

CALAMOS CONVERTIBLE OPPORTUNITIES & INCOME FUND

Form 497

March 03, 2017

Prospectus Supplement

(To Prospectus dated February 28, 2017)

Calamos Convertible Opportunities and Income Fund

Up to 7,500,000 Common Shares

Calamos Convertible Opportunities and Income Fund (the Fund, we, us, or our) has entered into a sales agreement, dated December 2, 2014 (the sales agreement) with JonesTrading Institutional Services LLC (JonesTrading) relating to the Fund's 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 7,500,000 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 December 31, 2016 there were 7,237,544 common shares remaining to be sold under the current sales agreement, and the Fund had offered and sold 18,571,868 common shares pursuant to the current sales agreement and 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 that commenced investment operations in June 2002. 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 CHI. As of December 31, 2016, the last reported sale price for our common shares was \$10.09 per share. As of January 31, 2017, the last reported net asset value for our common shares was \$10.99.

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 NASDAQ 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.

Neither the Securities and Exchange Commission nor any state securities commission has 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 3, 2017

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 February 28, 2017 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 73 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, free of charge, 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. 20549-1520.

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. Such forward-looking statements may be contained in this prospectus supplement as well as in the accompanying prospectus. 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 section of the accompanying prospectus. We urge you to review carefully that section 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 section 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 (as such term is defined below) of approximately \$1.06 billion as of December 31, 2016. 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 December 31, 2016 Calamos managed approximately \$18.3 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.

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 41 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 a 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 7,500,000 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 December 31, 2016 there were 7,237,544 common shares remaining to be sold under the current sales agreement, and the Fund had offered and sold 18,571,868 common shares pursuant to the current sales agreement and prior sales agreements with JonesTrading, resulting in proceeds (net of all fees and commissions) of \$222,829,668. All prior sales agreements with JonesTrading have been terminated.

Our common shares are listed on the NASDAQ Global Select Market (NASDAQ) under the symbol CHI. As of December 31, 2016, the last reported sale price for our common shares was \$10.09.

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. 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 19 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, 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. The combined interest rate charged under the BNP Agreement and the SSB Agreement as of December 31, 2016 was 1.53%. 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 - Additional Risks to Common Shareholders - Reduction of Leverage Risk** on page 11 of the accompanying prospectus.

CAPITALIZATION

Pursuant to the sales agreement with JonesTrading, we may offer and sell up to 7,500,000 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 assumes that we will sell 7,237,544 common shares (the number of common shares remaining to be sold under the current sales agreement as of December 31, 2016) at a price of \$10.09, the last reported sale price per share of our common shares on the NASDAQ Global Select Market (NASDAQ) on December 31, 2016. Actual sales, if any, of our common shares under this prospectus supplement and the accompanying prospectus, and the actual application of the proceeds thereof 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 \$10.09 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. As of the date of this prospectus, no additional shares have been sold since October 31, 2016.

The following table sets forth our capitalization:

on a historical basis as of October 31, 2016

on a pro forma as adjusted basis to reflect (1) the assumed sale of 7,237,544 of our common shares at \$10.09 per share (the last reported sale price of our common shares on NASDAQ on December 31, 2016) in an offering under this prospectus supplement and the accompanying prospectus, and (2) the investment of net proceeds assumed from such offering in accordance with our investment objective and policies, after deducting the assumed aggregate commission of \$730,268 (representing an estimated commission paid to JonesTrading of 1% of the gross sales price per share in connection with the sale of common shares effected by JonesTrading in each offering) and offering costs payable by us of \$187,000.

	Actual	As Adjusted
Loans(1)	\$ 247,000,000	195,000,000
Common shares, no par value per share, unlimited shares authorized, 69,997,487 outstanding (actual) 77,235,031 outstanding (as further adjusted)	821,998,090	894,107,641
Undistributed net investment income (loss)	(10,338,208)	(10,338,208)
Accumulated net realized gain (loss) on investments, foreign currency translation, written options and interest rate swaps	(33,026,789)	(33,026,789)
Net unrealized appreciation (depreciation) on investments, foreign currency translation, written options and interest rate swaps	(27,860,217)	(27,860,217)
Net assets applicable to common shareholders	750,772,876	822,882,427
Total Capitalization	997,772,876	1,017,882,427

(1) Figures do not reflect additional structural leverage related to certain securities lending programs, which were \$59 million and \$111 million as of October 31, 2016 and December 31, 2016, respectively.

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 Commission requirements, the table below shows our expenses, including interest payments on borrowed funds, as a percentage of our average net assets as of December 31, 2016, 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 December 31, 2016. As of December 31, 2016, we had \$ 195 million in borrowings outstanding and additional structural leverage of \$111 million, representing 29.0% of managed assets as of that date.

