

Morgan Stanley

Form ADV, Part 2A

Calvert Research and Management

2050 M STREET NW, SUITE 200

WASHINGTON, DC 20036

WWW.CALVERT.COM

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This brochure ("Brochure") provides information about the qualifications and business practices of Calvert Research and Management ("Calvert," "us" or "we"). If you have any questions about the contents of this brochure, please contact us at (800) 368-2745 and/or customerservice@calvert.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Calvert Research and Management is an SEC-registered investment adviser. This registration does not imply a certain level of skill or training. Additional information about Calvert Research and Management also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

This Brochure is dated March 29, 2026 and represents our annual updating Brochure. The following is a summary of material updates made to this Brochure since the annual amendment, dated March 21, 2025:

- Item 8 Methods of Analysis, Investment Strategies and Summary of Risk – Calvert updated risk factor disclosures.
- Item 17 Voting Client Securities – Calvert updated the description of proxy voting policies and procedures.
- Appendix A – Calvert updated its fee schedules.

In addition to the material changes listed above, other enhancements have been made throughout this Brochure.

The following update was made at the time of filing an other-than-annual amendment to this Brochure, dated June 18, 2025:

- Item 17 Voting Client Securities – Calvert clarified that generally it will not make shareholder class action filings involving securities held in separate accounts.

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Item 4 Advisory Business

Calvert Research and Management (“Calvert”) and its advisory affiliates represent the investment management division of Morgan Stanley, a publicly held company (“Morgan Stanley”). Calvert is a Massachusetts business trust formed in August 2016 as a wholly-owned subsidiary of Eaton Vance Management (“Eaton Vance”). Eaton Vance is a wholly-owned subsidiary of Morgan Stanley. EV LLC serves as the trustee of Calvert and is a wholly-owned subsidiary of Morgan Stanley, a corporation whose shares are publicly held and traded on the New York Stock Exchange under the symbol “MS”. Morgan Stanley is a leading global financial services firm providing investment banking, securities, wealth management and investment management services. With offices in more than 41 countries, the Firm’s employees serve clients worldwide including corporations, governments, institutions, and individuals.

Overview

Calvert offers actively managed, passively managed, optimized, and model-only investment advisory services that include (but are not limited to) a variety of responsible investment equity, fixed- and floating-rate income, and multi-asset strategies. Calvert’s actively managed advisory service seeks to outperform one or more indices and/or peer groups by actively selecting investment opportunities. Calvert’s passively managed advisory service seeks to track the performance of one of the Calvert Responsible or Research Indexes (as defined herein). Calvert’s optimized strategies use financially material sustainability factors along with traditional research and metrics which are then optimized to a particular index. Calvert also offers custom solutions to clients which include optimized strategies. Calvert serves as investment adviser to certain mutual funds that seek to replicate third-party sponsored indices and do not use Calvert’s research. An index is an unmanaged group of securities selected to replicate the aggregate performance of a particular market or group of securities. An investor cannot invest directly in an index.

The majority of the investment mandates that Calvert manages for its clients (as defined below under “Clients”) include company and issuer research and analysis, performed by Calvert’s analysts. The research generated by Calvert is provided to certain affiliates of Calvert and can be utilized in the portfolio management process of such affiliates.

Calvert generally assesses investments using The Calvert Principles for Responsible Investment (the “Calvert Principles”) as a framework, as described on the company’s website (www.calvert.com) and in the description found in each applicable fund’s prospectus.

Funds

Calvert serves as the investment adviser to registered investment companies (each a “Fund” and collectively the “Calvert Funds” or “Funds”). The Calvert Funds have separate series or portfolios. Calvert either manages each portfolio directly or engages one or more sub-advisers, including Calvert’s affiliates, to manage all or a portion of a portfolio. The portfolios are open-end mutual funds that are sold to retail and institutional investors, except in the case of the variable funds, which are sold to qualified retirement plans and life insurance companies for allocation to their separate accounts. Certain of the variable funds advised by Calvert seek to replicate third-party sponsored indices and do not use Calvert’s research. It is anticipated that Calvert will provide investment advisory services to additional types of funds in the future.

Separate Accounts

Calvert provides investment advisory services through separately managed accounts to institutional clients (“Institutional Accounts”), such as charitable organizations, corporations, family offices, and retirement plans. The advisory services for these accounts are tailored to each client based on its individual investment objectives. Before establishing an Institutional Account, Calvert and the client discuss the available investment strategies and the client’s investment objectives. Investment in certain securities or types of securities can be restricted at the request of the client. See *Appendix A – Fee Schedules* for a list of strategies offered for Institutional Accounts.

Wrap Fee and Platform Programs

Our investment advisory services are available through various bundled “wrap fee” programs (“Wrap Fee Programs”) sponsored by certain broker-dealers and/or investment advisers (“Sponsor(s)”), including an affiliate of Calvert, to individual investors, including high net worth and other retail investors. As used herein, the term Sponsor includes overlay managers to the extent a Wrap Fee Program utilizes an overlay manager.

Investors that participate in these Wrap Fee Programs enter into a single agreement with the applicable Sponsor for our advisory services, as well as other bundled services. For a single “wrap” fee (which is paid to the Sponsor and the Sponsor then pays to us) the Sponsors offer our investment advisory services to their separately managed account clients and are generally, depending on the program, primarily responsible for:

- i. Monitoring and evaluating our performance;
- ii. Executing client portfolio transactions typically without additional commission charge (except that the client will be charged an added commission charge if we use a broker other than the Sponsor to execute trades);
- iii. Providing custodial services for clients’ assets;
- iv. Ensuring adherence to client guidelines, restrictions and/or client instructions; and/or
- v. Providing tax management services.

We participate in certain Wrap Fee Programs pursuant to which we provide the Sponsors with a model portfolio that represents the securities we recommend in accordance with a particular investment strategy (the “Model Portfolio”). In most instances, we will communicate our recommendations comprising the Model Portfolio, and any changes thereto, to the Sponsors, who serve as investment advisers to the Wrap Fee Program clients and are responsible for implementation of any client-specific investment restrictions and for determining the suitability of our investment strategy for the client. In most instances, unless otherwise agreed, the Sponsor will exercise investment discretion with respect to securities that are purchased or sold for clients of such Model Portfolio Wrap Fee Programs and will be responsible for executing trades and seeking best execution for such Wrap Fee Program accounts.

In addition to offering our advisory services through Wrap Fee Programs in the manner described above, certain separately managed accounts are offered to retail investors through what’s known as “dual contract arrangements” (a client will pay the Sponsor a fee and will also pay Calvert an advisory fee) in which a Sponsor and its client enter into an agreement with regard to the Sponsor’s overall management of the client’s assets pursuant to which the Sponsor identifies managers that offer particular strategies or products that the Sponsor believes are suitable for each client. Either the Sponsor or the client then selects the particular strategy or product and the applicable manager to manage portions of the client’s portfolio.

In a “dual contract” arrangement, Calvert generally has separate agreements with the Sponsor and each applicable client, the latter of which outlines the scope and limitations of the advisory relationship between Calvert and the client. In such arrangements, the Sponsor, who itself has a client relationship with the client, and/or the client are generally responsible for determining whether a strategy offered by Calvert is suitable and appropriate for the client based on its investment objectives, risk tolerance and financial situation. Under these arrangements, the client can impose restrictions on investing in certain securities through the Sponsor or Calvert, if applicable. Wrap Fee Program accounts might not be managed identically to Institutional Accounts. Purchases that are implemented for Institutional Accounts will not always be reflected or fully reflected in a Wrap Fee Program account that follows the same or a substantially similar strategy. For example, certain Wrap Fee Program accounts are constructed and managed with position thresholds and parameters around new positions and changes to weightings in existing positions. These guidelines are specific to Wrap Fee Programs and will generally not apply to Institutional Accounts.

For further discussion on the impacts of restrictions on trading, please refer to *Item 12 – Brokerage Practices*, “Directed, Restricted or Constrained Brokerage Arrangements; Wrap Fee Programs”.

Further Information

For additional information regarding the specific investment strategies we employ please refer to *Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss*.

Assets Under Management

As of December 31, 2025, we had approximately \$40,257,330,574 in assets under management, all on a discretionary basis.

Item 5 Fees and Compensation

Management Fees

Our fees and minimum initial investments for a client could vary from the applicable schedules, attached as Appendix A, due to the particular circumstances of the client or as otherwise negotiated with particular clients. Fees are generally quoted on an annualized basis as a percentage of client assets under management. Fee rates and schedules for Funds can vary and are disclosed within the applicable Fund offering documents. Participants in Wrap Programs should consult the brochure provided by the Sponsor. Depending upon the account's investment objectives, strategies and restrictions, holdings in a client's account could include real estate investment trusts ("REITS"), investment companies (including exchange traded funds or "ETFs"), collateralized loan obligations ("CLOs") and other pooled vehicles for which a separate management fee is charged, including investment companies and other pooled vehicles advised by us or a related person.

All advisory fees charged by Calvert are documented in writing in the client's investment management agreement with Calvert, as such agreement can be amended from time to time. While the fees in Appendix A are quoted annually, unless otherwise agreed, fees are generally charged quarterly in arrears at a rate of $\frac{1}{4}$ of the stated fee schedule based on current or quarter-average market values. The timing of fee payments and method of calculation for particular clients can vary in accordance with client preferences. Typically, our services are terminable by either party upon written notification in accordance with the applicable contractual notice provision. Upon termination the fees described above (including performance fees, if any) generally will be prorated to take account of contributions and withdrawals during a quarter and where Calvert does not manage the account for the entire calendar quarter. The fees described herein are only the advisory fees charged by us and do not reflect custodial or other fees that could be applicable to your account. Further discussion of such expenses appears below under "Other Expenses Charged to Clients/ Fee Discounts". Eaton Vance performs many of the calculations and administrative services described within this *Item 5* on Calvert's behalf.

Clients can elect to be billed directly for fees or can authorize Calvert to directly bill fees to the client's custodial account.

Unless otherwise provided in an investment advisory contract, Calvert is frequently responsible for calculating the fees owed by a client. Calvert will calculate the billable assets for which Calvert has investment discretion according to its internal accounting system.

Separately Managed Accounts

The fees we charge for separate account management services vary based on the particular circumstances of the client or as otherwise negotiated. Our services are terminable by either party in accordance with the applicable contractual notice provision. Generally, fees on separately managed accounts ("SMA") are billed quarterly in arrears, however, in some cases they are billed quarterly in advance. The timing of fee payments will vary in accordance with clients' preferences. In addition to being subject to the fees we charge, the portion of each client account that is invested in a fund will also bear a proportionate share of the advisory fees and other expenses of the fund; however, such fees and expenses can be waived and/or rebated at our discretion. In the case of certain separately managed accounts, additional fees are charged by us for additional reporting or consulting services requested by the client.

Wrap Fee Programs

The fees described herein do not include information about fees for advisory services we provide through Wrap Fee Programs, and we would direct the client to the documents specific to their Wrap Fee Program. The terms of each client's separately managed account in a Wrap Fee Program are governed by the client's agreement with the Sponsor and disclosure document for each Wrap Fee Program. Wrap Fee Program clients are urged to refer to the appropriate disclosure document and client agreement for more information about the Wrap Fee Program and advisory services. Similarly, dual-contract clients should refer to their agreement with their program Sponsor, as applicable, the disclosure document for the applicable program, and the client's agreement with us, which will vary depending on the strategy selected. The fees for a Wrap Fee Program can result in higher costs than a client would otherwise realize by paying

standard fees and negotiating separate arrangements for trade execution, custodial and consulting services. Our advisory services are offered through Wrap Fee Programs that are sponsored by Calvert affiliates, as well as through unaffiliated Wrap Fee Programs. Calvert and its affiliates will generally earn more compensation for advisory services offered through an affiliated Wrap Fee Program than offering the same services through a Wrap Fee Program with an unaffiliated Sponsor.

Item 12 – Brokerage Practices further describes the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation.

Other Expenses Charged to Clients/Fee Discounts

Calvert's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses. Such expenses will be assessed to the client. Clients are responsible for certain charges imposed by custodians, broker-dealers and other third-parties, including but not limited to: fees charged by third-party managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, withholding fees, country tax or delivery fees, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. In the event Calvert invests client assets in mutual funds, closed-end funds, exchange-traded notes ("ETNs") and exchange traded funds ("ETFs"), clients will generally incur shareholder management fees from such products. These fees are disclosed in the fund's or ETF's prospectus or offering memorandum. For more information about Calvert's brokerage practices, see *Item 12 – Brokerage Practices* below.

Fees and expenses investors in Funds should expect to incur could include, but are not limited to, management fees, operating expenses and performance-based incentive fees or allocation of expenses of underlying investment funds. Operating expenses typically consist of administration fees, professional fees (i.e., audit and legal fees), and other operating expenses. Expenses vary depending on the particular Fund. Accordingly, Fund investors should refer to each particular Fund's governing documents for a detailed discussion of the expenses the Fund and its investors will or could bear.

Depending upon the terms of particular arrangements with clients, we could select or recommend that certain service providers (including accountants, administrators, lenders, bankers, brokers, agents, attorneys, consultants, and investment or commercial banking firms) and/or their affiliates perform services for clients, the cost of which generally will be borne by the advisory client. These service providers, in some cases, also provide goods or services to or have business, personal, political, financial or other relationships with us or our affiliates. Such service providers could be investors in a fund, our affiliates, or sources of investment opportunities. These other services and relationships have the potential to influence us in deciding whether to select or recommend such a service provider to perform services for clients. Notwithstanding the foregoing, if Calvert has discretion when making investment transactions on behalf of clients that require the use of a broker-dealer, we have a duty to seek "best execution" (i.e., the most favorable overall price and execution) and select broker-dealers for the execution of transactions accordingly as detailed in "Best Execution and Brokerage Selection Factors" section of *Item 12 Brokerage Practices*. In certain circumstances, service providers, or their affiliates charge different rates or have different arrangements for services provided to Morgan Stanley, us or our affiliates as compared to services provided to the clients, which, from time to time, result in more favorable rates or arrangements for Morgan Stanley or our affiliates than those payable by our clients. From time to time, we will be required to decide whether and to what extent costs and expenses are borne by a client, us, allocated among more than one client, or allocated among one or more clients and us. When expenses apply to more than one client, we will exercise our reasonable judgment when making allocation determinations.

Subject to applicable law and governing documents, we enter into arrangements with certain investors that have the effect of altering or supplementing the terms of such investors' investments in a fund, including with respect to waivers or reductions of the management fee. Except as otherwise agreed, or as required by law, we are not obligated to inform other investors of the terms of any particular arrangement or to offer another investor equally favorable terms. In particular, when we negotiate, rebate or waive fees for one investor, we are not required to inform, or offer similar terms to, other investors, except as agreed with such other investors or as required by applicable law.

Special requirements or circumstances can result in different fee arrangements than those stated above for certain clients. For example, additional reporting, investment policy or risk management consulting, legal research, or additional investment administrative services required or requested by some clients or investors could, upon mutual agreement, lead to higher fees. Calvert could, in the future render specialized investment advisory services to clients in a manner and/or under circumstances which might not properly be characterized as investment management services; e.g., investment advice with respect to structuring investments for maximum U.S. federal tax efficiency or specialized advice to executors or administrators of estates or trustees of various trusts. In such cases, the fee payable to Calvert can be negotiated and will be determined on a case-by-case basis.

The fees and expenses borne by clients and investors will generally reduce returns.

Item 6 Performance-Based Fees and Side-by-Side Management

While Calvert does not currently have any performance-based fee arrangements, in the future Calvert could agree to charge certain qualified clients a performance-based fee.

Because portfolio managers often manage assets for other investment companies, pooled investment vehicles and/or other accounts (including accounts of institutional clients and pension plans) with different fee schedules, the portfolio manager has an incentive to favor higher paying clients or accounts where we or an affiliate receive a performance-based fee over other accounts. In addition, a conflict exists in situations where we have proprietary investments in certain accounts, where portfolio managers have personal investments in certain accounts or when certain accounts are investment options in our employee benefits and/or deferred compensation plans. Although this does not impact individual compensation, in such instances, the portfolio manager has an incentive to favor these accounts over others. A conflict of interest also exists with regard to the allocation of investment opportunities across accounts that pay performance-based fees as opposed to accounts that do not pay performance-based fees.

If, within the same investment team, we manage accounts that establish short exposure to a security, as well as accounts that maintain long exposure to the same security, and the short exposure causes the market value of the security to fall, we could be seen as benefitting the accounts with short exposure at the expense of harming the performance of other accounts that maintain long exposure in the security. The same conflict also exists at the asset class level.

To address these types of conflicts, we have adopted policies and procedures reasonably designed to assure that allocation decisions are not influenced by fee arrangements favoritism, or other incentives, and that we allocate investment opportunities in a manner that treats clients fairly and equitably over time. Pursuant to applicable policies, investment opportunities will be allocated in a manner that we believe to be consistent with our obligations as an investment adviser. To further manage these types of conflicts, we have implemented Side-by-Side Management guidelines, which are designed to set out specific requirements regarding the side by-side management of traditional investment portfolios (e.g., long-only portfolios) and alternative investment portfolios (e.g., hedge fund portfolios) in order to manage potential conflicts of interest, including without limitation, those associated with any differences in fee structures, investments in the alternative investment portfolios by Calvert or its employees and trading-related conflicts (including conflicts of interest that could also be raised when Calvert investment teams take conflicting (i.e., opposite direction) positions in the same or related securities for different accounts). In addition, we have established a Side-by-Side Management Subcommittee to help ensure that conflicts are reviewed and managed appropriately. The Side-by-Side Management Subcommittee meets on a regular basis and is comprised of representatives from business areas and control functions. The responsibilities and duties of the Side-by-Side Management Subcommittee include, among other things, establishing and reviewing appropriate reporting to monitor and review investment and related activities.

For more information about how Calvert addresses certain conflicts of interest, see *Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*. See also *Item 12 – Brokerage Practices* for more information about conflicts of interest related to portfolio transactions.

Item 7 Types of Clients

Calvert provides investment advisory services to registered investment companies, institutional investors, and Wrap Programs. See *Item 4 – Advisory Business* above for a further discussion of Calvert's clients.

Certain advisory accounts and funds impose minimum investment requirements, which are generally described in the relevant governing or disclosure documents or, with respect to advisory accounts, in Appendix A. We generally will have discretion to waive or reduce such minimums for certain clients or investors. We generally will not, unless required by agreement with a client or investor or by applicable law, disclose any particular waiver or reduction that is offered to a client or investor, or offer comparable waivers or reductions, to other clients or investors.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

Calvert offers a wide array of strategies such as equity, fixed-income, bank-loan, and multi-asset strategies that are designed to help clients diversify their portfolios, pursue their financial goals and invest responsibly.

Calvert's Principles-Based Approach & Responsible Investing

The applicability of the Calvert Principles and any other applicable responsible investing factors specific to each Client account are typically described in the applicable account offering documents, marketing materials or investment guidelines. The management of certain client accounts is guided by the Calvert Principles, which provide a framework for considering sustainability factors that could affect investment performance. Calvert seeks to invest in issuers that manage financially material risk exposures and opportunities adequately and that are not exposed to excessive responsible investment risk through their principal business activities. Each issuer is evaluated relative to an appropriate peer group based on financially material sustainability factors as determined by Calvert. Calvert's evaluation of a particular security's sustainability characteristics generally involves both quantitative and qualitative analysis. In assessing investments, Calvert generally focuses on the factors relevant to the issuer's operations, and an issuer could be acceptable for investment based primarily on such assessment. Securities might be deemed suitable for investment even if the issuer does not operate in accordance with all elements of a client account's responsible investment criteria. In assessing issuers for which quantitative data is limited, subjective judgments can serve as the primary basis for Calvert's evaluation.

In certain situations, Calvert engages in shareholder advocacy to encourage positive change in companies. Depending on the strategy, Calvert's engagement activities can include, among other things, direct dialogue with company management in an effort to learn about management's successes and challenges and to press for improvement on issues of concern.

At times, Calvert will invest in securities, including new issues, before Calvert has completed its evaluation of the issuer's management of sustainability factors. Factors that Calvert considers in making such an investment decision include, but are not limited to, (i) prevailing market prices, (ii) liquidity, (iii) bid-ask spreads, (iv) market color, and (v) availability. Following any such investment in a security, Calvert will evaluate the issuer to determine if it operates in a manner that is consistent with the Client account's responsible investment criteria. If Calvert determines that the issuer does not operate in a manner consistent with the Client account's responsible investment criteria, the security will be sold in accordance with Calvert's guidelines at a time and in a manner determined to be in the best interest of the Client account. If a security is sold prior to Calvert's responsible investment determination and is no longer held in a Client account, Calvert may or may not complete its evaluation of such security.

Selection and Oversight

Calvert engages sub-advisers, including its affiliates, who possess skill in specific investment styles or sectors. Calvert employs a due diligence process to review the capabilities of any proposed sub-adviser and monitors sub-advisers on an ongoing basis.

As further described in *Item 11*, in certain instances Calvert and Morgan Stanley Investment Management Inc. ("MSIM") investment personnel will collaborate and utilize each other's resources, including sharing of research. See *Item 11* for information regarding potential conflicts of interest which can arise from the collaboration of investment departments.

Equity Strategies

Calvert offers a wide range of equity strategies which focus on equity securities of a particular style, market capitalization and/or geographic region. Certain equity strategies involve a combination of these approaches.

Calvert manages domestic and international equity strategies that invest in small-cap, mid-cap and large-cap companies utilizing core, value and growth, and risk-managed investment approaches.

Calvert's investment process for its active equity strategies emphasizes a bottom-up investment approach focused on fundamental, quantitative, macroeconomic, and responsible investment analysis, in light of an issuer's financial condition and industry position, as well as the then-prevailing market, political and regulatory environment. Calvert seeks to add value through its assessment of an issuer's management of sustainability factors, which can involve both qualitative and quantitative analysis. Certain of Calvert's strategies are sub-advised and employs a specific responsible investment framework for analysis specified in the applicable offering document that is implemented by a sub-adviser in conjunction with Calvert's own analysis.

Calvert offers active risk-managed equity strategies that are risk controlled and based on investment universes that follow defined responsible investment criteria. One of such strategies seeks to focus on investments in companies that are leaders or emerging leaders in sustainability factors that Calvert believes are material to long-term performance. The investment universe is determined based on a research process that considers both quantitative and qualitative analyses to identify companies demonstrating leadership or significant improvement in the management of financially material sustainability risks and opportunities. Portfolios are optimized to market benchmarks that emphasize lower environmental impacts and higher positive societal impact at a portfolio level.

In certain instances, Calvert will work with large institutional investors to create customized and optimized portfolios based on the client's specific parameters using this systematic approach. These custom portfolios can be implemented by our affiliated adviser Parametric Portfolio Associates LLC, or through model delivery to the client.

Calvert has developed and maintains a suite of proprietary indexes (each a "Responsible Index") that currently consists of the following indexes: Calvert U.S. Large-Cap Core Responsible Index, Calvert U.S. Large-Cap Growth Responsible Index, Calvert U.S. Large-Cap Value Responsible Index, Calvert U.S. Mid-Cap Core Responsible Index, Calvert International Responsible Index, Calvert Emerging Markets Responsible Index, Calvert Developed Markets Responsible Index, and Calvert Diversity Research Indices. Each Index is composed of securities of companies that meet Calvert's requirements for inclusion as described in the relevant index methodology documents available on the Calvert website.

Calvert has also developed and maintains two proprietary research indexes: Calvert Global Energy Research Index and Calvert Global Water Research Index (each, a "Research Index"). Each Research Index universe consists of companies that satisfy minimum market capitalization and liquidity thresholds and are significantly involved in: (1) business activities in the sustainable energy solutions section; or (2) water-related business activities, respectively.

Calvert is the investment adviser for Funds that seek to track the performance of a Responsible or Research Index. Calvert also offers separate accounts based on each Responsible or Research Index that can be tailored to meet a client's particular needs.

The number of companies in each Responsible or Research Index will change over time. Each of the Responsible and Research Indexes are reconstituted annually and rebalanced quarterly and from time to time will be updated on an ad hoc basis. Calvert could be incentivized to manipulate the composition of an Index to enhance its comparative performance. To mitigate or prevent such conflict of interest, Calvert has engaged a third-party calculation agent, has an internal committee, and has adopted policies and procedures overseeing Index matters. The Indexes are utilized in different products offered by Calvert and its affiliates, including the Funds, models, and separately managed accounts. When an Index is updated, the updated Index composition is disseminated simultaneously. However, certain products frequently execute transactions to align with the new Index composition more quickly than other products. For example, it is expected that a Fund which tracks an Index would execute transactions sooner than products which are based on, but don't necessarily track an Index. Based on the liquidity and depth of the markets for the securities which comprise the Indexes, Calvert does not believe this would disadvantage a client in a product which executes after other products.

Income Strategies

Calvert's portfolio management team applies an active, relative-value fixed and floating-income investment process based on top-down, macroeconomic analysis combined with bottom-up sector and security selection to identify sectors and issuers. The investment process emphasizes five key portfolio construction inputs – duration targeting, yield curve positioning, sector selection, security selection and active portfolio management – as potential sources of alpha and

incremental income. Calvert seeks to add value through its assessment of an issuer's management of responsible investment factors, which involves both qualitative and quantitative analysis.

Mixed-Asset Strategies

Mixed-asset strategies typically have broad discretion to invest in many of the equity or income strategies described above. If consistent with a client's or Fund's mandate, a mixed-asset strategy can change its allocation between equity, bank-loan, and debt securities, or among particular equity or income approaches, depending on economic and market conditions. Mixed-asset strategies can employ ETFs and derivatives to achieve exposures, to enhance returns or for hedging purposes.

CPO/CTA Exemption

Calvert is exempt from registration as a commodity pool operator ("CPO") or commodity trading adviser ("CTA") with the Commodity Futures Trading Commission ("CFTC"). To maintain such exemptions, Calvert monitors the use of futures contracts or other commodity interests held in client accounts or Calvert Funds to ensure compliance with applicable CPO and CTA exemptions.

Risk Considerations

All investing and trading activities risk the loss of capital. Although Calvert will attempt to moderate these risks, no assurance can be given that the investment activities of an account or fund Calvert advises will achieve the investment objectives of such account or fund or avoid losses. Direct and indirect investing in securities involves risk of loss that clients should be prepared to bear.

Set forth below are some of the material risk factors that are often associated with the types of investment strategies and techniques and types of securities relevant to many Calvert clients. The information included in this Brochure does not include every potential risk associated with an investment strategy, technique or type of security applicable to a particular client account. Clients are urged to ask questions regarding risks applicable to a particular strategy or investment product, read all product-specific risk disclosures and consult with their own legal, tax and financial advisors to determine whether a particular investment strategy or type of security is suitable for their account in light of their specific circumstances, investment objectives and financial situation.

Risk Considerations Associated with Investing - In General. The following is a non-exhaustive description of risks associated with investments generally and/or could apply to one or more type of security or investment technique.

- **General Economic, Geopolitical, and Market Risks.** The success of our investment strategies, processes, and methods of analysis, as well as any account's activities, can be affected by general economic, geopolitical, and market conditions, such as inflation (or expectations for inflation), deflation (or expectations for deflation), interest rates (or changes in interest rates), availability of credit, market or financial system instability or uncertainty, embargoes, tariffs, sanctions and other trade barriers, health emergencies (such as epidemics and pandemics), terrorism, global demand for particular products or resources, natural disasters and extreme weather events, supply chain disruptions, cybersecurity events, terrorism, social and political discord, war (including regional armed conflict), debt crises and downgrades, regulatory events, governmental or quasi-governmental actions, changes in laws, and national and international political circumstances.

These factors create uncertainty, and can ultimately result in, among other things: increased volatility in the financial markets for securities, derivatives, loans, credit and currency; a decrease in the reliability of market prices and difficulty in valuing assets, greater fluctuations in spreads on debt investments and currency exchange rates; increased risk of default (by both government and private obligors and issuers); further social, economic, and political instability; nationalization of private enterprise; greater governmental involvement in the economy or in social factors that impact the economy; changes to governmental regulation and supervision of the securities, loan, derivatives and currency markets and market participants, and decreased or revised monitoring of such markets by governments or self-regulatory organizations and reduced enforcement of

regulations; limitations on the activities of investors in such markets; controls or restrictions on foreign investment, capital controls and limitations on repatriation of invested capital; the significant loss of liquidity and the inability to purchase, sell and otherwise fund investments or settle transactions (including, but not limited to, a market freeze); unavailability of currency hedging techniques; substantial, and in some periods extremely high, rates of inflation, which can last many years and have substantial negative effects on credit and securities markets as well as the economy as a whole; recessions; and difficulties in obtaining and/or enforcing legal judgments. These conditions can adversely affect the level and volatility of prices and liquidity of an account's investments. Unexpected volatility or lack of liquidity could impair an account's profitability or result in losses.

The interconnectivity between global economies and markets increases the likelihood that events or conditions in one region, sector, industry, market or with respect to one company will adversely impact markets or issuers in other countries or regions. However, the interconnectedness of economies and/or markets might be diminishing, which could impact such economies and markets in ways that cannot be foreseen at this time. Some countries, including the United States, have adopted more protectionist trade policies. Slowing global economic growth, the rise in protectionist trade policies, changes to some major international trade agreements, risks associated with the trade agreement between the United Kingdom and the European Union, and the risks associated with trade negotiations between the United States and China, could affect the economies of many nations in ways that cannot necessarily be foreseen at the present time. In addition, the current strength of the U.S. dollar may decrease foreign demand for U.S. assets, which could have a negative impact on certain issuers and/or industries.

Tensions, war, or open conflict between nations, such as between Russia and Ukraine, in the Middle East, or in eastern Asia could affect the economies of many nations, including the United States. Although these types of events have occurred and could also occur in the future, it is difficult to predict when similar events or conditions affecting the U.S. or global financial markets and economies might occur, the effects of such events or conditions, potential retaliations in response to sanctions or similar actions and the duration or ultimate impact of those events. Any such events or conditions could have a significant adverse impact on the value and risk profile of client portfolios and the liquidity of an account's investments, even for clients without direct exposure to the specific geographies, markets, countries or persons involved in an armed conflict or subject to sanctions.

- **Public Health Emergencies.** Many countries have experienced outbreaks of infectious illnesses in recent decades, including swine flu, avian influenza, SARS and the Coronavirus, and could experience similar outbreaks in the future. For example, the Coronavirus outbreak resulted in numerous deaths and the imposition of both local and more widespread "work from home" and other quarantine measures, border closures and other travel restrictions, causing social unrest and commercial disruption on a global scale and significant volatility in financial markets. In addition to the impact on companies and the value of investments, the operations of Calvert (including those relating to a portfolio) could be impacted adversely by another outbreak of an infectious disease, including through quarantine measures and travel restrictions imposed on Calvert or service providers' personnel located in affected countries, regions or local areas, or any related health issues of such personnel. Any of the foregoing events could materially and adversely affect Calvert's ability to source, manage and divest investments on behalf of a portfolio and pursue a portfolio's investment objectives and strategies.
- **Volatility Risk.** The prices of commodities contracts and all derivatives, including futures and options, can be highly volatile. Accounts that trade in commodities contracts and derivatives are subject to the risk that trading activity in such securities could be dramatically reduced or cease at any time, whether due to general market turmoil, problems experienced by a single issuer or a market sector or other factors. If trading in particular securities or classes of securities is impaired, it might be difficult for an account to properly value any of its assets represented by such securities.
- **Inadequate Return Risk.** No assurance can be given that the returns will be commensurate with the risk of your investment. You should not commit money to an account unless you have the resources to sustain the loss of your entire investment. Any losses are borne solely by you and not by us or our affiliates.

