Calvert

An Eaton Vance Company

Responsible Investing

Positive impact. Competitive results.

Calvert Research and Management

A global leader in Responsible Investing

Today's Responsible Investing isn't simply about excluding "sin" stocks. It's about investing to achieve both a positive impact on society and favorable investment results.

It turns out that embracing environmental, social and governance (ESG) best practices is good business. And investors are discovering that it's possible to earn competitive returns with portfolios that reflect their values.

Reponsible Investing is on the rise

In recent years, interest in issues such as climate change, water conservation, workplace diversity and human rights has intensified, moving Responsible Investing into the mainstream. More than $8.7 trillion was invested using Responsible Investing criteria in 2016 — a 33% increase since 2014.[1]

Our holistic approach integrates fundamental research, ESG analysis and direct company engagement. The result? Portfolios with the power to influence positive change — without losing focus on performance.

As Responsible Investing gains ground, more investment managers are offering ESG-focused investments. But not all responsible investment strategies are created equal.

At Calvert, Responsible Investing is all that we do.

Calvert's Four Pillars of Responsible Investing

The pillars represent our core belief that competitive investment results flow from companies that provide a net benefit to society.

Performance
Our first responsibility is to seek strong portfolio returns.

Research
We conduct deep, proprietary research focused on material ESG issues.

Engagement
As shareholders, we actively engage with companies to help drive performance and social value.

Impact
We believe the impact of your investments should be material and measurable.

[1]Sources: US SIF Foundation, Pensions & Investments, as of November 2016.

Performance

Our first responsibility is to seek strong portfolio returns.

Responsible Investing doesn't mean giving up on investment returns. Research suggests that companies with high scores for their ESG commitments tend to have better management, higher expected growth and lower cost of capital — which may translate into better financial results for investors.[2]

For example, initiatives to reduce and reuse waste, improve energy efficiency or conserve natural resources can produce savings that flow to a company's bottom line. Likewise, companies with strong corporate governance may avoid costly workforce problems or regulatory sanctions.

Firms with strong ESG scores significantly outperform those with weak scores[3]

$10,000 invested in April 1993

The chart above illustrates the author's analysis of a large number of U.S. stocks from 1993 to 2014, ranked on the strength of their ESG commitments. The stocks were grouped into the top 20% of the universe (top ESG score) versus the bottom 20% (bottom ESG score).

[2]Source: George Serafeim, "The Role of the Corporation in Society: Implications for Investors," September 2015. [3]Source: Adapted from Khan, Mozaffar and Serafeim, George and Yoon, Aaron S., "Corporate Sustainability: First Evidence on Materiality," (November 9, 2016). "The Accounting Review," Vol. 91, No. 6, pp. 1697-1724. Available at SSRN: https://ssrn.com/abstract=2575912 or https://dx.doi.org/10.2139/ssrn.2575912. Past performance is no guarantee of future results. Data is for illustrative purposes only.

Research

We conduct deep, proprietary research focused on material ESG issues.

Calvert's focus on performance is driven by a commitment to researching all of the companies in which we invest. We combine traditional financial research with in-depth ESG analysis.

A key component of Calvert's research is our focus on materiality, which identifies the ESG factors we believe are likely to influence a company's financial performance and societal outcomes.

Our scoring models are weighted according to what's most relevant for a particular industry or company.

	Select ESG Issues	Materiality Weighting of Sample Industries		
		Apparel Retail	Auto Manufacturers	Diversified Banks
Environmental	Energy management		Low	
	Environmental impact of supply chain	High	Low	
	Environmental impact of products	High	High	
	Climate change policies	Medium	Medium	High
Social	Product safety and ethics		High	Medium
	Supply chain human rights	High		
	Consumer data security	Medium		Low
	Employee security	Low	Medium	Low
	Employee health and safety	High	High	
Governance	Board structure and gender diversity	High	High	High
	Business ethics	Low	Medium	High
	Accounting policies/controls	Low	Low	Medium

Materiality Weighting: High, Medium, Low

The above chart is a representation of our focus on materiality. Our comprehensive research looks at ESG factors on both an industry and company basis across a broad universe.

