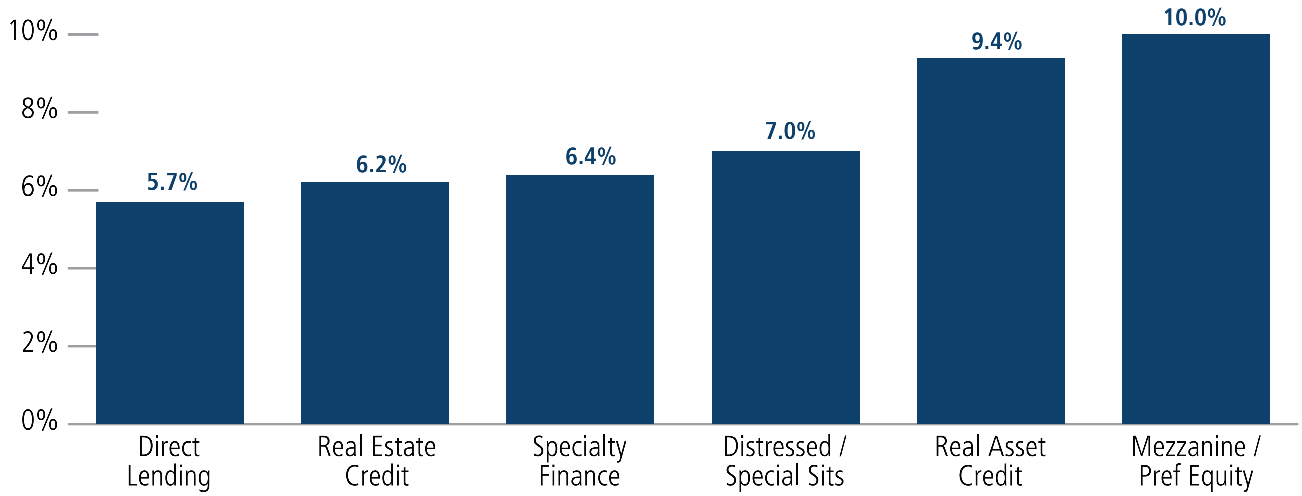
Market Commentary

The Calamos Aksia Alternative Credit & Income Fund (CAPIX) demonstrated strong performance in 2024, delivering a 12.85% net return for the year. The Fund outpaced the Morningstar LTSA US Leveraged Loan Index by 3.9% over the full year and by 2.05% during the second half of 2024[1]. The Fund's model of accessing direct private credit loans through a combination of sourcing partners, sponsor direct origination, and private credit secondary markets continues to be an effective, diversified engine for deal flow, which has shown through in the overall return profile.

CAPIX's outperformance was largely attributed to its flexible allocation strategy, which extends well beyond traditional direct lending. The Fund's ability to diversify into complementary sectors of private credit — including specialty finance, real estate debt, and real assets credit proved instrumental in delivering outperformance relative to its index. As of the fourth quarter's onset, CAPIX's strategic allocations to these complementary sectors yielded cash spreads over 6.0%, on average, outpacing the direct lending market's median new issue spread of approximately 5% over the same period. This spread differential underscores the benefits of the fund's relative value framework and flexibility to access deals across the full private credit spectrum.

