

CALAMOS CONVERTIBLE & HIGH INCOME FUND
Form N-CSR
December 28, 2017

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: 811-21319

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

ADDRESS OF PRINCIPAL EXECUTIVE OFFICES: 2020 Calamos Court
Naperville, Illinois 60563-2787

John P. Calamos, Sr., Founder, Chairman and
Global Chief Investment Officer

NAME AND ADDRESS OF AGENT FOR SERVICE: 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, 2017

DATE OF REPORTING PERIOD: November 1, 2016 through October 31, 2017

Item 1. Report to Shareholders

TIMELY INFORMATION INSIDE

Convertible and High Income Fund (CHY)

ANNUAL REPORT OCTOBER 31, 2017

GO PAPERLESS

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Visit www.calamos.com/FundInvestor/GoPaperless to enroll. You can view shareholder communications, including fund prospectuses, annual reports and other shareholder materials online long before the printed publications arrive by traditional mail.

Experience and Foresight

Our Managed Distribution Policy

Closed-end fund investors often seek a steady stream of income. Recognizing this important need, Calamos closed-end funds adhere to a managed distribution policy in which we aim to provide consistent monthly distributions through the disbursement of the following:

Net investment income

Net realized short-term capital gains

Net realized long-term capital gains

And, if necessary, return of capital

We set distributions at levels that we believe are sustainable for the long term. Our team focuses on delivering an attractive monthly distribution, while maintaining a long-term emphasis on risk management. The level of the funds' distributions can be greatly influenced by market conditions, including the interest rate environment, the individual performance of securities held by the funds, our view of retaining leverage, fund tax considerations, and regulatory requirements.

You should not draw any conclusions about the Fund's investment performance from the amount of this distribution or from the terms of the Fund's plan. The Fund's Board of Trustees may amend or terminate the managed distribution policy at any time without prior notice to the Fund's shareholders.

For more information about any Calamos closed-end funds, we encourage you to contact your financial advisor or Calamos Investments at 800.582.6959 (Monday through Friday from 8:00 a.m. to 6:00 p.m., Central Time). You can also visit us at www.calamos.com.

Note: The Fund will adopt the managed distribution policy on January 1, 2018.

TABLE OF CONTENTS

<u>Letter to Shareholders</u>	1
<u>The Calamos Closed-End Funds: An Overview</u>	5
<u>Investment Team Discussion</u>	6
<u>Schedule of Investments</u>	10
<u>Statement of Assets and Liabilities</u>	24
<u>Statement of Operations</u>	25
<u>Statements of Changes in Net Assets</u>	26
<u>Statement of Cash Flows</u>	27
<u>Notes to Financial Statements</u>	28
<u>Financial Highlights</u>	36
<u>Report of Independent Registered Public Accounting Firm</u>	37
<u>Trustee Approval of Management Agreement</u>	38
<u>Tax Information</u>	40
<u>Trustees and Officers</u>	41
<u>About Closed-End Funds</u>	43
<u>Managed Distribution Policy</u>	44
<u>Automatic Dividend Reinvestment Plan</u>	44

Letter to Shareholders

JOHN P. CALAMOS, SR.

Founder, Chairman
and Global Chief
Investment Officer

Dear Fellow Shareholder:

Welcome to your annual report for the one-year period ended October 31, 2017. In this report, you will find commentary from the Calamos portfolio management team, as well as a listing of portfolio holdings, financial statements and highlights, and detailed information about the performance and positioning of the Calamos Funds. I encourage you to review this information carefully.

Calamos Convertible and High Income Fund (CHY) is an enhanced fixed income fund. We utilize dynamic asset allocation to pursue high current income with a less rate sensitive approach, while also maintaining a focus on capital gains. We believe the flexibility to invest in high yield corporate bonds and convertible securities is an important differentiator, especially given political as well as fiscal and monetary policy unknowns, and their potential impact on interest rates and the fixed income market.

Distribution

During the period, the Fund provided a compelling monthly distribution of \$0.1000 per share. We believe the Fund's current annualized distribution rate, which was 10.03%* on a market price basis as of October 31, 2017, was very competitive, given the low interest rates in many segments of the bond market. In our view, the Fund's distributions illustrate the benefits of a multi-asset class approach and flexible allocation strategy.