Engagement

As shareholders, we actively engage with companies to help drive performance and social value.

Calvert has a long history of collaborating with companies, as we believe that working together is the best way to create positive change.

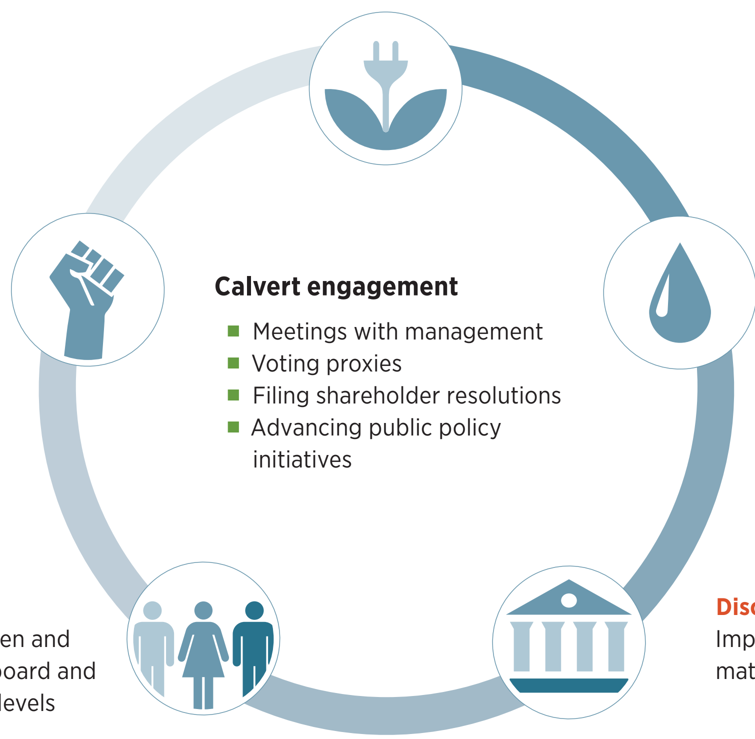
We encourage companies to improve corporate behaviors and contribute to a more sustainable and equitable society. Our most visible forms of shareholder advocacy are proxy voting and shareholder resolutions. We engage on issues that we believe have a financial impact on companies, which include social and sustainability issues.

Shareholder resolutions can be powerful agents of change. In many cases, simply filing a resolution can open up a dialogue that can influence corporate behavior — which may allow us to withdraw the resolution. When filing a resolution doesn't produce the desired result, we push the resolution to a vote and present the proposal at the company's annual shareholder meeting.

Calvert is also a member of numerous investor coalitions, as we believe we can make more progress by partnering with others.

We actively engage with companies to influence positive social and environmental practices.

Clean energy
Promote clean energy, energy productivity and reduced air pollution



Labor and human rights
Strengthen performance in operations and supply chains

Clean water
Reduce corporate exposure to water risk and impacts to water quality

Diversity
Advance women and minorities at board and management levels

Disclosure
Improve disclosure of material ESG matters

New issues for 2018

- **Opioids**
- **Cyber risks**
- **Civilian firearms**

Impact

We believe the impact of your investments should be material and measurable

Responsible Investing makes a difference. The companies in our portfolios represent a measurable, positive impact when compared to traditional investment universes. We report how our investment portfolios are doing with insightful ESG metrics.

Calvert's U.S. Large-Cap Core Responsible Index Fund achieves positive ESG impact vs. Russell 1000® Index.[4]

Fossil fuel reserves[5]

Fund holdings had **93% lower** fossil fuel reserves than the Russell 1000®

Carbon emissions[5]

Fund holdings had **35% lower** carbon emissions than the Russell 1000®

Toxic emissions[5]

Fund holdings had **73% lower** toxic emissions than the Russell 1000®

Tobacco exposure[5]

Fund holdings had **100% lower** tobacco exposure than the Russell 1000®

Engagement-Climate change[6]

Percentage of proxy votes for climate change initiatives

100%

Engagement - gender pay equality[6]

