

PORTFOLIO MANAGEMENT DISCUSSION

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Investment Climate

The six-month reporting period featured strong performance by riskier asset classes such as U.S. equities and high-yield debt. The primary catalyst for this performance was the July pledge by the President of the European Central Bank to do whatever it took to defend the European Economic and Monetary Union (EMU). This statement ended yet another round of fear in global markets about the fate of the EMU. Since the first Greek debt crisis in May 2010, global markets experienced several rounds of fear about the EMU crisis. Each round ultimately required strong actions from political, economic, and monetary policymakers to settle the markets. The other catalyst for the strong returns of riskier asset classes was the action of the U.S. Federal Reserve (Fed) in September and December to further ease monetary policy.

Over the past four-and-a-half years, the major central banks around the world adopted increasingly unorthodox monetary policies that drove money-market rates toward zero percent and pushed down the yields available on longer-maturity high-quality bonds. These actions forced investors to search out yield and total-return opportunities in asset classes that are traditionally riskier, such as high-yield bonds and equities. The strong

Integration of Environmental, Social, and Governance Factors in Credit Analysis

As investors have rushed into riskier asset classes such as corporate bonds in search of yield, we have been improving and expanding our analysis of the corporate debt that we consider for purchase in the portfolios. Our team of credit analysts examines the financial condition of corporate bond issuers as well as the structure, terms, and covenants of specific bond issues. From a fundamental research standpoint, the credit analysts collaborate closely with Calvert's sustainability research department analysts to evaluate a bond issuer's environmental, social, and governance (ESG) risk factors. This robust ESG integration process helps us to identify, and may serve to lower the risks associated with, ESG factors across the fixed-income portfolios.

performance of these markets over the reporting period is evidence of the impact of these policies.

U.S. economic growth decelerated to a near standstill in the fourth quarter of 2012 as fears of the "fiscal cliff" curbed economic activity. The consensus forecast[1] as of early April 2013 was for a return to modest growth of just over 2% for the first quarter of 2013. This would represent a typical post-Great Recession growth pace. The inflation and unemployment rates were little changed over the reporting period with the headline consumer price index (CPI) inflation rate unchanged at 2% as of February 2013 while the unemployment rate declined 0.2 percentage points to 7.6% in March.[2]

CALVERT SHORT DURATION INCOME FUND

MARCH 31, 2013

INVESTMENT PERFORMANCE
(total return at NAV*)

	6 MONTHS ENDED 3/31/13	12 MONTHS ENDED 3/31/13
Class A	1.45%	5.12%
Class C	1.11%	4.40%
Class I	1.71%	5.66%
Class Y	1.63%	5.49%
Barclays 1-5 Year U.S. Credit Index	1.13%	3.84%
Lipper Short Investment Grade Debt Funds Average	0.75%	2.53%

SEC YIELDS

	30 DAYS ENDED 3/31/13	9/30/12
Class A	1.06%	1.42%
Class C	0.44%	0.67%
Class I	1.73%	1.98%
Class Y	1.47%	1.68%

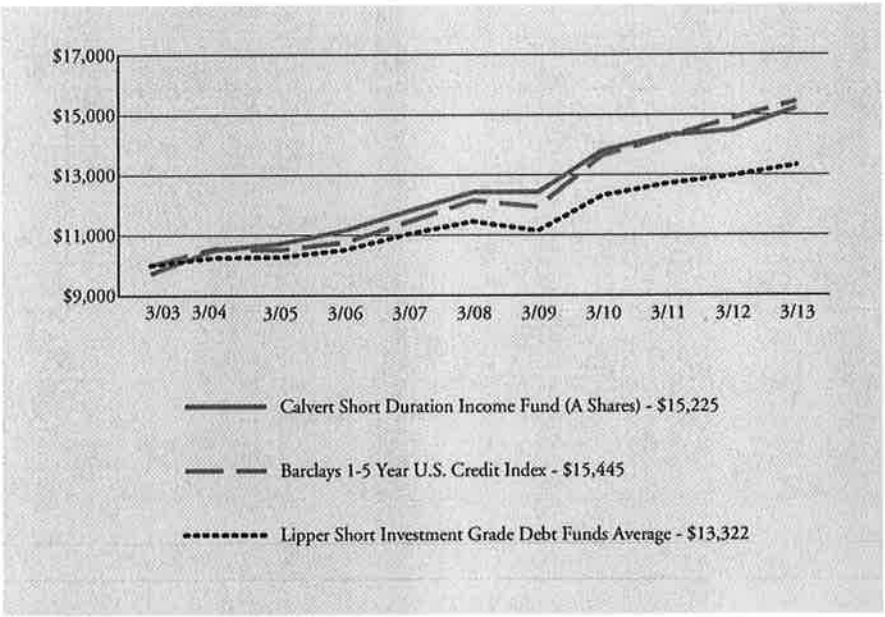
Over the reporting period, the Fed's near-zero interest rate policy continued to anchor money market rates and short-term bond yields close to zero. The three-month Treasury bill and two-year Treasury note yields, for example, were nearly unchanged at 0.07% and 0.25%, respectively, at the end of the reporting period. The Fed's government and government-related bond purchase program (popularly called QE for "quantitative easing") reduced volatility in the U.S. bond market. Longer-term Treasury yields, however, increased as fiscal cliff fears subsided early in 2013. The 10-year Treasury note yield rose 22 basis points[3] over the course of the six-month period to 1.87%,[4] ending near the middle of its multi-year trading range.