We understand that many closed-end fund investors seek steady, predictable distributions instead of distributions that fluctuate. We aim to keep distributions consistent from month to month, and at a level that we believe can be sustained over the long term. In setting the Fund's distribution rate, the investment management team and the Fund's Board of Trustees consider the interest rate, market and economic environment. We also factor in our assessment of individual securities and asset classes.

*

Current Annualized Distribution Rate is the Fund's most recent distribution, expressed as an annualized percentage of the Fund's current market price per share. The Fund's 10/16/17 distribution was \$0.1000 per share. Based on our current estimates, we anticipate that approximately \$0.0320 is paid from ordinary income or capital gains and that approximately \$0.0680 represents a return of capital. Estimates are calculated on a tax basis rather than on a generally accepted accounting principles (GAAP) basis, but should not be used for tax reporting purposes. Distributions are subject to re-characterization for tax purposes after the end of the fiscal year. This information is not legal or tax advice. Consult a professional regarding your specific legal or tax matters. Under the Fund's level rate distribution policy, distributions paid to common shareholders may include net investment income, net realized short-term capital gains and return of capital. When the net investment income and net realized short-term capital gains are not sufficient, a portion of the level rate distribution will be a return of capital. In addition, a limited number of distributions per calendar year may include net realized long-term capital gains. Distribution rate may vary.

CALAMOS CONVERTIBLE AND HIGH INCOME FUND ANNUAL REPORT 1

Letter to Shareholders

Market Review

During the reporting period, confidence in the synchronized global growth narrative grew against a backdrop of improving economic data and healthy corporate earnings. Stocks posted strong returns and a number of bellwether market gauges reached new heights. From a geographic perspective, gains were broad based, with U.S., developed markets and emerging markets stocks advancing briskly.¹ Convertible securities, which blend attributes of both stocks and bonds, participated in a large measure of the stock market's upside, both in the U.S. and globally.² Within the fixed income markets, more economically sensitive high-yield securities continued to perform well³ as investors maintained an appetite for risk and yield. However, as the Federal Reserve maintained a gradual course of raising short-term interest rates and investors gravitated toward stocks, traditional fixed-income securities, such as investment grade bonds, encountered headwinds.⁴

Our Use of Leverage**

We have the flexibility to utilize leverage in this Fund. Over the long term, we believe that the judicious use of leverage provides us with opportunities to enhance total return and support the Fund's distribution rate. Leverage strategies typically entail borrowing at short-term interest rates and investing the proceeds at higher rates of return. During the reporting period, we believed the prudent use of leverage would be advantageous given the economic environment, specifically the low borrowing costs we were able to secure. Overall, we believe the use of leverage will contribute favorably to the returns of the Fund, as we anticipate that the performance of the Fund's holdings will exceed the cost of borrowing.

Outlook

Looking forward, we believe global economic conditions can provide a supportive backdrop for the markets. The U.S. recovery is mature but still has steam, while other major economies are in earlier stages of recovery. As global growth continues, we see additional upside in the global business cycle and, in turn, for stocks, convertible securities and select areas of the high-yield market.

While our outlook is constructive, our teams are watchful of potential downside risks. Among them, the policies of global central banks are moving away from the exceedingly accommodative stances of past years. We are also

mindful of global political instability, strained trade relationships, heated rhetoric between the U.S. and North Korea, potential deceleration in China, and high levels of corporate debt.

**

Leverage creates risks that may adversely affect return, including the likelihood of greater volatility of net asset value and market price of common shares, and fluctuations in the variable rates of the leverage financing. The Fund has a non-fundamental policy that it will not issue preferred shares, borrow money, or issue debt securities with an aggregate liquidation preference and aggregate principal amount exceeding 38% of the Fund's managed assets as measured immediately after the issuance of any preferred shares or debt.

2 CALAMOS CONVERTIBLE AND HIGH INCOME FUND ANNUAL REPORT

Letter to Shareholders

Further, valuations are stretched in some areas of the market, and we may see consolidation and sector rotation. Given the sustained rally in equities, we would not be surprised to see a pause or even a correction. In an environment of economic expansion, downside volatility could provide buying opportunities for our team's long-term approach.

Calamos at 40 Years: A Look Back ... and Ahead

Calamos Investments celebrated its 40-year anniversary earlier this year. Much has changed since I founded the firm in 1977. Some changes, such as the rise of passive strategies, are concerning to me—especially given our view that the markets will increasingly require experienced and active management.