Percentage of proxy votes for gender pay equality

100%

Impact comparison	Russell 1000® Index holdings	Fund holdings
Fossil fuel reserves ownership: percent of companies	6.70	0.48
Carbon emissions, metric tons	91.93	56.69
Toxic emissions, metric tons	3.4M	0.9M
Tobacco exposure: percent of companies	0.89	0.00

[4]Russell 1000® Index is an unmanaged index of 1,000 U.S. large-cap stocks. It is not possible to invest directly in an index.[5]Sources: Calvert Research and Management, MSCI as of 06/30/2018. [6]Source: Calvert Research and Management, ISS (Institutional Shareholder Services). Impact metrics, with the exception of engagement, are based on data self-reported by companies. Data coverage will vary, in some cases significantly, due to limitations in uniform reporting standards. Past performance is no guarantee of future results. For full engagement and impact methodology and disclosure please visit calvert.com/methodology.

What do you want from your investments?

Calvert offers a broad range of responsibly managed investments that provide building blocks to help you and your advisor implement a diversified portfolio.

Calvert Funds (I shares)

Equity

Active

Calvert Mid-Cap Fund[7]	CCPIX
Calvert Emerging Markets Equity Fund	CVMIX
Calvert Equity Fund[8]	CEYIX
Calvert International Equity Fund	CWVIX
Calvert International Opportunities Fund	COIIX
Calvert Small-Cap Fund	CSVIX

Passive

Calvert U.S. Large-Cap Core Responsible Index Fund	CISIX
Calvert U.S. Large-Cap Growth Responsible Index Fund	CGJIX
Calvert U.S. Large-Cap Value Responsible Index Fund	CFJIX
Calvert Mid-Cap Core Responsible Index Fund	CMJIX
Calvert International Responsible Index Fund[9]	CDHIX

Thematic

Calvert Global Water Fund	CFWIX
Calvert Global Energy Solutions Fund	CAEIX

Fixed Income

Active

Calvert Ultra-Short Duration Income Fund[10]	CULIX
Calvert Short Duration Income Fund	CDSIX
Calvert Green Bond Fund	CGBIX
Calvert Bond Fund[11]	CBDIX
Calvert Floating-Rate Advantage Fund	CFOIX
Calvert Income Fund	CINCX
Calvert Long-Term Income Fund	CLDIX
Calvert High Yield Bond Fund	CYBIX
Calvert Absolute Return Bond Fund[12]	CUBIX
Calvert Responsible Municipal Income Fund[13]	CTTIX

Asset Allocation

Calvert Conservative Allocation Fund	CFAIX
Calvert Moderate Allocation Fund	CLAIX
Calvert Aggressive Allocation Fund	CAGIX
Calvert Balanced Fund[14]	CBAIX

[7]Prior to 11/6/17, the Fund was called Calvert Unconstrained Bond Fund. [8]Prior to 11/6/17, the Fund was called Calvert Balanced Portfolio. [9]Prior to 11/6/17, the Fund was called Calvert Bond Portfolio. [10]Prior to 11/6/17, the Fund was called Calvert Equity Portfolio. [11]Prior to 11/6/17, the Fund was called Calvert Developed Markets Ex-U.S. Responsible Index Fund. [12]Prior to 11/6/17, the Fund was called Calvert Capital Accumulation Fund. [13]Prior to 11/6/17, the Fund was called Calvert Tax-Free Responsible Impact Bond Fund. [14]Prior to 11/6/17, the Fund was called Calvert Ultra-Short Income Fund. All funds may not be available at all firms.

Amazon gets the message on the environment

Case study

It's hard to imagine, but Amazon had no public plan to address environmental risks in 2011. At that time, the company left environmental and sustainability initiatives entirely up to its customers and suppliers. That meant that initiatives to reduce greenhouse gas emissions were directed to couriers, such as UPS. Improvements to energy efficiency or carbon use of its vast network of data centers were left to the companies that leased them to Amazon.[15]

Calvert leads a three-year engagement

In 2011, 2012 and 2013, Calvert filed shareholder proposals seeking climate-risk disclosure from the e-commerce giant. The proposals asked Amazon to disclose quantitative data related to its data centers, the Kindle and business risks associated with climate change. Calvert asked the company to join the 4,700 other companies participating with the CDP, formerly known as the Carbon Disclosure Project (CDP), a nongovernmental organization that helps companies and governments measure and manage their environmental impacts. While the proposals in 2011 and 2012 earned solid votes of support (20% and 21%, respectively) from shareholders, the company had not engaged in meaningful dialogue with Calvert and its co-filers. At the time of the first proposal, Amazon urged its shareholders to vote no, saying that it did not believe that "preparing an ad hoc climate change report is an efficient use of time and resources."