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- **Inside Information Risk.** From time to time, we could come into possession of material, non-public information (“MNPI”) concerning an entity in which an account has invested or proposes to invest. Possession of that information could limit our ability to buy or sell securities of the entity on your behalf. For example, if we come into possession of information (i) that out of an abundance of caution, Calvert can restrict on the basis of nonpublic information without first determining that it is material, (ii) that certain types of MNPI might not become public, and could restrict trading for extended periods of time, and (iii) that Calvert seeks to establish information barriers among certain affiliates to mitigate this risk, but those barriers might be ineffective.
 - **Principal Investment Activities.** Morgan Stanley generally invests directly in private equity and real estate private equity through other divisions. As a consequence, other than co-investments made by certain accounts alongside those private equity or private equity real estate fund managers into whose funds an investment team has invested on a primary basis, not every direct private equity or private equity real estate investment that meets an account’s investment objectives could be made available to our accounts.
 - **Cyber Security-Related Risk.** We are susceptible to cybersecurity-related risks that include, among other things, unauthorized access attacks; mishandling, loss, theft or misuse of information; computer viruses or malware; cyberattacks designed to obtain confidential information, destroy data, disrupt or degrade service, sabotage systems or networks, impede our ability to execute or confirm settlement of transactions or cause other damage; ransomware; denial of service attacks; data breaches; social engineering attacks; phishing attacks; and other events. A cyberattack, information or security breach or a technology failure of ours or a third party could adversely affect our ability to conduct our business or manage our exposure to risk, or result in disclosure or misuse of personal, confidential or proprietary information and otherwise adversely impact our results of operations, liquidity and financial condition, as well as cause reputational harm. In addition, cybersecurity risks can also impact issuers of securities in which we invest on behalf of our clients, which could cause our clients’ investment in such issuers to lose value.

We are subject to cybersecurity legal, regulatory and disclosure requirements enacted by U.S. federal and state governments and other non-U.S. jurisdictions. These requirements impose mandatory privacy and data protection obligations, including providing for individual rights, enhanced governance and accountability requirements, and significant fines and litigation risk for noncompliance. We have adopted measures designed to comply with these and related applicable requirements in all relevant jurisdictions.

We benefit from our affiliation with Morgan Stanley which has made and continues to make substantial investments in cybersecurity and fraud prevention technology. As part of its enterprise risk management framework, Morgan Stanley has implemented and maintains a program to assess, identify and manage risks arising from the cybersecurity threats confronting the Firm (“Cybersecurity Program”). The Cybersecurity Program helps protect our clients, customers, employees, property, products, services and reputation by seeking to preserve the confidentiality, integrity and availability of information, enable the secure delivery of financial services, and protect the business and the safe operation of our technology systems. Morgan Stanley continually adjusts the Cybersecurity Program to address the evolving cybersecurity threat landscape and comply with extensive legal and regulatory expectations.

There can be no assurance that our business contingency and security response plans fully mitigate all potential risks to us and that we or our service providers, if applicable, will not suffer losses relating to cyber-attacks or other information security breaches in the future.

- **Business Continuity Risk.** Our critical processes and businesses could be disrupted by events including cyber attacks, failure or loss of access to technology and/or associated data, military conflicts, acts of terror, natural disasters, severe weather events and infectious disease. We maintain a resilience program designed to provide for operational resilience and enable it to respond to and recover critical processes and supporting assets in the event of a disruption impacting our people, technology, facilities and third parties. The key elements of the resilience program include business continuity and technical recovery planning and testing both internally and with critical third parties to validate recovery capability in accordance with business requirements. The resilience program is applied consistently firmwide and is aligned with regulatory requirements. In the occurrence of a

business continuity event at Calvert or a vendor/service provider that does not adequately address all contingencies, client portfolios could be negatively affected as there might be an inability to process transactions, calculate net asset values, value client investments, or disruptions to trading in client accounts. A client's ability to recover any losses or expenses it incurs as a result of a disruption of business operations could be limited by the liability, standard of care, and related provisions in its contractual agreements with Calvert and other service providers.

- **Data Source Risk.** Calvert subscribes to a variety of third-party data sources that are used to evaluate, analyze and formulate investment decisions. If a third party provides inaccurate data, client accounts could be negatively affected. While Calvert believes the third-party data sources are reliable, there are no guarantees that data will be accurate, that errors will be detected, or that erroneous data will be timely updated.
- **Artificial Intelligence Technology Risk.** To the extent Calvert and/or its third-party vendors, clients or counterparties use or rely on proprietary and/or third-party technology (including artificial intelligence solutions), such uses are subject to operational risks associated with processing or human errors, systems or technology failures, cyber attacks, and errors caused by third-party service providers and data sources. Artificial intelligence ("AI") refers to computer systems capable of performing tasks that typically require human intelligence, including but not limited to machine learning, natural language processing, and generative and agentic AI technologies. These systems are designed to analyze data, learn from patterns, make decisions and solve problems. Actual usage of AI will vary and is likely to change over time. Investors should be aware that the use of AI tools, while potentially beneficial, presents a range of risks and could result in material adverse consequences (such as operational errors and investment/risks), and no assurance can be given that any controls adopted to govern the use of AI will fully mitigate the risks associated with AI technologies. In addition, AI technologies and their current and potential future applications, and the regulatory frameworks within which they operate, continue to quickly evolve, and it is impossible to anticipate the full scope of future AI capabilities or rules and the associated risks. Any of these risks could adversely affect Calvert or a client's account.

Risk of Errors: AI tools can produce inaccurate, biased, insufficient, discriminatory, misleading, incomplete, undetectable manipulative or otherwise flawed responses due to (among other things) limitations in training data, algorithmic design or operational oversight. Such deficiencies can result in operational errors, investment losses, reputational, financial, or social harm, legal liability, regulatory scrutiny or other adverse effects. The deployment and supervision of AI tools could increase operational and compliance risks. Inappropriate use of AI tools or overreliance on AI outputs without adequate human oversight could further exacerbate these risks.

Explainability Risk: Calvert could have limited visibility into the data sources, methodologies or decision-making processes underlying AI tools, which could complicate the assessment of reliability and risks of such AI tools. Errors or defects in the coding or design of AI tools might only become apparent after widespread deployment of such tools. Additionally, AI tools could present challenges in transparency, explainability, and traceability. Users of AI tools might not be able to fully explain how decisions are made or how data is processed, which could lead to operational, regulatory, or reputational risks.

Regulatory/Legal Risks: The legal and regulatory environment relating to AI is uncertain and evolving and future changes, such as those related to privacy, data protection and intellectual property, could have an impact on the use of AI and existing or emerging technologies that could impact Calvert and/or its third-party vendors, clients or counterparties. It is possible that future changes in applicable legal and regulatory requirements could increase compliance costs. Any of these risks could adversely affect Calvert and/or its third-party vendors, clients or counterparties. Additionally, regulatory actions or legal challenges could impose restrictions or obligations that affect operational efficiency or compliance posture. There is no assurance Calvert can successfully assert proprietary rights in output generated by its use of AI tools.

Third-Party Use and Operational Resilience Risk: Calvert might not be able to control the use of AI technologies in third-party products or services, including those provided by Calvert's service providers and/or other entities with which it interacts directly or indirectly. The use of third-party and open-source AI tools (if any) can pose additional risks relating to data protection and information security, including the potential exposure of

confidential information to unauthorized recipients and the misuse of intellectual property. Reliance on a limited number of foundation models or third-party vendors can create concentration risk, potentially impacting operational resiliency and increasing vulnerability to systemic disruption.

Cybersecurity Risk: AI tools could be subject to heightened security vulnerabilities, cyber attacks, and/or other acts by malicious actors. Unauthorized persons who gain access to AI tools used by Calvert and/or its third-party vendors, clients or counterparties, or the underlying datasets thereof, could be able to access Calvert's or clients' data, to impede or disrupt the ability of Calvert and/or its third-party vendors, clients or counterparties to perform their functions, or corrupt the underlying AI tool through techniques such as data poisoning, which can cause the AI tools to produce erroneous outputs.

Additional Risks of AI Tools: The misuse of AI tools, whether intentional or inadvertent, could expose Calvert to additional risks. In addition, AI tools and technology are evolving rapidly and the integration of AI in systems and operations create new risks that can be difficult to assess and anticipate. For example, "agentic AI" (generally, a more autonomous version of AI) is a new area of AI that could be particularly speculative and risks could be heightened with respect to the use of "agentic AI" by Calvert and/or its third-party vendors, clients or counterparties.

Legal and Regulatory Risks

- U.S. and non-U.S. governmental agencies and other regulators regularly implement additional regulations and legislators pass new laws that affect the investments held by Calvert's clients, the strategies used by Calvert, or the level of regulation or taxation applying to a portfolio or client (such as regulations related to investments in derivatives and other transactions). These regulations and laws impact the investment strategies, performance costs, operations or taxation of Calvert and its clients.
- The regulation of the U.S. and non-U.S. securities and futures markets has undergone substantial change over the past decade and such change could continue. In particular, in light of market turmoil there have been numerous proposals, including bills that have been introduced in the U.S. Congress, for substantial revisions to the regulation of financial institutions generally. In addition, regulatory change in the past few years has significantly altered the regulation of commodity interests and comprehensively regulated the OTC derivatives markets for the first time in the United States. Further, the practice of short selling has been the subject of numerous temporary restrictions, and similar restrictions could be promulgated at any time. Such restrictions could adversely affect the returns of accounts that utilize short selling. The effect of such regulatory change on the accounts, while impossible to predict, could be substantial and adverse.
- Section 13 of the Bank Holding Company Act (commonly referred to as the "Volcker Rule"), along with regulations issued by the Federal Reserve, Office of the Comptroller of the Currency, Securities and Exchange Commission, Federal Deposit Insurance Corporation, and Commodity Futures Trading Commission ("Implementing Regulations") generally prohibit "banking entities" (which term includes bank holding companies and their affiliates and subsidiaries) from investing in, sponsoring, or having certain types of relationships with, certain private investment funds (referred to in the Implementing Regulations as "covered funds").

The Volcker Rule and the Implementing Regulations impose a number of restrictions on Morgan Stanley and its affiliates and subsidiaries that affect us, a covered fund offered by us, the general partner of those funds, and the limited partners of such funds. For example, to sponsor and invest in certain covered funds, Morgan Stanley must comply with the Implementing Regulations' "asset management" exemption to the Volcker Rule's prohibition on sponsoring and investing in covered funds. Under this exemption, the investments made by Morgan Stanley (aggregated with certain affiliate and employee investments) in a covered fund must not exceed 3% of the covered fund's outstanding ownership interests and Morgan Stanley's aggregate investment in covered funds must not exceed 3% of Morgan Stanley's Tier I capital. In addition, the Volcker Rule and the Implementing Regulations generally prohibit Morgan Stanley and its affiliates from entering in certain other transactions (including "covered transactions" as defined in Section 23A of the U.S. Federal Reserve Act, as amended) with, or for the benefit of, covered funds that it sponsors and/or advises. For example, Morgan Stanley cannot provide loans, hedging transactions with extensions of credit or other credit support to covered funds it

sponsors and/or advises. While we endeavor to minimize the impact on our covered funds and the assets held by them, Morgan Stanley's interests in determining what actions to take in complying with the Volcker Rule and the Implementing Regulations could conflict with our interests and the interests of the private funds, the general partner and the limited partners of the private funds, all of which could be adversely affected by such actions. The foregoing is not an exhaustive discussion of the potential risks the Volcker Rule poses for us.

- Referendum on the UK's EU Membership. The United Kingdom ("UK") left the European Union ("EU") on January 31, 2020 (commonly known as "Brexit"). Market uncertainty remains regarding Brexit's ramifications, and the range and potential implications of the possible political, regulatory, economic, and market outcomes in the UK, EU and beyond are not yet fully known. If one or more additional countries leave the EU or the EU dissolves, the world's securities markets likely will be significantly disrupted.
- Low or high interest rates can magnify the risks associated with rising interest rates. During periods of low interest rates, a client's susceptibility to interest rate risk (i.e., the risks associated with changes in interest rates) could be magnified, its yield and income could be diminished and its performance could be adversely affected (e.g., during periods of very low or negative interest rates, a client might be unable to maintain positive returns). Changing interest rates, including rates that fall below zero, can have unpredictable effects on markets, including market volatility and reduced liquidity, and could adversely affect a portfolio's yield, income and performance. In addition, government actions (such as changes to interest rates) could have unintended economic and market consequences that adversely affect a client's investments.

Investments in certain debt securities will be especially subject to the risk that, during certain periods, the liquidity of particular issuers or industries, or all securities within a particular investment category, can shrink or disappear suddenly and without warning as a result of adverse economic, market or political events, or adverse investor perceptions, whether or not accurate. Government and other public debt can be adversely affected by large and sudden changes in local and global economic conditions that result in increased debt levels. Although high levels of government and other public debt do not necessarily indicate or cause economic problems, high levels of debt could create certain systemic risks if sound debt management practices are not implemented. A high debt level could increase market pressures to meet an issuer's funding needs, which can increase borrowing costs and cause a government or public or municipal entity to issue additional debt, thereby increasing the risk of refinancing. A high debt level also raises concerns that the issuer could be unable or unwilling to repay the principal or interest on its debt, which can adversely impact instruments held by the clients that rely on such payments. Governmental and quasi-governmental responses to certain economic or other conditions could lead to increasing government and other public debt, particularly when such responses are unprecedented, which heighten these risks. Unsustainable debt levels can lead to declines in the value of currency and can prevent a government from implementing effective counter-cyclical fiscal policy during economic downturns, can generate or contribute to an economic downturn or cause other adverse economic or market developments, such as increases in inflation or volatility. Increasing government and other public debt could adversely affect issuers, obligors, guarantors or instruments across a variety of asset classes.

Risk Considerations Associated with Equity Securities—In General. In general, prices of equity securities are more volatile than those of fixed income securities. U.S. and foreign stock markets, and equity securities of individual issuers, have experienced periods of substantial price volatility in the past and it is possible that they will do so again in the future. The prices of equity securities fluctuate, sometimes rapidly or widely, in response to activities specific to the issuer of the security as well as factors unrelated to the fundamental condition of the issuer, including general market, economic, political and public health conditions. During periods when equity securities experience heightened volatility, such as during periods of market, economic or financial uncertainty or distress, investments in equity securities are subject to heightened risks. The value of equity securities and related instruments can decline in response to perceived or actual adverse changes in the economy, economic outlook or financial markets; deterioration in investor sentiment; interest rate, currency, and commodity price fluctuations; adverse geopolitical, social or environmental developments; issuer and sector-specific considerations; unexpected trading activity among retail investors; and other factors. Market conditions can affect certain types of equity securities to a greater extent than other types of equity securities. If the stock market

declines in value, the value of a client portfolio's equity securities will also likely decline. Although prices can rebound, there is no assurance that values will return to previous levels.

Risk Considerations Associated with Fixed Income Securities—In General. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility resulting from, among other things, interest rate sensitivity (i.e., interest rate risk), market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk). A client could face heightened level of interest rate risk in times of monetary policy change and/or uncertainty, such as when the Federal Reserve Board adjusts its quantitative easing program and/or changes rates. A changing interest rate environment increases certain risks, including the potential for periods of volatility, increased redemptions, shortened durations (i.e., prepayment risk) and extended durations (i.e., extension risk). Clients might or might not be limited as to the maturities (when a debt security provides its final payment) or durations (measure of interest rate sensitivity) of the securities in which they invest. Securities with longer durations are likely to be more sensitive to changes in interest rates, generally making them more volatile than securities with shorter durations. Lower-rated fixed income securities have greater volatility because there is less certainty that principal and interest payments will be made as scheduled. In addition, an account might or might not invest in securities that are rated below investment grade, commonly known as "junk bonds," and have speculative risk characteristics. Changes in economic conditions or other circumstances typically have a greater effect on the ability of issuers of lower rated investments to make principal and interest payments than they do on issuers of higher rated investments. An economic downturn generally leads to a higher non-payment rate, and a lower rated investment can lose significant value before a default occurs. Lower rated investments typically are subject to greater price volatility and illiquidity than higher rated investments. An account might be subject to certain liquidity risks that can result from, among other things, the lack of an active market and the reduced number and capacity of traditional market participants to make a market in fixed income securities.

- **Credit Risk.** Credit risk refers to the possibility that the issuer or guarantor of a security, or counterparty to a transaction, will be unable or unwilling or perceived to be unable or unwilling to make interest payments and/or repay the principal on its debt or otherwise honor its obligation, including the risk of default. In such instances, an account's value could decline and an investor could lose money. If an issuer's, guarantor's or counterparty's financial condition worsens, the credit quality of the issuer, guarantor or counterparty can deteriorate. Credit ratings might not be an accurate assessment of financial condition, liquidity or credit risk. Although credit ratings might not accurately reflect the true credit risk of an instrument, a change in the credit rating of an instrument or an issuer, guarantor or counterparty, or the market's perception of the creditworthiness of an instrument or issuer, guarantor or counterparty can have a rapid, adverse effect on the instrument's value and liquidity and make it more difficult for an account to sell at an advantageous price or time.
- **Interest Rate Risk.** Interest rate risk refers to the decline in the value of a fixed income security resulting from changes in the general level of interest rates. A wide variety of market and economic factors can cause interest rates to rise or fall, including central bank monetary policy, rising inflation, disinflation or deflation, and changes in general economic conditions. When the general level of interest rates goes up, the prices of most fixed income securities go down. When the general level of interest rates goes down, the prices of most fixed-income securities go up but the yield or income from new issuances of fixed income securities generally decreases. Securities with longer durations will generally be more sensitive to changes in interest rates than securities with shorter durations. Fluctuations in interest rates can also affect the liquidity of and income generated by fixed income instruments. Certain accounts invest in variable and floating rate loans and other variable and floating rate securities. Although these instruments are generally less sensitive to interest rate changes than fixed rate instruments, the value of variable and floating rate loans and other securities can decline if their interest rates do not rise as quickly, or as much, as general interest rates. An account could face a heightened level of interest rate risk in times of monetary policy change and/or uncertainty, such as when the Federal Reserve Board adjusts a quantitative easing program and/or changes rates. Changing interest rates can have unpredictable effects on the markets and can detract from investment performance. A changing interest rate

environment increases certain risks, including the potential for periods of market volatility, increased redemptions, shortened durations (i.e., prepayment risk) and extended durations (i.e., extension risk). Monetary policies, and market interest rates, are subject to change at any time and potentially frequently based on a variety of market and economic conditions. It is difficult to accurately predict the pace at which the Federal Reserve Board will change interest rates, or the timing, frequency or magnitude of such changes.

- **Inflation Risk.** Certain investments are subject to inflation risk, which is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money (i.e., as inflation increases, the values of assets can decline). Inflation rates can change frequently and significantly as a result of various factors, including unexpected shifts in the domestic or global economy and changes in economic policies, and a client's investments might not keep pace with inflation, which can result in losses to investors. Fixed income securities with longer maturities will therefore be more volatile than other fixed income securities with shorter maturities.
- **Duration Risk.** Duration measures the expected life of a fixed-income security, which can determine its sensitivity to changes in the general level of interest rates. Securities with longer durations tend to be more sensitive to interest rate changes than securities with shorter durations. A portfolio with a longer dollar-weighted average duration can be expected to be more sensitive to interest rate changes than a portfolio with a shorter dollar-weighted average duration. Duration differs from maturity in that it considers a security's coupon payments in addition to the amount of time until the security matures. As the value of a security changes over time, so will its duration.
- **Benchmark Reference Rates Risk.** Many debt securities, derivatives, and other financial instruments utilize benchmark or reference rates for variable interest rate calculations, including the Euro Interbank Offer Rate, Sterling Overnight Index Average Rate, and the Secured Overnight Financing Rate (each a "Reference Rate"). Instruments in which an account invests could pay interest at floating rates based on such Reference Rates or be subject to interest caps or floors based on such Reference Rates. The issuers of instruments in which an account invests could also obtain financing at floating rates based on such Reference Rates. The elimination of a Reference Rate or any other changes to or reforms of the determination or supervision of Reference Rates could have an adverse impact on the market for, or value of, any instruments or payments linked to those Reference Rates.

For example, some Reference Rates, as well as other types of rates and indices, are described as "benchmarks" and have been the subject of ongoing national and international regulatory reform, including under the European Union regulation on indices used as benchmarks in financial instruments and financial contracts. As a result, the manner of administration of benchmarks has changed and may further change in the future, with the result that relevant benchmarks may perform differently than in the past, the use of benchmarks that are not compliant with the new standards by certain supervised entities could be restricted, and certain benchmarks could be eliminated entirely. Such changes could cause increased market volatility and disruptions in liquidity for instruments that rely on or are impacted by such benchmarks. Additionally, there could be other consequences which cannot be predicted.

Additional Risk Considerations Associated with Particular Markets, Security Types, Investment Techniques and Strategies. The following provides information on risks associated with different types of securities and investment techniques that could be used by accounts and pooled investment vehicles we advise. Additional information is available upon request. Investors in pooled investment vehicles and funds-of-funds should review the prospectuses, offering memoranda and constituent documents for additional information relating to the risk associated with investments in those pooled investment vehicles and funds-of-funds, respectively.

- **Absolute Return Strategy Risk.** An "absolute return" investment approach is generally benchmarked to an index of cash instruments and seeks to achieve returns that are largely independent of broad movements in stocks and bonds. Unlike client portfolios managed in equity strategies, client portfolios managed in an absolute return strategy should not be expected to benefit from general equity market returns. Different from fixed income

funds, client portfolios managed in an absolute return strategy might not generate current income and should not be expected to experience price appreciation as interest rates decline. Although the investment adviser seeks to maximize absolute return, client portfolios managed in an absolute return strategy might not generate positive returns.

- **Active Management Risk.** The success of a client's account that is actively managed depends upon the investment skills and analytical abilities of the portfolio manager to develop and effectively implement strategies that achieve the client's investment objective. Subjective decisions made by the portfolio manager can cause a client portfolio to incur losses or to miss profit opportunities on which it might have otherwise capitalized (including any losses and costs incurred on sales of ineligible securities and sales of securities purchases before an evaluation has been completed).
- **Allocation and Position Limits Risk.** A client account's performance depends upon how its assets are allocated and reallocated, and an investor could lose money as a result of these allocation decisions and related constraints. Calvert could be subject, by applicable regulation or issuer limitations, to restrictions on the percentage of an issuer that can be held. For purposes of calculating positions, Calvert normally aggregates its positions with those of its affiliates. In such situations, Calvert might be limited in its ability to purchase further securities for its clients, even if the applicable position limits are not exceeded by positions Calvert has purchased on behalf of its clients. In addition, the Commodity Futures Trading Commission ("CFTC") and the exchanges on which commodity interests (futures, options on futures and swaps) are traded can impose limitations governing the maximum number of positions on the same side of the market and involving the same underlying instrument held by a single investor or group of related investors, whether acting alone or in concert with others (regardless of whether such contracts are held on the same or different exchanges or held or written in one or more accounts or through one or more brokers). When a portfolio manager trades for multiple accounts, the commodity interest positions of all such accounts will generally be required to be aggregated for purposes of determining compliance with position limits, position reporting and position "accountability" rules imposed by the CFTC or the various exchanges. Swaps positions in physical commodity swaps that are "economically equivalent" to futures and options on futures held by an account and similar accounts could also in the future be included in determining compliance with federal position rules, and the exchanges can impose their own rules covering these and other types of swaps. These trading and position limits, and any aggregation requirement, could materially limit the commodity interest positions the portfolio manager takes for an account and could cause the portfolio manager to close out an account's positions earlier than it might otherwise choose to do so.
- **Artificial Intelligence Companies:** Calvert could invest in companies involved in or exposed to AI and related technologies ("AI Companies"), which are subject to a wide additional range of risks that can adversely affect the performance of an account's investment.

Market and Business Risks: Many AI Companies have limited product lines, markets, financial resources or personnel and could be particularly sensitive to fluctuations in consumer demand, rapid changes in business cycles, world economic growth, technological progress and industry trends. Securities of AI Companies, especially smaller or start-up firms, tend to be more volatile than those of companies that do not rely heavily on the growth of such technology and business. In addition, prices of securities of AI Companies could be based on expectations that might not materialize and are particularly subject to investor sentiment that could shift and, in each case, such developments could cause losses for Calvert's investments in AI Companies.

Technology and Product Risks: AI Companies face intense competition and the risk of rapid product obsolescence. The success of their products and services is not guaranteed and could be impacted by unpredictable changes in growth rates and frequent new product introductions. Many AI Companies invest heavily in research and development, mergers and acquisitions and other innovation efforts, which might not yield successful outcomes or favorable financial results. For example, in addition, "agentic AI" (generally, a more autonomous version of AI) is a new area of AI that could be particularly speculative. Risks associated with investment in, or exposure to, AI Companies are heightened for companies devoting substantial resources to "agentic AI".

Intellectual Property Risks: AI Companies are heavily dependent on intellectual property rights, including patents, copyrights, trademarks and trade secrets. Loss, impairment or misappropriation of these rights could materially affect their operations and financial prospects. There is no assurance that AI Companies will be able to adequately protect their proprietary technologies or prevent competitors from developing substantially similar or superior technologies.

Cybersecurity and Data Risks: AI Companies are potential targets for cyberattacks, which could result in reputational harm, legal liability and operational disruption. AI technology is highly reliant on the collection and analysis of large datasets. Inaccurate, incomplete or biased data could lead to flawed outputs and decision-making errors. AI Companies might also rely on a limited number of foundation models or third-party vendors, which can create concentration risk, potentially impacting operational resiliency and increasing vulnerability to systemic disruption.

Regulatory Risks: The legal and regulatory environment relating to AI is uncertain and evolving and future changes, such as those related to privacy, data protection and intellectual property, could have an impact on the operations of AI Companies. In addition, AI Companies could face increasing government and regulatory scrutiny in the future and may be subject to adverse government or legal action, which could limit the development of this technology and impede the growth of AI Companies. Similarly, the collection, storage, processing and safeguarding of data from consumers and other sources could face increased regulatory scrutiny. AI Companies could face regulatory fines and penalties, including forced break-ups, that could hinder their ability to operate on an ongoing basis.

Sector and Geographic Concentration Risks: Customers and suppliers of AI Companies could be concentrated in specific countries, regions or industries. Adverse events affecting these areas could negatively impact performance. Additionally, country, government, and/or region-specific legislation, regulations or restrictions could have an adverse impact on AI Companies. AI Companies could face increased risk from trade agreements between countries that develop these technologies and countries in which customers of these technologies are based. Lack of resolution or potential imposition of trade tariffs could hinder the companies' ability to successfully deploy their inventories. AI Companies might also be exposed to risks from other sectors, such as robotics, which could amplify the impact of negative developments.

- **Bank Loan Risk.** Bank loans are subject to the risk of default in the payment of interest or principal on a loan, which will result in a reduction of income to the account, a reduction in the value of the loan, and a potential decrease in the account's balance. The risk of default on loans will increase in the event of an economic downturn or a substantial increase in interest rates. Bank loans are subject to the risk that the cash flow of the borrower and property securing the loan or debt, if any, are insufficient to meet scheduled payments. In addition, bank loans could be subject to additional risks including subordination to other creditors, no collateral or limited rights in collateral, lack of a regular trading market, extended settlement periods, liquidity risks, prepayment risks, potentially less protection under the federal securities laws and lack of publicly available information. However, because bank loans reside higher in the capital structure than high yield bonds, default losses have been historically lower in the bank loan market. Bank loans that are rated below investment grade share the same risks of other below investment grade securities.
- **Bank Obligation Risk.** The activities of U.S. banks, including Morgan Stanley, and most foreign banks, are subject to comprehensive regulations. The enactment of new legislation or regulations, as well as changes in interpretation and enforcement of current laws, could affect the manner of operations and profitability of domestic and foreign banks. In addition, banks, including Morgan Stanley, could be particularly susceptible to certain economic factors.
- **Call Risk.** Fixed income securities are subject to the risk that an issuer exercises its right to redeem a fixed income security earlier than expected (a call). Issuers can call outstanding securities prior to their maturity for a number of reasons (e.g., declining interest rates, changes in credit spreads and improvements in the issuer's credit quality). If an issuer calls a security that a client holds, the client might not recoup the full amount of its

initial investment or not realize the full anticipated earnings from the investment and could be forced to reinvest in lower-yielding securities, securities with greater credit risks, or securities with other, less favorable features.

- **China Risk.** Investments in securities of Chinese issuers, including A shares, involve risks associated with investments in foreign markets as well as special considerations not typically associated with investments in the U.S. securities markets. For example, the Chinese government has historically exercised substantial control over virtually every sector of the Chinese economy through administrative regulation and/or state ownership and actions of the Chinese central and local government authorities continue to have a substantial effect on economic conditions in China. In addition, the Chinese government has taken actions that influenced the prices at which certain goods can be sold, encouraged companies to invest or concentrate in particular industries, induced mergers between companies in certain industries and induced private companies to publicly offer their securities. Investments in China involve risk of a total loss due to government action or inaction or other adverse circumstances. Additionally, the Chinese economy is export-driven and highly reliant on trade. Adverse changes to the economic conditions, trading policies and taxation of imports of its primary trading partners, such as the United States, Japan and South Korea, would adversely impact the Chinese economy and an account's investments. Moreover, a slowdown in other significant economies of the world, such as the United States, the European Union and certain Asian countries, could adversely affect economic growth or the value of investments in China. An economic downturn in China would adversely impact an account's investments. In addition, certain securities are, or could in the future, become restricted, and/or sanctioned by the U.S. government or other governments and an account could be forced to sell or unable to purchase or sell such restricted securities and incur a loss as a result.

Recent developments in relations between the U.S., other trading partners and China have heightened concerns of increased tariffs and restrictions on trade between the two countries. An increase in tariffs or trade restrictions (and threats thereof) could lead to a significant reduction in international trade, which could have a negative impact on China's export industry, Chinese issuers, the liquidity or price of direct or indirect investments in China.

These and other developments, including government actions, could result in significant illiquidity risk or forced disposition for Chinese investments. The Chinese securities markets are emerging markets characterized by a relatively small number of equity issues and relatively low trading volume, resulting in decreased liquidity, greater price volatility (caused by, among other things, military, diplomatic, or trade conflicts), and potentially fewer investment opportunities. An account's investments in Chinese securities are also subject to additional risks associated with differing regulatory and audit requirements across the Chinese and U.S. securities markets.

Events in any one country within Asia can impact other countries in the region as a whole. For example, the actual or potential escalation of hostility between China and Taiwan would likely have a significant adverse impact on the value or liquidity of investments in China. In addition, ongoing political tension between the People's Republic of China and the Hong Kong Special Administrative Region could have impacts on the economy of Hong Kong, and these impacts remain uncertain.

- **Collateralized Loan Obligations ("CLOs") Risk.** Structured finance securities such as CLOs entail a variety of unique risks. The performance of a CLO is affected by a variety of factors, including its priority in the capital structure of the issuer thereof, the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize upon any related collateral and the capability of the servicer of the securitized assets. The value of CLOs can be difficult to determine and generally will fluctuate with, among other things, the financial condition of the obligors or issuers of the underlying portfolio of assets of the related CLO, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. CLOs are also subject to, among others, operational, credit, liquidity, legal, regulatory, tax, risk retention and interest rate risks.
- **Collateralized Mortgage Obligations ("CMOs") Risk.** CMOs are comprised of various tranches, the expected cash flows on which have varying degrees of predictability as compared with the underlying mortgage assets.

Generally, the less predictable the cash flow, the higher the yield and the greater the risk. In addition, if the collateral securing CMOs or any third-party guarantees are insufficient to make payments, an account could sustain a loss.