However, many of these changes are quite positive, such as an increased focus on global asset allocation. I'm also encouraged by the growing role of liquid alternative strategies in investors' portfolios. For decades, we have offered risk-managed global and alternative strategies as a way to potentially mitigate risk, enhance returns, and generate income in innovative ways. We've continued to expand our capabilities in both areas, always guided by the asset allocation needs of investors.

When markets are going up as they have been, investors may be more inclined to put financial planning and asset allocation on cruise control. While that's understandable, I encourage you to take some time to check in with your financial advisor to ensure your portfolio is aligned with your goals and risk tolerance. Throughout the years, I've seen the markets change directions quite suddenly in a short period, often catching investors off guard. The allocations of your portfolio will also shift over time as investments appreciate at different rates. Regardless of the direction of the market, a periodic check in with your advisor can be a smart strategy, and as I have noted in the past, the new year presents a good opportunity for these conversations.

As always, we thank you for your continued trust. The longevity and success of our firm over these 40 years is a reflection of the trust you have placed in us. We look forward to helping you achieve your goals over the coming decades.

Please visit our website www.calamos.com often. You'll find a wealth of resources and commentary on the markets, asset allocation and our funds.

Sincerely,

John P. Calamos, Sr.
Founder, Chairman and Global Chief Investment Officer

CALAMOS CONVERTIBLE AND HIGH INCOME FUND ANNUAL REPORT 3

Letter to Shareholders

Before investing, carefully consider a fund's investment objectives, risks, charges and expenses. Please see the prospectus containing this and other information or call 800.582.6959. Please read the prospectus carefully. Performance data represents past performance, which is no guarantee of future results. Current performance may be lower or higher than the performance quoted.

The MSCI All Country World Index is a measure of global stock market performance, which returned 23.86% for the one-year period ending October 31, 2017. The MSCI World Index is a market-capitalization weighted index composed of companies representative of the market structure of developed market countries in North America, Europe and the Asia/Pacific region. For the one-year period ended, the index returned 23.46%. The S&P 500 Index¹ is an unmanaged index generally considered representative of the U.S. stock market. For the one-year period, the index returned 23.63%. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index considered broadly representative of emerging market equity performance. The index represents companies within the constituent emerging markets that are available to investors worldwide, and it returned 26.91% for the one-year period ended October 31, 2017.

The ICE BofAML All U.S. Convertibles ex-Mandatory Index represents the U.S. convertible securities market excluding mandatory convertibles. The index returned 20.69% for the one-year period ending October 31, 2017.

²The ICE BofAML Global 300 Convertible Index is a global convertible index composed of companies representative of the market structure of countries in North America, Europe and the Asia/Pacific region. The index returned 16.13% for the one-year period ended October 31, 2017.

³The Credit Suisse U.S. High Yield Index is an unmanaged index of high yield debt securities, which returned 9.04% for the one-year period ending October 31, 2017.

⁴The Bloomberg Barclays U.S. Aggregate Index is considered generally representative of the investment-grade bond market. For the one-year period ending October 31, 2017, the index returned 0.90%.

Sources: Lipper, Inc.; Morningstar, Inc.

Unmanaged index returns assume reinvestment of any and all distributions and, unlike fund returns, do not reflect fees, expenses or sales charges. Investors cannot invest directly in an index. Investments in overseas markets pose special risks, including currency fluctuation and political risks. These risks are generally intensified for investments in emerging markets. Countries, regions, and sectors mentioned are presented to illustrate countries, regions, and sectors in which a fund may invest. Fund holdings are subject to change daily. The Funds are actively managed.

The information contained herein is based on internal research derived from various sources and does not purport to be statements of all material facts relating to the securities mentioned. The information contained herein, while not guaranteed as to accuracy or completeness, has been obtained from sources we believe to be reliable. There are certain risks involved with investing in convertible securities in addition to market risk, such as call risk, dividend risk,

liquidity risk and default risk, that should be carefully considered prior to investing. This information is being provided for informational purposes only and should not be considered investment advice or an offer to buy or sell any security in the portfolio. Investments in alternative strategies may not be suitable for all investors.

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

4 CALAMOS CONVERTIBLE AND HIGH INCOME FUND ANNUAL REPORT

The Calamos Closed-End Funds: An Overview

In our closed-end funds, we draw upon decades of investment experience, including a long history of opportunistically blending asset classes in an attempt to capture upside potential while seeking to manage downside risk. We launched our first closed-end fund in 2002.

