

PORTFOLIO COMMENTARY

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Calvert Large Cap Value Fund

Calvert Large Cap Value Fund (Class A shares at NAV) returned -12.76% for the quarter ended June 30, 2010. The Fund underperformed the benchmark Russell 1000 Value Index, which returned -11.15% for the same period. Poor sub-sector allocation was the primary factor behind the Fund's relative underperformance.

Market Review

Investors who had benefited from a strong equity rally in 2009 were starting to lose confidence in the nascent economic recovery during the second quarter. However, industrial production has rebounded strongly. Multinationals such as JPMorgan, Intel, Bank of America, General Electric, and 3M reported robust earnings, and Warren Buffett pronounced that the recovery was on a "strong footing." Discover Financial Services stated that even with the elevated unemployment rate, consumer credit was improving. However unemployment hovered near 10% at the end of the quarter, hindering consumer confidence and tying the Federal Reserve's hands as far as raising interest rates.

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HISTORICAL FUND PERFORMANCE

Average Annual Total Returns as of 6/30/2010. Inception Date 12/29/1999.

CALVERT LARGE CAP VALUE FUND	QTR	YTD	1YR	3YRS	5YRS	10YRS	SINCE INCEPTION
A Shares at NAV	-12.76%	-8.16%	11.42%	-13.06%	-2.04%	3.07%	2.69%
A Shares Max load of 4.75%	-16.90	-12.53	6.12	-14.46	-2.99	2.57	2.22
Russell 1000 Value Index	-11.15	-5.12	16.92	-12.32	-1.64	2.38	1.92

Source: Calvert Performance Analytics

Gross expense ratio: 2.18%. Net expense ratio: 1.23%. Performance data quoted already reflects deduction of fund operating expenses. Net expense ratio reflects contractual fee waiver and/or expense reimbursement through January 31, 2010.

Pursuant to an Agreement and Plan of Reorganization, the Class A shares of the Everest Fund of Summit Mutual Funds, Inc. were reorganized into the Class A shares of Calvert Large Cap Value Fund, which commenced operations on 12/12/08. Performance results for Class A shares of Calvert Large Cap Value Fund prior to 12/12/08 reflect the performance of Class A shares of the Everest Fund since their inception on 12/29/99.

The performance data quoted represents past performance, which does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data quoted. Indexes reflect no deductions for fees or expenses. An investor cannot invest directly in an index. Visit www.calvert.com to obtain performance data current to the most recent month-end.



The sluggish economic recovery is not providing enough justification for companies to rehire. The stimulus plan last year only staved off the downside and hasn't been sufficient to stimulate long-term capital spending or consumer confidence. China and other emerging economies are boosting expansion but countries in Europe as well as the United States are unable to stimulate their economies as spending cannot be increased due to budget constraints.

Specifically, Greece was the first European country this quarter that was unable to refinance its budget without European intervention. Next, Spanish banks weakened and there were even rumors of deficit concerns in Hungary. On a positive note, the European weakness led to reduced interest rates in the United States as global investors searched out safer havens.

In addition, sluggish economic growth and investors' heightened disdain for equities have also kept a lid on interest rates. The "flash crash" in early May 2010 also was a hit to the solar plexus of investor confidence as the market plummeted 10% and recovered to a finish with a 3% drop in the same day. A cogent explanation or convincing solution of this trading "anomaly" hasn't been forthcoming and this lack of equity confidence has become somewhat cumulative. Financial institutions are very uncertain how the new financial regulations will affect their balance sheets, profits, or business plans. This uncertainty can lead to a dampening of economic growth.

Portfolio Review

Detractors from Performance

The Fund's top three detractors from performance were the Energy, Technology, and Healthcare sectors. Energy was the biggest laggard due to a holding in BP, whose stock took a major hit as one of its deepwater drilling rigs exploded in the Gulf of Mexico in April. The holding was subsequently divested as the potential cost estimates of the spill continued to rise and the timing of a recovery in the stock was likely to be pushed out due to negative headline risks. Anadarko Petroleum was also hurt as it held a 25% non-operating interest in the stock.

The Technology sector was also a detractor from performance due to poor sub-sector allocation. The Fund was overweight the poorly performing Communications Equipment and Software sub-sectors and underweight Computers & Peripherals.

Poor sub-sector allocation also hurt performance in Healthcare. The Fund was overweight Pharmaceuticals and Healthcare Equipment & Supplies. It also had poor

stock selection in Managed Care. WellPoint, which suffered as miscalculations were found with its rate filings in California, was one of the top 10 detractors from performance.

Contributors to Performance

The Fund's top three contributors to performance were the Materials, Industrials, and Telecom sectors. Materials outperformed due mainly to a holding in Newmont Mining, which benefited from its exposure to rising gold prices. Superior stock selection in the Industrial Conglomerates sub-sector also contributed to performance. The Fund was overweight 3M and underweight General Electric. It also had no exposure to Aerospace & Defense and Air Freight & Logistics. Finally, an overweight to the outperforming Telecommunications sector added to returns. The Fund was overweight Frontier Communications and Verizon Communications.

Outlook

A laundry list of issues arose in the second quarter: European market instability, financial regulation, rising healthcare costs, and issues between the business sector and the Obama administration. These factors led to a downdraft in the equity markets. Conversely the resolution of these aforementioned problems could provide a stimulus to the equity markets. Corporations have built up a stockpile of cash to weather illiquid markets and these healthy balance sheets should allow for some capital expansion at the first sign of stability in the economy. As interest rates have declined, corporations continue to issue debt to benefit from the lower funding costs. Even though investors continue to eschew equities the low valuations in the market and the high cash positions on balance sheets might allow for acquisitions of undervalued companies. As long as the economy continues to grow it is believed that equities will eventually convince investors to return with additional funds, especially in light of noncompetitive returns in cash accounts. As equity investors, we will keep the Fund diversified among sectors with holdings of both defensive sectors to benefit from a below average economic rebound and cyclical sectors that can benefit from surprising pockets of economic strength. ■

This commentary represents the opinions of its author as of 6/30/2010, and may change based on market and other conditions. The author's opinions are not intended to forecast future events, guarantee future results, or serve as investment advice.

As of June 30, 2010, Calvert Large Cap Value Fund's holdings included JPMorgan (2.31% of the portfolio), Intel (0.00%), Bank of America (1.91%), General Electric (2.02%), 3M (2.49%), Discover Financial Services (1.43%), BP (0.00%), Anadarko Petroleum (1.22%), WellPoint (1.60%), Newmont Mining (1.82%), Frontier Communications (1.27%), and Verizon Communications (2.41%). Calvert may or may not still invest in, and is not recommending any action on, companies listed. For the most recently available information on individual holdings in each Calvert sustainable and responsible equity fund, visit www.calvert.com. Current and future portfolio holdings are subject to market risk.

Investment in mutual funds involves risk, including possible loss of principal invested. You could lose money on your investment in the Fund, or the Fund could underperform, because of the following risks: a) the stock market may fall in value, causing the prices of stocks held by the Fund to fall, b) the individual stocks in the Fund may not perform as expected, and c) the Fund's portfolio management practices may not achieve the desired result.

Value stocks may perform differently from the market as a whole, which may not recognize a security's intrinsic value for a long time. The value-oriented investing approach may fall out of favor with investors from time to time, during which the Fund may underperform other funds using different investment approaches.

Large cap companies may be unable to respond quickly to new competitive challenges such as changes in technology, and also may not be able to attain the high growth rate of successful smaller companies, especially during extended periods of economic expansion.

*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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