- **Commodities Risk.** The value of commodities investments will generally be affected by overall market movements and factors specific to a particular industry or commodity, such as weather, embargoes, tariffs, health, and political, international and regulatory developments. Economic and other events (whether real or perceived) can reduce the demand for commodities, which could reduce market prices and cause the value of a client portfolio to fall. The frequency and magnitude of such changes cannot be predicted. Exposure to commodities and commodities markets can subject a client portfolio to greater volatility than investments in traditional securities. There might be no active trading market for certain commodities investments, which could impair the ability to sell or to realize the full value of such investments in the event of the need to liquidate such investments. In addition, adverse market conditions can impair the liquidity of actively traded commodities investments. Certain types of commodities instruments (such as total return swaps and commodity-linked notes) are subject to the risk that the counterparty to the instrument will not perform or will be unable to perform in accordance with the terms of the instrument.
- **Concentration Risk.** A strategy that concentrates its investments in a particular sector of the market (such as the utilities or financial services sectors) or a specific geographic area (such as a country or state) could be impacted by events that adversely affect that sector or area, and the value of a portfolio using such a strategy might fluctuate more than a less concentrated portfolio.
- **Contingent Convertible Bonds (“CoCos”) Risk.** CoCos are issued primarily by non-U.S. financial companies and have complex features and unique risk considerations that differentiate them from traditional convertible, preferred or debt securities. Depending upon the terms of the particular issue, upon the occurrence of certain triggering events the securities could be mandatorily converted into common equity of the issuer (at either a predetermined fixed rate or variable rate), or the principal of the securities could be temporarily or permanently written down. As a result, investors in CoCos could lose all or part of their principal investment. The triggering events will be described in the offering documents for each particular issue. However, they generally include the issuer failing to maintain a minimum capital ratio—a subjective determination by a regulator—that triggers the conversion or the write-down; and/or there could be other circumstances adverse to the issuer. In addition, market value will be affected by many unpredictable factors, including but not limited to: the market value of the issuer’s common equity, the issuer’s creditworthiness and capital ratios, any indication that the securities are trending toward a trigger event, supply and demand for the securities, and events that affect the issuer or the financial markets generally. There might be no active secondary market for the securities, and there is no guarantee that one will develop. Payment of interest or dividends could be at the sole discretion of the issuer, including prior to the occurrence of any trigger event. In most cases, the issuer is under no obligation to accrue or pay skipped payments (i.e., payments could be noncumulative). Thus, the dividend or interest payments can be deferred or cancelled at the issuer’s discretion or upon the occurrence of certain events. The issuer could have the right to substitute or vary the terms of the securities in certain instances. The issuer could also have the right, but not the obligation, to redeem all or part of the securities in its sole discretion upon the occurrence of certain events.
- **Convertible and Other Hybrid Securities Risk.** Convertible and other hybrid securities (including preferred and convertible instruments) generally possess certain characteristics of both equity and debt securities. In addition to risks associated with investing in income securities, such as interest rate and credit risks, hybrid securities can be subject to issuer-specific and market risks generally applicable to equity securities. Convertible securities might also react to changes in the value of the common stock into which they convert, and are thus subject to equity investing and market risks. A convertible security converted at an inopportune time could decrease a client’s return.
- **Corporate Debt Risk.** Corporate debt securities are subject to the risk of the issuer’s inability to meet principal and interest payments on the obligation and can also be subject to price volatility due to such factors as interest

rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. When interest rates rise, the value of corporate debt securities can be expected to decline. Debt securities with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities. Company defaults can impact the level of returns generated by corporate debt securities. An unexpected default can reduce income and the capital value of a corporate debt security. Furthermore, market expectations regarding economic conditions and the likely number of corporate defaults could impact the value of corporate debt securities.

- **Counterparty Risk.** A financial institution or other counterparty with whom an investor does business (such as trading or securities lending), or that underwrites, distributes or guarantees any investments or contracts that an investor owns or is otherwise exposed to, might decline in financial condition and become unable to honor its commitments. This could cause the value of an investor's portfolio to decline or could delay the return or delivery of collateral or other assets to the investor. Although there can be no assurance that an investor will be able to do so, the investor might be able to reduce or eliminate its exposure under a swap agreement either by assignment or other disposition, or by entering into an offsetting swap agreement with the same party or another creditworthy party. The investor could have limited ability to eliminate its exposure under a credit default swap if the credit of the referenced entity or underlying asset has declined.
- **Crypto Asset Risk.** Crypto assets (also referred to as "cryptocurrencies," "virtual currencies," "coins," "tokens," and "digital currencies") are assets issued and/or transferred using distributed ledger technology. Crypto assets constitute an emerging asset class with a limited history. From time to time, certain of Calvert's clients will obtain indirect exposure to crypto assets through funds, futures, and other investment products. The value of these products is often intended to reflect the value of one or more crypto assets, and the risks of investing in these products are similar to the risks of investing in crypto assets generally (discussed further below), as well as the risks specific to investing in the applicable investment product (e.g., if an investment is made through a private fund, the risks of investing in a private fund will apply).

Crypto assets facilitate decentralized, peer-to-peer financial exchange and value storage that is used like money, without the oversight of a central authority or banks. The value of crypto assets is not backed by any government, corporation, or other identified body. Similar to fiat currencies, cryptocurrencies are susceptible to theft, loss and destruction.

The value of investments in crypto assets is subject to fluctuations in the value of the crypto assets, which have been and could in the future be highly volatile. The value of crypto assets is determined by the supply and demand for crypto assets in the global market for the trading of crypto assets, which consists primarily of transactions on electronic exchanges. The price of a crypto asset could drop precipitously for a variety of reasons, including, but not limited to, regulatory changes, a crisis of confidence, flaw or operational issue in the crypto asset's network or a change in user preference to competing crypto assets. A client's exposure to crypto assets could result in substantial losses to such client. Crypto assets trade on exchanges, which are largely unregulated and, therefore, are more exposed to fraud, market manipulation, failure and other risks than established, regulated exchanges for securities, derivatives and other currencies, and crypto assets might not be widely accepted as a medium of exchange. In addition, these platforms (which can serve as a pricing source for the valuation of crypto asset exposure) could be viewed as operating out of compliance with applicable laws and regulations and could be subject to enforcement action by authorities. There could also be uncertainty on the application of laws and regulations to such platforms. Crypto asset platforms have in the past, and could in the future, cease operating temporarily or even permanently, resulting in the potential loss of users' crypto assets or other market disruptions.

Crypto asset platforms can be subject to cybersecurity and anti-money laundering requirements (among other requirements) but do not protect customers or their markets to the same extent, and in the same ways, that regulated securities exchanges or futures exchanges are required to do so. The prices of crypto assets on trading platforms could be subject to larger and more frequent sudden increases and declines than assets traded on traditional exchanges. In addition, crypto asset platforms are also particularly subject to the risk of

cybersecurity threats and have been breached and/or hacked, resulting in the theft and/or loss of crypto assets. A cyber or other security breach or a business failure of a crypto asset platform or custodian could affect the price of a particular crypto asset or crypto assets generally. Risk also exists with respect to malicious actors or previously unknown vulnerabilities, which could adversely affect the value of crypto assets.

Factors affecting the further development of crypto assets include, but are not limited to: continued worldwide growth or possible cessation or reversal in the adoption and use of crypto assets and other digital assets; government and quasi-government regulation or restrictions on or regulation of access to and operation of digital asset networks; changes in consumer demographics and public preferences; maintenance and development of open-source software protocol; availability and popularity of other forms or methods of buying and selling goods and services; the use of the networks supporting digital assets, such as those for developing smart contracts and distributed applications; general economic conditions and the regulatory environment relating to digital assets; tax treatment of investments in crypto assets; negative consumer or public perception; and general risks tied to the use of information technologies, including cyber risks.

Currently, there is relatively limited use of crypto assets in the retail and commercial marketplace, which contributes to price volatility. A lack of expansion by crypto assets into retail and commercial markets, or a contraction of such use, could result in increased volatility or a reduction in the value of crypto assets, either of which could adversely impact a client's investment in crypto assets. In addition, to the extent market participants develop a preference for one crypto asset over another, the value of the less preferred crypto asset would likely be adversely affected. Crypto assets are a new technological innovation with a limited history; they are highly speculative assets and future regulatory actions or policies could limit, perhaps to a materially adverse extent, the value of a client's indirect investment in crypto assets and the ability to exchange a crypto asset or utilize it as a medium of exchange.

The opaque nature of the crypto asset market poses asset verification challenges for market participants, regulators and auditors and gives rise to an increased risk of manipulation and fraud. Crypto assets have in the past been, and in the future could be, used to facilitate illicit activities, potentially exposing businesses transacting in such assets to increased risks of criminal or civil liability and loss of banking relationships or crypto assets to possible removal from trading platforms, all of which could negatively impact the value of the crypto assets. Any of the aforementioned occurrences could adversely affect the price of a crypto asset, the attractiveness of a crypto asset's blockchain network and the value of an account's investments.

- **Currency Risk.** In general, the value of investments in, or denominated in, foreign currencies increases when the U.S. dollar is weak (i.e., is losing value relative to foreign currencies) or when foreign currencies are strong (i.e., are gaining value relative to the U.S. dollar). When foreign currencies are weak or the U.S. dollar is strong, such investments generally will decrease in value. The value of foreign currencies as measured in U.S. dollars can be unpredictably affected by changes in foreign currency rates and exchange control regulations, application of foreign tax laws (including withholding tax), governmental administration of economic or monetary policies (in the U.S. or abroad), intervention (or the failure to intervene) by U.S. or foreign governments or central banks, and relations between nations. A devaluation of a currency by a country's government or banking authority will have a significant impact on the value of any investments denominated in that currency. Currency markets generally are not as regulated as securities markets and currency transactions are subject to settlement, custodial and other operational risks. Exposure to foreign currencies through derivative instruments will also be subject to the Derivatives Risks described below
- **Derivatives Risk Generally.** Certain accounts can use derivative instruments for a variety of purposes, including hedging, risk management, portfolio management or to earn income. A derivative is a financial instrument whose value is based, in part, on the value of an underlying asset, interest rate, index or financial instrument ("reference instrument" or "underlying asset"). In this context, derivatives include but are not limited to: futures, forwards, options, participatory notes, warrants, and other similar instruments that are normally valued based upon another or related asset. The use of derivatives can lead to losses because of adverse movements in the price or value of the reference instrument, including due to failure of the counterparty or tax

or regulatory constraints. Prevailing interest rates and volatility levels, among other things, also affect the value of derivative instruments. A derivative instrument often has risks similar to its underlying asset and can have additional risks, including imperfect correlation between the value of the derivative and the underlying asset, risks of default by the counterparty to certain transactions, magnification of losses incurred due to changes in the market value of the securities, instruments, indices or interest rates to which the derivative instrument relates, risks that the transactions might not be liquid and risks arising from margin requirements. The use of derivatives involves risks that are different from, and possibly greater than, the risks associated with other portfolio investments. Derivatives can involve the use of highly specialized instruments that require investment techniques and risk analyses different from those associated with other portfolio investments.

Certain derivative transactions give rise to a form of leverage, which magnifies the portfolio's exposure to the underlying asset. Leverage associated with derivative transactions could cause an account to liquidate portfolio positions when it might not be advantageous to do so or could cause an account's value to be more volatile than might have been the case absent such leverage. Derivatives risk could be more significant when derivatives are used to enhance return or as a substitute for a position or security, rather than solely to hedge the risk of a position or security held by a client portfolio. Derivatives for hedging purposes might not reduce risk if they are not sufficiently correlated to the position being hedged. A decision as to whether, when and how to use derivatives involves the exercise of specialized skill and judgment, and a transaction could be unsuccessful in whole or in part because of market behavior or unexpected events. Derivative instruments can be difficult to value, can be illiquid, and can be subject to wide swings in valuation caused by changes in the value of the underlying instrument. If a derivative counterparty is unable to honor its commitments, the value of a client portfolio could decline and/or the portfolio could experience delays in the return of collateral or other assets held by the counterparty. The loss on derivative transactions can substantially exceed the initial investment. Certain strategies use derivatives extensively. Derivative investments also involve the risks relating to the reference instrument. Although certain strategies seek to use derivatives to further a client's investment objectives, there is no assurance that the use of derivatives will achieve this result.

Futures. A futures contract is a standardized, exchange-traded agreement to buy or sell a specific quantity of an underlying asset, reference rate or index at a specific price at a specific future time. While the value of a futures contract tends to increase or decrease in tandem with the value of the underlying instrument, differences between the futures market and the market for the underlying asset can result in an imperfect correlation. Depending on the terms of the particular contract, futures contracts are settled through either physical delivery of the underlying instrument on the settlement date or by payment of a cash settlement amount on the settlement date. A decision as to whether, when and how to use futures contracts involves the exercise of skill and judgment and even a well-conceived futures transaction could be unsuccessful because of market behavior or unexpected events. In addition to the derivatives risks discussed above, the prices of futures contracts can be highly volatile, using futures contracts can lower total return, and the potential loss from futures contracts can exceed an account's initial investment in such contracts. No assurance can be given that a liquid market will exist for any particular futures contract at any particular time. There is also the risk of loss by an account of margin deposits in the event of bankruptcy of a broker with which an account has open positions in the futures contract.

Options. Certain client portfolios employ an options strategy. If an account buys an option, it buys a legal contract giving it the right to buy or sell a specific amount of the underlying instrument, foreign currency or contract, such as a swap agreement or futures contract, on the underlying instrument or foreign currency at an agreed-upon price typically in exchange for a premium paid by the account. If an account sells an option, it sells to another person the right to buy from or sell to an account a specific amount of the underlying instrument, swap, foreign currency, or futures contract on the underlying instrument or foreign currency at an agreed-upon price during a period of time or on a specific date typically in exchange for a premium received by a client. The use of options by accounts can entail additional risks. When options are purchased OTC, the buyer bears the risk that the counterparty that wrote the option will be unable or unwilling to perform its obligations under the option contract. Options can also be illiquid and a holder could have difficulty closing out its position. A decision as to whether, when and how to use options involves the exercise of skill and judgment and even a well-conceived option

transaction could be unsuccessful because of market behavior or unexpected events. The prices of options can be highly volatile and the use of options can lower total returns.

Certain options strategies seek to take advantage of a general excess of option price-implied volatilities for a specified stock or index over the stock or index's subsequent realized volatility. This market observation is often attributed to the unknown risk to which an option seller is exposed to in comparison to the fixed risk to which an option buyer is exposed. There can be no assurance that this imbalance will apply in the future over specific periods or generally. It is possible that the imbalance could decrease or be eliminated by actions of investors that employ strategies seeking to take advantage of the imbalance, which would have an adverse effect on the client portfolio's ability to achieve its investment objective. Further, directional movements of the underlying index or stock can overwhelm the volatility differential for any given option resulting in a loss, regardless of the volatility relationship during that specific option's term. Call spread and put spread selling strategies employed by certain strategies are based on a specified index or on exchange-traded funds that replicate the performance of certain indexes. If the index or an ETF appreciates or depreciates sufficiently over the period to offset the net premium received, the client portfolio will incur a net loss. The amount of potential loss in the event of a sharp market movement is subject to a cap defined by the difference in strike prices between written and purchased call and put options. The value of the specified exchange-traded fund is subject to change as the values of the component securities fluctuate. Also, it might not exactly match the performance of the specified index.

Investments in foreign currency options can substantially change an account's exposure to currency exchange rates and could result in losses if currencies do not perform as expected. There is a risk that such transactions could reduce or preclude the opportunity for gain if the value of the currency should move in the direction opposite to the position taken. The value of a foreign currency option is dependent upon the value of the underlying foreign currency relative to the U.S. dollar or other applicable foreign currency. The price of the option could vary with changes in the value of either or both currencies and has no relationship to the investment merits of a foreign security. Options on foreign currencies are affected by all of those factors that influence foreign exchange rates and foreign investment generally. Unanticipated changes in currency prices can result in losses to a client and poorer overall performance for the client than if it had not entered into such contracts. Options on foreign currencies are traded primarily in the OTC market but can also be traded on U.S. and foreign exchanges.

Foreign currency options contracts can be used for hedging purposes or non-hedging purposes in pursuing a client's investment objective, such as when Calvert anticipates that particular non-U.S. currencies will appreciate or depreciate in value, even though securities denominated in those currencies are not then held in the client's investment portfolio. Investing in foreign currencies for purposes of gaining from projected changes in exchange rates, as opposed to only hedging currency risks applicable to an account holding, further increases the account's exposure to foreign securities losses. There is no assurance that Calvert's use of currency derivatives will benefit the related accounts or that they will be, or can be, used at appropriate times.

Swaps. A client could enter into OTC swap contracts or cleared swap transactions. An OTC swap contract is an agreement between two parties pursuant to which the parties exchange payments at specified dates on the basis of a specified notional amount, with the payments calculated by reference to specified securities, indices, reference rates, currencies or other instruments. Typically swap agreements provide that when the period payment dates for both parties are the same, the payments are made on a net basis (i.e., the two payment streams are netted out, with only the net amount paid by one party to the other). A party's obligations or rights under a swap contract entered into on a net basis will generally be equal only to the net amount to be paid or received under the agreement, based on the relative values of the positions held by each party. Cleared swap transactions can help reduce counterparty credit risk. In a cleared swap, the ultimate counterparty is a clearinghouse rather than a swap dealer, bank or other financial institution. OTC swap agreements are not entered into or traded on exchanges and often there is no central clearing or guaranty function for swaps. These OTC swaps are often subject to credit risk or the risk of default or non-performance by the counterparty. Certain swaps have begun trading on exchanges called swap execution facilities. Exchange trading is expected to increase liquidity of swaps trading. Both OTC and cleared swaps could result in losses if interest rates, foreign currency exchange rates or other factors are not correctly anticipated by a client or if the reference index, security

or investments do not perform as expected. The Dodd-Frank Wall Street Reform and Consumer Protection Act and related regulatory developments require the clearing and exchange trading of certain standardized swap transactions. Mandatory exchange-trading and clearing is occurring on a phased-in basis.

The client's use of swaps could include those based on the credit of an underlying security, commonly referred to as "credit default swaps." Where a client is the buyer of a credit default swap contract, it would typically be entitled to receive the par (or other agreed-upon) value of a referenced debt obligation from the counterparty to the contract only in the event of a default or similar event by a third-party on the debt obligation. If no default occurs, the client would have paid to the counterparty a periodic stream of payments over the term of the contract and received no benefit from the contract. When a client is the seller of a credit default swap contract, it typically receives the stream of payments but is obligated to pay an amount equal to the par (or other agreed-upon) value of a referenced debt obligation upon the default or similar event of the issuer of the referenced debt obligation.

- **Differing Classes of Securities Risk.** Different classes of securities have different rights as creditor if the issuer files for bankruptcy or reorganization. For example, bondholders' rights generally are more favorable than shareholders' rights in a bankruptcy or reorganization. In some circumstances, the interests of clients that invest in a company might not be aligned with the interests of other clients that invest in a different loan investment or security issued by the same company, which could create conflicts of interest. The interests of clients investing in different parts of the capital structure of a company are particularly likely to conflict in the case of financial distress of the company, such as enforcement of credit rights or bankruptcy proceedings. This can result in a loss or substantial dilution of one client's investment, while another client receives a full or partial recovery on its investment. For these reasons, Calvert might take certain actions on behalf of one client that are adverse to others.
- **Dividend Strategy Risk.** Clients invested in strategies designed to invest in dividend paying securities are subject to certain risks. These include issuers which have historically paid dividends reducing or ceasing to pay dividends in the future, which could additionally negatively impact the price of the security. In times of economic stress, a large number of issuers could reduce or eliminate dividends, impacting the ability of Calvert to execute its desired strategy.
- **ETF Risk.** Shares of ETFs have many of the same risks as direct investments in common stocks or bonds and their market value is expected to rise and fall as the value of the underlying securities or index rises and falls. As a shareholder in an ETF, a portfolio would bear its ratable share of that entity's expenses while continuing to pay its own investment management fees and other expenses. As a result, the account or the fund and its shareholders will, in effect, be absorbing duplicate levels of fees. There can be a lack of liquidity in certain ETFs which can lead to a large difference between the bid-ask prices (increasing the costs of buying or selling the ETF). A lack of liquidity also could cause an ETF to trade at a large premium or discount to its net asset value. Additionally, an ETF might suspend issuing new shares, which could result in an adverse difference between the ETF's publicly available share price and the actual value of its underlying investment holdings. At times when underlying holdings are traded less frequently, or not at all, an ETF's returns also could diverge from the benchmark it is designed to track. In addition, certain ETFs in which an account could invest are leveraged. While leveraged ETFs can offer the potential for greater return, the potential for loss and the speed at which losses can be realized also are greater. Leveraged ETFs can deviate substantially from the performance of their underlying benchmark over longer periods of time, particularly in volatile periods.
- **ETN Risk.** An exchange-traded note (ETN) is a debt obligation and its payments of interest or principal are linked to the performance of a referenced investment (typically an index). ETNs are subject to the performance of their issuer and can lose all or a portion of their entire value if the issuer fails or its credit rating changes. An ETN that is tied to a specific index might not be able to replicate and maintain exactly the composition and weighting of the components of that index. ETNs also incur certain expenses not incurred by the referenced investment and the cost of owning an ETN could exceed the cost of investing directly in the referenced investment. The market trading price of an ETN can be more volatile than the referenced investment it is designed to track. ETNs can often be purchased at prices that exceed net asset value and be sold at prices

below such value. A client account might not be able to liquidate ETN holdings at the time and price desired, which could impact performance.

- **Exchange-Listed Equities via Stock Connect Program Risk.** The Shanghai-Hong Kong Stock Connect program and the Shenzhen-Hong Kong Stock Connect programs (“Stock Connect”) allow non-Chinese investors (such as accounts or pooled investment vehicles) to purchase certain listed equities via brokers in Hong Kong. Although Stock Connect allows non-Chinese investors to trade Chinese equities without a license, purchases of securities through Stock Connect are subject to daily market-wide quota limitations, which could prevent an investor from purchasing Stock Connect securities when it is otherwise advantageous to do so. An investor cannot purchase and sell the same security on the same trading day, which could restrict an investor’s ability to invest in China A-shares through Stock Connect and to enter into or exit trades where it is advantageous to do so on the same trading day. Because Stock Connect trades are routed through Hong Kong brokers and the Hong Kong Stock Exchange, these limitations could prevent an investor from purchasing Stock Connect securities when it is otherwise advantageous to do so. Stock Connect is affected by trading holidays in either China or Hong Kong, and there are trading days in China when Stock Connect investors will not be able to trade. As a result, prices of securities purchased through Stock Connect could fluctuate at times when an investor is unable to add to or exit its position. Only certain China A-shares are eligible to be accessed through Stock Connect. Such securities could lose their eligibility at any time, in which case they could be sold but could no longer be purchased through Stock Connect. Because Stock Connect is relatively new, its effects on the market for trading China A-shares are uncertain. In addition, the trading, settlement and IT systems required to operate Stock Connect are relatively new and continuing to evolve. In the event that the relevant systems do not function properly, trading through Stock Connect could be disrupted.

Stock Connect is subject to regulation by both Hong Kong and China. There can be no assurance that further regulations will not affect the availability of securities in the program, the frequency of redemptions or other limitations. For defaults by Hong Kong brokers occurring on or after January 1, 2020, the Hong Kong Investor Compensation Fund will cover losses incurred by investors with a cap of HK\$500,000 per investor for securities traded on a stock market operated by the Shanghai Stock Exchange and/or Shenzhen Stock Exchange and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of the Stock Connect. In China, Stock Connect securities are held on behalf of ultimate investors by the Hong Kong Securities Clearing Company Limited (“HKSCC”) as nominee. The investor could therefore depend on HKSCC’s ability or willingness as record-holder of Stock Connect securities to enforce the investor’s shareholder rights. While Chinese regulators have affirmed that the ultimate investors hold a beneficial interest in Stock Connect securities, the law surrounding such rights is in its early stages and the mechanisms that beneficial owners could use to enforce their rights are untested and therefore pose uncertain risks. Further, courts in China have limited experience in applying the concept of beneficial ownership and the law surrounding beneficial ownership will continue to evolve as they do so. Accordingly, there is a risk that as the law is tested and developed, an investor’s ability to enforce its ownership rights could be negatively impacted. An investor could not be able to participate in corporate actions affecting Stock Connect securities due to time constraints or for other operational reasons. The investor will not be able to attend shareholders’ meetings. Stock Connect trades are settled in RMB, the Chinese currency, and investors must have timely access to a reliable supply of RMB in Hong Kong, which cannot be guaranteed.

Stock Connect trades are either subject to certain pre-trade requirements or must be placed in special segregated accounts that allow brokers to comply with these pre-trade requirements by confirming that the selling shareholder has sufficient Stock Connect securities to complete the sale. If an investor does not utilize a special segregated account, it will not be able to sell the shares on any trading day where it fails to comply with the pre-trade checks. In addition, these pre-trade requirements could, as a practical matter, limit the number of brokers that an investor could use to execute trades. While an investor could use special segregated accounts in lieu of the pre-trade check, some market participants have yet to fully implement IT systems necessary to complete trades involving securities in such accounts in a timely manner. Market practice with respect to special segregated accounts is continuing to evolve. Investments via Stock Connect are subject to regulation by Chinese

authorities. Chinese law could require aggregation of an investor's holdings of Stock Connect securities with securities of other clients of the Adviser for purposes of disclosing positions held in the market, acquiescing to trading halts that could be imposed until regulatory filings are completed or complying with China's short-term trading rules.

Since the inception of Stock Connect, foreign investors investing in China A-shares through Stock Connect have been temporarily exempt from Chinese corporate income tax and value-added tax on the gains on disposal of such China A- shares. Dividends are subject to Chinese corporate income tax on a withholding basis at 10% unless reduced under a double tax treaty with China upon application to and obtaining approval from the competent tax authority. Additionally, uncertainties in permanent Chinese tax rules governing taxation of income and gains from investments in Stock Connect China A-shares could result in unexpected tax liabilities for the investor. The risks related to investments in China A shares through Stock Connect are heightened to the extent that the investor invests in China A shares listed on the Science and Technology Innovation Board on the Shanghai stock exchange ("STAR market") and/or the ChiNext market of the Shenzhen stock exchange ("ChiNext market"). Listed companies on the STAR market and ChiNext market are usually of an emerging nature with smaller operating scale. They are subject to higher fluctuation in stock prices and liquidity. China A shares listed on ChiNext market and STAR market could be overvalued and such exceptionally high valuation could not be sustainable. Further, stock prices could be more susceptible to manipulation due to fewer circulating shares. It could be more common and faster for companies listed on the STAR market and ChiNext market to delist. In particular, ChiNext market and STAR market have stricter criteria for delisting compared to other boards. Investments through the ChiNext market and/or STAR market could result in significant losses for the investor.

- **Foreign and Emerging Markets Risk.** Investments in foreign markets entail special risks such as currency, political (including geopolitical), economic and market risks and heightened risks, that can result in losses to an account. There also could be greater market volatility, less reliable financial information, less stringent investor protections and disclosure standards, higher transaction and custody costs, decreased market liquidity and less government and exchange regulation associated with investments in foreign markets. In addition, investments in certain foreign markets that have historically been considered stable could become more volatile and subject to increased risk due to developments and changing conditions in such markets. Moreover, the interconnectivity of global economies and financial markets has increased the probability that adverse developments and conditions in one country or region will affect the stability of economies and financial markets in other countries or regions. Certain foreign markets rely heavily on particular industries or foreign capital and are more vulnerable to diplomatic developments (including regional and global, military or other conflicts), the imposition of economic sanctions against a particular country or countries, organizations, companies, entities and/or individuals, changes in international trading patterns, trade barriers (including tariffs) and other protectionist or retaliatory measures. Investments in foreign markets could also be adversely affected by governmental interventions or other actions such as the imposition of capital controls, tariffs, sanctions, nationalization of companies or industries, expropriation of assets, the imposition of punitive taxes or threatened or active armed conflict. The governments of certain countries could prohibit or impose substantial restrictions on foreign investing in their capital markets or in certain sectors or industries. Also, as a result of economic sanctions, Calvert could be forced to sell or otherwise dispose of investments at inopportune times or prices, which could result in losses to clients and increased transaction costs. In addition, a foreign government could limit or cause delay in the convertibility or repatriation of its currency which would adversely affect the U.S. dollar value and/or liquidity of investments denominated in that currency. Certain foreign investments might become less liquid and decline in value in response to market developments or adverse investor perceptions or become illiquid after purchase by an investor, particularly during periods of market, economic, political and social turmoil. When an investor holds illiquid investments, its portfolio could be harder to value.

The risks of investing in emerging market countries are greater than risks associated with investments in foreign developed countries. Emerging market or developing countries are more likely to experience political turmoil or rapid changes in economic conditions than more developed countries, and the financial condition of issuers in

emerging market or developing countries can be more precarious than in other countries. Certain emerging market countries are subject to less stringent requirements regarding accounting, auditing, financial reporting and record keeping and therefore, material information related to an investment might not be available or reliable. Such emerging market countries could also subject an account to greater risk associated with the custody of its securities than developed markets, which could adversely affect an investment. In addition, investments in emerging market or developing countries could be subject to expropriation, nationalization and confiscation of assets and property. An account is limited in its ability to exercise its legal rights or enforce a counterparty's legal obligations in certain jurisdictions outside of the United States, in particular, in emerging markets countries.

In addition, investments in foreign issuers could be denominated in foreign currencies and therefore, to the extent unhedged, the value of those investments will fluctuate with U.S. dollar exchange rates. To the extent hedged by the use of foreign currency forward exchange contracts, the precise matching of the foreign currency forward exchange contract amounts and the value of the securities involved will not generally be possible because the future value of such securities in foreign currencies will change as a consequence of market movements in the value of those securities between the date on which the contract is entered into and the date it matures. There is additional risk that such transactions could reduce or preclude the opportunity for gain if the value of the currency should move in the direction opposite to the position taken and that foreign currency forward exchange contracts create exposure to currencies in which an account's securities are not denominated. The use of foreign currency forward exchange contracts involves the risk of loss from the insolvency or bankruptcy of the counterparty to the contract or the failure of the counterparty to make payments or otherwise comply with the terms of the contract. As discussed above, economic sanctions could be, and have been, imposed against certain countries, organizations, companies, entities and/or individuals. Economic sanctions and other similar governmental actions could, among other things, effectively restrict or eliminate an account's ability to purchase or sell securities or groups of securities, and thus could make an account's investments in such securities less liquid or more difficult to value. Settlement and clearance procedures in certain foreign markets differ significantly from those in the United States. Pursuant to regulatory changes effective in May 2024, many U.S., Canadian, and Mexican securities transitioned to a "T+1" (trade date plus one day) settlement cycle, while securities trading in most other markets typically have longer settlement cycles. As a result, there can be potential operational, settlement and other risks associated with differences in settlement cycles between markets.

Economic sanctions or other similar measures could be, and have been, imposed against certain countries, organizations, companies, entities and/or individuals. Investments in foreign securities are subject to economic sanctions and trade laws in the United States and other jurisdictions. These laws and related governmental actions, including counter-sanctions and other retaliatory measures, can, from time to time, prevent or prohibit an investor from investing in certain foreign securities. In addition, economic sanctions could prohibit an investor from transacting with particular countries, organizations, companies, entities and/or individuals by banning them from global payment systems that facilitate cross-border payments, restricting their ability to settle securities transactions, and freezing their assets. The imposition of sanctions and other similar measures could, among other things, cause a decline in the value of securities issued by the sanctioned country or companies located in or economically linked to the sanctioned country, downgrades in the credit ratings of the sanctioned country or companies located in or economically linked to the sanctioned country, devaluation of the sanctioned country's currency, and increased market volatility and disruption in the sanctioned country and throughout the world. Economic sanctions or other similar measures could, among other things, effectively restrict or eliminate an investor's ability to purchase or sell securities, negatively impact the value or liquidity of a portfolio of investments, significantly delay or prevent the settlement of securities transactions, force an investor to sell or otherwise dispose of investments at inopportune times or prices, or impair Calvert's ability to meet a client's investment objective or invest in accordance with a client's investment strategy. These conditions could be in place for a substantial period of time and enacted with limited advanced notice.

- **Growth Investing Risk.** Growth investing attempts to identify companies that will experience rapid earnings growth relative to value or other types of stocks. Growth stocks could trade at higher multiples of current earnings

compared to other types of stock or styles of investing (e.g., value), leading to inflated prices and thus potentially greater declines in value. The performance of growth strategies could be better or worse than the performance of equity strategies that focus on value stocks or that have a broader investment style.