Closed-end funds are long-term investments. Most focus on providing monthly distributions, but there are important differences among individual closed-end funds. Calamos closed-end funds can be grouped into multiple categories that seek to produce income while offering exposure to various asset classes and sectors.

Portfolios Positioned to Pursue High Current Income from Income and Capital Gains

OBJECTIVE: U.S. ENHANCED FIXED INCOME

**Calamos Convertible Opportunities and Income Fund
(Ticker: CHI)**

Invests in high yield and convertible securities, primarily in U.S. markets

**Calamos Convertible and High Income Fund
(Ticker: CHY)**

Invests in high yield and convertible securities, primarily in U.S. markets

OBJECTIVE: GLOBAL ENHANCED FIXED INCOME

Portfolios Positioned to Seek Current Income, with Increased Emphasis on Capital Gains Potential

OBJECTIVE: GLOBAL TOTAL RETURN

**Calamos Global Total Return Fund
(Ticker: CGO)**

Invests in equities and higher-yielding convertible securities and corporate bonds, in both U.S. and non-U.S. markets

OBJECTIVE: U.S. TOTAL RETURN

**Calamos Strategic Total Return Fund
(Ticker: CSQ)**

Invests in equities and higher-yielding convertible securities and corporate bonds, primarily in U.S. markets

**Calamos Dynamic Convertible and Income Fund
(Ticker: CCD)**

Invests in convertibles and other fixed income securities

Calamos Global Dynamic Income Fund
(Ticker: CHW)

Invests in global fixed income securities, alternative investments and equities

CALAMOS CONVERTIBLE AND HIGH INCOME FUND ANNUAL REPORT 5

Investment Team Discussion

**TOTAL RETURN* AS OF
10/31/17**

**Common Shares – Inception 5/28/03
Since
1 Year Inception****

On Market Price 26.91% 8.21%
On NAV 17.28% 8.55%

* Total return measures net investment income and net realized gain or loss from Fund investments, and change in net unrealized appreciation and depreciation, assuming reinvestment of income and net realized gains distributions.

** Annualized since inception.

**SECTOR
WEIGHTINGS**

Information Technology	24.0	%
Consumer Discretionary	17.2	
Health Care	15.5	
Industrials	9.2	
Energy	8.4	
Financials	7.6	
Materials	4.2	
Telecommunication	4.1	
Services	2.7	
Real Estate	2.7	
Utilities	2.5	
Consumer Staples	2.1	

Sector Weightings are based on managed assets and may vary over time. Sector Weightings exclude any government/sovereign bonds or options on broad market indexes the Fund may hold.

CONVERTIBLE AND HIGH INCOME FUND (CHY)

INVESTMENT TEAM DISCUSSION

Please discuss the Fund's strategy and role within an asset allocation.

Calamos Convertible and High Income Fund (CHY) is an enhanced fixed income offering that seeks total return through a combination of capital appreciation and current income. It provides an alternative to funds investing exclusively in investment-grade fixed-income instruments, and seeks to be less sensitive to interest rates. Like all Calamos closed-end funds, the Fund seeks to provide a steady stream of distributions paid out monthly and invests in multiple asset classes that may be reweighted in an effort to optimize returns.

We invest in a diversified portfolio of convertible securities and high yield securities. The allocation to each asset class is dynamic and reflects our view of the economic landscape as well as the potential of individual securities. By combining these asset classes, we believe that the Fund is well positioned to generate capital gains and income. We believe the broader range of security types also provides increased opportunities to manage the risk/reward characteristics of the portfolio over full market cycles. During the one year, ended October 31, 2017, the Fund maintained a high proportional exposure to convertible assets. We believe such exposure, which constituted over half the portfolio at the end of the period, positions us well to participate in the equity markets in a more risk-managed way in 2017.

We seek companies with respectable balance sheets, reliable debt servicing and good prospects for sustainable growth. While we invest primarily in securities of U.S. issuers, we favor companies that are actively participating in globalization with geographically diversified revenue streams and global-scale business strategies.

How did the Fund perform over the reporting period?

The Fund returned 17.28% on a net asset value (NAV) basis and 26.91% on a market price basis for the 12-month period ended October 31, 2017. The Credit Suisse U.S. High Yield Index returned 9.04% for the same period and the ICE BofAML All U.S. Convertibles Index climbed 18.13%.

