fiscal year.
- (6) The example includes the sales load and estimated offering costs. The purpose of the table and the example above is to help investors understand the fees and expenses that they, as common shareholders, would bear directly or indirectly. For additional information with respect to our expenses, see Management of the Fund on page 40 of the accompanying prospectus.

MARKET AND NET ASSET VALUE INFORMATION

Our common shares are listed on the NASDAQ Global Select Market (NASDAQ) under the symbol CHY. Our common shares commenced trading on the New York Stock Exchange (NYSE) in May 2003. On July 2, 2012, the common shares ceased trading on the NYSE and commenced trading on the NASDAQ.

Our common shares have traded both at a premium and a discount to net asset value or NAV. We cannot predict whether our shares will trade in the future at a premium or discount to NAV. The provisions of the 1940 Act generally require that the public offering price of common shares (less any underwriting commissions and discounts) must equal or exceed the NAV per share of a company's common stock (calculated within 48 hours of pricing). Our issuance of common shares may have an adverse effect on prices in the secondary market for our common shares by increasing the number of common shares available, which may put downward pressure on the market price for our common shares. Shares of common stock of closed-end investment companies frequently trade at a discount from NAV. See Risk Factors Additional Risks to Common Shareholders Market Discount Risk on page 38 of the accompanying prospectus.

The following table sets forth for each of the periods indicated the high and low closing market prices for our common shares on the NASDAQ and NYSE, as applicable, the NAV per share and the premium or discount to NAV per share at which our common shares were trading. NAV is determined on the last business day of each month. See Net Asset Value on page 48 of the accompanying prospectus for information as to the determination of our NAV.

Quarter Ended	Market Price(1)		Net Asset Value(2)	Premium/ (Discount) to Net Asset Value(3)	
	High	Low		High	Low
	January 31, 2009	9.41		5.77	8.52
April 30, 2009	9.14	6.37	9.51	(1.40)%	(19.06)%
July 31, 2009	11.09	9.29	11.01	2.50%	(2.42)%
October 31, 2009	11.76	10.46	11.92	(2.65)%	(4.82)%
January 31, 2010	12.19	11.18	12.22	(3.25)%	(6.21)%
April 30, 2010	13.00	11.14	12.83	0.85%	(7.17)%
July 31, 2010	13.05	11.38	12.33	1.56%	(3.07)%
October 31, 2010	13.19	12.33	13.03	1.23%	(0.64)%
January 31, 2011	13.49	12.11	13.21	2.82%	(6.70)%
April 30, 2011	13.82	13.12	13.55	2.60%	0.31%
July 31, 2011	13.79	12.45	13.09	1.77%	(4.89)%
October 31, 2011	12.68	10.66	12.72	(3.06)%	(8.65)%
January 31, 2012	12.52	11.13	12.86	(2.64)%	(8.62)%
April 30, 2012	12.96	12.27	12.94	(1.29)%	(4.22)%
July 31, 2012	12.76	11.68	12.92	(1.24)%	(6.78)%
October 31, 2012	12.87	12.36	13.08	(0.62)%	(5.58)%
January 31, 2013	12.84	11.68	13.41	(4.18)%	(8.68)%

Source: Bloomberg Financial and Fund Accounting Records.

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

(2) Based on the NAV calculated on the close of business on the last business day of each calendar quarter.

(3) Based on the Fund's computations on the day of each of the high and low closing market prices during the respective quarter.

The last reported sale price, NAV per common share and percentage discount to NAV per common share on January 31, 2013 were \$12.76, \$13.41 and (4.85)% respectively. As of January 31, 2013, we had 72,148,383 common shares outstanding and managed assets of approximately \$1.3 billion.

The following table provides information about our outstanding securities as of January 31, 2013:

Title of Class	Amount Authorized	Amount Held by the Fund or for its Account		Amount Outstanding
Common Shares	Unlimited		0	72,148,383

USE OF PROCEEDS

Sales of our common shares, if any, under this prospectus supplement and the accompanying prospectus may be made in negotiated transactions or transactions that are deemed to be at the market as defined in Rule 415 under the 1933 Act, including sales made directly on the NASDAQ or sales made to or through a market maker other than on an exchange. There is no guaranty that there will be any sales of our common shares pursuant to this prospectus supplement and the accompanying prospectus. Actual sales, if any, of our common shares under this prospectus supplement and the accompanying prospectus may be less than as set forth below in this paragraph. In addition, the price per share of any such sale may be greater or less than the price set forth below in this paragraph, depending on the market price of our common shares at the time of any such sale. As a result, the actual net proceeds we receive may be more or less than the amount of net proceeds estimated in this prospectus supplement. Assuming the sale of the 6,232,167 common shares remaining under the Sales Agreement at the last reported sale price of \$12.76 per share for our common shares on the NASDAQ as of January 31, 2013, we estimate that the net proceeds of this offering will be approximately \$78,542,226 after deducting the estimated JonesTrading commissions and our estimated offering expenses. The estimated net proceeds do not take into account any actual sales that may have occurred between December 31, 2012 and the date of this prospectus supplement. We currently intend to use the net proceeds from the sale of our common shares in this offering primarily to invest in accordance with our investment objective and policies within approximately three months of receipt of such proceeds. We may also use proceeds from the sale of our securities to retire all or a portion of any short-term debt we incur in pursuit of our investment objective and policies, and for working capital purposes, including the payment of interest and operating expenses, although there is currently no intent to issue securities primarily for this purpose. Pending such use of proceeds, we anticipate that we will invest the proceeds in securities issued by the U.S. government or its agencies or instrumentalities or in high quality, short-term or long-term debt obligations.