- **Hedge Correlation Risk.** Certain strategies seek to maintain substantially offsetting exposures and follow a generally market-neutral approach. Hedging instruments utilized for these strategies might not maintain the intended correlation to the investment being hedged or otherwise fail to achieve their intended purpose. Failure of the hedge instruments to track a client portfolio's investments could result in the client portfolio having substantial residual exposure to market risk.
- **Hedging Strategy Risks.** Certain client accounts, portfolios, and pooled investment vehicles could, but are not required, to engage in transactions designed to reduce the risk or to protect the value of their investments, including securities and currency hedging transactions. These hedging strategies could involve a variety of derivative transactions, including transactions in forward, swap and option contracts or other financial instruments with similar characteristics, including, without limitation, forward foreign currency exchange contracts, currency and interest rate swaps, options and short sales (collectively "Hedging Instruments"). Certain risks associated with Hedging Instruments are further detailed under "Derivative Risks." Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of those positions decline, but establishes other positions designed to gain from those same developments, thus offsetting the decline in the portfolio positions' value. While these transactions can reduce the risks associated with an investment, the transactions themselves entail risks that are different from and possibly greater than, the risks associated with other portfolio investments. The use of Hedging Instruments could require investment techniques and risks analyses different from those associated with other portfolio investments. The risks posed by these transactions include, but are not limited to, interest rate risk, market risk, the risk that these complex instruments and techniques will not be successfully evaluated, monitored or priced, the risk that counterparties will default on their obligations, liquidity risk and leverage risk. Changes in liquidity can result in significant, rapid and unpredictable changes in the prices for derivatives. Thus, while the accounts might benefit from the use of Hedging Instruments, unanticipated changes in interest rates, securities prices or currency exchange rates could result in a poorer overall performance for the accounts than if they had not used such Hedging Instruments.
- **High Yield Securities ("Junk Bonds") Risk.** An account's investments in high yield securities, investments typically rated below investment grade and comparable unrated investments have speculative characteristics which expose such investments to a substantial degree of credit risk associated with their issuers. Some high yield securities are issued by companies that are restructuring, are smaller and less creditworthy or are more highly indebted than other companies, and therefore they could have more difficulty making scheduled payments of principal and interest. High yield securities are subject to greater risk of loss of income and principal than higher rated securities and could be considered speculative. High yield securities might experience reduced liquidity, and sudden and substantial decreases in price. An economic downturn, or other circumstances typically have a greater effect on the ability of issuers of high yield securities to make principal and interest payments than they do on issuers of higher rated investments. An economic downturn affecting an issuer of high yield securities can result in an increased incidence of default, which could cause certain accounts to incur additional expense to seek recovery.
- **Income Risk.** A portfolio's ability to generate income will depend on the yield available on the securities held by the portfolio. In the case of equity securities, changes in the dividend policies of companies held by a client portfolio could make it difficult for the portfolio to generate a predictable level of income. The use of dividend-capture strategies to generate income will generally expose a client portfolio to higher portfolio turnover, increased trading costs and the potential for capital loss or gain, particularly in the event of significant short-term price movements of stocks subject to dividend capture trading.
- **Inflation-Linked Security Risk.** Inflation-linked debt securities are subject to the effects of changes in market interest rates caused by factors other than inflation (real interest rates). In general, the price of an inflation-linked

security tends to decrease when real interest rates increase and can increase when real interest rates decrease. Interest payments on inflation-linked securities can vary widely and will fluctuate as the principal and interest are adjusted for inflation. Any increase in the principal amount of an inflation-linked debt security will likely be considered taxable ordinary income, even though the portfolio will not receive the principal until maturity. There can be no assurance that the inflation index used will accurately measure the real rate of inflation in the prices of goods and services. A portfolio's investments in inflation-linked securities could lose value in the event that the actual rate of inflation is different than the rate of the inflation index.

- **Issuer Diversification Risk.** A Fund or strategy could be “non-diversified,” which means it invests a greater percentage of its assets in the securities of a single issuer than a fund that is “diversified.” Non-diversified Funds and strategies focus their investments in a small number of issuers, making them more susceptible to risks affecting such issuers than a more diversified fund might be.
- **Lending Portfolio Securities Risk.** Certain clients are permitted to lend their securities to brokers, dealers and other financial institutions needing to borrow securities to complete certain transactions. The client continues to be entitled to payments in amounts equal to the interest, dividends or other distributions payable in respect of the loaned securities, which affords the client an opportunity to earn interest on the amount of the loan and on the loaned securities' collateral. In connection with any such transaction, the client will receive collateral consisting of liquid, unencumbered assets, U.S. Government securities or irrevocable letters of credit that will be maintained at all times in an amount equal to at least 100% of the current market value of the loaned securities. The client might experience loss if the institution with which the client has engaged in a portfolio loan transaction breaches its agreement with the client.

Loans of securities involve a risk that the borrower fails to return the securities or to maintain the proper amount of collateral, which could result in losses. There can be risks of delay and costs involved in recovery of securities or even loss of rights in the collateral should the borrower of the securities fail financially. These delays and costs could be greater for foreign securities. However, loans will be made only to borrowers deemed to be creditworthy and when the income that can be earned from such securities loans justifies the attendant risk. The account also bears the risk that the reinvestment of collateral will result in a principal loss. Finally, there is the risk that the price of the securities will increase while they are on loan and the collateral will not be adequate to cover their value. The account might also experience loss if the institution with which the account has engaged in a portfolio loan transaction breaches its agreement with the account.

- **Leverage Risk.** Certain accounts, such as pooled investment vehicles, are permitted to borrow money (and/or establish a line of credit) to provide for opportunistic asset allocation, facilitate payments on withdrawal and to remain fully invested in anticipation of future contributions. Additionally, these accounts can enter into various derivatives (such as options, futures and swaps) that have implicit or internal leverage in that the notional value of the derivative instrument is much larger than the cash needed to establish and maintain the derivative instrument. Although leverage will increase the account's investment return if the investment purchased with borrowed funds earns a greater return than the interest expense the pooled investment vehicle pays for the use of those funds, the use of leverage will decrease the return on the pooled investment vehicle if the pooled investment vehicle fails to earn as much on its investment purchased with borrowed funds as it pays for the use of those funds. Leverage and borrowing can cause the value of a client portfolio to be more volatile than if it had not been leveraged, as certain types of leverage exaggerate the effect of any increase or decrease in the value of securities in a client portfolio. The use of leverage will in this way magnify the volatility of changes in the value of an investment in the pooled investment vehicle, especially in times of a “credit crunch” or during general market turmoil. An account might be required to segregate liquid assets or otherwise cover the obligation created by a transaction that gives rise to leverage. To satisfy the account's obligations or to meet segregation requirements, an account could be forced to liquidate portfolio positions when it is not advantageous to do so. Leverage and borrowing can lead to additional costs to clients, including interest and fees. Losses on leveraged transactions can substantially exceed the initial investment.

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- **Line of Credit.** Certain accounts could obtain a line of credit for bridge purposes to facilitate their investment activities. Should an account obtain such a line of credit, it could be required to pledge all of its assets as collateral and could also be required to pay commitment fees and non-use fees, even if such line of credit is never used. The risks associated with such a line of credit include interest expense risk, and, in the unlikely event that the value of the collateral pledged to secure such a line of credit were to decline significantly, the pooled investment vehicle could be forced to liquidate its assets to satisfy its repayment obligations under such line of credit.
 - **Liquidity Risk.** A client portfolio is exposed to liquidity risk when trading volume, lack of a market maker or trading partner, large position size, market conditions, or legal restrictions impair its ability to sell particular investments or to sell them at advantageous market prices. Consequently, the client portfolio might have to accept a lower price to sell an investment or continue to hold it or keep the position open, sell other investments to raise cash or abandon an investment opportunity, any of which could have a negative effect on the portfolio's performance. These effects can be exacerbated during times of financial or political stress.
 - **Loans Risks.** Investments in loans are subject to the risks generally associated with other debt obligations (such as credit and interest rate risk and risks of lower rated investments). Loans are also subject to additional risks, including subordination to other creditors, no collateral or limited rights in collateral, increased liquidity risks and lack of publicly available information. Loans are subject to the risk of default in the payment of interest or principal, which will result in a reduction of income or other losses to an account. Loans are traded in a private, unregulated inter-dealer or inter-bank resale market and are generally subject to contractual restrictions that must be satisfied before a loan can be bought or sold. These restrictions can impede the client portfolio's ability to buy or sell loans (thus affecting their liquidity) and negatively impact the transaction price. It also can take longer than seven days for transactions in loans to settle. Due to the possibility of an extended loan settlement process, an investor that holds loan might hold cash, sell investments or temporarily borrow from banks or other lenders to meet short-term liquidity needs, such as to satisfy redemption requests from fund shareholders. The types of covenants included in loan agreements generally vary depending on market conditions, the creditworthiness of the issuer, the nature of the collateral securing the loan and possibly other factors. Loans with fewer covenants that restrict activities of the borrower can provide the borrower with more flexibility to take actions that could be detrimental to the loan holders and provide fewer investor protections in the event of such actions or if covenants are breached. The client portfolio could experience relatively greater realized or unrealized losses or delays and expense in enforcing its rights with respect to loans with fewer restrictive covenants. Loans to entities located outside of the U.S. can have substantially different lender protections and covenants as compared to loans to U.S. entities and generally involve greater and additional risks. An investor that holds loans might have difficulties and incur expense enforcing its rights with respect to loans and non-U.S. loans could be subject to bankruptcy laws that are materially different than in the U.S. Loans can be structured such that they are not securities under securities laws, and in the event of fraud or misrepresentation by a borrower, lenders might not have the protection of the anti-fraud provisions of the federal securities laws. Loans are also subject to risks associated with other types of income investments, including credit risk and risks of lower rated investments. In addition, bank loans are subject to the risk of default in the payment of interest or principal on a loan. The risk of default on loans will increase in the event of an economic downturn or a substantial increase in interest rates. Because some loans rank lower in priority of payment to other loans and other obligations, such loans present a greater degree of investment risk and may exhibit greater price volatility.
 - **Maturity Risk.** Interest rate risk will generally affect the price of a fixed income security more if the security has a longer maturity. Fixed income securities with longer maturities will therefore be more volatile than other fixed income securities with shorter maturities. Conversely, fixed income securities with shorter maturities will be less volatile but generally provide lower returns than fixed income securities with longer maturities. The average maturity of a client portfolio's investments will affect the volatility of the portfolio's rate of return.
 - **Mezzanine Loans.** Certain loans could be in a junior or subordinate position to senior financing either because the loans are a second lien on the asset or are secured by a direct or indirect lien on the equity of the owner of the underlying asset (i.e., mezzanine debt). In certain circumstances, in order to protect its investment, a Calvert

client could decide to repay all or a portion of the senior indebtedness relating to the particular loan or to cure defaults with respect to such senior indebtedness. Mezzanine investments are also expected to be a highly illiquid investment. In a bankruptcy of a borrower, those loans that are not secured by a lien on the underlying asset would have a priority no greater than other general creditors of the borrower. In addition to repayment risks, these subordinate positions might be “soft,” meaning subject to restrictions on enforcement rights prior to maturity or foreclosure of the senior position. These restrictions could adversely affect the Calvert client’s rights to realize upon or control the underlying assets.

- **Model and Quantitative Risk.** Some strategies can include the use of various proprietary or third-party quantitative or investment models. There could be deficiencies in the design or operation of these models, including as a result of shortcomings or failures of processes, people or systems. Investments selected using models could perform differently than expected as a result of the factors used in the models, the weight placed on each factor, changes from the factors’ historical trends, and technical issues in the construction and implementation of the models (including, for example, data problems and/or software issues). Moreover, the effectiveness of a model can diminish over time, including as a result of changes in the market and/or changes in the behavior of other market participants. A model’s return mapping is based on historical data regarding particular asset classes. Certain strategies can be dynamic and unpredictable, and a model used to estimate asset allocation might not yield an accurate estimate of the then current allocation. Operation of a model could result in negative performance, including returns that deviate materially from historical performance, both actual and pro-forma. Additionally, commonality of holdings across quantitative money managers can amplify losses. There is no guarantee that the use of these models will result in effective investment decisions for clients. In the case of third-party models, such techniques have not been independently tested or validated, and there can be no assurance that these techniques will achieve the desired results. If these techniques have errors or are flawed or incomplete and such issues are not identified, such models could have an adverse effect on client investment performance.
- **Money Market Funds Risk.** An investment in a money market fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation (“FDIC”) or any other government agency. Money market funds could lose money. Although many money market funds classified as government funds (i.e., money market funds that invest 99.5% of total assets in cash and/or securities backed by the U.S. government) and retail funds (i.e., money market funds open to natural person investors only) seek to maintain a stable \$1.00 per share, they cannot guarantee they will do so. The price of other money market funds will fluctuate and when an account sells shares, they could be worth more or less than originally paid. Some money market funds impose, or are permitted to impose, a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for withdrawals. Moreover, in some circumstances, money market funds could cease operations when the value of a fund drops below \$1.00 per share. In that event, the fund’s holdings could be liquidated and distributed to the fund’s shareholders. This liquidation process can be prolonged in nature and last for months. During this time, these funds would not be available for withdrawal.
- **Mortgage- and Asset-Backed Securities Risk.** Mortgage-backed and asset-backed securities represent interests in “pools” of commercial or residential mortgages or other assets, including consumer loans or receivables. The purchase of mortgage- and asset-backed securities issued by non-government entities can entail greater risk than such securities that are issued or guaranteed by a government entity. Mortgage- and asset-backed securities issued by non-government entities might offer higher yields than those issued by government entities but can be subject to greater volatility than government issues and can also be subject to greater credit risk and the risk of default on the underlying mortgages or other assets. Investments in mortgage- and asset-backed securities are subject to both extension risk, where borrowers pay off their debt obligations more slowly in times of rising interest rates, and prepayment risk, where borrowers pay off their debt obligations sooner than expected in times of declining interest rates. Movements in interest rates (both increases and decreases) can quickly and significantly reduce the value of certain types of mortgage- and asset-backed securities. Although certain mortgage- and asset-backed securities are guaranteed as to timely payment of interest and principal by a government entity, the market price for such securities is not guaranteed and will

fluctuate. Asset-backed securities are subject to the risk that various federal and state consumer laws and other legal and economic factors could result in the collateral backing the securities being insufficient to support payment on the securities. In addition, an unexpectedly high rate of defaults on the mortgages and assets held by a pool or mortgages or other assets could adversely affect the value of a mortgage- or asset-backed security and could result in losses to the account. The risk of such defaults is generally higher in the case of mortgage pools that include subprime mortgages. Leverage can cause an account to be more volatile than if an account had not been leveraged. The risks associated with mortgage- and asset-backed securities typically become elevated during periods of distressed economic, market, health and labor conditions. In particular, increased levels of unemployment, delays and delinquencies in payments of loan, mortgage, and rent obligations, and uncertainty regarding the effects and extent of government intervention with respect to debt payments and other economic matters can adversely affect investments in mortgage- and asset-backed securities.

- **Municipal Securities Risk.** The income of municipal securities is generally exempt from federal income tax at the time of issuance, however, a client could purchase municipal securities that pay interest that is subject to the federal alternative minimum tax, and municipal securities on which the interest payments are taxable. These securities typically are “general obligation” or “revenue” bonds, notes or commercial paper including participation in lease obligations and installment purchase contracts of municipalities. General obligation bonds are secured by the issuer’s full faith and credit as well as its taxing power for payment of principal or interest. Thus, these bonds can be vulnerable to limits on a government’s power or ability to raise revenue or increase taxes and its ability to maintain a fiscally sound budget. The timely payments could also be influenced by any unfunded pension liabilities or other post-employee benefit plan liabilities. These bonds could also depend on legislative appropriation and/or funding or other support from other governmental bodies in order to make payments. Revenue bonds, however, are generally payable from a specific revenue source, and therefore involve the risk that the tax or other revenues so derived will not be sufficient to meet interest and or principal payment obligations. These obligations could have fixed, variable or floating rates. As a result, these bonds historically have been subject to a greater risk of default than general obligation bonds because investors can look only to the revenue generated by the project or other revenue source backing the project, rather than to the general taxing authority of the state or local government issuer of the obligations. Municipal securities involve the risk that an issuer calls securities for redemption, which could force the account to reinvest the proceeds at a lower rate of interest. The amount of public information available about municipal bonds is generally less than for corporate equities or bonds, meaning that the investment performance of municipal bonds could depend more on the analytical abilities of the investment adviser than stock or corporate bond investments. The secondary market for municipal bonds also tends to be less well-developed and less liquid than many other securities markets, which can limit a client portfolio’s ability to sell its municipal bonds at attractive prices. The differences between the price at which a bond can be purchased and the price at which it can be sold could widen during periods of market distress. Less liquid bonds can become more difficult to value and be subject to erratic price movements. The increased presence of nontraditional participants (such as proprietary trading desks of investment banks and hedge funds) or the absence of traditional participants (such as individuals, insurance companies, banks and life insurance companies) in the municipal markets could lead to greater volatility in the markets because non-traditional participants might trade more frequently or in greater volume.
- **Option Strategy Risk.** Certain client portfolios can employ an option strategy that seeks to take advantage of a general excess of option price-implied volatilities for a specified stock or index over the stock or index’s subsequent realized volatility. This market observation is often attributed to the unknown risk to which an option seller is exposed to in comparison to the fixed risk to which an option buyer is exposed. There can be no assurance that this imbalance will apply in the future over specific periods or generally. It is possible that the imbalance could decrease or be eliminated by actions of investors that employ strategies seeking to take advantage of the imbalance, which would have an adverse effect on the client portfolio’s ability to achieve its investment objective. Further, directional movements of the underlying index or stock could overwhelm the volatility differential for any given option resulting in a loss, regardless of the volatility relationship during that specific option’s term. Call spread and put spread selling strategies employed by certain strategies are based

on a specified index or on exchange-traded funds that replicate the performance of certain indexes. If the index or an ETF appreciates or depreciates sufficiently over the period to offset the net premium received, the client portfolio will incur a net loss. The amount of potential loss in the event of a sharp market movement is subject to a cap defined by the difference in strike prices between written and purchased call and put options. The value of the specified exchange-traded fund is subject to change as the values of the component securities fluctuate. Also, it might not exactly match the performance of the specified index.

- **Pooled Investment Vehicles Risk.** Pooled investment vehicles include open- and closed-end investment companies, ETFs, and private funds. Pooled investment vehicles are subject to the risks of investing in the underlying securities or other investments. Shares of closed-end investment companies and ETFs can trade at a premium or discount to net asset value and are subject to secondary market trading risks. In addition, except as otherwise noted in this Form ADV Part 2A, the client portfolio will bear a pro rata portion of the operating expenses of a pooled investment vehicle in which it invests.
- **Portfolio Turnover Risk.** The annual portfolio turnover rate of certain strategies or investment funds can exceed 100%. High turnover rates could generate more capital gains and involve greater expenses (which would reduce return) than a trading strategy with a lower turnover rate. Capital gains distributions will be made to investors even if offsetting capital loss carry forwards do not exist.
- **Preferred Stock Risk.** Although preferred stocks represent an ownership interest in an issuer, preferred stocks generally do not have voting rights or have limited voting rights and have economic characteristics similar to fixed-income securities. Preferred stocks are subject to issuer-specific risks generally applicable to equity securities and credit and interest rate risks generally applicable to fixed-income securities. The value of preferred stock generally declines when interest rates rise and can react more significantly than bonds and other debt instruments to actual or perceived changes in the company's financial condition or prospects.
- **Privately Placed and Restricted Securities Risks.** An account's investments could include privately placed securities, which are subject to resale restrictions. It is likely that such securities will not be listed on a stock exchange or traded in the OTC market. These securities will have the effect of increasing the level of an account's illiquidity to the extent the account is unable to sell or transfer these securities due to restrictions on transfers or on the ability to find buyers interested in purchasing the securities. The illiquidity of the market, as well as the lack of publicly available information regarding these securities, can also adversely affect the ability to arrive at a fair value for certain securities at certain times and could make it difficult for the account to sell certain securities (or to sell such securities at the prices at which they are currently held). Furthermore, companies whose securities are not publicly traded are often not subject to the same or comparable disclosure and other investor protection requirements that might be applicable if their securities were publicly traded and/or listed on a stock exchange. An account could be obligated to pay all or part of the legal and/or other fees incurred in negotiating the purchase and or sale of a private placement security. When registration is required to sell a security, an account could be obligated to pay all or part of the registration expenses, and a considerable period might elapse between the decision to sell and the time the account is permitted to sell a security under an effective registration statement. If adverse market conditions developed during this period, an account might obtain a less favorable price than the price that prevailed when the account decided to sell.
- **Real Estate Risk.** Real estate investments are subject to risks associated with owning real estate, including declines in real estate values, increases in property taxes, fluctuations in interest rates, limited availability of mortgage financing, decreases in revenues from underlying real estate assets, declines in occupancy rates, changes in government regulations affecting zoning, land use, and rents, environmental liabilities, and risks related to the management skill and creditworthiness of the issuer. Companies in the real estate industry could also be subject to liabilities under environmental and hazardous waste laws, among others.
- **REITs, Real Estate Operating Companies ("REOCs") and Foreign Real Estate Company Risks.** Investing in REITs, REOCs and foreign real estate companies exposes investors to the risks of owning real estate directly, as well as to risks that relate specifically to the way in which REITs, REOCs and foreign real estate companies are organized and operated. In addition, investments in REITs and similar non-U.S. entities could involve

duplication of management fees and certain other expenses. REITs are also subject to certain provisions under federal tax law and the failure of a company to qualify as a REIT could have adverse consequences for a portfolio. In addition, foreign real estate companies could be subject to the laws, rules and regulations governing those entities and their failure to comply with those laws, rules and regulations could negatively impact the performance of those entities. Operating REITs and foreign real estate companies requires specialized management skills, and an account indirectly bears management expenses along with the direct expenses of an account. Changes in underlying real estate values can have an exaggerated effect to the extent that investments of an individual REIT or foreign real estate company are concentrated in particular regions or property types and changes in underlying real estate values can have an exaggerated effect to the extent that investments are concentrated in particular geographic regions or property types. Funds are generally not eligible for a deduction from dividends received from REITs that is available to individuals who invest directly in REITs.

- **Repurchase Agreements Risk.** Repurchase agreements are subject to risks associated with the possibility of default by the seller at a time when the collateral has declined in value, or insolvency of the seller, which could affect an account's right to control the collateral. In the event of a default or bankruptcy by a selling financial institution, an account will seek to liquidate such collateral. However, the exercising of an account's right to liquidate such collateral could involve certain costs or delays and, to the extent that proceeds from any sale upon a default of the obligation to repurchase were less than the repurchase price, an account could suffer a loss. Repurchase agreements involving obligations other than U.S. government securities could be subject to special risks.
- **Residual Interest Bonds Risk.** An investment in a residual interest bond exposes a portfolio to leverage and greater risk than an investment in a fixed-rate municipal bond. Residual interest bonds are issued by a trust (the "trust") that holds municipal obligations and the value of residual interest bonds is derived from the value of such obligations. The trust also issues floating-rate notes to third parties that can be senior to the residual interest bonds. Residual interest bonds make interest payments to holders of the residual interest that bear an inverse relationship to both the interest rate paid on the floating-rate notes and short-term interest rates, normally decreasing when short-term rates increase. The value and market for residual interest bonds are volatile and such bonds could have limited liquidity. As required by applicable accounting standards, a Fund that holds these bonds records interest expense as a liability with respect to floating-rate notes and also records offsetting interest income in an amount equal to this expense.
- **General Responsible Investment Risk.** Strategies that seek to incorporate financially material sustainability factors could lose value or otherwise underperform for a variety of reasons. Such considerations tend to prioritize the longer-term prospects of issuers, which are not necessarily predictive of short-term fluctuations in security prices or overall market dynamics in the shorter term. Incorporation of sustainability factors into the investment process can cause an investment strategy to underweight or exclude certain sectors, industries or geographies relative to benchmarks or competitors, which can result in underperformance during periods when those sectors, industries or geographies are being more broadly favored by the overall market. Assessment of these factors is subjective by nature, and there is no assurance that an investment team will correctly or consistently identify these financially material attributes of individual investments. Furthermore, Calvert is dependent on the quality and completeness of sustainability-related information and data obtained through voluntary reporting by issuers, as well as on analysis provided by third parties, including from Calvert affiliates, in seeking to incorporate financially material sustainability factors into the selection process for investments. The risk associated with this dependency is especially pronounced for markets, geographies and asset classes where the quality and extent of available information and reporting are lower. All of the risks described above are present both where Calvert incorporates sustainability factors into its research process for individual security selection and where it applies formal exclusionary screens as part of its investment process.
- **Responsible Investment Focused Strategy Risks.** Calvert manages certain accounts and strategies for which, in addition to incorporating financially material sustainability factors into the investment process, Calvert adopts an explicit emphasis on sustainability attributes of the portfolio. This type of strategy tends to augment the risks associated with incorporated sustainability investing and can expose client accounts to additional risks

over and above the General Responsible Investment Risk described above. In certain situations, environmental and social factors can outweigh financial considerations. For example, Calvert could choose to make an investment that has a lower expected financial return when compared to other possible investments due to sustainability considerations, such as where the investment has the potential to have a greater environmental and/or social impact in line with the strategy's investment objective. In addition, Calvert could reject an opportunity to increase the financial return of an existing investment in order to preserve the environmental and/or social impact of such investment. Further, Calvert could refrain from disposing of an underperforming investment for a period of time in order to minimize the negative environmental and/or social impact of such disposition. As a result of the foregoing, these portfolios or accounts are subject to the risk that they achieve lower returns than if Calvert did not adopt an explicit focus on sustainability considerations, including the environmental and/or social impact of investments and investment-related decisions. Clients should also be aware that their perception of the responsible investment attributes, or the social and environmental impact, of their investment portfolio could differ from Calvert's or a third party's assessment of how that portfolio adheres to responsible investment principles.

- **Reverse Repurchase Agreements Risk.** Reverse repurchase agreements involve a sale of a security to a bank or securities dealer and a simultaneous agreement to repurchase the security for a fixed price (reflecting a market rate of interest) on a specific date. These transactions involve a risk that the other party to a reverse repurchase agreement will be unable or unwilling to complete the transaction as scheduled, which could result in losses to an investment portfolio. Furthermore, reverse repurchase agreements involve the risks that (i) the interest income earned in the investment of the proceeds will be less than the interest expense, (ii) the market value of the securities retained in lieu of sale by an account could decline below the price of the securities an account has sold but is obligated to repurchase, (iii) the market value of the securities sold will decline below the price at which an account is required to repurchase them and (iv) the securities will not be returned to an account. Reverse repurchase transactions are a form of leverage that can also increase the volatility of investment portfolios.
- **Sector and Geographic Risk.** A client portfolio could invest significantly in one or more sectors or geographic regions. As such, the value of the client portfolio could be affected by events that adversely affect such sectors or geographic regions and fluctuate more than that of a portfolio that invests more broadly.
- **Short Sale Risk.** In a short sale transaction, an account sells a security that it owns or has the right to acquire at no added cost (i.e., "against the box") or does not own (but has borrowed) in anticipation of a decline in the market value of that security. To deliver the securities to the buyer, an account arranges through a lender (e.g., a broker) to borrow the security and, in so doing, the account becomes obligated to replace the security borrowed at its market price at the time of replacement. An account could have to pay a premium to borrow the security and must pay any dividends or interest payable on the security until it is replaced. An account's obligation to replace the security borrowed in connection with a short sale will be secured by collateral deposited with the lender that consists of cash or other liquid securities. Short sales by an account involve certain risks and special considerations. If we incorrectly predict that the price of a borrowed security will decline, an account will have to replace the security with a security with a greater value than the amount received from the sale, thus, resulting in a loss. Losses from short sales differ from losses that could be incurred from a purchase of a security in that losses from short sales are potentially unlimited because the price of the borrowed security could rise indefinitely, whereas losses from purchases can equal only the total amount invested. Purchasing a security to close out the short position can itself cause the price of the security to rise further, thereby exacerbating the loss. Short selling also involves the risks of: increased leverage, and its accompanying potential for losses; the potential inability to reacquire a security in a timely manner, or at an acceptable price; the possibility of the lender terminating the loan at any time, forcing an account to close the transaction under unfavorable circumstances; the additional costs that can be incurred; and the potential loss of investment flexibility caused by an account's obligation to provide collateral to the lender and set aside assets to cover the open position.
- **Small- and Mid-Capitalization Companies Risk.** Investments in small- and mid-capitalization companies can involve greater risks than investments in larger, more established companies. The securities issued by small-

and mid-cap companies could be less liquid, and such companies could have more limited markets, financial resources and product lines, and could lack the depth of management of larger companies. Small- and mid-capitalization companies are generally subject to greater price fluctuations, less liquidity, higher transaction costs and higher investment risk than larger, more established companies. Such companies often have limited product lines, markets or financial resources, are dependent on a limited management group, and lack substantial capital reserves or an established performance record. There is generally less publicly available information about such companies than for larger, more established companies. Stocks of these companies frequently have lower trading volumes, making them more volatile and potentially more difficult to value.

- **Social Media Risk.** The dissemination of negative or inaccurate information via social media about issuers in which a client's account invests could harm their business, reputation, financial condition, and results of operations, which could adversely affect the account and, due to reputational considerations, influence Calvert's decision as to whether to remain invested in such issuers.
- **Special Situations Investment Risks.** Certain of the companies in whose securities an account invests could be involved in (or are the target of) acquisition attempts or tender offers, in transition, out of favor, financially leveraged or troubled, or potentially troubled, and could be or have recently been involved in major strategic actions, restructurings, bankruptcy, reorganization or liquidation. These characteristics of these companies can cause their securities to be particularly risky, although they also can offer the potential for high returns. Additionally, these types of transactions present the risk that the transaction could be unsuccessful, take considerable time or result in a distribution of cash or a new security, the value of which is less than the purchase price. These companies' securities could be considered speculative, and the ability of the companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within the companies. An investment by an account in any instrument is subject to no minimum credit standard and a significant portion of the obligations and preferred stock in which an account could invest might be less than investment grade (commonly referred to as junk bonds), which can result in greater risks experienced by the account, as applicable, than it would if investing in higher rated instruments.
- **Stripped Securities Risk.** Stripped Securities ("Strips") are usually structured with classes that receive different proportions of the interest and principal distributions from an underlying asset or pool of underlying assets. Classes can receive only interest distributions (interest-only "IO") or only principal (principal-only "PO"). Strips are particularly sensitive to changes in interest rates because this can increase or decrease prepayments of principal. A rapid or unexpected increase in prepayments can significantly depress the value of IO Strips, while a rapid or unexpected decrease can have the same effect on PO Strips.
- **Structured Management Risk.** Calvert can use rules-based, proprietary investment techniques and analyses in making investment decisions. These strategies seek to take advantage of certain quantitative and/or behavioral market characteristics identified by Calvert, utilizing rules-based country, sector and commodity weighting processes, structured allocation methodologies and disciplined rebalancing models. These investment strategies have not been independently tested or validated, and there can be no assurance they will achieve the desired results.
- **Tax-Managed Investing Risk.** Investment strategies that seek to enhance after-tax performance might be unable to fully realize strategic gains or harvest losses due to various factors. Market conditions could limit the ability to generate tax losses. A tax-managed strategy could cause a client portfolio to hold a security in order to achieve more favorable tax treatment or to sell a security in order to create tax losses. A tax loss realized by a U.S. investor after selling a security will be negated if the investor purchases the security within thirty days. Although Calvert avoids "wash sales" whenever possible and temporarily restricts securities it has sold at a loss to prevent them, a wash sale can occur inadvertently because of trading by a client in portfolios not managed by Calvert. A wash sale can also be triggered by Calvert when it has sold a security for loss harvesting and shortly thereafter the firm is directed by the client to invest a substantial amount of cash resulting in a repurchase of the security.

