Calvert

H_2 Tap into Potential Solutions to the Global Water Shortage

Why Invest in the Water Sector?

Water is essential to the sustenance of life, yet it is without alternatives. Water resource development, therefore, is a critical need. Four key drivers support the case for investment:

1. **Limited and Unbalanced Freshwater Supplies.** Only 3% of our planet's water is fresh, with less than 1% in easily accessible lakes and rivers.[1] Pollution, groundwater extraction, and climate change are further diminishing supplies. In addition, freshwater supplies are often scarcest in the world's most populous regions. While developing nations need new infrastructure to modernize, developed nations are confronting the same issue — as many communities limp along with outdated, leaky pipes. We have seen estimates that replacing worn-out pipes could take the U.S. up to 900 years at the current replacement rate.[2]
2. **Surging Global Demand.** Water usage increased six-fold during the 20th century-at twice the rate of population growth — thanks to rising real incomes, improving water access, and more agricultural irrigation in developing nations. Yet a recent United Nations' report estimates that 1.1 billion people do not have access to an adequate supply of drinking water while some 2.6 billion do not have access to basic sanitation.[3]
3. **Changing Regulatory Landscape.** Globally, access to safe freshwater supplies is becoming a more prominent political issue. Governments in developed and developing countries alike are setting more stringent standards for water conservation and water quality. The Environmental Protection Agency now requires U.S. water utilities to test for 93 known contaminants and China recently introduced 71 new water quality standards.[4]
4. **Innovative Technology Solutions.** There is a tremendous need for new technology to increase freshwater supplies, improve water quality, treat waste water, enhance metering effectiveness, and detect leaks more rapidly.

Water is essential to the sustenance of life, yet it is a scarce resource without any alternatives.

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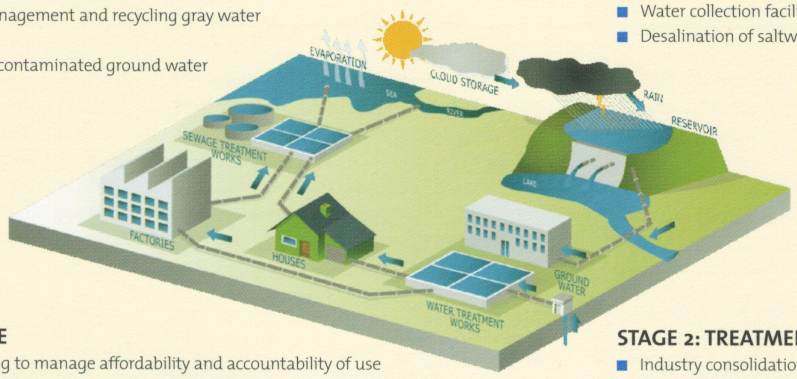
INVESTMENT OPPORTUNITIES MAY EXIST AT EACH STAGE OF THE WATER CYCLE

STAGE 4: SEWAGE/SANITATION

- Wastewater management and recycling gray water for other uses
- Remediation of contaminated ground water

STAGE 1: COLLECTION

- Water collection facilities, watershed management
- Desalination of saltwater, condensation techniques



STAGE 3: USAGE

- Improve metering to manage affordability and accountability of use
- Repair and replace leaking pipes and build infrastructure to supply water to needed areas

STAGE 2: TREATMENT

- Industry consolidation and outsourcing trends, water treatment and large-scale project management
- Treatment, purification, testing technology to respond to quality and safety standards

Source: CAMCO and KBC Asset Management International Ltd.

To Learn More About Investing in Water

Ask your financial advisor for a copy of the Calvert White Paper: *Unparalleled Challenge and Opportunity in Water.* You may download a free copy at **www.calvert.com/water.**

Since 1982, Calvert Has Been Committed to Human Rights and the Environment

Our team of 18 analysts has longstanding environmental experience that allows us to understand natural resource and ecosystem management, and human rights expertise that provides us with insights into the social dimensions of water scarcity and the particular issues around access and affordability.

Wade into Water Investing Now

Given the potential long-term growth opportunities cited above, Calvert has launched the Calvert Global Water Fund (CFWAX). Only the Calvert Global Water Fund offers three key features:

- An active management strategy to discern companies around the world with sustainable competitive advantages.
- Portfolio management expertise of European sub-advisor KBC Asset Management International, Ltd., which boasts one of the longest investment management track records in the sector.
- Integrated environmental, social, and governance research from Calvert, a leader in sustainable investment strategies for more than 25 years.

GLOBAL INFRASTRUCTURE SPENDING EXPECTED TO REACH $1.2 TRILLION BY 2025

	Current Expenditures on Water Infrastructure (US $bn)	Average Annual Investment (US $bn) by 2025	Annual Avg. Real Growth Rate (2006-25) by 2025
North America	109.6	246.4	4.4%
South America	18.0	61.6	6.7%
Europe	135.5	284.2	4.0%
Asia	85.2	606.1	10.9%
Australasia	7.3	14.8	3.8%
Total	**355.6**	**1213.0**	**6.4%**

Source: OECD, International Monetary Fund, Credit Suisse Estimates as cited in Credit Suisse Global Equity Research, 7 June 2007.

1. United Nations, as cited in Goldman Sachs, March 24, 2008, Americas: Multi-Industry report: "The Essentials of Investing in the Water Sector; version 2.0."
2. Ibid.
3. WHO/UNICEF Joint Monitoring Program from United Nations World Water Development Report 2.
4. IRC International Water and Sanitation Centre (IRC) and Goldman Sachs Global Investment Research, December 9, 2007.

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

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A Word About Risk. Investment in mutual funds involves risk, including the potential loss of principal. Calvert Global Water Fund is subject to the risk that stocks that comprise the water may decline in value, and the risk that prices of water may decline. The stock markets in which the Fund invests may also experience periods of volatility and instability. In addition, shares of the companies involved in the water industry have been more volatile than shares of companies operating in other more established industries. Consequently, the Fund may tend to be more volatile than other mutual funds. Lastly, foreign investments involve greater risks than U.S. investments, including political and economic risks and the risk of currency fluctuations.

Not all funds available at all firms.

May Lose Value. Not FDIC Insured. Not a Deposit. No Bank Guarantee. Not NCUA/NCUSIF Insured. No Credit Union Guarantee.

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