At the end of the reporting period, the Fund's shares traded at a 0.08% premium to net asset value.

How do NAV and market price return differ?

Closed-end funds trade on exchanges, where the price of shares may be influenced by factors other than the value of the underlying securities. The price of a share in the market is called market value. Market price may be influenced by factors unrelated to the performance of the fund's holdings, such as general market sentiment or future expectation. A fund's NAV return measures the actual return of the individual securities in the portfolio, less fund expenses. It also measures how a manager was able to capitalize on market opportunities. Because we believe closed-end funds are best utilized long term within asset allocations, we think that NAV return is the better measure of a fund's performance. However, when managing the Fund, we strongly consider actions and policies that we believe will optimize its overall price performance and returns based on market value.

6CALAMOS CONVERTIBLE AND HIGH INCOME FUND ANNUAL REPORT

Investment Team Discussion

SINCE INCEPTION MARKET PRICE AND NAV HISTORY THROUGH 10/31/17

Performance data quoted represents past performance, which is no guarantee of future results. Current performance may be lower or higher than the performance quoted. The principal value of an investment will fluctuate so that your shares, when sold, may be worth more or less than their original cost. Returns at NAV reflect the deduction of the Fund's management fee, debt leverage costs and all other applicable fees and expenses. You can obtain performance data current to the most recent month end by visiting www.calamos.com.

Please discuss the Fund's distributions during the 12-month period.

We employ a level rate distribution policy* with the goal of providing shareholders with a consistent distribution stream. In each month of the period, the Fund distributed \$0.1000 per share, resulting in a current annualized distribution rate of 10.03% of market price as of October 31, 2017.

We believe that both the Fund's distribution rate and level remained attractive and competitive, as low interest rates limited yield opportunities in the marketplace. For example, as of October 31, 2017, the dividend yield of S&P 500 Index stocks averaged 2.07%. Yields also were low within the U.S. government bond market, with the 10-year U.S. Treasury and 30-year U.S. Treasury yielding 2.38% and 2.88%, respectively.

What factors influenced performance over the reporting period?

Improvements in the high yield bond and convertible bond markets contributed to the Fund's strong performance over the period. The high yield market, as measured by the Credit Suisse U.S. High Yield Index, returned 13.02% for the period. While the convertible bond market, as measured by the ICE BofAML All U.S. Convertibles Index, returned 18.13% during the period. Convertible bond Issuance presented us with a broad selection of investment opportunities. Price performance was enhanced by good valuations in the stocks relative to the NAV earlier in the period, which served as an enticement to many investors.

From an economic sector perspective, selection in telecom services (integrated telecommunication services) contributed to performance. In addition, the Fund was helped by its underweight and selection in financials, notably in diversified banks.

Our selection in information technology (semiconductors) was detrimental to performance. In addition, selection in health care (biotechnology) also fell short relative to the ICE BofAML All U.S. Convertibles Index.

Under the Fund's level rate distribution policy, distributions paid to common shareholders may include net investment income, net realized short-term capital gains and return of capital. When the net investment income and net realized short-term capital gains are not sufficient, a portion of the level rate distribution will be a return of capital. In addition, a limited number of distributions per calendar year may include net realized long-term capital gains. The distribution rate may vary. The Fund will transition to a managed distribution policy effective January 2018. See inside front cover for details.

Investment Team Discussion

How is the Fund positioned?

We continue to hold our highest allocations of rated securities in the BB credit tier as we believe this exposure will offer investors a better risk/reward dynamic while continuing to provide regular income. From a sector perspective, our heaviest exposures are in the information technology, health care and consumer discretionary sectors. We believe that these sectors should outperform given where we are in the economic cycle and based on current demographic trends. We continue to maintain significant positions in convertible securities, which we believe can provide income, benefit from a rising equity market, and help manage overall portfolio risk. As of October 31, 2017, approximately 57% our portfolio was invested in convertible securities. We believe this will enable our shareholders to take advantage of opportunities in the general equity markets. Long term, we believe patient investors will be rewarded for an allocation to convertibles and high yield at current levels.

The average credit quality of the portfolio is the same as the ICE BofAML All U.S. Convertibles Index at BB-, and higher than the Credit Suisse U.S. High Yield Index average of B+. This is typical for the Fund, as our credit process tends to guide us away from the most speculative corporate securities. However, we do selectively invest in lower-credit securities when we believe the risk/reward dynamics are favorable.