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- **Tax Risk.** The tax treatment of investments held in a client portfolio could be adversely affected by future tax legislation, Treasury Regulations and/or guidance issued by the Internal Revenue Service regarding the character, timing, and/or amount of taxable income or gains attributable to an account. Income from tax-exempt municipal obligations could be declared taxable because of unfavorable changes in tax laws, adverse interpretations by the Internal Revenue Service or non-compliant conduct of a bond issuer.
 - **Tax-Straddle Risk.** Investment strategies that utilize off-setting positions on a security or a portfolio of securities must adhere to specific rules and provisions under the Internal Revenue Code in order to avoid negative tax consequences. These provisions apply to an investor's entire investment portfolio including accounts not managed by Calvert. While Calvert seeks to avoid "tax straddles", an investor's ability to realize tax benefits (e.g., defer gains, deduct interest, convert short term gains into long term gains) could be negated by transactions and holdings of which Calvert is not aware.
 - **Tracking Error Risk.** Tracking error risk refers to the risk that the performance of a client portfolio does not match or correlate to that of the index it attempts to track, either on a daily or aggregate basis. Factors such as fees and trading expenses, client-imposed restrictions, imperfect correlation between the portfolio's investments and the index, changes to the composition of the index, regulatory policies, high portfolio turnover and the use of leverage all contribute to tracking error. Tracking error risk can cause the performance of a client portfolio to be less or more than expected.
 - **Unrated Fixed Income Securities.** Unrated securities (which are not rated by a rating agency) could be less liquid than comparable, rated securities and involve the risk that purchasers might not accurately evaluate the security's comparative credit rating. To the extent that a pooled investment vehicle or investor's account invests in unrated securities, success in achieving the investment objective of such vehicle or account could depend more heavily on the investment manager's analysis of the creditworthiness of the issuer than if the vehicle or account invested exclusively in rated securities.
 - **U.S. Government Securities Risk.** With respect to U.S. government securities that are not backed by the full faith and credit of the U.S. Government, there is the risk that the U.S. Government will not provide financial support to such U.S. government agencies, instrumentalities or sponsored enterprises if it is not obligated to do so by law. For example, a U.S. government-sponsored entity, such as Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, although chartered or sponsored by an Act of Congress, could issue securities that are neither insured nor guaranteed by the U.S. Treasury and, therefore, are not backed by the full faith and credit of the United States. U.S. Treasury securities generally have a lower return than other obligations because of their higher credit quality and market liquidity. U.S. government securities are also subject to interest rate risks and can exhibit price fluctuations resulting from increases or decreases in interest rates.
 - **Variable Interest Entities.** An account could gain economic exposure to certain operating companies in China through structures known as variable interest entities ("VIEs"). From time to time, an account's investments in U.S.-listed shell companies relying on VIE structures to obtain exposure to Chinese operating companies could be significant. In a VIE structure, a China-based operating company ("Operating Company") typically establishes an offshore shell company ("Shell Company") in another jurisdiction, such as the Cayman Islands, which then enters into service and other contracts with the Operating Company and issues shares on a foreign exchange, like the New York Stock Exchange or Hong Kong Exchange. Investors in VIE structures hold stock in the Shell Company rather than directly in the Operating Company and the Shell Company might not own stock or other equity in the Operating Company. Accordingly, an account's investment in the Shell Company represents an interest in the Shell Company and the account has no equity ownership of the Operating Company. As a result, VIE structures and these contractual arrangements are not equivalent to equity ownership in the Operating Company, which presents additional risks. Certain Chinese companies have used VIEs to facilitate foreign investment because of Chinese governmental prohibitions or restrictions on non-Chinese ownership (e.g., by U.S. persons and entities) of companies in certain industries in China. Through a VIE arrangement, the Operating Companies indirectly raise capital from non-Chinese investors (such as a Fund) without distributing ownership of the Operating Companies to such non-Chinese investors.

Investments in VIEs are subject to the risks associated with investments in China and the relevant Operating Company itself but are also subject to far greater risks associated with the VIE structure. For example, breaches of the contractual arrangements, changes in Chinese law, regulation or judicial decisions or interpretations with respect to enforceability, validity or permissibility of these arrangements or failure of these contracts to function as intended would likely adversely affect an investment through a VIE structure. In addition, VIE structures are also subject to the risk of inconsistent and unpredictable application of Chinese law and regulations, that the Shell Company could be limited in its ability to control, or could lose control over, the Operating Company and that the equity owners of the Operating Company might have interests conflicting with those of the Shell Company's investors. There is also uncertainty related to the Chinese taxation of VIEs and the Chinese tax authorities could take positions that result in increased tax liabilities. Thus, investors face significant risks and uncertainty about future actions or intervention by the government of China or other similar developments (such as changes in regulations, laws and judicial decisions or interpretations), which could occur at any time and without notice and which could suddenly and significantly affect VIE structures, the Operating Companies and the enforceability of the Shell Company's contractual arrangements with the Operating Company. If any of these or similar risks materialize, the value and liquidity of an account's investments in the Shell Company could be significantly adversely affected and an account could incur significant losses with no recourse available. A decline in diplomatic or other relations between the U.S. and China, such as increased U.S. sanctions against China or Chinese companies, could increase the risks associated with the VIE structure, including the potential that the Chinese government or a Chinese regulator or court could determine that VIE structures are not enforceable under Chinese law.

Although the China Securities Regulatory Commission published that it does not object the use of VIE structures for Operating Companies to raise capital from non-Chinese investors, the Chinese government has not approved these structures and there is no guarantee that the Chinese government or another Chinese regulator will not determine that these arrangements are inconsistent with Chinese laws or regulations at any time without notice or otherwise interfere with the operation of or disallow VIE structures or that this published position will remain unchanged. Intervention by the Chinese government with respect to VIE structures could materially adversely affect the Operating Company's performance, the enforceability of the Shell Company's contractual arrangements with the Operating Company and the value of the Shell Company's shares, which could become worthless as a result. Further, if the Chinese government or other regulatory or judicial authority determines that the agreements establishing the VIE structure do not comply with Chinese law and regulations, including those related to prohibitions on foreign ownership, the Operating Company could be subject to penalties, revocation of business and operating licenses or forfeiture of ownership interests. The Shell Company's ability to exert any control over the Operating Company could also be jeopardized if certain legal formalities are not observed in connection with the agreements, if the agreements are breached or if the agreements are otherwise determined not to be enforceable. If any of the foregoing or similar developments were to occur, the market value and liquidity of the associated investments would fall, causing substantial investment losses for an account with no recourse available.

- **Variable Rate Demand Notes ("VRDNs") Risks.** VRDNs are subject to a variety of risks, including but not limited to: (1) Renewal Risk: The risk of the inability to obtain an appropriate liquidity bank facility at an acceptable price to replace a facility upon termination or expiration of the contract period; (2) Liquidity Risk: The risk that in the event of a failed remarketing, the bank that has agreed to provide the letter of credit fails to honor its obligation to support the VRDNs; and (3) Default Risk: VRDNs typically are not secured by the assets of the issuer or the bank but are subject to the letter of credit provider honoring its obligations.
- **When-Issued and Forward Commitment Risk.** Securities purchased on a when-issued or forward commitment basis are subject to the risk that when delivered they will be worth less than the agreed upon payment price.

Item 9 Disciplinary Information

On November 24, 2022, the Securities and Futures Commission of Korea imposed a KRW 60 million (~\$44.5K) administrative fine on Calvert for violation of short sale restrictions as stipulated in Article 180(1) of the Financial Investment Services and Capital Markets Act, pursuant to Article 449 of the Act, Article 390 of the Enforcement Decree of the Act, Article 26 of the Regulation on Investigation of Capital Markets.

Item 10 Other Financial Industry Activities and Affiliations

As stated above in *Item 4 - Advisory Business*, Calvert serves as the investment adviser to a wide array of clients, including the Calvert Funds. Calvert also provides administrative services to the Calvert Funds for which it is paid a fee pursuant to specific services agreements. Certain Calvert officers and employees also serve as officers and/or interested directors/trustees of the Calvert Funds. Calvert is a wholly-owned subsidiary of Morgan Stanley, a corporation whose shares are publicly held and traded on the NYSE under the symbol "MS". Morgan Stanley is a financial holding company under the Bank Holding Company Act of 1956, as amended, and has numerous domestic and international subsidiaries. Calvert is part of a large global financial services and banking group and you could have relationships with our affiliates beyond your relationship with us. In addition, Calvert participates in a wrap program sponsored by an affiliate. These relationships can cause conflicts of interest.

The business activities of Morgan Stanley can also give rise to occasions when Calvert, as investment adviser, will have the opportunity to pursue or participate in a legal action against Morgan Stanley or its clients; in that event, Calvert could decide in its discretion to pursue or forgo participation in such legal action in whole or in part due to the other activities of Morgan Stanley.

Broker-Dealer Affiliates

Calvert is affiliated with Eaton Vance Distributors, Inc. (EVD) and Morgan Stanley Distribution, Inc. (MSDI), both broker-dealers registered under the Securities Exchange Act of 1934 (34 Act) and member firms of the Financial Industry Regulatory Authority (FINRA). Certain of our management persons are registered representatives of EVD and/or MSDI.

Calvert is also affiliated with Morgan Stanley & Co. LLC (MS&Co.) and Morgan Stanley Smith Barney LLC (MSSB), each a registered broker-dealer under the 34 Act and a FINRA member firm. Calvert is also affiliated with other intermediaries, foreign broker-dealers and financial services companies, including, among others, Morgan Stanley Bank National Association, Morgan Stanley & Co. International PLC, Morgan Stanley Capital Group Inc., Morgan Stanley Senior Funding Inc., Morgan Stanley Capital Services LLC, and Morgan Stanley Saudi Arabia. (hereinafter, together with affiliated broker-dealers registered under the 34 Act, collectively "Affiliated Broker-Dealers").

When permitted by applicable law and subject to the considerations set forth in *Item 12 – Brokerage Practices*, Calvert utilizes Affiliated Broker-Dealers to effect portfolio securities, currency exchange, futures, and other transactions for Calvert client accounts. The *Participation or Interest in Client Transactions subsection in Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*, describes in greater detail the manner in which Calvert utilizes Affiliated Broker-Dealers to effect client transactions and the conflicts of interest that can arise.

EVD is the principal underwriter and distributor of the Calvert Funds for which Calvert acts as investment adviser and, in certain instances, receives distribution fees from the funds pursuant to Rule 12b-1 under the 1940 Act. Where applicable, EVD pays fees, in whole or in part, to MSSB and to any other selected dealer, including any other Affiliated Broker-Dealer, with whom EVD has entered into a selected dealer or placement agent agreement. In addition, any sales charges derived from the purchase or redemption of an investment company managed by Calvert are paid directly to MSSB, or to any of those other selected dealers, including any other Affiliated Broker-Dealer, from which such dealer pays its sales representatives and other costs of distribution.

Material Arrangements or Relationships with Affiliates

Calvert is part of a group of investment advisers within the Morgan Stanley Investment Management business, including: (1) Boston Management and Research (BMR); (2) Parametric Portfolio Associates LLC (Parametric); (3) Eaton Vance Management; (4) Atlanta Capital Management Company, LLC; (5) Eaton Vance Advisers International Ltd. (EVAI); (6) Morgan Stanley Investment Management Inc.; (7) Mesa West Capital, LLC; (8) Morgan Stanley Investment Management Company; (9) Morgan Stanley Investment Management Limited; (10) Morgan Stanley AIP GP LP; (11) Morgan Stanley Infrastructure, Inc.; (12) Morgan Stanley Private Equity Asia, Inc.; (13) MS Capital Partners Adviser, Inc.; (14) Morgan Stanley Real Estate Advisor, Inc.; (15) MSREF Real Estate Advisor, Inc.; (16) MSRESS III Manager, LLC; (17) Morgan

Stanley Eaton Vance CLO Manager LLC; and (18) Morgan Stanley Eaton Vance CLO CM LLC (collectively, “Affiliated Advisers”).

Calvert has entered into arrangements with affiliates to provide and receive certain services such as accounting, finance, human resources, information technology and legal. In additional situations, certain employees of Calvert have been dual-hatted as employees and/or officers of its affiliates, including certain Affiliated Advisers, EVD and MSDI. While MSIM operates a global compliance program covering all Affiliated Advisers, in certain instances, there are specific adviser policies that only apply to a particular Affiliated Adviser and, therefore, the Calvert Chief Compliance Officer and the respective Chief Compliance Officers of the Affiliated Advisers (collectively the “CCOs”) have instituted a framework to monitor compliance by such dual-hatted employees with applicable requirements. The CCOs receive reporting and meet regularly to discuss matters affecting these employees and, as relevant, the CCOs are required to promptly report to other CCOs certain events such as material violations of policies and procedures, violations of a code of ethics, and client complaints to the extent such matters have not been escalated through global compliance monitoring.

Calvert provides the Responsible and Research Indexes, research, and model portfolios to its affiliates for use in such affiliates’ management of their client accounts. Under such arrangements, Calvert will receive compensation from its affiliates.

Investment strategies and products of Calvert and its affiliates are cross-marketed. Calvert works closely with its affiliates to jointly market advisory services and strategic investment strategies to institutional investors and high-net-worth individuals, and refers clients to its affiliates when appropriate. These shared marketing efforts and sales referrals result in intercompany transfers and cost-sharing payments between Calvert and its affiliates.

Calvert is an affiliate of Eaton Vance Trust Company (“EVTC”), a limited purpose non-depository trust company organized and operating under the laws of Maine. EVTC serves as trustee to common trust funds and collective investment trusts. Calvert is a sub-adviser on certain funds for which EVTC is trustee.

As mentioned above, we are a wholly owned subsidiary of Morgan Stanley. We are also affiliated with Morgan Stanley Bank, N.A., an insured depository institution headquartered in Salt Lake City, Utah, which has businesses concentrated in institutional lending and securities-based lending for clients of its affiliated broker-dealers. In addition, we are affiliated with Morgan Stanley Private Bank, N.A., a U.S. insured depository institution and a federally chartered national association whose activities are subject to regulation and examination by the Office of the Comptroller of the Currency.

Electronic Communication Networks and Alternative Trading Systems

Calvert’s affiliates have ownership interests in and/or Board seats on electronic communication networks (ECNs) or other alternative trading systems (ATSS). In certain instances Calvert’s affiliates could be deemed to control one or more of such ECNs or ATSS based on the level of such ownership interests and whether such affiliates are represented on the board of such ECNs or ATSS. Consistent with its fiduciary obligation to seek best execution, Calvert will, from time to time, directly or indirectly, effect client trades through ECNs or other ATSS in which the firm’s affiliates have or could acquire an interest or Board seat. These affiliates might receive an indirect economic benefit based upon their ownership in the ECNs or other ATSS. Calvert will, directly or indirectly, execute through an ECN or other ATSS in which an affiliate has an interest only in situations where the firm or the broker dealer through whom it is accessing the ECN or ATSS reasonably believes such transaction will be in the best interest of its clients and the requirements of applicable law have been satisfied. Calvert’s affiliates own over 5% of the outstanding voting securities and/or have a member on the Board of certain trading systems (or their parent companies), including (i) Copeland Markets LLC, (ii) MEMX Holdings LLC, (iii) OTCderiv Limited, (iv) Creditderiv Limited, (v) ICE Clear Credit LLC, (vi) FXglobalclear, (vii) EOS Precious Metals Limited, (viii) Yensai.com Co., Ltd, and (ix) Octaura Holdings LLC.

Calvert’s affiliates could acquire interests in and/or take Board seats on other ECNs or other ATSS (or increase ownership in the ATSS listed above) in the future.

Calvert’s affiliates receive cash credits from certain ECNs and ATSS for certain orders that provide liquidity to their books. In certain circumstances, such ECNs and ATSS also charge explicit fees for orders that extract liquidity from their books.

From time to time, the amount of credits that the firm's affiliates receive from one or more ECN or ATS exceed the amount that is charged. Under these limited circumstances, such payments would constitute payment for order flow.

For more information about how Calvert addresses certain conflicts of interest, see *Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*. See also *Item 12 – Brokerage Practices* for more information about conflicts of interest related to portfolio transactions and trade allocation.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Calvert has adopted the MSIM Public and Private Side Code of Ethics and Personal Trading Guidelines (the “Code”) pursuant to Rule 204A-1 under the Advisers Act. Each of Calvert’s employees is required to acknowledge the Code at the inception of his/her employment and annually thereafter. The Code is designed to make certain that all acts, practices and courses of business engaged in by Calvert’s employees are conducted in accordance with the highest possible standards and to prevent abuse, or even the appearance of abuse, by employees with respect to their personal trading and other business activities.

Additionally, all Calvert employees are subject to firm-wide policies and procedures found in the Morgan Stanley Code of Conduct (the “Code of Conduct”) that sets forth, among other things, restrictions regarding confidential and proprietary information, information barriers, information security, privacy and data protection, private investments, outside business interests and personal trading. All Morgan Stanley employees, including Calvert employees, are required to acknowledge that they have read, understand, are in compliance with and agree to abide by the Code of Conduct’s terms as a condition of continued employment.

The Code requires all employees to pre-clear trades for covered securities, as defined under the Code, in a personal securities account. A pre-clearance request generally will be denied if there is an open order for a client in the same security. The Code also imposes holding periods and reporting requirements for covered securities, which includes affiliated and sub-advised U.S. mutual funds. Calvert employees and their immediate family are prohibited from acquiring any security in an initial public offering or any other public underwriting. Investments in private placements or an employee’s participation in an outside business activity must be pre-approved by Compliance and the employee’s manager. Certain of Calvert’s employees who, in connection with job functions, make or participate in making recommendations regarding the purchase or sale of securities or who have real-time knowledge of such recommendations, are held to more stringent standards when placing trades in personal securities accounts. Violations of the Code are subject to sanction, including reprimand, restricting trading privileges, reducing employees’ discretionary bonus, if any, potential reversal of a trade made in violation of the Code or other applicable policies, suspension or termination of employment.

Calvert will provide you with a copy of the Code upon request.

Investment Restrictions Arising from Possession of Material Non-Public Information

Calvert is not permitted to use material non-public information (“MNPI”) in effecting purchase and sales in public securities transactions. In the ordinary course of its operations, Calvert and its affiliates will periodically obtain access to MNPI. At times, the acquisition of MNPI prohibits Calvert from rendering investment advice to clients regarding the securities of an issuer for which Calvert or its affiliates has MNPI, and thereby limits the universe of securities Calvert can purchase or sell. Similarly, where Calvert declines access to or otherwise does not receive or share MNPI regarding an issuer, Calvert will base its investment decisions with respect to securities of such issuer solely on public information, thereby limiting the amount of information available to Calvert in connection with such investment decision. The occurrence of either situation could disadvantage some client accounts if we are unable to make an intended purchase or sale, or if we decline information that might have benefited our management. For additional discussion related to MNPI, please see “Services to Issuers Activities” and “Investment Banking Activities” in this *Item 11*.

Participation or Interest in Client Transactions

The following sections address our trading activities, the various conflicts of interest that can arise, and how such conflicts have been addressed.

Morgan Stanley Securities

Calvert will generally prohibit transactions in securities, including equity and debt, issued by Morgan Stanley and certain of its affiliates.

Broker-Dealer Affiliations

Calvert does not act as principal or broker in connection with client transactions. However, when exercising its discretion under an investment management agreement with a client, Calvert will, in certain instances, effect transactions in securities or other instruments for a client through Affiliated Broker-Dealers, including where such Affiliated Broker-Dealer acts as a principal in connection with the client transaction where there is a material financial interest, which perform all of the activities set forth below.

In connection with transaction in which Affiliated Broker-Dealers will act as principal Calvert will disclose to the client that the trade will be conducted on a principal basis and obtain the client's consent in accordance with the provisions of and rules under the Advisers Act or other applicable law and as additionally agreed by contract. Calvert will recommend that a client engage in such a transaction only when it believes that the net price for the security is at least as favorable as could have been obtained from another established dealer in such security.

Calvert's recommendations to clients can involve securities in which its Affiliated Broker-Dealers, or their officers, employees or other affiliates, have a financial interest. Affiliated Broker-Dealers and their officers, employees and other affiliates, can purchase or sell for their own accounts securities that Calvert recommends to its clients.

If permitted by a client's investment objectives and guidelines, applicable law, and our policies and procedures concerning conflicts of interest, Calvert will, from time to time, recommend that the client purchase, or use its discretion to effect a purchase of, securities during the existence of an underwriting or other public or private offering of such securities involving an Affiliated Broker-Dealer as a manager, underwriter, initial purchaser, or placement agent. Among other things, Calvert must disclose to the client that the transaction involves an affiliate and obtain client consent to execute transactions with an affiliate on behalf of the client's account. Purchases can be from underwriters or placement agents other than an Affiliated Broker-Dealer in distributions in which an Affiliated Broker-Dealer is a manager and/or member of a syndicate or selling group, as a result of which an Affiliated Broker-Dealer will likely benefit from the purchase through receipt of a fee or otherwise. In situations in which a client has not permitted, or where it is prohibited by law, rule or regulation, Calvert could be unable to purchase securities for the client account in an initial or other public or private offering of securities involving an Affiliated Broker-Dealer.

With client consent, and subject to the restrictions imposed on such transactions by applicable law, Calvert will effect portfolio transactions through an Affiliated Broker-Dealer on an agency basis, including transactions in over-the-counter (OTC) securities, where the Affiliated Broker-Dealer will act as agent in connection with the purchase and sale of OTC securities from market participants and will charge our clients a commission on the transactions, provided that such commission is fair and reasonable. Since these are agency transactions, there is no mark-up or mark-down on the price of the security.

Calvert will effect securities transactions through an Affiliated Broker-Dealer when, in its judgment, the client will obtain best execution of the transaction. Subject to its duty to seek best execution, Calvert will, from time to time, effect such transactions through an Affiliated Broker-Dealer even though the total brokerage commission for the transaction is higher than that which might have been charged by another broker for the same transaction.

Cross and Agency Cross Transactions

From time to time, and where permitted by applicable law and the relevant client agreements, Calvert will effect "agency cross transactions" in which an Affiliated Broker-Dealer acts as agent for both the buyer and seller in the transaction. Calvert will only trade with an Affiliated Broker-Dealer on behalf of a client on an agency cross basis when the client has consented to Calvert effecting such transactions. Any agency cross transaction will be effected in compliance with applicable law, as well as policies and procedures Calvert has designed to prevent and disclose conflicts of interest. The Affiliated Broker-Dealer can receive a commission from the seller and the buyer when it executes transactions on an

agency cross basis under certain conditions. In effecting an agency cross transaction, Calvert has potentially conflicting divisions of loyalties and responsibilities regarding the parties to the transaction.

From time to time, Calvert effects internal “cross” transactions between client accounts in which one client will purchase securities held by another client. Such transactions are entered into generally only when we deem the transaction to be in the best interests of both clients and at a price we have determined by reference to independent market indicators and which we believe to constitute “best execution” for both parties.

Calvert will not engage in cross-trade transactions for an advisory client whose investment management agreement does not explicitly permit the account to engage in cross trades and, as a result, such clients will generally pay higher transaction costs and might not receive the most favorable execution than had a cross-trade been effected for a particular portfolio trade.

While we will seek to ensure that the terms of cross trades are fair and reasonable, and the transactions are executed in a manner that is in the best interest of the clients involved in the cross trade, clients should be aware that the price of a security bought or sold through a cross trade, in some cases, will not be as favorable as it might have been had the trade been executed on the open market. Neither we nor any related party receives any compensation in connection with such “cross” transactions.

From time to time, Calvert, along with related persons of Calvert, will effect portfolio transactions through an Affiliated Broker-Dealer on behalf of clients in respect of which Calvert is a “fiduciary” as defined in the Employee Retirement Income Security Act of 1974, as amended (ERISA) only on an agency basis and with prior written approval from an independent fiduciary in accordance with the terms of exemptions available from the Department of Labor, as well as in accordance with the restrictions imposed on such transactions by applicable law.

Fixed income instruments typically trade at a bid/ask spread and without an explicit brokerage charge. While there is not a formal trading expense or commission, clients (including wrap fee program clients) will bear the implicit trading costs reflected in these spreads.

Calvert is generally permitted to purchase securities on behalf of its ERISA clients from an underwriting or selling syndicate where an Affiliated Broker-Dealer participates as manager or syndicate member with prior written approval from an independent fiduciary in accordance with the terms of exemptions available from the Department of Labor.

Calvert and Affiliated Advisers, from time to time, execute client transactions with broker-dealers that do not have their own clearing facilities and who clear such transactions through an Affiliated Broker-Dealer. In such instances, the Affiliated Broker-Dealer will receive a clearing fee for these transactions.

Services to Issuers Activities

Along with its affiliates, Calvert provides a variety of services for, and renders advice to, various clients, including issuers of securities that it also recommends for purchase or sale by clients. In the course of providing these services, Calvert and its affiliates could come into possession of material, nonpublic information which might affect its ability to buy, sell, or hold a security for a client account. Investment research materials disclose that related persons can own, and can effect transactions in, securities of companies mentioned in such materials and also can perform or seek to perform investment banking services for those companies. In addition, directors, officers and employees of affiliates could have board seats and/or have board observer rights with private and/or publicly traded companies in which Calvert invests in on behalf of client accounts. Along with its affiliates, Calvert has adopted policies and procedures and created information barriers that are reasonably designed to prevent the flow of any material, nonpublic information regarding these companies between the firm and its affiliates.

Morgan Stanley’s Trading and Principal Investing Activities

Morgan Stanley generally conducts its sales and trading businesses, publishes research and analysis, and renders investment advice without regard for Calvert’s client accounts and funds, although these activities could have an adverse impact on the value of one or more of our client’s investments, or could cause Morgan Stanley to have an interest in one

or more investments that is different from and potentially adverse to that of our clients. Morgan Stanley's sales and trading, financing and principal investing businesses will not be required to offer any investment opportunities to our clients. These businesses can encompass, among other things, principal trading activities as well as principal investing.

Morgan Stanley's sales and trading, financing and principal investing businesses have acquired or invested in, and in the future could acquire or invest in, minority and/or majority control positions in equity or debt instruments of diverse public and/or private companies. Such activities could put Morgan Stanley in a position to exercise contractual, voting or creditor rights, or management or other control with respect to securities or loans of portfolio investments or other issuers, and in these instances Morgan Stanley could, in its discretion and subject to applicable law, act to protect its own interests or interests of clients, and not the interests of Calvert's clients.

Subject to the limitations of applicable law, an account could purchase from or sell assets to, or make investments in, companies in which Morgan Stanley has or will acquire an interest, including as an owner, creditor or counterparty.

Morgan Stanley's Investment Banking Activities

Morgan Stanley advises clients on a variety of mergers, acquisitions and financing transactions. Morgan Stanley could act as an advisor to clients that could compete with Calvert clients and with respect to clients' investments. In certain instances, Morgan Stanley gives advice and takes action with respect to its clients or proprietary accounts that can differ from the advice Calvert provides or involves an action of a different timing or nature than the action taken or advised by Calvert. At times, Morgan Stanley will give advice and provide recommendations to persons competing with Calvert clients and/or any of their investments, contrary to the client's best interests and/or the best interests of any of its investments.

Morgan Stanley could be engaged in financial advising, whether on the buy-side or sell-side, or in financing or lending assignments that could result in Morgan Stanley determining in its discretion or being required to act exclusively on behalf of one or more third parties, which could limit Calvert clients' ability to transact with respect to one or more existing or potential investments. Morgan Stanley could have relationships with third-party funds, companies or investors who have invested in or could look to invest in portfolio companies, and there could be conflicts between Calvert's clients' best interests, on the one hand, and the interests of a Morgan Stanley client or counterparty, on the other hand. To the extent that Morgan Stanley advises companies in financial restructurings outside of, prior to or after filing for protection under Chapter 11 of the U.S. Bankruptcy Code or similar laws in other jurisdictions, Calvert's flexibility in making investments in such restructurings on a client's behalf, or participating on steering committees and other committees in connection with existing investments, could be limited.

From time to time, different areas of Morgan Stanley will come into possession of MNPI as a result of providing investment banking services to issuers of securities. In an effort to prevent the mishandling of MNPI, Morgan Stanley will, at times, restrict trading of these issuers' securities by Calvert and its clients during the period such MNPI is held by Morgan Stanley, which period could be substantial. In instances where trading of an investment is restricted, clients might not be able to purchase or sell such investment, in whole or in part, resulting in Calvert clients' inability to participate in certain desirable transactions and/or a lack of liquidity concerning clients' existing portfolio investments. This inability to buy or sell an investment could have an adverse effect on a client's portfolio due to, among other things, changes in an investment's value during the period its trading is restricted. Calvert has implemented information barriers with its affiliates in order to minimize the impact of such restrictions on client portfolios.

Morgan Stanley could provide investment banking services to competitors of Calvert clients' portfolio companies, as well as to private equity and/or private credit funds, and such activities could present Morgan Stanley with a conflict of interest vis-a-vis a client's investment and also result in a conflict in respect of the allocation of investment banking resources to portfolio companies. To the extent permitted by applicable law, Morgan Stanley can provide a broad range of financial services to companies in which a client invests, including strategic and financial advisory services, interim acquisition financing and other lending and underwriting or placement of securities, and Morgan Stanley generally will be paid fees (that can include warrants or other securities) for such services. Morgan Stanley will not share any of the foregoing

interest, fees and other compensation received by it (including, for the avoidance of doubt, amounts received by Calvert) with the client, and any advisory fees payable will not be reduced thereby.

Morgan Stanley could be engaged to act as a financial advisor to a company in connection with the sale of such company, or subsidiaries or divisions thereof, could represent potential buyers of businesses through its mergers and acquisition activities and could provide lending and other related financing services in connection with such transactions. Morgan Stanley's compensation for such activities is usually based upon realized consideration and is usually contingent, in substantial part, upon the closing of the transaction. Calvert's clients might be precluded from participating in a transaction with or relating to the company being sold under these circumstances.

Calvert believes that the nature and range of clients to whom Affiliated Broker-Dealers render investment banking and other services is such that it would be inadvisable to exclude these companies from a client's portfolio. Accordingly, unless a client advises Calvert to the contrary, it is likely that a client's holdings will include the securities of corporations for whom an Affiliated Broker-Dealers performs investment banking and other services. Moreover, client portfolios could include the securities of companies in which Affiliated Broker-Dealers make a market or in which Calvert, its officers and employees and Affiliated Broker-Dealers or other related persons and their officers or employees have positions.

To meet applicable regulatory requirements, there are periods when Calvert will not initiate or recommend certain types of transactions in the securities of companies for which an Affiliated Broker-Dealer is performing investment banking service. Calvert clients will not be advised of that fact. In particular, when an Affiliated Broker-Dealer is engaged in an underwriting or other distribution of securities of a company, Calvert could be prohibited from purchasing or recommending the purchase of certain securities of that company for its clients. Calvert has implemented information barriers in order to minimize the impact of such restrictions on client portfolios. Notwithstanding the circumstances described above, clients, of their own initiative, can direct Calvert to place orders for specific securities transactions in their accounts. In addition, Calvert generally will not initiate or recommend transactions in the securities of companies with respect to which Calvert affiliates have controlling interests or are affiliated.

In addition, in situations where Calvert is required to aggregate its positions with those of other Morgan Stanley business units for position limit calculations, we might have to refrain from making investments due to the positions held by other Morgan Stanley business units or their clients. There could be other situations where we refrain from making an investment or refrain from taking certain actions related to the management of such investment due to, among other reasons, additional disclosure obligations, regulatory requirements, policies, and reputational risk, or Calvert could limit purchases or sales of securities in respect of which Morgan Stanley is engaged in an underwriting or other distribution capacity.

Investment Limits

Various federal, state or foreign laws, rules and regulations, as well as certain corporate charters adopted by issuers in which Calvert could invest, limit the percentage of an issuer's securities that can be owned by Calvert and its affiliates. Calvert is more likely to run into these limitations than investment advisers with fewer assets under management and/or that are not affiliated with a large financial institution or financial holding company. In certain instances, for purposes of these ownership limitations, Calvert holdings on behalf of its client accounts will be aggregated with the holdings of its affiliates. These ownership limitations can be in the form of, among others: (i) a strict prohibition against owning more than a certain percentage of an issuer's securities (a "threshold"); (ii) a "poison pill" that would have a material dilutive impact on our holdings in that issuer should Calvert and its affiliates exceed the threshold; (iii) provisions that would cause Calvert and its affiliates to be considered "interested stockholders" of an issuer if Calvert and its affiliates exceed the threshold; and (iv) provisions that could cause Calvert and its affiliates to be considered an "affiliate" or "control person" of the issuer. Calvert will generally avoid exceeding the threshold in these situations. With respect to situations in which Calvert and its affiliates could be considered "interested stockholders" (or a similar term), the firm will generally avoid exceeding the threshold because if it were considered an interested stockholder, Calvert and its affiliates would be prohibited (in some cases absent board and/or shareholder approval) from entering into certain transactions or performing certain services (including investment banking, financial advisory and securities lending) with or for the issuer.

The firm will also generally avoid exceeding a threshold in situations in which Calvert can be considered an affiliate of the issuer for the reasons set forth above, as well as the fact that should Calvert be considered an affiliate of an issuer, the firm's ability to trade in the issuer's securities would become limited. For additional information on certain regulatory risks, including the Volcker Rule, please see the "Legal and Regulatory Risks" sub-section in *Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss*.