Building a sustainability task force

Amazon agreed to build a task force to address concerns related to climate change and energy, as well as broader sustainability issues. The following year, the company hired a director of worldwide sustainability and social responsibility to oversee seven teams addressing environmental and social matters.

Amazon is now a leader on renewable energy

The company put its scale and innovative technologies to work, significantly cutting its reliance on traditional energy sources. Its efforts have yielded positive results:

- In 2017, Amazon Web Services was 50% powered by renewable energy, with a goal of reaching 100%.
- Amazon has set a goal to install solar energy systems at 50 fulfillment network buildings by 2020.
- Texas is home to Amazon's largest wind farm which is expected to generate 1 million megawatt hours of wind energy annually.
- Amazon currently produces electricity from renewable energy projects that is enough to power the equivalent of over 240,000 U.S. homes annually, approximately the size of the city of Portland, Oregon.

Calvert believes its shareholder proposal not only helped move Amazon to improve its environmental footprint, but bolstered the interests of its shareholders as well. By diversifying its energy portfolio, the company has kept business costs low and reduced risks associated with being overly reliant on traditional energy sources. Today, Amazon describes its focus on sustainability as a win-win for the company and its customers. Calvert agrees.

[15]The Guardian, 7/1/11. Please see additional important information regarding case studies at the end of this brochure.

Hanes heeds investors' concerns on water use

Case study

Did you know that it takes more than 20,000 liters of water to produce a single T-shirt and pair of jeans?[16] And if you think water is an infinite resource, consider that only 2.5% of the earth's water is fresh water; the rest — 97.5% — is salt water.[17]

As a long-term investor, Calvert requires companies to plan for the business risks of relying on finite resources. For apparel manufacturers, that means having a sustainable water management strategy that covers the entire value chain, from planting the cotton seed to producing each item. Hanes products, which include brands such as Hanes, Champion, Wonderbra and Playtex, are found in eight out of 10 American households.[18] A company with that kind of reach requires, among other resources, a lot of water for its factories.

Engaging with Hanes about water conservation

In 2011, Calvert engaged with Hanes by filing a shareholder proposal asking the company to disclose its strategy for mitigating water risk across its global supply chain. Although Hanes had reported on water usage in its manufacturing facilities, its public reports didn't address strategic water risks in its value chain and in the agricultural production of cotton.

After filing the resolution, Calvert engaged in constructive dialogue with Hanes management, revealing that the company shared these concerns and was ready to act on them. The company committed to updating its corporate goals on water use and bolstering the disclosures on its corporate sustainability website. Hanes also agreed to explore the use of water risk modeling tools and further investigate the water footprint of cotton. It explained a new strategy of favoring cotton sourced from areas without water stress. In response to its commitments, Calvert withdrew its resolution in February 2012.

Hanes enacts award-winning policies[19]

Since Calvert's engagement with senior management in 2011, we've watched as Hanes announced and implemented substantive improvements to its environmental policies which include:

- The company reports environmental data to CDP, a non governmental agency (NGO) that helps companies and local and state governments measure and manage their environmental impacts.
- Hanes set a 2020 goal of reducing its energy use by 40%, carbon emission by 40% and water use by 50%.
- Its wastewater treatment plants treat 100% of the wastewater from its manufacturing facilities and remove color used in the textile dyeing process.
- Hanes now sources nearly all of its cotton from the southeastern United States, where annual rainfall exceeds a cotton plant's water requirements.

For its efforts, Hanes earned above-average scores for water management in the CDP 2016 Climate Change Report. The company's A- score was higher than the apparel industry and S&P 500 averages in the following categories: governance and strategy, direct risks and response, and indirect risks and response. In 2017, Hanes was named a U.S. Environmental Protection Agency Sustained Excellence award winner, the only apparel company to be honored for sustained excellence in the program's 25-year history.