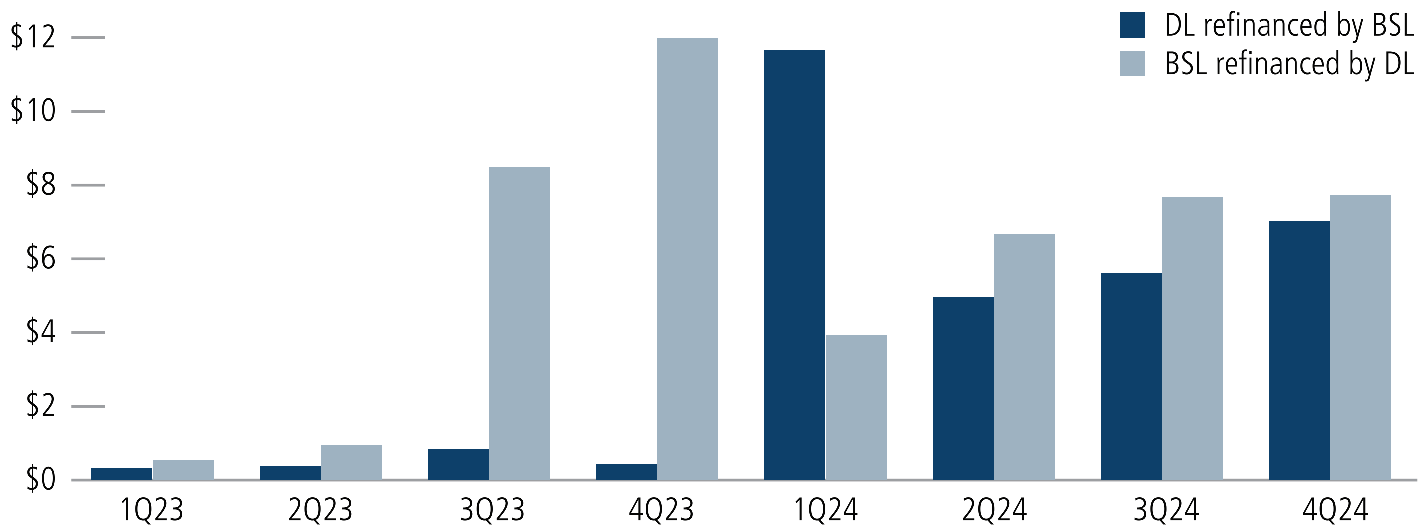
MEDIAN NEW ISSUE SPREAD BY SECTOR



Source: Aksia. Data as of 12/31/2024. Median new issue spread refers to the median yield spread of newer deals/securities sourced by the Fund. Investing involves risk including possible loss of principal. Past performance is no guarantee of future returns. Real Estate Credit is defined as loans secured by real estate assets such as commercial properties, mortgages, and healthcare assets. Specialty Finance includes sector-specific lending strategies like rediscount lending, royalties, litigation finance, and loans secured by non-corporate assets. Special Situations is defined as buying discounted loans or lending against assets that are undergoing a period of complexity, financial trouble, or a restructuring. Real Assets Credit are typically subordinated or hybrid loans secured by real assets such as infrastructure, energy projects, transportation & equipment assets (i.e. aviation), metals & mining projects, and agriculture. Mezzanine is defined as subordinated loans typically used for buyouts or recapitalizations, usually with some equity participation rights.

Throughout 2024, the direct lending sector faced heightened competition due to the resurgence of the broadly syndicated loan (BSL) market, leading to increased rivalry between these two financing sources. Meanwhile, high yield bond spreads are at the lowest since June of 2007 (as of January 31st) and BSL spreads similarly tightened to multi-year lows. This competitive pressure in the public markets has been most acutely felt in the upper end of direct lending, which led to spread compression of ~150 bps over the course of the year. As a result, relative value within the direct lending sector has shifted from larger markets towards smaller borrowers, non-sponsored lending situations, and European lending opportunities. In addition to more attractive spreads, these direct lending subsectors can offer stronger covenant protections and lower leverage profiles. Overall, the second half of 2024 marked a return to a more normalized lending environment where issuance between public and private markets has become more balanced.

SYNDICATED LOANS AND DIRECT LENDING TAKEOUTS ($B)



Source: Pitchbook | LCD - Data through December 31, 2024. Note: Historical data is subject to change as LCD collects for information.

Looking ahead to 2025, we see three major investment themes taking shape. First, the expansion of opportunities across Asset-Backed Lending (ABL) or specialty finance. We expect ongoing bank retrenchment to drive significant and wide-ranging opportunities in asset-based finance markets where banks have historically dominated. Given the variety of underlying collateral profiles from bank regulatory capital relief to technology lending, CAPIX has found significant value allocating across asset-based private credit to further diversify away from corporate direct lending loans.

Second, private credit "liquidity solutions" are becoming more prominent, featuring portfolio financing through NAV loans, preferred equity and structured secondaries. The general backdrop of a muted M&A environment, slow distributions from private equity funds, and overweight LP allocations has led to a proliferation of opportunities to provide financing to managers and LPs against pools of private market funds and investments. Structures vary but NAV loans, for instance, tend to feature strict covenants and maturities alongside low LTVs making them particularly well suited for a senior secured focused fund like CAPIX.

Third, real estate debt presents an undercapitalized opportunity where lenders can be highly selective with approximately $2 trillion in CRE loan maturities coming due through 2027[2]. Consequently, a significant need for capital exists to provide new acquisition financing for sponsors, refinance existing capital structures, or provide bridge capital to reach stabilization through lease-up or project completions. The retrenchment of regional banks, who have been the dominant lenders historically, has created a fortuitous backdrop where private credit lenders can lean in selectively and benefit from increased pricing power alongside lower LTVs. In this evolving market landscape, we maintain a vigilant and measured approach, strategically identifying and evaluating opportunities that align with our underwriting criteria.