Investments in Affiliated Investment Funds

We can recommend, buy or sell for a client account, securities in which we or our related persons have a material financial interest, including because we or our affiliates act as an investment adviser to an investment company that is recommended to a client. When permitted by applicable law and the investment guidelines applicable to individual client accounts and considered by Calvert to be in the best interests of a client, Calvert could recommend to clients, and invest the assets of a client's account in various closed-end and open-end investment companies and other pooled investment vehicles for which Calvert and its affiliates receive compensation for advisory, administrative, or other services. This presents a conflict of interest, for example, to the extent that a similar security is available from another manager that is a better performer or available at a lower price. Certain limitations are imposed on our ability to invest, on behalf of our clients, in products sponsored or advised by an affiliate, including the MSIM Funds.

In certain circumstances, when required by applicable law or by agreement with the client, Calvert will waive its investment management fee with respect to assets invested in pooled investment vehicles to the extent some or all of the compensation received by Calvert and its affiliates for services rendered with respect to such pooled investment vehicles. Calvert does not, in all instances, waive such investment management fees.

Investment Management Activities and Managing Advisory Client Accounts

It is possible that Calvert's officers or employees will buy or sell the same securities or other instruments that Calvert has purchased on behalf of or recommended to clients. Moreover, from time to time Calvert will purchase and sell on behalf of or recommend to clients the purchase or sale of securities in which the firm or its officers, employees or related persons have a financial interest. Accordingly, if we or our related persons hold the same security as a client account, then we and our related persons have a conflict in that we or our related persons could seek to put our own interests ahead of the clients, however, we are prohibited from doing so because we have a fiduciary duty to our clients. These transactions are subject Calvert's policies and procedures regarding personal securities trading, as well as to the requirements of the Advisers Act, the 1940 Act and other applicable laws. Calvert policies and procedures, the Advisers Act and the 1940 Act require that Calvert place the interests of its clients before its own. To the extent our personnel seek to buy or sell a security at or about the same time that Calvert is seeking to buy or sell that security for a client account, as discussed in the "Code of Ethics" section above, a pre-clearance request generally will be denied if there is an open order for a client in the same security.

From time to time, various conflicts of interest arise from the overall advisory, investment and other activities of Calvert and its affiliates, and personnel (each, an "Advisory Affiliate" and, collectively, the "Advisory Affiliates").

The Advisory Affiliates manage long and short portfolios. The simultaneous management of long and short portfolios creates conflicts of interest in portfolio management and trading in that opposite directional positions could be taken in client accounts managed by the same investment team, and creates risks such as: (i) the risk that short sale activity could adversely affect the market value of long positions in one or more portfolios (and vice versa) and (ii) the risks associated with the trading desk receiving opposing orders in the same security simultaneously. The Advisory Affiliates have adopted policies and procedures that are reasonably designed to mitigate these conflicts.

In certain circumstances, Advisory Affiliates invest on behalf of themselves in securities and other instruments that would be appropriate for, held by, or could fall within the investment guidelines of the funds and/or client accounts managed by them (collectively, the "Advisory Clients"). At times, the Advisory Affiliates will give advice or take action for their own accounts that differs from, conflicts with, or is adverse to advice given to, action taken for or the interests of any Advisory Client.

From time to time, conflicts also arise due to the fact that certain securities or instruments could be held in some Advisory Clients but not in others, or the Advisory Clients could have different levels of holdings in certain securities or instruments, and because the Advisory Clients pay different levels of fees to us. In addition, at times an Advisory Affiliate will give advice or take action with respect to the investments of one or more Advisory Clients that is not given or taken with respect to other Advisory Clients with similar investment programs, objectives, and strategies. Accordingly, Advisory Clients with similar strategies will not always hold the same securities or instruments or achieve the same performance. Advisory Affiliates also advise Advisory Clients with conflicting programs, objectives or strategies.

The decision on behalf of one Advisory Client as to when to initiate a purchase or sale transaction could differ, and be done for different reasons, than the decision made on the same securities for a different Advisory Client. This could create conflicts of interest, and it is possible that one or more client accounts could achieve investment results that are substantially more or less favorable than those results achieved by other accounts.

To the extent we utilize quantitative models or risk management or optimization investment techniques, the decision on when to initiate a purchase or sale transaction could differ, and be done for different reasons, than the decision made on the same securities when not utilizing such techniques. This could create conflicts of interest, and it is possible that one or more client accounts could achieve investment results that are substantially more or less favorable than those results achieved by other accounts.

Any of the foregoing activities could adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Advisory Clients. Finally, the Advisory Affiliates could have conflicts in allocating their time and services among their Advisory Clients. Calvert will devote as much time to each of its Advisory Clients as it deems appropriate to perform its duties in accordance with its respective management agreements.

Different clients of Calvert, including funds advised by Calvert or an affiliate, could invest in different classes of securities of the same issuer, depending on their respective client's investment objectives and policies. As a result, at times, Calvert will seek to satisfy its fiduciary obligations to certain clients owning one class of securities of a particular issuer by pursuing or enforcing rights on behalf of those clients with respect to such class of securities, and those activities could have an adverse effect on another client, which owns a different class of securities of such issuer. For example, if one client holds debt securities of an issuer and another client holds equity securities of the same issuer, if the issuer experiences financial or operational challenges, Calvert could seek a liquidation of the issuer on behalf of the client that holds the debt securities, whereas the client holding the equity securities could benefit from a reorganization of the issuer. Thus, in such situations, the actions taken on behalf of one client can negatively impact securities held by another client. The firm has adopted procedures pursuant to which conflicts of interest, including those resulting from the receipt of material, nonpublic information about an issuer, are managed by our employees through information barriers and other practices.

Different clients of Calvert and its affiliates, including funds advised by Calvert or an affiliate, could invest in (1) different classes of securities of the same issuer (including, without limitation, different parts of an issuer's capital structure), depending on their respective clients' investment objectives and policies and/or (2) the same class of securities of the same issuer while seeking different investment objectives or executing different investment strategies (such as long-term v. short-term investment horizons), and we could face conflicts with respect to the interests involved. As a result, at times, Calvert will seek to satisfy its fiduciary obligations to certain clients owning one class of securities of a particular issuer by pursuing or enforcing rights on behalf of those clients with respect to such class of securities, and those activities could have an adverse effect on another client, which owns a different class of securities of such issuer. For example, if one client holds debt securities of an issuer and another client holds equity securities of the same issuer, if the issuer experiences financial or operational challenges, Calvert could seek a liquidation of the issuer on behalf of the client that holds the debt securities, whereas the client holding the equity securities might benefit from a reorganization of the issuer. Thus, in such situations, the actions taken on behalf of one client can negatively impact securities held by another client. Alternatively, for example, if a client owns a security while seeking short-term capital appreciation, Calvert could vote proxies or engage with the issuer (as applicable) in pursuit of that goal, which could negatively impact a client who holds the same security but is seeking long-term capital appreciation. We have adopted procedures pursuant to which conflicts

of interest, including those resulting from the receipt of material, nonpublic information about an issuer, are managed by our employees through information barriers and other practices.

Calvert and its affiliates, from time to time, will pursue acquisitions of assets and businesses and identify an investment opportunity in connection with its existing businesses or a new line of business without first offering the opportunity to clients. Such an opportunity could include a business that competes with a client or an investment fund or a co-investment in which a client has invested or proposes to invest.

Where permitted by applicable law, Calvert can also transact in securities or instruments, including without limitation, loans, for which its affiliates provide certain administrative services, such as processing of interest and principal payments, facilitating transfers of interest and processing communications.

From time to time, Calvert will be retained to manage assets on behalf of a client that is a public or private company in which it has invested or could invest on behalf of sub-advised mutual funds and other client accounts.

Valuation of Investments

Calvert performs certain valuation services related to securities and other assets held in client accounts in accordance with its valuation policies. We will face a conflict with respect to valuations generally because of the effect of such valuations on Calvert's fees and other compensation and the performance of a client's account.

Investments by Separate Investment Departments

The entities and individuals that provide investment-related services can differ by client, investment function, or business line (each, an "Investment Department" and collectively, the "Investment Departments"). Nonetheless, Investment Departments (with certain exceptions) can engage in discussions and share information and resources with another Investment Department (or a team within the other Investment Department) regarding investment-related matters. The sharing of information and resources between the Investment Departments is designed to further increase the knowledge and effectiveness of each Investment Department. However, an investment team's decisions as to the use of shared research and participation in discussions with another Investment Department could adversely impact a client. Certain investment teams within one Investment Department could make investment decisions and execute trades together with investment teams within other Investment Departments. Other investment teams make investment decisions and execute trades independently. This could cause the quality and price of execution, and the performance of investments and accounts, to vary. Internal policies and procedures set forth the guidelines under which securities and securities trades can be crossed, aggregated, and coordinated between accounts serviced by different Investment Departments. Internal policies and procedures take into consideration a variety of factors, including the primary market in which such security trades. If a security or securities trade is ineligible for crossing, aggregation, or other coordinated trading, then each Investment Department will execute such trades independently of the other.

General Process to Address Conflicts

All of the transactions described above involve conflicts of interest between Calvert, its related persons, and its clients. The Advisers Act, the 1940 Act and ERISA impose certain requirements designed to decrease the possibility of conflicts of interest between an investment adviser and its clients. In some cases, transactions could be permitted subject to fulfillment of certain conditions. Certain other transactions could be prohibited. In addition, we have implemented policies and procedures designed to prevent conflicts of interest from arising and, when they do arise, to ensure that we effect transactions for clients in a manner that is consistent with our fiduciary duty to our clients and in accordance with applicable law. Calvert seeks to ensure that conflicts of interest are appropriately resolved taking into consideration the best interest of the client.

Calvert has adopted policies and procedures and established controls designed to require review of transactions in which conflicts of interest could exist, including those described above, to ensure that applicable policies and legal and regulatory requirements are followed.

Item 12 Brokerage Practices

Best Execution and Brokerage Selection Factors

When Calvert has the authority to select brokers for client accounts, we select broker-dealers consistent with our duty to seek “best execution” (i.e., to seek the most favorable overall price and execution under the circumstances existing at the time of the transaction). In seeking best execution, we are not obligated to choose the broker-dealer offering the lowest available commission rate if, in our reasonable judgment, (i) we believe that the total costs or proceeds from the transaction might be less favorable than could be obtained elsewhere; (ii) a higher commission is justified by the products and research services (soft dollar benefits) other than execution provided by the broker-dealer that fall within the safe harbor of Section 28(e) of the 34 Act (“Section 28(e)”) or otherwise is permitted under applicable law, rules, and regulations of the relevant jurisdictions in which we operate, and under applicable agreements; or (iii) other considerations, such as the order size, the time required for execution, the depth and breadth of the market for the security, minimum credit quality requirements to transact business with a particular broker-dealer, or the quality of the broker-dealer’s back office or other considerations support our decision to use a different broker-dealer.

With certain exceptions, when effecting transactions on behalf of clients, Calvert can select any broker-dealer on our list of approved broker-dealers. Approved broker-dealers have met criteria as established by our Cross-Asset Risk team (“GRA-X”). GRA-X reviews and approves broker-dealers periodically to determine whether broker-dealers on our approved list continue to meet such criteria. Changes to the approval list are reported quarterly to the Best Execution Committee and the Counterparty Governance Committee.

When selecting an approved broker-dealer (including an affiliate) to execute securities transactions, the trading desk considers some or all of the following factors:

- Best available price;
- Reliability, integrity, financial responsibility, and reputation in the industry (which can include a review of financial information and creditworthiness);
- Trade limitation and/or execution capabilities, including block positioning, speed of execution and quality and responsiveness of its trading desk;
- Knowledge of and access to the relevant markets for the securities being traded;
- Potential ability to obtain price improvement;
- Ability to maintain confidentiality;
- Ability to handle non-traditional or complex trades;
- Commission and commission-equivalent rates;
- Proprietary and third-party research (but only to the extent permissible under applicable law and under applicable agreements);
- Technology infrastructure;
- Clearance and settlement capabilities;
- Size of the trade relative to other trades in the same instrument;
- Ability of the counterparty to commit its capital and its access to liquidity, including product liquidity;
- Counterparty restrictions associated with a portfolio, including regulatory trading, documentation requirement, or any specific clearing broker-dealer requirements;
- Client directed execution;
- Client specific restrictions;
- Assignment fees;
- Agent bank considerations (i.e., whether to trade with or away from the administrative agent); and
- Such other factors as we determine to be appropriate.

Research and Other Soft Dollars Benefits – Commission Sharing Arrangements

Subject to our duty to seek best execution, Calvert and certain of our Affiliated Advisers can use a portion of the commissions generated through client transactions to obtain external research services that support our investment decision-making process. These arrangements are made in accordance with Section 28(e). Investment research is critical to supporting investment and trading decisions by providing new insights that inform IM's investment managers when making such decisions about its clients' portfolios. Corporate access can be a useful tool for investment teams by providing direct access to the management of issuers, which can provide insights that are similarly useful in making investment decisions. Calvert ensures that the consumption and valuation of, and payment for, investment research and corporate access are:

- Managed and used in the best interests of our clients.
- Subject to appropriate controls and senior management oversight.
- Conducted in accordance with relevant regulatory requirements and other applicable regulations. In some cases, this can result in clients paying commissions in exchange for access to research and brokerage services—commonly referred to as soft dollar arrangements.

In choosing providers of research services, the portfolio management (“PM”) team can consider and select providers based on the following factors:

- Consideration of research capabilities, including coverage of various industries in which an IM Adviser could be considering investments and the quality of the firm's research.
- Consideration of the reputation and standing of the firm's analysts, their investment strategies, timing, accuracy of statistical information and idea generation, under the circumstances.
- Determination that the research obtained meets the definition of permissible research pursuant to each jurisdiction's applicable laws, rules, and regulations.

Calvert utilizes a periodic research services evaluation/voting process and makes a good faith determination of the value of the research services provided in accordance with Section 28(e), Financial Conduct Authority rules and other relevant regulatory requirements. We direct a third-party vendor known as a CCA Aggregator to issue payments corresponding to the outcome of this voting process.

Calvert has adopted policies and procedures designed to help us track and evaluate the benefits we receive from brokerage and research services, as well as to track how much our clients pay above the amount that broker-dealers from which we receive brokerage and research services would have charged solely for execution of such trades. Calvert and the Affiliated Advisers utilize a voting system to assist us in making a good faith determination of the value of brokerage and research services we receive in accordance with Section 28(e) and applicable law. In many cases, these involve subjective judgments or approximations.

We and the Affiliated Advisers have established a process for budgeting research costs and allocating such costs across client accounts. Each of our PM teams establishes a research budget at the start of each calendar year that sets the expected cost to be spent by the team on external research services for the same year. These research budgets are reviewed and approved by our Research Committee, allocated across all accounts managed by the PM team in accordance with our policies. We and certain of the Affiliated Advisers have entered into client commission arrangements (“CCAs”) with executing brokers (“CCA Partners”) and a third party vendor (“CCA Aggregator”) that assist us with administration of research payments and commissions. Pursuant to these arrangements, and under our supervision, the CCA Partners and the CCA Aggregator track execution and research commissions separately and pool and distribute research credits in accordance with the policies and procedures discussed above to approved research providers (which include executing brokerage firms or independent research providers (“Approved Research Providers”)) that provide us with brokerage and research services. The CCA Aggregator also reconciles research credits from trades with CCA Partners that are payable to Approved Research Providers and provides other related administrative functions. In addition, from time to time a CCA Partner will provide us and the Affiliated Advisers with proprietary research it has

developed and, upon our instruction, retain research commission credits as compensation for the provision of such proprietary research services.

Transactions that generate research credits include equity transactions executed on an agency and riskless principal basis where the executing broker-dealer receives a commission.

MiFID II Affiliated Advisers

Certain of the Affiliated Advisers are subject to the European Union's Markets in Financial Instruments Directive II ("MiFID II" and such Affiliated Advisers, "MiFID II Affiliated Advisers"), which is a European regulation governing conduct by investment advisers, among others. Under MiFID II, our MiFID II Affiliated Advisers are permitted to receive research (other than research that qualifies as a "Minor Non-Monetary Benefit" under MiFID II ("MNB")) without it constituting an unlawful inducement if they pay for the research directly from their own resources or from research payment accounts funded by their clients. Our MiFID II Affiliated Advisers engage us as sub-adviser or otherwise delegate to us authority to manage their client accounts ("MiFID II Accounts"). While we are not directly subject to the provisions of MiFID II, in accordance with those arrangements, we make a reasonable valuation and allocation of the cost of the research as between MiFID II Accounts and other accounts that participate in CCAs and will pay for any research we receive with respect to MiFID II Accounts (other than research that qualifies as a MNB) from our own resources. We and our MiFID II Affiliated Advisers could separately pay for fixed income research from our own resources. As a result, MiFID II Accounts at times will pay commission rates that are below the total commission rates paid by other client accounts.

Fixed Income Trading

We and the Affiliated Advisers do not use CCAs or otherwise have arrangements to pay for brokerage and research services with client commissions in connection with trading fixed income securities. Consistent with long-standing industry practice in the fixed income markets, however, we and the Affiliated Advisers, subject to applicable law, receive brokerage and research services and other information, including access to fixed income trading platforms that dealers provide for no charge to their customers in the ordinary course of business. Fixed income instruments typically trade at a bid/ask spread and without an explicit brokerage charge. While there is not a formal trading expense or commission, clients will bear the implicit trading costs reflected in these spreads.

Trade Aggregations

When permitted under applicable law, each PM team generally will aggregate orders of its clients (and, in some cases, clients managed by other PM teams) for the same securities in a single order so that such orders are executed simultaneously in order to facilitate best execution and to reduce brokerage costs. We can aggregate client orders with the orders of clients of the Affiliated Advisers and accounts in which we or our officers, employees or related persons have a financial interest. However, we effect aggregated orders in a manner designed to ensure that no participating client is favored over any other client.

In general, accounts that participate in an aggregated order will participate on a pro rata or other objective basis. Pro rata allocation of securities and other instruments will generally consist of allocation based on the order size of a participating client account in proportion to the size of the orders placed for other accounts participating in the aggregated order. However, we, at times and where we deem appropriate, allocate such securities and other instruments using a method other than pro rata if their supply is limited, based on differing portfolio characteristics among accounts, because of counterparty preferences or requirements, or to avoid odd lots or small allocations, among other reasons. These allocations are made in our good faith judgment with a goal of ensuring that fair and equitable allocation will occur over time. There are times that we are not able to aggregate orders because of applicable law or other considerations when doing so might otherwise be advantageous in which case a client might face higher costs. Please see *Directed, Restricted or Constrained Brokerage Arrangements; Wrap Fee Programs* for additional disclosure related to the impact of such arrangements on the remaining clients. For example, to the extent that a client has such an arrangement, their account could be excluded from such aggregation unless Calvert maintains trading discretion.

We and the Affiliated Advisers are subject to differing requirements governing aggregation of orders, including provisions of the 1940 Act that restrict joint transactions and MiFID II that govern the circumstances under which MiFID II Accounts are permitted to pay for research. As a result, MiFID II Accounts at times will pay commission rates that are below the total commission rates paid by other client accounts included in the order.

When appropriate, we can rotate trades among client accounts in accordance with our policy to treat all accounts fairly and equitably over time. Trade rotation processes can result in trading for accounts occurring before, after, or simultaneously with trading for other accounts. Accounts in a rotation could experience market impact costs with respect to certain transactions relative to other accounts in the rotation. Approved rotation methodologies are in place where appropriate to provide fair placement and execution to all client accounts over time.

Directed, Restricted or Constrained Brokerage Arrangements; Wrap Fee Programs

Depending on the particular program selected or contractual arrangement, clients can limit our authority to advise accounts or execute transactions in a number of ways, including by:

- requiring that certain securities transactions be authorized by them in advance;
- prohibiting or limiting the purchasing of certain securities or industry groups;
- seeking to require a designated broker-dealer (“Designated Broker”) to execute all or a portion of their transactions (“Directed Trades”), which can be structured as “directed brokerage” arrangements; and/or
- restricting us from executing transactions through a particular broker-dealer and/or imposing restrictions, conditions or other constraints on the terms of a trade or broker arrangement to which a particular broker-dealer might not agree (“Restricted/Constrained Trades”).

In addition, a Wrap Fee Program client is permitted to impose reasonable restrictions on the management of their account. In most Wrap Fee Programs, the Sponsor or overlay manager is responsible for implementing client restrictions and guidelines. In those Wrap Fee Programs in which we are responsible for implementing client restrictions and guidelines, the client is responsible for identifying any security or group of securities which are restricted within the account. If a client identifies a category of restricted securities without identifying the underlying companies of which the category is comprised or a source for identifying such underlying companies, we can utilize outside service providers to identify the universe of companies that will be considered in such category. When a security is required to be sold or is restricted from being purchased for an account, this could adversely affect the account’s performance and cause it not to track the performance of the managers’ investment strategies. The change of the classification of a company, the grouping of an industry or the credit rating of a security could force us to sell securities in a client’s account at an inopportune time, possibly causing a taxable event to the client. Clients will still be exposed to securities they restrict if they hold in their account commingled vehicles that invest in such securities.

In certain instances, Wrap Fee Program accounts bear additional costs as compared to our other client accounts. For example, Wrap Fee Program accounts that hold fixed income instruments will bear the implicit costs of such instruments’ bid/ask spread that are in addition to the “wrap” fee paid to the Sponsor. With respect to certain Wrap Fee Programs, rather than “wrap” our fees for investment advisory services together with the Sponsor’s fees for brokerage, custody and other services, we enter into an investment advisory contract directly with the Wrap Fee Program Sponsor’s clients and receive our investment advisory fee directly from those clients. Because the clients have also entered into an agreement with the Sponsor to provide for brokerage and other services at a fixed cost or rate, we will typically send the trades to the Sponsor for the Sponsor to execute but typically also retain the right to execute trades for those clients directly through other broker-dealers. We also enter into arrangements with certain Wrap Fee Programs where we have discretion to select broker-dealers to execute trades for accounts. In instances where we are executing the trades directly for the accounts, if we select a broker-dealer other than the Sponsor to execute a trade, the Wrap Fee Program accounts typically will bear any execution costs charged by that other broker-dealer in addition to the “wrap” fee paid to the Sponsor.

The restrictions imposed by Designated Broker arrangements and Wrap Fee Programs could cause us to trade the securities held by these accounts differently from how we trade for client accounts for which we are not so restricted in

the instances where we retain the right to execute. In these cases, Directed Trades, Restricted/Constrained Trades and Wrap Fee Program trades are generally not aggregated for execution with transactions in the same securities for other clients, and we might be unable to obtain the same quality of execution on Directed Trades, Restricted/Constrained Trades, or Wrap Fee Program trades for a number of reasons, which include, but are not limited to:

- A client direction, restriction or constraint will frequently restrict our ability to obtain as favorable a transaction price or commission rate as we might otherwise be able to obtain on an unconstrained trade;
- The account might forego benefits from savings on execution costs that could otherwise be obtained, most notably commission savings and/or price improvement that derive from aggregating orders for various client accounts;
- If a Designated Broker or Wrap Fee Program Sponsor is not on our approved list of brokers, there could be additional credit and/or settlement risk for such trades;
- Calvert will not be obligated to, and in most cases will not, negotiate with a Designated Broker or Wrap Fee Program Sponsor to obtain commission rates more favorable or otherwise different from those to which the client has agreed;
- A Directed Trade, Restricted/Constrained Trade or Wrap Fee Program trade could result in a client account paying higher or otherwise different commissions than other clients of ours for transactions in the same security; and
- Calvert could effect a Directed Trade or a Restricted/Constrained Trade or provide the applicable models, recommendations or updates to one or more Wrap Fee Program Sponsors after another broker has effected transactions in the same security for client accounts for which we have discretion to select the broker and trading venue, which also could negatively affect the prices received by clients that direct, restrict or otherwise constrain trades or Wrap Fee Program clients.

Notwithstanding the foregoing, when a client has directed brokerage for its account and maintains that we remain subject to best execution, if eligible, and we are executing trades on behalf of those clients, Calvert can aggregate those Directed Trades, or Restricted/Constrained Trades along with trades executed for other client accounts through the broker-dealer that we believe will offer the best execution for such transaction and, thereafter, in the case of a directed brokerage arrangement, instruct such executing broker-dealer to “step-out” or allocate a portion of the trades to the client’s Designated Broker to perform other non-execution portions of the trade.

With respect to Wrap Fee Programs, the terms of each client’s account in a Wrap Fee Program is governed by the client’s agreement with the Sponsor and the disclosure document for each Wrap Fee Program. Wrap Fee Program clients are urged to refer to the appropriate disclosure document and client agreement for more information about the Wrap Fee Program, Calvert’s advisory services and fees. The fees for a Wrap Fee Program could result in higher costs than a client would otherwise realize by paying our standard advisory fees and negotiating separate arrangements for trade execution, custodial and consulting services.

Designated Brokers, including those participating in “step-out” arrangements, and broker-dealers executing trades for our Wrap Fee Program clients generally do not provide us with brokerage and research services other than trade execution for the client account. As a result, the soft dollar benefits obtained with brokerage commissions from our clients that do not participate in Designated Brokerage arrangements or Wrap Fee Programs can be used for the benefit of our clients who do so participate, which could result in such other client accounts bearing a greater share of research costs than clients participating in Designated Broker arrangements and Wrap Fee Programs. These arrangements remain subject to our overall obligation to obtain best execution for our client trading.

Account Errors and Error Resolution

Calvert has policies and procedures to help it assess and determine, consistent with applicable standards of care and client documentation, when a client will be reimbursed in connection with a trading error. Pursuant to these policies, an error will generally be reimbursable when Calvert has executed a transaction that is an error that, in Calvert’s reasonable

view, resulted from Calvert's failure to observe the applicable standard of care, subject to materiality and other considerations. Calvert could determine to treat an error as compensable for a variety of reasons and the payment of any compensation should not be viewed as a determination of fault or violation of a standard of care.

Item 13 Review of Accounts

The frequency of the review of client accounts and Funds, the nature of the review and the factors which could trigger reviews can vary widely among particular accounts, depending on the client's investment objectives and circumstances and the complexity, portfolio structure and size of an account. The portfolio manager of each account (or his or her designated representative) is responsible for reviewing all accounts for which he or she is the principal account manager. The responsible portfolio managers conduct regular reviews at or prior to the time quarterly written appraisal reports are sent to clients. Interim reviews could be triggered by numerous factors, such as: significant equity price or interest rate changes; new economic forecasts; investment policy changes of Calvert; asset additions or withdrawals to the account by the client; and/or changes in a client's objectives, instructions, or circumstances.

The number of accounts assigned to individual Calvert account managers vary depending upon factors such as the investment strategy, complexity, size, discretion level or other circumstances of the particular accounts involved.

Calvert has implemented procedures to monitor pre- and post-trade compliance with applicable investment guidelines and restrictions for client accounts. This oversight includes the on-going monitoring of accounts.

For Wrap Program accounts, the program sponsor generally will review the account with the client, although the client will generally be able to communicate with Calvert personnel.

Item 14 Client Referrals and Other Compensation

We can compensate affiliates and unrelated third parties for client referrals in accordance with relevant rules under the Advisers Act. The compensation paid to any such entity can consist of a cash payment stated as a percentage of our advisory fee, as well as other methods.

We can also be referred advisory clients by affiliated and unaffiliated parties/consultants that are retained by clients or prospective clients. In some instances, we can make payments for solicitations or client referrals to these consultants, and can make cash payments to participate in conferences sponsored by such consultants to obtain information about industry trends and client investment needs. We can also purchase products or services from the consultants and/or their affiliates.

These arrangements could cause referrals to Calvert by these affiliates and other third parties for reasons other than the client's best interest.

Item 15 Custody

We are deemed to have “custody” of client assets in a variety of circumstances, and in each case we will comply with the custody requirements under the Advisers Act. We have custody of client assets any time that we have authority or ability to obtain possession of client assets. We would thus be deemed to have custody of the assets of the funds for which we or an affiliate serves as general partner or for which we or an affiliate serves as the managing member or otherwise has the authority or ability to obtain possession of fund assets. In those cases, the funds generally provide audited financial statements on an annual basis in accordance with applicable law. Additionally, where we are deemed to have custody over other advisory client accounts, clients will receive quarterly account statements from the qualified custodian for such account. Clients should carefully review the account statements received from the qualified custodian and compare them to statements received from us. If a client elects to retain our affiliate, MSSB, to act as qualified custodian of its account we will generally be deemed to have "custody" of the funds and securities held in such accounts as well. We also will be deemed to have "custody" over our client accounts from which we are authorized to deduct fees or other expenses.

With respect to Wrap Fee Program clients, Calvert could be deemed to have custody of assets if we contract directly with the Wrap Fee Program clients for services and if an affiliate of Calvert acts as Sponsor of the Wrap Fee Program. In such cases, the Sponsor or a qualified custodian will send required periodic account statements to the Wrap Fee Program client.

Item 16 Investment Discretion

Calvert typically receives discretionary authority to select the securities and other instruments to be bought or sold at the time we establish an advisory relationship with a client by entering into an investment management agreement. In all cases, however, such discretion is exercised in a manner consistent with the client's stated investment objectives and guidelines. As discussed under *Item 12 – Brokerage Practices*, in this Brochure, clients can impose certain limitations on our use of broker dealers.

For registered investment companies, Calvert's authority to trade securities is limited, in certain circumstances, by certain federal securities and tax laws that require, among other things, diversification of investments.

Item 17 Voting Client Securities

Voting Proxies for Equity Securities

Calvert votes proxies for clients unless a client elects to retain proxy voting authority in the applicable investment advisory agreement. Calvert's Engagement and Proxy Voting ("EPV") Committee provides oversight of Calvert's proxy voting activities with respect to portfolio securities held in client accounts. Clients that wish to vote proxies in a particular manner must retain proxy voting authority in the investment advisory agreement.

Calvert believes that sound corporate governance and overall corporate sustainability and social responsibility are characteristics of healthy corporations. A well-governed sustainable and socially responsible company meets high standards of corporate ethics and operates in the best interests of all stakeholders (shareholders, employees, customers, communities and the environment). In our view, combining effective governance and corporate sustainability better positions a company to create long-term shareholder value.

Calvert votes proxies in a prudent and diligent manner and in the best interests of clients in accordance with its fiduciary duties, consistent with the objectives of the relevant investment strategy ("Client Proxy Standard"). Calvert generally seeks to vote proxies in accordance with the Calvert Global Proxy Voting Guidelines (the "Guidelines"). Where applicable, proxies are voted in accordance with client-specific guidelines.

Calvert votes proxies with support from the Morgan Stanley Investment Management ("MSIM") Global Stewardship Team ("GST"). The GST supports Calvert to vote in accordance with the Client Proxy Standard and comprises individuals who are separate from our Calvert team. Calvert maintains oversight of the support activities conducted by GST.

Calvert is an affiliate of Morgan Stanley, a global financial services group, and, as such, Calvert faces potential conflicts due to the role of other Morgan Stanley divisions which may have commercial relationships with companies in which Calvert can invest. Such potential conflicts of interest involving divisions of Morgan Stanley outside MSIM are managed through the operation of various policies and procedures, including (among others) those creating and enforcing information barriers between MSIM and other Morgan Stanley divisions.

Calvert has also enacted policies and procedures to address other potential conflicts (for example, conflicts resulting from its own commercial or other relationships), including the Calvert Proxy Voting Policies and Procedures ("Procedures") and the accompanying Guidelines, which require Calvert to vote proxies in the best interests of its clients and in accordance with the Client Proxy Standard.

The EPV Committee is responsible for reviewing and approving processes employed by Calvert in connection with proxy voting, including but not limited to, approval of the Guidelines and Procedures, determining specific proxy votes as required, oversight of the application of the Guidelines, and resolving material conflicts between Calvert's interests and those of its clients with respect to proxy voting. Matters that require the approval of the EPV Committee will be brought to a meeting for a vote.

If a proxy is received for a proposal for which there is no voting instruction pursuant to the Guidelines or the Guidelines otherwise state that the proposal shall be referred to Calvert to determine the manner in which it should be voted, Calvert shall evaluate the proposal and consider issues voted in with the past that may have been similar to or adjacent to the voting issue at hand. If Calvert deems that past practice is an insufficient guide, it may seek input from the EPV Committee, which may consult with relevant analysts covering the company subject to the proxy proposal or its industry and shall instruct to vote based on this input.

In the event Calvert deems it appropriate to recommend a vote contrary to the Guidelines, it will provide the EPV Committee with the GST's recommendation for the proposal along with any other relevant materials, including a description of the basis for Calvert's recommendation, and Calvert will then vote the proxy in the manner determined by the EPV Committee. Should the vote by the EPV Committee concerning one or more recommendations result in a tie, the Head of Calvert will determine the way the proxy will be voted.

