INVESTMENT PROCESS:

Calvert Bond Portfolio (CSIBX)

MANAGEMENT TEAM

Matthew Duch is the lead portfolio manager for Calvert Bond Portfolio. Mr. Duch has been a member of the Calvert taxable fixed income team since 2006 and holds a B.A. in economics from Butler University.

Vishal Khanduja, CFA, is co-portfolio manager for Calvert Bond Portfolio. Mr. Khanduja has been a member of the Calvert taxable fixed income team since 2012. Mr. Khanduja holds his MBA from the University of Iowa and a bachelor of engineering degree from VITI in India.

A Relative-Value, Intermediate-Term Bond Strategy

OVERVIEW

Calvert Bond Portfolio, managed by Calvert Investment Management, Inc., is a taxable, intermediate-term bond fund that invests primarily in investment-grade bonds. The Portfolio pursues a high level of current income consistent with prudent investment risk and preservation of capital by investing in fixed-income securities meeting the Portfolio’s investment criteria, including financial and sustainability factors. The Calvert fixed-income management team combines research into the macroeconomic environment with in-depth, primary credit analysis to identify bonds with attractive price-appreciation potential.

Calvert:

- Has been managing fixed-income mutual funds since 1976
- Employs a team management approach to taxable bond fund management

INVESTMENT APPROACH

Calvert applies a relative value strategy that utilizes in-depth credit and sector analysis to identify potential investment opportunities using environmental, social, and governance (ESG) criteria.

GOAL

The Portfolio seeks to maximize income, to the extent consistent with prudent investment risk and preservation of capital, through investment in bonds and other income-producing securities.

INVESTMENT PROCESS

The portfolio management team uses a top-down approach to determine appropriate duration and yield-curve positioning and identify relative value across the sectors of the bond market—including corporate bonds, Treasuries, agency bonds, asset-backed securities, mortgage-backed securities, and taxable municipal debt. Calvert’s credit analysts then examine the fundamental credit quality of individual securities in these sectors. The portfolio managers weigh the credit risk relative to the security’s price and apply an active trading approach to try to take advantage of buying opportunities.

Sector selection. Calvert reviews a wide range of taxable bond sectors which may or may not be part of the benchmark Barclays Capital U.S. Credit Index, looking for those that are relatively attractive based on historical yield spread relationships or economic outlook. The portfolio management team seeks to rotate out of sectors that have outperformed and seem to have limited remaining upside, and into out-of-favor or lagging sectors with favorable fundamentals.

Security selection. After identifying attractive sectors, the portfolio managers work closely with the credit analysts to identify bonds where fundamental analysis and price valuation indicate the potential for above-average price appreciation. At least

continued >>>

INVESTMENT PROCESS:

Calvert Bond Portfolio (CSIBX) (page 2)

INVESTMENT PROCESS
Calvert’s unique fixed-income investment process starts by developing a long-term macroeconomic view, and enhances it with rigorous, bottom-up financial analysis in selecting individual securities.

DURATION AND YIELD CURVE
Determine duration and yield-curve positioning
Identify relative value among sectors
Place interest rate risk/reward profile in a historical context

SECURITY SELECTION PROCESS
Identify securities with attractive relative valuation and credit fundamentals
Use sector rotation, active trading, and a buy/sell discipline to enhance positioning

PORTFOLIO CONSTRUCTION
Consistently follow investment guidelines and objectives
Use best execution techniques to improve trading results
Implement ESG criteria

PORTFOLIO MONITORING
Strategy review
Active trading
Credit analysis
Buy/sell discipline

1. Duration is a measure of a portfolio’s sensitivity to changes in interest rates. The longer the duration, the greater the price change relative to interest-rate movements.

two analysts typically review the credit risk of each bond before recommending it for purchase. Once an investment is added to the Portfolio, the team constantly compares its appreciation potential and attractiveness against other securities available in the marketplace.

In addition to the overarching relative-value strategy, the portfolio management team also tries to manage risk and add value through techniques such as:

- **Managing interest-rate risk.** The portfolio management team can use adjustable duration targets to fine-tune the Portfolio’s interest-rate sensitivity while maintaining the longer-term goal for duration relative to the benchmark. If interest rates rise in the short term, they may extend duration to take advantage of the higher potential return offered for taking on more interest-rate risk. They will generally shorten portfolio duration if rates drop in the short term.

- **Monitoring the yield curve.** Calvert uses active trading strategies to try to capitalize on expected changes in interest rates and the shape of the yield curve—which measures yields across all Treasury debt maturities. In general, the portfolio management team seeks to buy Treasuries or Treasury futures in yield curve segments where they believe interest rates will fall and to sell them in segments where they believe interest rates will rise.

- **Exploring unique opportunities.** The Calvert team also includes bonds with different structures, such as call or put options, floating interest rates, and coupon step-ups, when they believe they can add value to the Portfolio.

ESG criteria. A guiding belief for Calvert has always been that responsible corporate behavior can contribute to investment returns over the long term. A team of more than 15 in-house Sustainability Research Department analysts evaluates the issuer of each security that the portfolio managers recommend for purchase against criteria in seven broad areas: governance and ethics, the environment, workplace issues, product safety and impact, international operations and human rights, indigenous peoples’ rights, and community relations.

INVESTMENT RISK
Investment in mutual funds involves risk, including possible loss of principal invested. Bond funds are subject to interest rate risk and credit risk. When interest rates rise, the value of fixed-income securities will generally fall. In addition, the credit quality of the securities may deteriorate, which could lead to default or bankruptcy of the issuer where the issuer becomes unable to pay its obligations when due. The value of a futures contract tends to move in tandem with the value of the underlying instrument, can be highly volatile, and the potential loss from futures can exceed the Portfolio’s initial investment in such contracts. The Portfolio is non-diversified and may be more volatile than a diversified fund. There is also a risk that the portfolio management practices may not achieve the desired result. An active trading style can result in higher turnover (exceeding 100%), may translate to higher transaction costs, may increase your tax liability, and may affect Portfolio performance.

For more information on any Calvert fund, please contact your financial advisor, call Calvert at 800.368.2748, or visit www.calvert.com for a free summary prospectus and/or prospectus. An institutional investor should call Calvert at 800.327.2109. An investor should consider the investment objectives, risks, charges, and expenses of an investment carefully before investing. The summary prospectus and prospectus contain this and other information. Read them carefully before you invest or send money.

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