CORPORATE	
Performing	Lower and Core MM Senior Lending (U.S. / Europe) Structured Capital Non-sponsored Lending
Opportunistic/ Distressed	Complex Lending Rescue Finance Capital Solutions

ASSET-BASED	
Performing	NAV Lending / Portfolio Finance Digital Infrastructure Lending Energy Transition Lending Regulatory Capital Relief / SRT
Opportunistic/ Distressed	CRE Capital Solutions / Bridge Lending PC Secondaries (GP/LP-led) Stretch Asset-Based Lending

CAPIX Portfolio Activity (December 31, 2024)

Since inception of the Fund, Aksia has reviewed over $43 billion of private credit investments from >275 sourcing partners[3].
As of year-end, CAPIX has invested in 129 investments maintaining a balance between the direct lending sector (approximately 51%) and the other five complementary private credit sectors within the opportunity set. Overall, the portfolio is comprised of primarily floating rate loans with an average spread over base rates of 5.8% while being defensively positioned with an average Loan-to-Value (LTV) of 41% and 88% of first lien exposure. We are happy to share additional information on the private credit markets from our proprietary data sets.

Recent Deal Example

Real Estate Capital Solution: We recently closed on an opportunistic recapitalization of a newer vintage hotel property that is indicative of the current environment. The hotel was newly built within the past three years with strong fundamental performance and situated in a high barrier to entry location. The sponsor was facing an upcoming maturity and had lined up a new facility from a regional bank to refinance the existing loan. However, the regional bank was unable to close on the loan, which left the sponsor in need of a capital solution, allowing a sourcing partner the chance to step in and drive terms in exchange for moving quickly. Ultimately, the loan was made with an LTV below 70% for a best-in-class property with a going-in debt yield 3-4% north of prevailing cap rates. The whole loan is priced in the mid-600's over SOFR and includes additional origination/exit fees.

[1] Source: Morningstar. The Morningstar LTSA US Leverage Loan 100 Index is designed to measure the performance of the 100 largest facilities in the US leveraged loan market. Indexes are unmanaged, do not include fees or expenses and are not available for direct investment.

[2] Source: Mortgage Bankers Association, "MBA CRE Loan Maturity Survey and CREF Database", as of December 31, 2024.

[3] Based on initial communications with Managers. There is no guarantee that an investor can participate in any identified co-investment. Deals reviewed is not necessarily representative of the number of co-investments where full investment due diligence has been performed.

Before investing carefully consider the fund's investment objectives, risks, charges and expenses. Please see the prospectus and summary prospectus containing this and other information which can be obtained by calling 1-866-363-9219. Read it carefully before investing.

Opinions and estimates offered constitute our judgment and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The views and strategies described may not be suitable for all investors. Opinions are subject to change due to changes in the market, economic conditions or changes in the legal and/or regulatory environment and may not necessarily come to pass. This information is provided for informational purposes only and should not be considered tax, legal, or investment advice. References to specific securities, asset classes and financial markets are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations.

An investment in the Fund is subject to risks, and you could lose money on your investment in the Fund. There can be no assurance that the Fund will achieve its investment objective. Your investment in the Fund is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. The risks associated with an investment in the Fund can increase during times of significant market volatility. The Fund also has specific principal risks, which are described below. More detailed information regarding these risks can be found in the Fund's prospectus.

Average loan-to-value: Average loan-to-value is the arithmetic average across all loans in the portfolio. Loan to value is amount of the loan compared with the value of the collateral at time of origination. First Lien is a collateralized, securitized investment with first in line priority claim on the collateral. Floating rate: A floating interest rate changes periodically, and reflects the market, follows an index, or tracks another benchmark interest rate.

Interval Fund. The Fund is designed primarily for long-term investors and not as a trading vehicle. The Fund is an "interval fund" pursuant to which it, subject to applicable law, will conduct quarterly repurchase offers for between 5% and 25% of the Fund's outstanding Shares at net asset value ("NAV"). Under normal market conditions, the Fund currently intends to offer to repurchase 5% of its outstanding shares at NAV on a quarterly basis. In connection with any given repurchase offer, it is possible that a repurchase offer may be oversubscribed, with the result that Fund shareholders ("Shareholders") may only be able to have a portion of their Shares repurchased. The Fund does not currently intend to list its Shares for trading on any national securities exchange. The Shares are, therefore, not readily marketable. Even though the Fund will make quarterly repurchase offers to repurchase a portion of the Shares to try to provide liquidity to Shareholders, you should consider the Shares to have limited liquidity.