PLAN OF DISTRIBUTION

Under the Sales Agreement among the Fund, Calamos and JonesTrading, upon written instructions from the Fund, JonesTrading will use its commercially reasonable efforts consistent with its sales and trading practices, to sell, as our sales agent, the common shares under the terms and subject to the conditions set forth in the Sales Agreement. JonesTrading's solicitation will continue until we instruct JonesTrading to suspend the solicitations and offers. We will instruct JonesTrading as to the amount of common shares to be sold by JonesTrading. We may instruct JonesTrading not to sell common shares if the sales cannot be effected at or above the price designated by the Fund in any instruction. We or JonesTrading may suspend the offering of common shares upon proper notice and subject to other conditions.

JonesTrading will provide written confirmation to the Fund not later than the opening of the trading day on the NASDAQ following the trading day on which common shares are sold under the Sales Agreement. Each confirmation will include the number of shares sold on the preceding day, the net proceeds to us and the compensation payable by the Fund to JonesTrading in connection with the sales.

We will pay JonesTrading commissions for its services in acting as agent in the sale of common shares. JonesTrading will be entitled to compensation of 100 to 250 basis points of the gross sales price per share of any common shares sold under the Sales Agreement, with the exact amount of such compensation to be mutually agreed upon by the Fund and JonesTrading from time to time. There is no guaranty that there will be any sales of our common shares pursuant to this prospectus supplement and the accompanying prospectus. Actual sales, if any, of our common shares under this prospectus supplement and the accompanying prospectus may be less than as set forth in this paragraph. In addition, the price per share of any such sale may be greater or less than the price set forth in this paragraph, depending on the market price of our common shares at the time of any such sale. Assuming 6,232,167 of our common shares offered hereby are sold at a market price of \$12.76 per share (the last reported sale price for our common shares on the NASDAQ on January 31, 2013), we estimate that the total expenses for the offering, excluding compensation payable to JonesTrading under the terms of the sales agreement, would be approximately \$185,000.

Settlement for sales of common shares will occur on the third trading day following the date on which such sales are made, or on some other date that is agreed upon by the Fund and JonesTrading in connection with a particular transaction, in return for payment of the net proceeds to the Fund. There is no arrangement for funds to be received in an escrow, trust or similar arrangement.

In connection with the sale of the common shares on our behalf, JonesTrading may, and will with respect to sales effected in an offering, be deemed to be an underwriter within the meaning of the 1933 Act, and the compensation of JonesTrading may be deemed to be underwriting commissions or discounts. We have agreed to provide indemnification and contribution to JonesTrading against certain civil liabilities, including liabilities under the 1933 Act. We have also agreed to reimburse JonesTrading for other specified expenses, as set forth in the Sales Agreement.

The offering of our common shares pursuant to the Sales Agreement will terminate upon the earlier of (1) the sale of all common shares subject to the sales agreement or (2) termination of the Sales Agreement. The Sales Agreement may be terminated by us in our sole discretion at any time by giving notice to JonesTrading. In addition, JonesTrading may terminate the Sales Agreement under the circumstances specified in the Sales Agreement and in its sole discretion at any time following a period of 12 months from the date of the Sales Agreement by giving notice to us.

The principal business address of JonesTrading is 780 Third Avenue, 3rd Floor, New York, New York 10017.

LEGAL MATTERS

K&L Gates LLP (K&L Gates), Chicago, Illinois and Washington, DC, which is serving as counsel to the Fund in connection with the offering, has opined on the legality of the issuance of the common shares offered hereby. K&L Gates may rely on the opinion of Morris, Nichols, Arsht & Tunnell LLP, Wilmington, Delaware with respect to certain matters of Delaware law.

EXPERTS

The financial highlights appearing herein and the financial statements and financial highlights as of and for the year ended October 31, 2012, appearing in the statement of additional information, which is incorporated by reference in its entirety into this prospectus supplement, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report on the statement of financial position as of October 31, 2012, the statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years then ended, and the financial highlights for each of the five years then ended, appearing in the Fund's 2012 annual report to shareholders and in the statement of additional information. Such financial statements and financial highlights are included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

AVAILABLE INFORMATION

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act) and the 1940 Act and are required to file reports, including annual and semi-annual reports, proxy statements and other information with the Commission. These documents are available on the Commission's EDGAR system and can be inspected and copied for a fee at the Commission's public reference room, 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Additional information about the operation of the public reference room facilities may be obtained by calling the Commission at (202) 551-5850.

This prospectus supplement and the accompanying prospectus do not contain all of the information in our registration statement, including amendments, exhibits, and schedules. Statements in this prospectus supplement and the accompanying prospectus about the contents of any contract or other document are not necessarily complete and in each instance reference is made to the copy of the contract or other document filed as an exhibit to the registration statement, each such statement being qualified in all respects by this reference.

Additional information about us can be found in our registration statement (including amendments, exhibits, and schedules) on Form N-2 filed with the Commission. The Commission maintains a web site (<http://www.sec.gov>) that contains our registration statement, other documents incorporated by reference, and other information we have filed electronically with the Commission, including proxy statements and reports filed under the Exc