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)	0.26%
Dividend Reinvestment and Cash Purchase Plan Fees(2)	None

	Percentage of Average Net Assets Attributable to Common Shareholders
Annual Expenses	
Management Fee(3)	1.13
Interest Payments on Borrowed Funds(4)	0.53
Preferred Stock Dividend Payments(5)	0.00
Other Expenses(6)	0.10
Acquired Fees and Expenses	0.01
Total Annual Expenses	1.77

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 1.77% of net assets attributable to common shareholders; (2) a 5% annual gross 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(7)	\$ 31	\$ 68	\$ 107	\$ 218

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) 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

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his or her common shares and remit the proceeds, such participant will be charged his or her pro rata share of brokerage commissions on the shares sold. See Dividends and Distributions on Common Shares; Automatic Dividend Reinvestment Plan on page 56 of the accompanying prospectus.

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- (3) The Fund pays Calamos an annual management fee, payable monthly, for its investment management services 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 shareholders. 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 1.13% of the Fund's average weekly net assets as of December 31, 2016 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 interest expense on \$195 million in borrowings under the Fund's Committed Facility Agreement with BNP Paribas Prime Brokerage International Ltd and the Fund's Credit Agreement with State Street Bank and Trust Company, plus \$111 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) The Fund does not currently have any preferred stock issued or outstanding.
- (6) Other Expenses are based on estimated amounts for the current fiscal year.
- (7) The example includes 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 41 of the accompanying prospectus.

MARKET AND NET ASSET VALUE INFORMATION

Our common shares are listed on the NASDAQ under the symbol CHI. Our common shares commenced trading on the New York Stock Exchange (NYSE) in June 2002. 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 39 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, the NAV per share and the premium or discount to NAV per share at

which our common shares were trading. NAV is shown for the last business day of each quarter. See Net Asset Value on page 55 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, 2014	13.73	12.85	13.38	1.40%	(1.76)%
April 30, 2014	14.44	13.24	13.53	3.07%	0.08%
July 31, 2014	14.15	13.37	13.48	2.24%	(0.37)%
October 31, 2014	14.03	12.49	13.45	1.01%	(0.48)%
January 31, 2015	13.73	12.65	12.69	2.31%	(0.94)%
April 30, 2015	13.49	12.80	13.01	2.27%	0.39%
July 31, 2015	13.21	11.24	12.58	0.38%	(9.21)%
October 31, 2015	11.47	9.77	11.68	(7.72)%	(14.22)%
January 31, 2016	10.65	8.46	10.11	(9.59)%	(14.55)%
April 30, 2016	9.79	8.17	10.63	(8.25)%	(13.64)%
July 31, 2016	10.47	9.43	10.93	(4.38)%	(8.54)%
October 31, 2016	10.74	9.89	10.73	(2.63)%	(8.00)%
January 31, 2017	10.99	9.49	10.99	(1.55)%	(10.30)%

Source: Bloomberg Financial and Fund Accounting Records.

- (1) Based on high and low closing market price per share during the respective quarter and does not reflect commissions.
- (2) Based on the NAV calculated on the close of business on the last business day of each calendar quarter.
- (3) Premium and discount information is shown for the days when the Fund experienced its high and low closing market prices, respectively, per share during the respective quarter.
- The last reported sale price, NAV per common share and percentage discount to NAV per common share on December 31, 2016, were \$10.09, \$10.71 and (5.79)%, respectively. As of December 31, 2016, we had 69,997,487 common shares outstanding and managed assets of \$1.06 billion.

The following table provides information about our outstanding securities as of December 31, 2016:

Title of Class	Amount Authorized	Amount Held by the Fund or for its Account	Amount Outstanding
Common Shares	Unlimited	0	69,997,487

The following table sets forth certain audited information regarding the Fund's outstanding bank loans and auction rate preferred shares of beneficial interest (ARPS) as of the end of each of the Fund's last ten fiscal years. The information in the table shown below comes from the Fund's financial statements for the fiscal year

ended October 31, 2016, and each of the prior nine years then ended, all of which have been audited by Deloitte & Touche LLP, the Fund's independent registered public accounting firm.

Fiscal Year Ended	Total Amount Outstanding	Asset Coverage(a)	Involuntary Liquidating Preference per Preferred Share(b)	Average Market Value per Preferred Share(c)	Type of Senior Security
October 31, 2016	\$ 306,000,000	\$ 3,454			Loan
October 31, 2015	353,000,000	\$ 3,316			Loan
October 31, 2014	360,000,000	\$ 3,588			Loan
October 31, 2013	350,000,000	\$ 3,547			Loan
October 31, 2012	285,000,000	\$ 3,950			Loan
October 31, 2011	285,000,000	\$ 3,903			Loan
October 31, 2010	193,000,000	\$ 5,152			