General Economic Conditions and Recent Events. Difficult global credit market conditions have adversely affected the market values of equity, fixed-income, hard assets, and other securities and these circumstances may continue or even deteriorate further. The short-and longer-term impact of these events is uncertain, but could have a material effect on general economic conditions, consumer and business confidence and market liquidity. Investments made by the Adviser are expected to be sensitive to the performance of the overall economy.

Direct Lending. The Adviser may invest in directly originated senior secured loans, including unitranche loans, of performing middle market companies. The value of the Adviser's assets is volatile and may fluctuate due to a variety of factors that are inherently difficult to predict and are outside the control of the Advisor and Sub-Advisors, including prevailing credit spreads, general economic conditions, financial market conditions, domestic or international economic or political events, developments or trends in any particular industry, changes in interest rates, or the financial condition of the obligors of the Adviser's assets.

Direct Origination. A significant portion of the Adviser's investments may be originated. The results of the Adviser's operations depend on several factors, including the availability of opportunities for the origination or acquisition of target investments, the level and volatility of interest rates, the availability of adequate short and long-term financing, conditions in the financial markets and economic conditions. Further, the Adviser's inability to raise capital and the risk of portfolio company defaults may materially and adversely affect the Adviser's investment originations, business, liquidity, financial condition, results of operations and its ability to make distributions to its investors.

Loans. Loan interests generally are subject to restrictions on transfer, and the Adviser may be unable to sell loan interests at a time when it may otherwise be desirable to do so or may be able to sell them only at prices that are less than what the Adviser regards as their fair market value. Accordingly, loan interests may at times be illiquid. Loan interests may be difficult to value and may have extended settlement periods, which expose the Adviser to the risk that the receipt of principal and interest payments may be delayed until the loan interest settles.

Secured Debt. Secured debt holds the most senior position in the capital structure of a borrower. Secured debt in most circumstances is fully collateralized by assets of the borrower. However, there is a risk that the collateral securing the Adviser's loans may decrease in value over time, may be difficult to sell in a timely manner, may be difficult to appraise, and may fluctuate in value based upon the success of the business and market conditions, including as a result of the inability of the borrower to raise additional capital. Also, substantial increases in interest rates may cause an increase in loan defaults as borrowers may lack resources to meet higher debt service requirements.

High Yield, Low-Rated or Unrated Securities. Debt securities (including bonds) and preferred stock in which the Adviser invests may or may not be rated by credit rating agencies. The values of lower-rated securities (including unrated securities of comparable quality) fluctuate more than those of higher-rated securities because investors generally believe that there are greater risks associated with them. The inability (or perceived inability) of issuers to make timely payment of interest and principal would likely make the values of the securities more volatile and could limit the purchaser's ability to sell the securities at prices approximating the values it had placed on the securities. In general, the market for lower-rated or unrated securities is smaller and less active than that for higher-rated securities, which can adversely affect the ability to sell these securities at favorable prices. In addition, the market prices of lower- rated securities are likely to be more volatile because: (i)an economic downturn or increased interest rates may have a more significant effect on the yield, price and potential for default; (ii)past legislation has limited (and future legislation may further limit) investment by certain institutions in lower- rated securities or the tax deductibility of the interest by the issuer, which may adversely affect the value of the securities; and (iii)it may be difficult to obtain information about financially or operationally troubled issuers. The Adviser will not necessarily dispose of a security when its rating is reduced below its rating at the time of purchase.

Unsecured Loans. The Adviser may make unsecured loans to borrowers, meaning that such loans will not benefit from any interest in collateral of such borrowers. Liens on such a borrower's collateral, if any, will secure the borrower's obligations under its outstanding secured debt and may secure certain future debt that is permitted to be incurred by the borrower under its secured loan agreements. The holders of obligations secured by such liens will generally control the liquidation of, and be entitled to receive proceeds from, any realization of such collateral to repay their obligations in full before the Adviser. In addition, the value of such collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of such collateral would be sufficient to satisfy the Adviser's unsecured loan obligations after payment in full of all secured loan obligations. If such proceeds were not sufficient to repay the outstanding secured loan obligations, then the Adviser's unsecured claims generally would rank equally with the unpaid portion of such secured creditors' claims against the borrower's remaining assets, if any.

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