[16]World Wildlife Foundation, 2003 report, Thirsty Crops. [17]University of California, Santa Barbara, 2014. [18]Hanes corporate website.
[19]Calvert Research and Management. Please see additional important information regarding case studies at the end of this brochure.

Make a difference with your investments

When you invest with Calvert, you're joining a movement to influence positive change through the power of your investments.

The Calvert difference

- Calvert is a recognized, proven leader in using sustainability as a platform to create value for our investors
- Responsible Investing is all that we do
- Our integration of fundamental research, ESG data analysis, direct company engagement and measurable impact has produced competitive results and powerful social and environmental impact

Case studies

References to individual companies are provided solely for informational purposes only and are intended only to illustrate certain relevant environmental, social and governance factors. This information does not constitute an offer to sell or the solicitation to buy securities. The information presented has been developed internally and/or obtained from sources believed to be reliable; however, Calvert does not guarantee the accuracy, adequacy or completeness of such information. Opinions and other information reflected in this material are subject to change continually without notice of any kind and may no longer be true after the date indicated or hereof. Past performance is no guarantee of future results.

Amazon

As of 6/30/18, Calvert portfolios that invest in large-cap U.S. stocks , hold the following companies within the internet & direct marketing retail subindustry:

Amazon.com Inc.
Booking Holdings Inc.
Expedia Inc.
Zalando SE
Start Today Co Ltd.
Qurate Retail, Inc. Class A
Rakuten Inc.
Wayfair, Inc. Class A
Ocado Group PLC
ASOS PLC
TripAdvisor Inc.
YOOX Net A Porter SpA
Shutterfly, Inc.
Groupon, Inc.
Webjet Limited

Hanes

As of 6/30/18, Calvert portfolios that invest in large-cap U.S stocks, hold the following companies within the apparel, accessories & luxury goods subindustry:

Christian Dior SE
Hermes International
Kering
Cie Financiere Richemont SA
Adidas AG
VF Corp.
Luxottica Group SpA
Swatch Group AG/The
Lululemon Athletica Inc.
PRADA SpA
Tapestry, Inc.
PVH Corp.
Moncler SpA
Burberry Group PLC
Ralph Lauren Corp.

Make an impact with your investments

Talk to your financial advisor or visit **calvert.com** to learn how Calvert Funds may fit into your portfolio.

About Calvert
Calvert Research and Management is a leader in Responsible Investing. The company traces its roots to Calvert Investments, which was founded in 1976 and in 1982 launched the first mutual fund to avoid investment in companies doing business in apartheid-era South Africa. Today, the Calvert Funds are one of the largest and most diversified families of responsibly invested mutual funds, encompassing actively and passively managed U.S. and international equity, fixed and floating-rate income, and multi-asset strategies. Calvert Research and Management is a wholly owned subsidiary of Eaton Vance. For more information, visit **calvert.com**.

About Eaton Vance
Eaton Vance is a leading global asset manager whose history dates to 1924. With offices in North America, Europe, Asia and Australia, Eaton Vance and its affiliates offer individuals and institutions a broad array of investment strategies and wealth management solutions. The company's long record of providing exemplary service, timely innovation and attractive returns through a variety of market conditions has made Eaton Vance the investment manager of choice for many of today's most discerning investors. For more information about Eaton Vance, visit **eatonvance.com**.

About Risk
Investing involves risk including the risk of loss. Investing primarily in responsible investments carries the risk that, under certain market conditions, a Fund may under perform funds that do not utilize a responsible investment strategy. No fund is a complete investment program and you may lose money investing in a fund.

Most Calvert Funds offer multiple classes of shares. Share classes are subject to different fees and expenses, which will affect their performance. Not all share classes are available to all investors.

Before investing, investors should consider carefully the investment objectives, risks, charges and expenses of a mutual fund. This and other important information is contained in the prospectus and summary prospectus, which can be obtained from a financial advisor. Prospective investors should read the prospectus carefully before investing.

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