Moreover, we are investing in global businesses with the ability to capitalize on the best opportunities around the world and diversify their revenue streams. Overall, we believe that our portfolio's companies are performing well fundamentally, participating in global synchronization, earning attractive cash-flow margins, and improving their credit profiles, while keeping debt at reasonable levels to fund their operations.

We believe that this environment is conducive to the prudent use of leverage as a means of enhancing total return and supporting the Fund's distribution rate. Despite a cost increase due to rising interest rates, our use of leverage enjoyed a favorable reinvestment dynamic. In addition, on September 6, 2017, the Fund announced the issuance of \$110 million in mandatory Redeemable Shares (MRPS). Fitch Ratings assigned long-term ratings of "AA" to each class of MRPS shares. The MRPS shares were privately placed with institutional investors and were issued in three series subject to mandatory redemptions of 5, 7 and 10 years from the date of issuance, as shown. The Series A (\$36.50 mm), Series B (\$36.50 mm), and Series C (\$37.00 mm) MRPS shares are to pay monthly cash dividends initially at rates of 3.70%, 4.00% and 4.24%, respectively, subject to adjustment under certain circumstances. In connection with the MRPs share issuance, the Fund terminated an existing credit facility with BNP Paribas and revised the available credit under an existing credit facility with State Street Bank and Trust. As of October 31, 2017, our amount of leveraged assets was approximately 32%.

What are your closing thoughts for Fund shareholders?

Given our outlook for a continued period of economic growth, we are favoring quality growth companies. Positive factors within the U.S. include solid job creation, low interest rates, improved consumer spending and limited inflationary pressures. We are emphasizing investments in companies with solid cash flow generation and stronger balance sheets. From a thematic and sector perspective, we see opportunities in the technology sector, consumer discretionary companies tied to global consumption, and companies positioned to benefit from improving fundamentals and lower political concerns in Europe. We are also optimistic about financials, as we believe those companies are favorably valued and positioned to grow revenues in a rising interest rate, lower regulatory environment. We are cautious about companies in the

8CALAMOS CONVERTIBLE AND HIGH INCOME FUND ANNUAL REPORT

Investment Team Discussion

consumer staples sector. We believe they are fully valued as investors seek those stocks for income rather than growth. We are selective regarding companies in the health care sector, favoring those that are more product-growth oriented.

We believe that fiscal policy is likely to remain an important factor regarding the impact of rate hikes on corporate refinancing of debt. In our view, equities continue to offer compelling risk/reward characteristics, as we seek companies with attractively valued fundamentals.

Investing in convertibles provides a means to participate in a portion of the equity market upside and to achieve a measured degree of downside protection. We expect markets to have bouts of turbulence, which we see as a positive for convertibles. In this respect, we believe returns should be viewed over a full market cycle. We are focused on the more balanced convertibles, which we believe can be beneficial in a volatile market as they are more likely to limit losses in down markets and participate in up markets. We are also encouraged by the continued issuance of convertibles, which should provide broad investment opportunities through the space. Our dynamic allocation mandate allows us to deploy assets over different asset classes to maximize the benefit to our shareholders. Accordingly, we believe that active management in the convertible and high yield asset classes is essential to achieving desirable risk-managed results over time.

Schedule of Investments October 31, 2017

PRINCIPAL AMOUNT		VALUE
CORPORATE BONDS (56.3%)		
Consumer Discretionary (13.1%)		
1,812,000	Altice US Finance I Corp.* 5.500%, 05/15/26	\$ 1,885,839
1,026,000	AV Homes, Inc. 6.625%, 05/15/22	1,067,091
1,430,000	Beverages & More, Inc.* 11.500%, 06/15/22	1,288,895
5,919,000	CalAtlantic Group, Inc. 6.625%, 05/01/20	6,545,349
1,657,000	CCO Holdings, LLC / CCO Holdings Capital Corp.* 5.375%, 10/01/22	1,818,798
2,713,000	5.125%, 05/01/27	2,737,743
572,000	5.000%, 02/01/28	568,159
2,171,000	Century Communities, Inc. 6.875%, 05/15/22	2,285,835
123,000	5.875%, 07/15/25*	124,286
6,741,000	Cooper Tire & Rubber Company 8.000%, 12/15/19	7,481,634
1,332,000	CRC Escrow Issuer, LLC* 5.250%, 10/15/25	1,341,830