When a client participates in the lending of its securities and the securities are on loan on the record date for a shareowner meeting, proxies related to such securities generally will not be forwarded to Calvert by the client's custodian and therefore will not be voted. Calvert instructs the security lending agent to use its reasonable efforts to recall any security subject to a proxy prior to the record date.

Calvert generally will not make any filings in connection with any shareholder class action lawsuits and similar matters involving securities held or that were held in separate accounts and will not be required to notify custodians or clients in separate managed accounts of shareholder class action lawsuits and similar matters. We will not be responsible for any failure to make such filings or, if we determine to make such filings, to make such filings in a timely manner. Upon client request, we will consider on a case-by-case basis participation in non-US class action lawsuits.

Clients can obtain information about how Calvert voted proxies and the Guidelines, by visiting www.calvert.com/proxy-voting. Clients can also obtain information about the Proxy Voting Policy by accessing the Calvert Funds' registration statement available at www.calvert.com or www.sec.gov.

Related, but supplemental, to Calvert's formal proxy voting policy, Calvert's engagement and investment teams have the ability to employ the shareholder rights and stakeholder influence that Calvert exercises on behalf of its clients to encourage, where relevant, strong sustainability practices with issuers, borrowers and counterparties. Calvert seeks to engage in these types of stewardship and engagement practices in a manner that is consistent with its role as a responsible long-term investor, its fiduciary obligations, and any specific client directions.

Voting Consents for Fixed Income Instruments

While loans, bonds and other fixed income or debt investments ("Fixed Income Instruments") held by Calvert's clients are not expected to solicit proxies, a client could, from time to time, own interests in Fixed Income Instruments that grant other voting rights or solicit consents. Unless otherwise stated under the terms of our agreements with our clients, Calvert has authority to exercise certain decision-making rights associated with Fixed Income Instruments ("Consents"). In these cases, we could be called upon to provide or withhold consent to proposed modifications to the terms and covenants of a Fixed Income Instrument. To the extent that a client grants us authority to act in these circumstances, we will seek to make consent decisions in a prudent and diligent manner, and in the best interest of the client from which consent is sought, subject at all times to each such client's investment objectives. In some cases, we could determine that refraining from exercising a consent is appropriate.

Although we aim to exercise Consents in a manner consistent with the best interests of our clients, the details or the circumstances of a particular Consent could present potential conflicts of interest. Conflicts of interest regarding our decision to exercise or withhold Consents currently exist and can arise under a wide range of scenarios. For example, we face conflicts of interest in making a Consent decision as to a loan where Morgan Stanley has a business relationship with or interests in the obligor, a related sponsor, or another party with an interest in the outcome of a Consent request. In addition, conflicts exist where one or more clients hold or acquire interests in an obligor that are of a different class than, are junior or senior to or otherwise have different rights than interests in the same obligor that are held by one or more other clients or accounts. In these situations, the interests of one or more clients could diverge from those of other clients or accounts with respect to the voting of proxies or exercise of Consents to the extent the different rights and features of the interests held by one or more clients or other accounts create an interest in obtaining an outcome that is contrary to the interests of others. Conflicts also can arise if a senior executive of, or other person connected with, the obligor or another party with an interest in the outcome of a Consent request has a significant relationship with our personnel or those of Morgan Stanley.

We also face conflicts of interest to the extent that we hold Fixed Income Instruments and are called upon to exercise rights under those Fixed Income Instruments where the outcome of the exercise of such rights could benefit us or an affiliate or operate to the detriment of other holders of the Fixed Income Instruments. Investors should understand that we can exercise our rights under any Fixed Income Instruments in which we hold an interest in such a manner as we determine to be in our best interest (which could be contrary to the interests of other investors in the instrument), except to the extent limited by the governing documents of the instrument. In some cases, we might determine to exercise (or

withhold) a consent on behalf of one or more clients while taking the opposite action (or no action) on behalf of one or more other clients, when we believe that doing so reflects the particular best interest of each party holding such right.

Our portfolio managers are generally responsible for identifying Consent solicitations and for making decisions as to the exercise of Consents. Morgan Stanley has, and we follow, a variety of policies and procedures intended to assist in identifying and addressing conflicts. Prior to exercising a consent, a determination is made as to whether there is a material conflict of interest. Where a conflict of interest is identified that implicates Morgan Stanley generally, we will generally discuss the potential conflict with Morgan Stanley's Global Conflicts Office and seek their assistance in addressing the conflict.

Once a material conflict is identified, we will take such steps as we believe to be necessary in order to determine how to exercise the related Consent in good faith and in accordance with our fiduciary duties, which could include, but is not limited to, consulting internally with investment professionals, risk management professionals, business unit heads, our compliance and/or legal department, as appropriate under the particular circumstances, exercising the consent in accordance with instructions from, or following consent of, the client after providing disclosure regarding the conflict, or taking other actions that we believe appropriate under the circumstance in furtherance of the client's best interest.

Item 18 Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We are not aware of any financial condition that impairs our ability to meet contractual and fiduciary commitments to you and have not been the subject of a bankruptcy proceeding.

Appendix A

Fee Schedules

Investment Strategy	Fee Schedule	Minimum Separate Account Initial Balance
Calvert U.S. LCC Responsible Index	0.15% First \$100 million	Generally \$50 million
Calvert U.S. LCG Responsible Index	0.12% Thereafter	
Calvert U.S. LCV Responsible Index		
Calvert U.S. Mid-Cap Core Responsible Index		
Calvert International Responsible Index		
Calvert International Diversity, Equity, and Inclusion Index		
Calvert U.S. Small Cap	0.70% First \$50 million 0.60% Next \$50 million 0.55% Next \$100 million 0.50% Thereafter	Generally \$25 million
Calvert Small/Mid Cap	0.65% First \$50 million 0.55% Next \$50 million 0.50% Next \$100 million 0.45% Thereafter	Generally \$25 million
Calvert Global Small-Cap	0.70% First \$50 million 0.60% Next \$50 million 0.55% Next \$100 million 0.50% Thereafter	Generally \$25 million
Calvert Mid-Cap	0.60% First \$25 million 0.50% Next \$75 million 0.45% Next \$100 million 0.40% Thereafter	Generally \$25 million
Calvert International Small/Mid Cap	0.90% First \$25 million 0.80% Next \$75 million 0.75% Next \$100 million 0.70% Thereafter	Generally \$25 million
Calvert European Small/Mid Cap	0.65% First \$25 million 0.55% Next \$75 million 0.50% Next \$100 million 0.45% Thereafter	Generally \$25 million
Calvert International Equity	0.55% First \$50 million 0.50% Next \$50 million 0.45% Thereafter	Generally \$25 million
Calvert Balanced	0.50% First \$100 million 0.40% Next \$100 million 0.35% Thereafter	Generally \$50 million
Calvert Large-Cap Core	0.45% First \$50 million 0.40% Next \$50 million 0.30% Next \$400 million 0.25% Thereafter	Generally \$25 million

Investment Strategy	Fee Schedule	Minimum Separate Account Initial Balance
Calvert U.S. Select	0.25% First \$250 million	Generally \$20 million
Calvert Global Developed Markets ex U.S. Equity Select	0.225% Next \$250 million	
Calvert Global Developed Markets Equity Select	0.20% Thereafter	
Calvert Developed Europe Select		
Calvert Climate Aligned		
Calvert Emerging Markets Equity Select	0.44% First \$250 million 0.40% Next \$250 million 0.36% Thereafter	Generally \$50 million
Calvert Global Equity	0.50% First \$50 million 0.45% Next \$50 million 0.40% Next \$100 million 0.35% Thereafter	Generally \$25 million
Calvert Focused Value	0.45% First \$50 million 0.40% Next \$50 million 0.30% Next \$400 million 0.25% Thereafter	Generally \$25 million
Calvert U.S. Ultra-Short Duration Income	0.14% First \$150 million 0.12% Next \$350 million 0.10% Thereafter	Generally \$150 million
Calvert U.S. Short Duration	0.25% First \$100 million 0.20% Thereafter	Generally \$100 million
Calvert Core Bond	0.25% First \$100 million 0.20% Next \$100 million 0.125% Thereafter	Generally \$100 million
Calvert Bond	0.30% First \$100 million 0.25% Thereafter	Generally \$100 million
Calvert Income	0.32% First \$100 million 0.27% Thereafter	Generally \$100 million
Calvert Flexible Bond	0.40% First \$100 million 0.35% Next \$100 million 0.30% Thereafter	Generally \$100 million
Calvert U.S. Short Duration Green Bond	0.14% First \$100 million 0.12% Next \$350 million 0.10% Thereafter	Generally \$100 million
Calvert U.S. Green Bond	0.14% First \$100 million 0.12% Next \$350 million 0.10% Thereafter	Generally \$100 million

Morgan Stanley

Form ADV, Part 2B Brochure Supplement

Calvert Research and Management

**2050 M STREET NW
WASHINGTON, DC 20036
(800) 368-2745**

March 31, 2026

This brochure supplement provides information about the supervised persons of Calvert Research and Management (“Calvert”) that supplements the Calvert brochure. You should have received a copy of that brochure. Please contact your account representative if you did not receive Calvert’s brochure or if you have any questions about the contents of this supplement.

None of the individuals listed in the Equity Strategies, Fixed Income Strategies, and Multi Asset Strategies sections have been the subject of any material legal proceedings or disciplinary actions in the past 10 years. No individuals are actively engaged in any investment related business or occupation, and none are compensated for providing advisory services outside of their positions with Calvert Research and Management and its affiliates. For strategies that are managed by a team, the portfolio managers are supervised on a day-to-day basis by the lead portfolio manager for that strategy.

Equity Strategies

Strategy	Portfolio Manager	Office Location
Calvert Climate Aligned	Chris Madden	Washington, DC
	Ibrahim Kara	New York
	Yijia Chen	Washington, DC
	Michael Donat	New York
Calvert Community	Chris Madden	Washington, DC
	Yijia Chen	Washington, DC
	Michael Donat	New York
Calvert Developed Europe Select	Chris Madden	Washington, DC
	Ibrahim Kara	New York
	Yijia Chen	Washington, DC
	Michael Donat	New York
Calvert Emerging Markets Equity Select	Chris Madden	Washington, DC
	Ibrahim Kara	New York
	Yijia Chen	Washington, DC
	Michael Donat	New York
Calvert Empowerment	Chris Madden	Washington, DC
	Yijia Chen	Washington, DC
	Michael Donat	New York
Calvert Global Developed Markets Diversity, Equity, and Inclusion	Chris Madden	Washington, DC
	Ibrahim Kara	New York
	Yijia Chen	Washington, DC
	Michael Donat	New York
Calvert Developed Markets Equity Select	Chris Madden	Washington, DC
	Ibrahim Kara	New York
	Yijia Chen	Washington, DC
	Michael Donat	New York
Calvert Developed Markets Ex-U.S. Equity Select	Chris Madden	Washington, DC
	Ibrahim Kara	New York
	Yijia Chen	Washington, DC
	Michael Donat	New York

Calvert International Responsible Concentrated Index	Chris Madden	Washington, DC
	Ibrahim Kara	New York
	Yijia Chen	Washington, DC
	Michael Donat	New York
Calvert Large-Cap Core Responsible Concentrated Index	Chris Madden	Washington, DC
	Ibrahim Kara	New York
	Yijia Chen	Washington, DC
	Michael Donat	New York
Calvert Large-Cap Growth Responsible Concentrated Index	Chris Madden	Washington, DC
	Ibrahim Kara	New York
	Micheal Donat	New York
	Yijia Chen	Washington, DC
Calvert Large-Cap Value Responsible Concentrated Index	Chris Madden	Washington, DC
	Ibrahim Kara	New York
	Yijia Chen	Washington, DC
	Michael Donat	New York
Calvert Mid-Cap Core Responsible Concentrated Index	Chris Madden	Washington, DC
	Ibrahim Kara	New York
	Yijia Chen	Washington, DC
	Michael Donat	New York
Calvert DEI Large Cap Core	Chris Madden	Washington, DC
	Zi Ye	New York
	Yijia Chen	Washington, DC
	Michael Donat	New York
Calvert Customizable Sustainable	Ibrahim Kara	New York
	Chris Madden	Washington, DC
	Yijia Chen	Washington, DC
	Michael Donat	New York
Calvert Low Carbon	Ibrahim Kara	New York
	Chris Madden	Washington, DC
	Yijia Chen	Washington, DC
	Michael Donat	New York
Calvert U.S. Diversity, Equity, Inclusion Index	Chris Madden	Washington, DC
	Zi Ye	New York
	Yijia Chen	Washington, DC

Calvert U.S. Select	Chris Madden	Washington, DC
	Ibrahim Kara	New York
	Yijia Chen	Washington, DC
	Michael Donat	New York
Calvert U.S. Small Cap	Griff Noble	Boston
	Mike McLean	Boston
Calvert Small/Mid Cap	Griff Noble	Boston
	Mike McLean	Boston

Fixed Income Strategies

Strategy	Portfolio Manager	Office Location
Calvert Core Fixed Income	Brian Ellis	Boston
	Vishal Khanduja	Boston
Calvert U.S. Short Duration Green Bond	Brian Ellis	Boston
	Eric Jesionowski	New York
	Vishal Khanduja	Boston
Calvert U.S. Short Duration	Vishal Khanduja	Boston
	Brian Ellis	Boston
	Eric Jesionowski	New York

Multi Asset Strategies

Strategy	Portfolio Manager	Office Location
Calvert Multi Asset	Schuyler Hooper	Boston
	Jim Caron	New York

Equity Strategies Team

Yijia Chen, CFA¹

Year of birth: 1991

Yijia Chen is a Vice President and Portfolio Manager at Calvert Research and Management. As a portfolio manager, she is responsible for buy and sell decisions, portfolio construction and risk management, along with other portfolio management responsibilities for certain Calvert Research and Management strategies.

Yijia began her career in the investment management industry in 2014. Before joining Calvert Research and Management, she was a research analyst at Indufor North America. Previously, she was an investment ratings analyst on ESG risk with the Asset Owners Disclosure Project.

Yijia earned a B.A. from East China Normal University and an M.S. in economics from the University of Wisconsin-Madison. She is a member of the CFA Institute and CFA Society Washington, DC and is a CFA charterholder.

Chris Madden, Managing Director, is responsible for supervising the advisory activities of Yijia and monitoring the investment advice that she provides to the clients of Calvert Research and Management. Yijia is required to comply with the firm's code of ethics, securities disclosure policy, and its compliance policies and procedures and any other policies and procedures adopted by the firm from time to time. Yijia's supervisor is available at (800) 368-2745.

Ibrahim Kara, CFA¹

Year of birth: 1979

Ibrahim Kara is an Executive Director and Portfolio Manager at Calvert Research and Management. As a portfolio manager, he is responsible for buy and sell decisions, portfolio construction and risk management, along with other portfolio management responsibilities for certain Calvert Research and Management strategies.

Ibrahim began his career in the investment management industry in 2004. Before joining Calvert Research and Management, he was vice president of product development at OppenheimerFunds. Previously, he held roles at IHS Markit as executive director, responsible for managing the index R&D team, and vice president, new indices, and was a consultant at International Index Company. Ibrahim earned a B.S. and an M.S. from Philipps-University Marburg.

Ibrahim holds the Chartered Alternative Investment Analyst (CAIA®) and Financial Risk Manager (FRM) designations and is a CFA charterholder.

Chris Madden, Managing Director, is responsible for supervising the advisory activities of Ibrahim and monitoring the investment advice that he provides to the clients of Calvert Research and Management. Ibrahim is required to comply with the firm's code of ethics, securities disclosure policy, and its compliance policies and procedures and any other policies and procedures adopted by the firm from time to time. Ibrahim's supervisor is available at (800) 368-2745.

Christopher Madden, CFA¹

Year of birth: 1975

Chris Madden is a Managing Director and Portfolio Manager at Calvert Research and Management. As a portfolio manager, he is responsible for buy and sell decisions, portfolio construction and risk management, along with other portfolio management responsibilities for certain Calvert Research and Management strategies.

Chris joined Calvert Research and Management in 2017. Prior to that, he served in several roles at Calvert Investment Management, Inc. beginning in 2002. Most recently, Chris was a member of the portfolio management team at Calvert Investment Management, Inc., before which he was a senior equity analyst. He also worked in Calvert Investment Management, Inc.'s fund administration department. Before his time with Calvert Investment Management, Inc., he worked as an internal auditor in the Investment and Finance division at the Vanguard Group. He started his investment career in Vanguard's Fund Accounting department. He is a member of the CFA Institute and CFA Society of Washington, DC.

Chris earned a B.S. in finance and a B.A. in economics from Indiana University of Pennsylvania.

Jade Huang, Managing Director, is responsible for supervising the advisory activities of Chris and monitoring the investment advice that he provides to the clients of Calvert Research and Management. Chris is required to comply with the firm's code of ethics, securities disclosure policy, and its compliance policies and procedures and any other policies and procedures adopted by the firm from time to time. Chris' supervisor is available at (800) 368-2745.

Michael Donat, CFA¹*Year of birth: 1987*

Michael Donat is a Vice President and Portfolio Manager for Calvert Research and Management's Global Model Solutions team. He is responsible for ESG-related investment research and developing custom portfolios. He joined Calvert Research and Management in 2022.

Michael received a B.S. in finance with a concentration in financial engineering from SUNY Binghamton's School of Management in 2009. He is a CFA charterholder.

Chris Madden, Managing Director, is responsible for supervising the advisory activities of Michael and monitoring the investment advice that he provides to the clients of Calvert Research and Management. Michael is required to comply with the firm's code of ethics, securities disclosure policy, and its compliance policies and procedures and any other policies and procedures adopted by the firm from time to time. Michael's supervisor is available at (800) 368-2745.

Michael McLean, CFA¹*Year of birth: 1978*

Mike McLean is a Managing Director and Portfolio Manager at Calvert Research and Management. He is Co-Head of the U.S. Small/Mid-Cap Equity team and a member of the Eaton Vance Equity Strategy Committee. As a portfolio manager, he is responsible for buy and sell decisions, portfolio construction and risk management, along with other portfolio management responsibilities for U.S. small/mid-cap equity. Mike has the same role for Eaton Vance Management and Boston Management and Research, affiliates of Calvert Research and Management.

Mike began his career in the investment management industry with Eaton Vance Management in 2001.

Mike earned a B.A. in finance from Providence College and is a CFA charterholder.

Chris Dyer, Managing Director, is responsible for supervising the advisory activities of Mike and monitoring the investment advice that he provides to the clients of Calvert Research and Management. Mike is required to comply with the firm's code of ethics, securities disclosure policy, and its compliance policies and procedures and any other policies and procedures adopted by the firm from time to time. Mike's supervisor is available at +(44 20) 7425 8000.

J. Griffith (Griff) Noble, CFA¹*Year of birth: 1974*

Griff Noble is a Managing Director and Portfolio Manager at Calvert Research and Management. He is Co-Head of the U.S. Small/Mid-Cap Equity team and a member of the Eaton Vance Equity Strategy Committee. As a portfolio manager, he is responsible for buy and sell decisions, portfolio construction and risk management, along with other portfolio management responsibilities for U.S. small/mid-cap equity. Griff has the same role for Eaton Vance Management and Boston Management and Research, affiliates of Calvert Research and Management.

Griff joined Eaton Vance Management in 2012 as an equity analyst covering the energy, industrials, and materials sectors. Prior to joining Eaton Vance Management, Griff was an equity analyst with BlackRock, Inc. He was previously affiliated with Byram Capital Management, Emerson Investment Management and Deutsche Asset Management.

Griff earned a B.S. in business administration from the University of Vermont and an M.B.A. from Babson College. He is a member of the Boston Security Analysts Society and is a CFA charterholder.

Chris Dyer, Managing Director, is responsible for supervising the advisory activities of Griff and monitoring the investment advice that he provides to the clients of Eaton Vance Management. Griff is required to comply with the firm's code of ethics, securities disclosure policy, and its compliance policies and procedures and any other policies and procedures adopted by the firm from time to time. Griff's supervisor is available at +(44 20) 7425 8000.

Zi (Leaf) Ye*Year of birth: 1986*

Zi Ye is a Vice President and Portfolio Manager at Calvert Research and Management. As a portfolio manager, she is responsible for buy and sell decisions, portfolio construction and risk management, along with other portfolio management responsibilities for certain Calvert Research and Management strategies.

Zi joined Calvert Research and Management in 2022. She began her career in the investment management industry in 2011. Before joining Calvert Research and Management, Zi was a senior index manager at S&P Dow Jones Indices. Previously, she was a senior research analyst for dividend forecasting team at IHS Markit.

Zi earned a B.S. in mathematics with economics from University College London and an M.S in Financial Engineering from University of Michigan.

Chris Madden, Managing Director, is responsible for supervising the advisory activities of Zi and monitoring the investment advice that she provides to the clients of Calvert Research and Management. Zi is required to comply with the firm's code of ethics, securities disclosure policy, and its compliance policies and procedures and any other policies and procedures adopted by the firm from time to time. Zi's supervisor is available at (800) 368-2745.

Fixed Income Strategies Team

Brian S. Ellis, CFA¹

Year of birth: 1984

Brian Ellis is a Managing Director and Portfolio Manager at Calvert Research and Management. He is responsible for buy and sell decisions, portfolio construction and risk management on the broad markets fixed income team. Brian has the same role for Eaton Vance Management and Boston Management and Research, affiliates of Calvert Research and Management.

Brian joined both Eaton Vance Management and Calvert Research and Management in 2017. Prior to that, he was a member of the fixed income team at Calvert Investment Management, Inc., where he was a business analyst.

Before joining Calvert Investment Management, Inc. in 2009, Brian was a software engineer and analyst at Legg Mason Capital Management in Baltimore, MD.

Brian earned a B.S. in Finance from Salisbury University.

Vishal Khanduja, Managing Director, is responsible for supervising the advisory activities of Brian and monitoring the investment advice that he provides to the clients of the Adviser. Brian is required to comply with the Adviser's code of ethics, securities disclosure policy, and its compliance policies and procedures and any other policies and procedures adopted by Adviser from time to time. Brian's supervisor is available at (617) 482-8260.

Eric Jesionowski

Year of birth: 1971

Eric Jesionowski is an Executive Director and Portfolio Manager at Calvert Research and Management. He is responsible for buy and sell decisions, portfolio construction, and risk management on the broad markets fixed income team. Eric has the same role for Eaton Vance Management and Morgan Stanley Investment Management Inc., affiliates of Calvert Research and Management.

Eric joined Morgan Stanley Investment Management Inc. in 1997.

Eric earned an B.S. from Rider University in 1995.

Joseph Mehlman, Managing Director is responsible for supervising the advisory activities of Eric and monitoring the investment advice that he provides to the clients of the Adviser. Eric is required to comply with the Adviser's code of ethics, securities disclosure policy, and its compliance policies and procedures and any other policies and procedures adopted by Adviser from time to time. Eric's supervisor is available at (212) 761-4000.

Vishal Khanduja, CFA¹

Year of birth: 1978

Vishal Khanduja is a Managing Director, Portfolio Manager and Co-Head of Broad Markets Fixed Income at Calvert Research and Management. He is responsible for buy and sell decisions, portfolio construction and risk management on the broad markets fixed income team. Vishal has the same role for Eaton Vance Management and Boston Management and Research, affiliates of Calvert Research and Management.

Prior to joining Eaton Vance Management and Calvert Research and Management in January 2017, Vishal was affiliated with Calvert Investment Management, Inc. from 2012-2016, where he served as a lead portfolio manager and the head of the company's fixed income group. Before that, Vishal was with Columbia Threadneedle Investments (formerly known as, Columbia Management), where he held various positions, including vice president, portfolio manager, and senior securities analyst. Earlier in his career, he was an associate director of fixed-income analytics at Galliard Capital Management.

Vishal holds an M.B.A. from the Henry B. Tippie School of Management (University of Iowa), and a Bachelor of Electrical Engineering degree from Veermata Jijabai Technological Institute, Mumbai in India. He is a member of the CFA Institute and CFA Society Boston. He is a CFA charterholder.

Jeff Mueller, Managing Director, is responsible for supervising the advisory activities of Vishal and monitoring the investment advice that he provides to the clients of the Adviser. Vishal is required to comply with the Adviser's code of ethics, securities disclosure policy, and its compliance policies and procedures and any other policies and procedures adopted by Adviser from time to time. Vishal's supervisor is available at (44) 20 3207-1925.

Multi Asset Strategies Team

Jim Caron

Year of birth: 1969

Jim is a Managing Director and Portfolio Manager on Calvert Research and Management's Global Model Solutions team. Mr. Caron joined Morgan Stanley in 2006.

Mr. Caron received a B.S. from Bowdoin College in 1991. He received a B.A. from California Institute of Technology in 1992. Mr. Caron also received an MBA from New York University in 2001.

Ryan Meredith, Managing Director, is responsible for supervising the advisory activities of Mr. Caron and monitoring the investment advice that he provides to the clients of the Adviser. Mr. Caron is required to comply with the Adviser's code of ethics, securities disclosure policy, and its compliance policies and procedures and any other policies and procedures adopted by Adviser from time to time. Mr. Caron's supervisor is available at (44) 207 425 8000.

Schuyler Hooper, CFA¹

Year of birth: 1988

Schuyler Hooper is an Executive Director and Portfolio Manager on Calvert Research and Management's Global Model Solutions team. Schuyler has the same role for Eaton Vance Management and Boston Management and Research, affiliates of Calvert Research and Management. Mr. Hooper joined Eaton Vance in 2011.

Mr. Hooper received a B.A. from Union College in 2011. He is a CFA charterholder.

Jim Caron, Managing Director, is responsible for supervising the advisory activities of Schuyler and monitoring the investment advice that he provides to the clients of Calvert Research and Management. Schuyler is required to comply with the firm's code of ethics, securities disclosure policy, and its compliance policies and procedures and any other policies and procedures adopted by the firm from time to time. Schuyler's supervisors are available at (212) 761-4000.

Morgan Stanley

Calvert Office Locations

Washington, DC
2050 M St NW
Washington DC 20036
(800) 368-2745

Boston
One Post Office Square
Boston, MA 02109
(617) 482-8260

New York
1585 Broadway
New York, NY 10036
(212) 761-4000

¹ The Chartered Financial Analyst (CFA) Program is a graduate level self-study program offered by the [CFA Institute](#) to investment and financial professionals. The Chartered Financial Analyst Program consists of three levels, each of which culminates in a six hour exam testing the candidate's knowledge of a variety of financial topics. A candidate who successfully completes the program and meets other professional requirements (including minimum related work experience) is awarded a "CFA charter" and becomes a "CFA charterholder".

FACTS	WHAT DOES MORGAN STANLEY INVESTMENT MANAGEMENT, INC. (“MSIM”) DO WITH YOUR PERSONAL INFORMATION?	
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What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> ▪ Social Security number and income ▪ Investment experience and risk tolerance ▪ Checking account information and wire transfer instructions 	
How?	All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons MSIM chooses to share; and whether you can limit this sharing.	
	Reasons we can share your personal information	Does MSIM share?
	For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes
	For our marketing purposes— to offer our products and services to you	Yes
	For joint marketing with other financial companies	No
	For our affiliates’ everyday business purposes— information about your transactions and experiences	Yes
	For our affiliates’ everyday business purposes— information about your creditworthiness	Yes
	For our affiliates to market to you	Yes
	For non-affiliates to market to you	No
	<p>To limit sharing, call toll-free: (844) 312-6327 or email: msimprivacy@morganstanley.com. Please include your name, address, and first three digits (and only the first three digits) of your account number in the email. If we serve you through an investment professional, please contact them directly. Specific Internet addresses, mailing addresses, and telephone numbers are listed on your statements and other correspondence.</p> <p>Please Note: If you are a <i>new</i> customer, we can begin sharing your information 30 days from the date we sent this notice. When you are <i>no longer</i> our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.</p> <p>*MSIM does not share your creditworthiness information or your transactions and experiences information with the Morgan Stanley Affiliates, nor does MSIM enable the Morgan Stanley Affiliates to market to you. Your opt outs will prevent MSIM from sharing your creditworthiness information with the Investment Management Affiliates and will prevent the Investment Management Affiliates from marketing their products to you.</p>	
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<p>Why can't I limit all sharing?</p>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> ▪ sharing for affiliates' everyday business purposes—information about your creditworthiness ▪ affiliates from using your information to market to you ▪ sharing for non-affiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.</p>
<p>What happens when I limit sharing for an account I hold jointly with someone else?</p>	<p>Your choices will apply to everyone on your account.</p>
<p>Definitions</p>	
<p>Affiliates</p>	<p>Companies related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> ▪ <i>Our affiliates include registered investment advisers such as Eaton Vance Management, Eaton Vance Advisers International Ltd., Boston Management and Research, Calvert Research and Management, Atlanta Capital Management Company, LLC, Parametric Portfolio Associates LLC, Morgan Stanley Investment Management Co., Morgan Stanley Investment Management Ltd; registered broker-dealers such as Morgan Stanley Distribution, Inc. and Eaton Vance Distributors, Inc. (collectively, the "Investment Management Affiliates"); and registered and unregistered funds sponsored by Morgan Stanley Investment Management such as the registered funds within Morgan Stanley Institutional Fund, Inc. (together, the "Investment Management Affiliates"); and companies with a Morgan Stanley name and financial companies such as Morgan Stanley Smith Barney LLC and Morgan Stanley & Co. (the "Morgan Stanley Affiliates").</i>
<p>Non-affiliates</p>	<p>Companies not related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> ▪ <i>MSIM does not share with non-affiliates so they can market to you.</i>
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<p>Other important information</p>	
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Calvert Research and Management

GLOBAL PROXY VOTING GUIDELINES



Effective February 1, 2026

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I. INTRODUCTION

Calvert Research and Management (“Calvert”) believes that sound corporate governance and overall corporate sustainability and social responsibility are characteristics of healthy corporations. A well-governed sustainable and socially responsible company meets high standards of corporate ethics and operates in the best interests of all stakeholders (shareholders, employees, customers, communities, and the environment). In our view, combining effective governance and corporate sustainability better positions a company to create long-term value.

Long-Term Value. Responsibly managed companies focus on long-term value creation that aligns the interests of management with those of shareholders and multiple other stakeholders. Effective governance is likely to be compromised when a company becomes myopic, focusing on current earnings expectations and other short-term goals rather than the fundamental soundness of the enterprise over the longer term. A focus on long-term value creation increases the relevance of companies’ environmental management, treatment of workers and communities, and other sustainability and social responsibility factors. Just as a short-term focus on earnings performance can compromise long-term shareholder interests, so can poor treatment of workers, communities, the environment or other stakeholders create short-term gain while increasing risks and compromising performance over the longer term. In voting proxies, Calvert seeks to support governance structures and policies that keep the focus of company management on long-term corporate health and sustainable financial, social and environmental performance.

Accountability. Management of a company must be accountable to the board of directors; the board must be accountable to the company’s shareholders; and the board of directors and management together must be accountable to the stakeholders. Accountable governance structures emphasize transparency, alignment of interests and inclusiveness: independent boards that represent a wide variety of interests and perspectives; full disclosure of company performance on financial, environmental, and social metrics; charters, bylaws, and policies and procedures to effectively communicate with management; and compensation structures that work to align the interests and time-frames of management and shareholders. Calvert’s proxy voting guidelines seek to support corporate structures that create and reinforce accountability and oppose those that do not.

Sustainability. Well-governed companies are those whose operations are financially, socially and environmentally sustainable. Sustainability requires fair treatment of shareholders and other stakeholders in order to position the company for continued viability and growth over time. Effective corporate governance cannot indefinitely ignore or exploit certain groups or interests to the benefit of others without incurring material risks for the corporation. For example, companies that fail to account for potential liabilities associated with climate change may be creating risks that may result in costly government intervention or catastrophic losses. Calvert’s proxy voting guidelines aim to support sustainable governance that attends fairly to the interests of shareholders, workers, communities and the environment.

As a long-term investor, Calvert strives to encourage corporate responsibility, which includes respectful treatment of workers, suppliers, customers and communities, environmental stewardship, product integrity and high standards of corporate ethics as well as more traditional measures of sound corporate governance. Companies that combine effective governance and social responsibility seek to avoid unnecessary financial risk while serving the interests of both shareholders and other stakeholders. In our view, Effective Governance + Sustainability and Social Responsibility = Corporate Responsibility.