Benchmark yield indices for investment-grade and high-yield corporate bonds fell four basis points to 2.82% and 40 basis points to 5.91%,[5] respectively, over the course of the reporting period. Soothing statements and actions by the major central banks were the primary reason riskier asset markets outperformed government bonds over the reporting period.

** Investment performance/return at NAV does not reflect the deduction of the Fund's maximum 2.75% front-end sales charge or any deferred sales charge.*

GROWTH OF $10,000

The graph below shows the value of a hypothetical $10,000 investment in the Fund over the past 10 fiscal year periods. The results shown are for Class A shares and reflect the deduction of the maximum front-end sales charge of 2.75%, and assume the reinvestment of dividends. The result is compared with benchmarks that include a broad based market index and a Lipper peer group average. Market indexes are unmanaged and their results do not reflect the effect of expenses or sales charges. The Lipper average reflects the deduction of the category's average front-end sales charge. The value of an investment in a different share class would be different.



All performance data shown, including the graph above and the adjacent table, represents past performance, does not guarantee future results, assumes reinvestment of dividends and distributions and does not reflect the deduction of taxes that a shareholder would pay on the Fund's distributions or the redemption of the Fund shares. All performance data reflects fee waivers and/or expense limitations, if any are in effect; in their absence performance would be lower. See Note B in Notes to Financial Statements. 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 lower or higher than the performance data quoted; for current performance data visit www.calvert.com. The gross expense ratio from the current prospectus for Class A shares is 1.22%. This number may differ from the expense ratio shown elsewhere in this report because it is based on a different time period and, if applicable, does not include fee or expense waivers. Performance data quoted already reflects the deduction of the Fund's operating expenses.

Economic Sectors	% of Total Investments
Corporate	**80.2%**
Financial Institutions	35.1%
Industrial	42.0%
Utility	3.1%
Government Related	**1.3%**
Agency	0.1%
Local Authority	1.2%
Municipal	**0.2%**
Government Public Service	0.2%
Securitized	**12.6%**
Asset Backed Securities	5.5%
Collateralized Mortgage Obligations	0.5%
Commercial Mortgage-Backed Securities	3.8%
Covered	1.7%
Mortgage Backed Passthrough	1.1%
Short-Term Investments	**4.1%**
Treasury	**1.6%**
Total	**100%**

Outlook

We expect policymakers to continue to periodically drive markets in 2013. The upcoming political fight over the U.S. debt ceiling could trigger one of those periods. Euro-area troubles will continue to offer the potential to create turbulent markets.

We expect 2013 U.S. gross domestic product (GDP) growth in the 2% to 2.5% range. Faster growth in the second half of 2013 should offset a first-half slowdown induced by fiscal policy. We expect consumer price inflation to remain comfortably below the Fed's long-term target of 2%, while the unemployment rate should remain well above the Fed's policy-action target of 6.5%.

CALVERT SHORT DURATION INCOME FUND

March 31, 2013

Average Annual Total Returns

Class A Shares	(with max. load)
One year	2.25%
Five year	3.58%
Ten year	4.30%

Class C Shares	(with max. load)
One year	3.40%
Five year	3.39%
Ten year	3.75%

Class I Shares*	
One year	5.66%
Five year	4.68%
Ten year	5.05%

Class Y Shares**	
One year	5.49%
Five year	4.44%
Ten year	4.73%

**Note Regarding Class I Shares Total Returns: There were times during the reporting period when there were no shareholders in Class I. For purposes of reporting Average Annual Total Return, Class A performance at NAV (i.e. does not reflect deduction of the Class A front-end sales charge) is used during these periods in which there were no shareholders in Class I. For purposes of this Average Annual Total Return, the Class A performance at NAV was used during the period November 7, 2005 through April 21, 2006.*

*** Calvert Short Duration Income Fund first offered Class Y shares beginning on February 29, 2008. Performance prior to February 29, 2008 reflects the performance of Class A shares at net asset value (NAV). Actual Class Y share performance would have been different.*

Money-market rates will likely remain near zero percent as the combination of low inflation and elevated unemployment rates should keep the Fed engaged in QE for the balance of the year. This support will act as a soft cap on longer-maturity bond yields. The Fed, however, may taper the pace of the QE buying in the fourth quarter of 2013. We expect the benchmark 10-year Treasury note yield to fluctuate in the broad 1.4% to 2.4% range it has occupied since October 2011.

In summary, monetary policy should remain very accommodative and the search for yield will continue. As a result, corporate bonds could potentially continue to outperform government debt.

May 2013

1. Forecast source: Wall Street Journal
2. Data source for CPI and unemployment rate: Bureau of Labor Statistics
3. A basis point is 0.01 percentage points.
4. Treasury yield data source: Federal Reserve
5. Corporate bond yield data source: Bank of America Merrill Lynch