On behalf of our clients, Calvert votes proxies in accordance with its Global Proxy Voting Guidelines (“the Guidelines”) that are in effect at the time of a vote. The Guidelines describe the general principles applied in determining the manner in which proxy proposals submitted to Calvert will be voted. With respect to certain types of proposals, the Guidelines indicate the manner in which Calvert ordinarily intends to vote such proposals. The Guidelines are primarily intended to address proxy proposals from operating companies. When voting on proposals relating to other types of entities (such as mutual funds, closed-end funds and business development companies), Calvert may take different or additional factors into consideration and will vote in a manner it deems to be in the best interests of its clients. The Guidelines are not meant to be exhaustive, nor can they anticipate every potential voting issue on which the shareholders may be asked to cast their proxies. There also may be instances when Calvert votes shares in a manner that does not strictly adhere to or is inconsistent with these Guidelines if doing so is deemed by Calvert to be in the best interests of shareholders. Calvert reviews the Guidelines periodically and they may be changed or updated at any time.

When support for or opposition to a proxy proposal as described below is qualified with the term, “ordinarily,” this means that Calvert generally foresees voting all shares as described except in special circumstances where Calvert determines that a contrary vote may be in the best interests of shareholders.

When Calvert’s intention to vote on a particular proxy proposal is “case-by-case,” this means that Calvert will determine the manner in which to vote based on the facts and circumstances applicable to the proposal.

In any instance where available disclosures do not provide sufficient information to make an informed voting decision, we will vote AGAINST the resolution. In instances where an AGAINST vote is not an option, we will WITHHOLD or ABSTAIN.

In instances where a resolution might bundle multiple voting issues into single vote, Calvert will evaluate and consider the overall impact of the issues being raised by the proposal, giving due consideration to any of the bundled issues that would violate our guidelines. An additional consideration within this evaluation process is the binding or advisory nature of the proposal, if the proposal were to pass.

The Guidelines do not attempt to address every possible proposal that may arise at a shareholder meeting. When voting proxies internationally, Calvert may consider local laws, customs and practices and update our policies as governance expectations evolve.

II. THE GUIDELINES

Set forth below are statements of the general principles that Calvert seeks to implement in voting proxies as well as the manner in which Calvert ordinarily expects to vote specific proxy proposals.

A. CORPORATE GOVERNANCE

1. Board and Governance Issues

The board of directors (“the board”) is responsible for the overall governance of the corporation, including representing the interests of shareholders and overseeing the company’s relationships with other stakeholders. While company boards in most countries do not have a statutory responsibility to protect stakeholders, financial and reputational risks can result from inadequate attention to stakeholder interests. Thus, in our view, a board’s fiduciary duties to protect shareholder interests include maintaining appropriate relations with stakeholders.

Board Independence

One of the most fundamental sources of effective governance is independence. Directors who have financial or other affiliations with companies on whose boards they serve may face conflicts of interest between their own interests and those of the corporation’s shareholders and other stakeholders. In our view, the board should be composed of a majority of independent directors and key committees, including the audit, compensation, and nominating and/or governance committees (or committees with equivalent functions where not explicitly required), should be composed exclusively of independent directors.

Independent directors are those who do not have a material financial or personal relationship with the company or any of its managers that could compromise the director’s objectivity and fiduciary responsibility to shareholders. In general, this means that an independent director should have no affiliation with the company other than a seat on the board and (in some cases) ownership of sufficient company stock to give the director a stake in the company’s financial performance.

The CEO is responsible for managing the day-to-day business and leading and executing the corporate strategy. By contrast, the independent board chair is tasked with the responsibility of overseeing the board and management. Because the board’s ability to represent shareholders independently of management can be compromised through potential conflicts of interest when the Chair is also the CEO or a member of management, we believe the board should be chaired by an independent director. In voting on proposals relating to these matters, Calvert ordinarily will:

- **oppose** slates of directors without at least a majority of independent directors.
- **support** proposals requesting that the majority of directors be independent and that the board audit, compensation and/or nominating committees be composed exclusively of independent directors.
- **oppose** non-independent directors when the company lacks an audit, compensation, or nominating committee so that the full board functions as that committee.
- **oppose** non-independent director candidates nominated to the audit, compensation and/or nominating committees.
- **support** proposals seeking to separate the positions of Chair of the board and Chief Executive Officer as well as resolutions asking for the Chair to be an independent director, except under circumstances where the phase-in process for Chair and CEO separation or

electing an independent chair is required in a shortened timeframe and outside of the next CEO transition.

Board Diversity

Well-governed companies benefit from a wide diversity of perspectives and backgrounds on their boards. To bring such diversity to the board, directors should be chosen to reflect diversity of experience, perspective, expertise, gender, race, culture, age and geography. Calvert believes that in an increasingly complex global marketplace, the ability to draw on a wide range of viewpoints, backgrounds, skills, and experience is critical to a company's success. Corporate diversity helps companies increase the likelihood of making the right strategic and operational decisions, contributes to a more positive public image and reputation, and catalyzes efforts to recruit, retain, and promote the best people, including women and minorities. Calvert encourages companies to have an inclusive environment.

Calvert encourages companies to strive to provide all relevant diversity disclosures. At the board level, companies should provide fulsome racial and gender diversity disclosures at a minimum. Companies should allow directors to express their gender with a full range of gender expression, where possible.

Private companies may take some time to achieve an adequate balance of diversity and independence on their boards. Therefore, for private companies, Calvert will vote on case-by-case on board independence and board diversity matters, based on our evaluations of the board's qualifications and appropriateness for the company's unique circumstances.

In voting on proposals relating to these matters, Calvert ordinarily will:

- For U.S., U.K., Canadian, Australian, and South African companies, **oppose** individual directors who serve as members of the nominating committee if the board lacks at least two women and at least two people of color, and if collectively, the board is not at least 40 percent diverse.
- For U.S., U.K., Canadian, Australian, and South African companies, **oppose** the Chair of the nominating committee if the board fails to meet the following thresholds:
 - Gender – at least 40% representation of each, male and female; and
 - Ethnicity – A percentage of ethnically diverse directors proportional to the population of the home country, or two diverse directors, whichever is greater;
- Collectively, the board is at least 50 percent diverse.
- For companies in countries outside of these five, **oppose** individual directors who serve as members of the nominating committee if the board lacks at least two women and oppose the Chair of the nominating committee if the board does not comprise of at least 40% representation of each, male and female.
- For U.S. S&P 500 companies, **oppose** the Chair (or Lead Independent Director in instances where the board has a staggered election process and the Chair is not up for a vote) if the demographic composition information on the board is not disclosed publicly.
- **support** proposals requesting companies to disclose a board diversity and qualifications matrix.
- **support** proposals requesting that companies adopt policies or nominating committee charters to assure that diversity is a key attribute of every director search.

Board Accountability

Each director should be willing and able to devote sufficient time and effort to his or her duties as a director. Absent extenuating circumstances, Calvert believes directors who routinely fail to attend board meetings, regardless of the number of boards on which they serve, are not devoting sufficient attention to their corporate governance responsibilities. The board should periodically evaluate its performance, the performance of its various committees, and the performance of individual board members in governing the corporation. In voting on proposals relating to these matters, Calvert ordinarily will:

- **oppose** slates of directors in situations where the company failed to take action on shareholder proposals that were approved by the majority of votes cast in the prior year.
- **oppose** directors if at the previous board election, any director received more than 50 percent opposition (based on shares cast) and the company failed to address the underlying issues that caused the high opposition.
- **oppose** directors if the board implements an advisory vote on executive compensation on a less frequent basis than the frequency approved by shareholders, or when required under applicable rules or regulations adopted by the U.S. Securities and Exchange Commission.
- **oppose** directors if the board adopts a shareholder rights plan without shareholder approval that exceeds a term of one year without disclosing its rationale for adoption.
- **oppose** directors if the board makes a material adverse change to an existing shareholder rights plan without shareholder approval.
- vote **case-by-case** and potentially **oppose** director nominees in response to failures to address governance, stewardship, risk oversight, strategy, reporting and adoption of policies relevant for material sustainability issues such as climate change.
- **oppose** director candidates who have not attended a sufficient number of meetings of the board or key committees on which they served to effectively discharge their duties as directors unless an acceptable reason for his/her absences is disclosed in the proxy or another SEC filing (i.e., medical issues/illness; family engagements).
- **oppose** a director nominee if he or she has unexcused absences from full board or committee meetings that continue for two or more consecutive years, and the individual directors who serve as members of the nominating committee.
- **oppose** directors who sit on more than four public company boards and **oppose** directors who serve as CEO and sit on more than two additional boards.

Board Committee on Sustainability/Corporate Social Responsibility Issues

Shareholders have filed proposals seeking the creation of a board committee dedicated to long-term strategic thinking and risk management with respect to material sustainability issues affecting the company. While Calvert believes all directors should be informed and active on environmental and social issues, we do see the value of a focused sustainability committee particularly when we believe a company is exhibiting concerns. In voting proposals relating to these matters, Calvert ordinarily will:

- **support** reasonable proposals related to the creation of a board level committee on sustainability/corporate social responsibility issues where the company is demonstrating concerns. In evaluating these proposals, we will consider whether the proposed change is consistent with good governance practice, would enhance oversight and is appropriate to the unique circumstances of the company.

Limitations, Director Liability and Indemnification

Because of increased litigation brought against directors of corporations and the increased costs of director's liability insurance, many states have passed laws limiting director liability for actions taken in good faith. It is argued that such indemnification is necessary for companies to be able to attract the most qualified individuals to their boards. In voting proposals relating to these matters, Calvert ordinarily will:

- **support** proposals seeking to indemnify directors and limit director liability for acts excluding fraud or other wanton or willful misconduct or illegal acts, but will **oppose** proposals seeking to indemnify directors for all acts.

Limit Directors' Tenure

Corporate directors generally may stand for re-election indefinitely. Opponents of this practice suggest that limited tenure would inject new perspectives into the boardroom as well as possibly creating room for directors from diverse backgrounds. However, continuity is also important and there are other mechanisms such as voting against or withholding votes during the election of directors, which shareholders can use to voice their opposition to certain candidates. It may be in the best interests of the shareholders for long-serving directors to remain on the board, providing they maintain their independence as well as the independent perspective they bring to the board. In voting on proposals relating to these matters, Calvert ordinarily will:

- vote **case-by-case** on proposals to limit director tenure.
- **oppose** incumbent nominating committee board members where average board tenure is 12 years or greater and the company exhibits a record of poor performance (i.e., measured by one-, three-, and five-year total shareholder returns relative to a company's peers).

Director Stock Ownership

Advocates of requirements that directors own shares of company stock argue that stock ownership helps to align the interests of directors with the interests of shareholders. Yet there are ways that such requirements may also undermine effective governance. For example, limiting board service only to those who can afford to purchase shares or encouraging companies to use stock awards as part or all of director compensation. In the latter case, unless there are mandatory holding requirements or other stipulations that help to assure that director and shareholder incentives are indeed aligned, awards of stock as compensation can create conflicts of interest where board members may make decisions for personal gain rather than for the benefit of shareholders. Thus, in some circumstances director stock ownership requirements may be beneficial and in others detrimental to the creation of long-term shareholder value. In voting on proposals relating to these matters, Calvert ordinarily will:

- vote **case-by-case** on proposals requiring that corporate directors own shares in the company based on factors such as fairness and proportionality.
- **oppose** excessive awards of stock or stock options to directors.
- vote **case-by-case** if a director stock plan exceeds the plan cost or burn rate benchmarks when combined with employee or executive stock plans. In such cases, proposal on the plan will be voted on taking into consideration the following factors:
 - The relative magnitude of director compensation as compared to companies of a similar profile;
 - The presence of problematic pay practices relating to director compensation;

- Director stock ownership guidelines and holding requirements;
- Equity award vesting schedules;
- The mix of cash and equity-based compensation;
- Meaningful limits on director compensation;
- The availability of retirement benefits or perquisites; and
- The quality of disclosure surrounding director compensation.

Director Elections

Contested Election of Directors and Voting for Director Nominees in Contested Elections

Contested elections of directors frequently occur when a board or shareholder nominated candidate or slate runs for the purpose of seeking a significant change or improvement in corporate policy, control, and/or structure. Director candidates will be evaluated based upon the personal qualifications of the candidates, the economic impact of the policies that they advance, and their expressed and demonstrated commitment to the interests of all shareholders. Calvert will vote selecting the optimal combination of management and/or dissident directors. In voting on proposals relating to these matters, Calvert ordinarily will:

- vote **case-by-case** on the election of directors in contested elections, considering the following factors: (i) long-term financial performance of the target company relative to its industry; (ii) management's track record; (iii) background to the contested election; (iv) nominee qualifications and any compensatory arrangements; (v) strategic plan of dissident nominees and quality of critique against management; (vi) likelihood that the proposed goals and objectives can be achieved (from the management and dissident perspectives); (vii) strategic plan or considerations around sustainability, when applicable; (viii) impact on the level of board diversity; and (ix) stock ownership positions.
- **oppose** individual director candidate(s) if the board fails to include the necessary breadth and depth of relevant skills, experience and background to ensure adequate oversight of company management.

Classified or Staggered Boards

On a classified (or staggered) board, directors are divided into separate classes with directors in each class elected to overlapping three-year terms. Companies argue that such boards offer continuity in strategic direction, which promotes long-term planning. However, in some instances these structures may deter legitimate efforts to elect new directors or takeover attempts that may benefit shareholders. In voting on proposals relating to these matters, Calvert ordinarily will:

- **support** proposals to elect all board members annually and to remove classified board structures.

Majority Vote Standard

A majority voting standard allows shareholders with a majority of votes in favor or against to determine the election of board nominees. Calvert believes majority voting increases director accountability to shareholders, as directors recognize shareholders have a voice in the election process. In voting on proposals relating to these matters, Calvert ordinarily will:

- **support** both advisory and binding proposals seeking to establish a majority vote standard.

Cumulative Voting

Cumulative voting allows shareholders to “stack” their votes behind one or a few directors running for the board, thereby helping a minority of shareholders to win board representation. Cumulative voting gives minority shareholders a voice in corporate affairs proportionate to their actual strength in voting shares. However, like many tools, cumulative voting can be misused. In general, where shareholder rights and voice are well protected by a strong, diverse, and independent board and key committees, where shareholders may call special meetings or act by written consent, and in the absence of strong anti-takeover provisions, cumulative voting is usually unnecessary. In voting on proposals relating to these matters, Calvert ordinarily will:

- vote **case-by-case** on proposals to allow cumulative voting in the election of directors.

Shareholder Rights

Supermajority Vote Requirements

Supermajority vote requirements in a company's charter or bylaws require a level of voting approval in excess of a simple majority. Generally, supermajority provisions require at least 2/3 affirmative votes for passage of issues. In voting on proposals relating to these matters, Calvert ordinarily will:

- **oppose** supermajority vote requirements.
- **support** proposals to reduce supermajority shareholder vote requirements for charter amendments, mergers and other significant business combinations.
- **support** proposals that request the Board to take or initiate the steps necessary to amend the Company's governing documents to provide that all non-binding matters presented by shareholders shall be decided by a simple majority of the votes cast for and against an item but not abstentions.
- vote **case-by-case** on proposals submitted by shareholder(s) who own a significant amount of company stock, taking into account: a) ownership structure; b) quorum requirements; and c) supermajority vote requirements.

Shareholder Access to Proxy

Equal access proposals ask companies to give shareholders access to proxy materials to state their views on contested issues, including director nominations. In some cases, such proposals allow shareholders holding a certain percentage of shares to nominate directors. We support the view that shareholders should be granted access to the proxy ballot in the nomination of directors under appropriate circumstances. In voting on proposals relating to these matters, Calvert ordinarily will:

- **support** management and shareholder proposals that grant shareholder access to the proxy ballot.
- vote **case-by-case** on proposals that create threshold targets for shareholder access to the proxy ballot, including an ownership threshold and holding period.

Restrictions on Shareholders Acting by Written Consent

Written consent allows shareholders to authorize action outside of a shareholder meeting. It permits action to be taken by the written consent of the same percentage of outstanding shares that would be required to affect the proposed action at a shareholder meeting. In voting on proposals relating to these matters, Calvert ordinarily will:

- **oppose** proposals to restrict, limit or eliminate the right of shareholders to act by written consent.
- **support** proposals to allow or facilitate shareholder action by written consent.

Restrictions on Shareholders Calling Meetings

It is common for company management to retain the right to call special meetings of shareholders at any time, but shareholders often do not have similar rights. In general, we support the right of shareholders to call special meetings, even in extraordinary circumstances, such as consideration of a takeover bid. Restrictions on the right of shareholders to call a meeting can also restrict the ability of shareholders to require company management to consider shareholder proposals or director candidates. In voting on proposals relating to these matters, Calvert ordinarily will:

- **oppose** restrictions on the right of shareholders to call special meetings.

Dual or Multiple Classes of Stock

In order to maintain corporate control in the hands of a certain group of shareholders, companies may seek to create multiple classes of stock with differing rights pertaining to voting and dividends. Creation of multiple classes of stock limits the right of some shareholders – often a majority of shareholders – to exercise influence over the governance of the corporation. This approach in turn may diffuse directors’ incentives to exercise appropriate oversight and control over management. In voting on proposals relating to these matters, Calvert ordinarily will:

- **oppose** proposals to create dual classes of stock except when a time-based sunset provision exists that would automatically convert the dual-class structure to one-share, one vote on a specified anniversary of the initial public offering.
- vote **case-by-case** on proposals to create classes of stock offering different dividend rights (such as one class that pays cash dividends and a second that pays stock dividends), supporting these proposals if they are consistent with shareholder rights and equitable treatment of all shareholders.
- **support** proposals to recapitalize stock such that each share is equal to one vote.

Ratification of Auditor and Audit Committee

While recognizing that the company is in the best position to evaluate the competence of the outside auditors, we believe that outside auditors must ultimately be accountable to shareholders. Further, Calvert recognizes the critical responsibilities of the audit committee and its members including the oversight of financial statements and internal reporting controls. In voting on proposals relating to these matters, Calvert ordinarily will:

- **oppose** proposals seeking ratification of the auditor when Calvert determines that the independence of the auditor may be compromised.

- **support** proposals to adopt a policy to ensure that the auditor will only provide audit services to the company and not provide other services.
- **support** proposals that set a reasonable mandatory rotation of the assigned auditor partner (at least every five years).
- **support** proposals that call for more stringent measures to ensure auditor independence.
- **support** proposals (typically outside the US) that call for the annual election of auditors by shareholders.

Audit Committee

- **oppose** members of the audit committee where the audit committee has approved an audit contract where non-audit fees exceed audit fees or in any other case where it appears that the independence of the auditor may be compromised.
- **oppose** members of the audit committee at companies with ineffective internal controls, considering whether the company has a history of accounting issues, or significant recent problems, and the board's response to them.

In a number of countries outside of the US, companies routinely appoint internal statutory auditors. In voting on proposals relating to these matters, Calvert ordinarily will:

- **support** the appointment or reelection of internal statutory auditors unless there are concerns about audit methods used or the audit reports produced, or if there are questions regarding the auditors being voted on.

Transparency and Disclosure

Historically, many non-U.S. countries have not required robust and transparent corporate disclosures equivalent to what is available in the U.S. More recently, there have been waves of reform around the world, including the development of voluntary and required governance codes. The common feature of these codes is that shareholders expect their companies to be transparent. In voting on proposals relating to these matters, Calvert ordinarily will:

- **support** proposals that call for full disclosure of company financial performance.
- **support** proposals that call for an annual financial audit by external and independent auditors.
- **support** proposals that call for disclosure of ownership, structure, and objectives of companies, including the rights of minority shareholders vis-à-vis the rights of major shareholders.
- **support** proposals that call for disclosure of corporate governance codes and structures, including efforts to mitigate risk and promote a compliance-oriented corporate culture.
- **support** proposals that call for disclosure of related party transactions.
- **support** proposals that call for disclosure of the board nominating process.

Litigation Rights/Exclusive Venue and Fee Shifting Bylaw Provisions

Bylaw provisions effecting shareholders' ability to bring suit against the company may include exclusive venue provisions, which provide that the state of incorporation shall be the sole venue for certain types of litigation and fee-shifting provisions that require a shareholder who sues a company unsuccessfully to pay all litigation expenses of the defendant corporation. In voting on proposals relating to these matters, Calvert ordinarily will:

- vote **case-by-case** on bylaw changes affecting shareholders' litigation rights.

2. Executive and Employee Compensation

Shareholders have a strong interest in executive pay because compensation creates the incentive structure that drives strategy, risk management and operational excellence. Due attention to executive compensation is a fiduciary duty of the board, which should exercise care and diligence in the design of compensation plans.

Companies should establish an independent compensation committee to carefully review and set compensation guidelines and develop plans. Compensation plans should be sufficient to attract and retain the best talent, align the interests of management and shareholders, and link pay to financial performance and the achievement of operational goals. Boards should also carefully disclose plan features, amounts of compensation, and linkages between compensation and strategy in clear, plain language. Where appropriate, companies should include quantitative data in either graphical or tabular format in order to aid understanding.

Long-term shareholders should hold boards accountable to this responsibility through active engagement and proxy voting. Shareholders should expect that compensation levels be reasonable relative to peers, company circumstances, and business strategy. They should evaluate whether the plan structure appropriately links pay to performance and is consistent with principles of pay equity for other members of leadership and for ordinary workers. The structure of pay plans should also incorporate management incentives to deal fairly with all stakeholders and implement a long-term, sustainable business strategy. In voting on proposals relating to these matters, Calvert ordinarily will:

Advisory Vote on Executive Compensation (Say on Pay) – U.S. Companies

Calvert ordinarily will:

- **support** the right of shareholders to cast an annual, non-binding vote on corporate executive compensation plans.
- vote **case-by-case** on “say-on-pay” proposals by company management, generally considering the following criteria:

Incentive Compensation

- ***Pay for Performance***: The structure and level of pay should be linked to performance in a manner that aligns management interests with those of shareholders over a full business cycle. Named Executive Officers (NEOs) should be reasonably rewarded for success and should share losses with shareholders during downturns. Plans should incentivize a reasonable amount of risk taking, consistent with the interests of long-term shareholders. In voting on proposals relating to these matters, Calvert ordinarily will:
 - **oppose** provisions that reduce the alignment of management and shareholder interests,
 - **oppose** plans that do not clearly explain the reason for any significant deviation from a clear link between pay and performance.
- ***Time Horizon***: NEOs should be given a mix of short and long-term incentives including both cash and equity-based securities, with the greater weight to long-term awards.

Vesting of long-term awards should be consistent with the business cycle of the company, normally within at least a 3–5-year time horizon. Companies should explain why the chosen time horizon is consistent with business strategy. At least a portion of equity compensation should be required to be held for a period that seeks to align NEOs with long-term owners. In total, we look for the vesting and holding period to amount to no less than 5 years.

- *Incentive Structure:* Companies should explain how incentives link to corporate strategy and drive long-term performance and risk management. Long-term awards (whether restricted stock, options, performance shares or other structure) should be comprised of a balanced mix of time and performance-based elements, with a transparent mix of quantitative and qualitative criteria determining awards, as appropriate. Long-term incentive plans which comprise fully of time-based awards may be permitted. In plans where performance-based elements are present, performance targets should be realistic and appropriately challenging. Limited discretion to allow boards to adjust compensation due to extraordinary circumstances may be permitted; however, excessive discretion raises concerns, especially when performance is poor or when pay does not reflect performance.
- *ESG Incentives:* An increasing number of companies are adopting ESG metrics in their short-term awards; long-term awards; or both. Companies may consider adopting meaningful ESG metrics in their executive incentive compensation programs to incentivize management to improve long-term shareholder value creation by improving performance on material sustainability measures. When setting ESG metrics in compensation programs, similar to financial and strategic goals, we look to companies to set rigorous goals with clearly defined performance periods. Goals should generally be quantitative in nature, and we look to ensure that the achievement of goals can be easily assessed by shareholders. Metrics that are embedded into a larger scorecard that rely on a significant amount of discretion are not advisable. In determining the type of ESG metric, we look to see that the goals set are in line with business strategy to incentivize financial outperformance or mitigate ESG-associated risks.
- *Peers:* Peer group companies should be chosen based on reasonable criteria, such as size, industry or risk profile, and the rationale disclosed to shareholders. The Board should make a careful analysis of how plans compare to peer groups and explain significant deviations based on the unique circumstances of the company.
- *Pay Equity:* The level of CEO pay relative to other categories of employment should be reasonable, considering both the balance of compensation among top management as well as the ratio of CEO pay to that of ordinary workers. Pay that is excessively unequal relative to peer companies may raise a concern about the independence of the board from management influence, unless adequately explained. In voting on proposals relating to these matters, Calvert ordinarily will:
 - **oppose** mandated pay limits as a check on pay disparity.
- *Stakeholders and Sustainability:* We prefer that the plan meaningfully incorporate strategic goals related to sustainability and fair treatment of stakeholders. The company should

disclose which sustainability or stakeholder issues are material to performance and how compensation plans create incentives for optimal management of these issues.

- *Clawbacks*: Calvert expects that plans include a provision to recoup compensation in the case of malfeasance or material accounting restatement.
- *Perquisites*: Perquisites are non-financial forms of compensation such as country club memberships or personal travel on company aircraft. The cash value of perquisites is usually small relative to the size of pay packages and may be appropriate if linked to business needs. However, excessive perquisites may raise concerns about the independence of the board from management. Executive perquisites, and their rationale, should be clearly disclosed along with other compensation.
- *Transparency*: Plan provisions and pay levels should be clearly disclosed in plain language for each named executive officer. The structure of plans, pay levels, and rationales for compensation decisions should also be made clear. The plan should be clear regarding the link between pay, long-term strategy, and performance expectations.
- *Ethics*: In voting on proposals relating to these matters, Calvert ordinarily will:
 - **oppose** plans submitted by companies with a recent history of ethical lapses related to compensation (e.g. backdating of options, inaccurate disclosures) unless the company has made significant governance changes to ensure that compensation is managed using the highest ethical standards.

Non-U.S. Compensation Disclosures and Evaluation

- Different countries have varying standards on executive compensation disclosure requirements and what is generally practiced in each market. These distinctions lead to different compensation issues becoming material within each country. For companies that are domiciled in jurisdictions that tend to have weaker regulations around required compensation disclosure as well as generally weaker practices demonstrated by companies, Calvert will hold those compensation programs to standards widely accepted by the market and in line with the country's regulatory requirements for disclosure.
- Remuneration practices should align executive pay with long-term shareholder value, supported by clear and comprehensive disclosures detailing the rigor of metrics and pay outcomes. Calvert expects executive pay to be transparent, performance-based, and aligned with long-term shareholder value. Significant changes in an executive's remuneration component must be backed by a compelling rationale. When evaluating remuneration practices for non-U.S. countries, Calvert ordinarily will vote case-by-case.

Equity Compensation

Equity compensation may include restricted shares, options, or other structures designed to link pay to equity performance. All equity plans are subject to the incentive criteria detailed above. Additionally, we believe that companies should not make loans to support stock purchases. While these Guidelines generally oppose plans with certain features, Calvert may support any well-designed provision in specific circumstances where it is warranted, if appropriate restrictions are in place, the rationale clearly and persuasively disclosed, and the provision is submitted to shareholders for approval. In voting on proposals relating to these matters, Calvert ordinarily will:

- **oppose** provisions that provide downside protection to plan participants that are not available to other shareholders;
- **support** equity plans that tend to create long-term incentives for management to create long-term sustainable value. The board should carefully consider how the mix of equity linked securities aligns management incentives with reasonable tolerance for risk consistent with business strategy.
- **Support** proposals that will require executives to hold sufficient shares to incentivize them to think like long-term owners.
- *Pay Disparity*: **oppose** equity plans that whose benefits are inappropriately skewed toward top management, in a manner inconsistent with the goal of attracting and motivating professionals at all levels of the corporation.
- *Reload Options and Evergreen Provisions*: **oppose** features, such as evergreen provisions and reload options that may lead to a misalignment of management and shareholder interests.
- *Repricing*: **oppose** the repricing of options, which undermines the incentive value of these awards.
- *Accelerated Vesting*: **oppose** accelerated vesting of shares and options in the case of a restructuring.
- *Dilution*: **oppose** plans that are excessively dilutive to minority shareholders.
- *Hedging*: **oppose** provisions supporting hedging of risks by NEOs in a manner that undermines the design of compensation plans.

Employee Stock Purchase Plans

- **support** broad-based employee stock purchase plans (ESPPs), which encourage alignment between employees and shareholders.
- **oppose** ESPPs that are determined to be unreasonable because, for instance, they offer shares for less than 85% of the current price or create dilution of greater than 10%.

Severance Agreements (“Golden Parachutes”)

Companies may establish severance agreements that provide compensation packages for top executives who are terminated or demoted pursuant to a takeover or other change in control ("golden parachutes"). Companies argue that such agreements are necessary to keep executives from "jumping ship" during potential takeover attempts. The Dodd-Frank Wall Street Reform and Consumer Protection Act provides shareholders with advisory votes on "golden parachute" arrangements for Named Executive Officers (NEOs). Special focus is placed on severance packages that provide inappropriate windfalls and cover certain tax liabilities of executives. Calvert believes boards should allow shareholders the ability to ratify such severance or change in control agreements to determine if such awards are excessive and unnecessary. In voting on proposals relating to these matters, Calvert ordinarily will:

- **support** proposals providing shareholders the right to ratify adoption of severance or change in control agreements.
- **oppose** the election of compensation committee members who approve severance agreements that are not ratified by shareholders.
- **oppose** golden parachute proposals that include one or more of the following features, depending on the number, magnitude, and/or timing of issue(s):
 - Single- or modified-single-trigger cash severance;
 - Single-trigger acceleration of unvested equity awards;
 - Full acceleration of equity awards granted shortly before the change in control;
 - Acceleration of performance awards above the target level of performance without compelling rationale;
 - Excessive cash severance (generally >3x base salary and bonus);
 - Excise tax gross-ups triggered and payable;
 - Excessive golden parachute payments (on an absolute basis or as a percentage of transaction equity value); or
 - Recent amendments that incorporate any problematic features (such as those above) or recent actions (such as extraordinary equity grants) that may make packages so attractive as to influence merger agreements that may not be in the best interests of shareholders; or
 - The company's assertion that a proposed transaction is conditioned on shareholder approval of the golden parachute advisory vote.

Equity Plans for Non-Employee Directors

- vote **case-by-case** on compensation plans for non-employee directors, based on:
 - The total estimated cost of the company's equity plans relative to industry/market cap peers, measured by the company's estimated Shareholder Value Transfer (SVT) based on new shares requested plus shares remaining for future grants, plus outstanding unvested/unexercised grants;
 - The company's three-year burn rate relative to its industry/market cap peers; and
 - The presence of any egregious plan features (such as an option repricing provision or liberal CIC vesting risk).

Non-Employee Director Pay – U.S.

- **oppose** members of the board committee responsible for approving/setting non-employee director compensation if there is a pattern (*i.e.*, two or more years) of awarding excessive non-employee director compensation without disclosing a compelling reason or other mitigating factors.

Shareholder Ratification of Director Pay Program

- vote **case-by-case** on management proposals seeking U.S. ratification of non-employee director compensation based on:
- If the equity plan under which non-employee director grants are made is on the ballot, whether or not it warrants support; and
- An assessment of the following factors:
 - The relative magnitude of director compensation as compared to companies of a similar profile;
 - The presence of problematic pay practices relating to director compensation;
 - Director stock ownership guidelines and holding requirements;
 - Equity award vesting schedules;
 - The mix of cash and equity-based compensation;
 - Meaningful limits on director compensation;
 - The availability of retirement benefits or perquisites; and
 - The quality of disclosure surrounding director compensation.

Compensation Committee

- **oppose** members of the compensation committee and potentially the full board when it is determined they have approved compensation plans that are deemed excessive or have not amended their policies in response to shareholder concern.

3. Mergers, Acquisitions, Spin-offs, and Other Corporate Restructuring

Mergers, acquisitions and other corporate restructurings frequently raise significant issues and should be considered very carefully. These actions may have the effect of profoundly changing corporate governance and strategy.

Considering the Non-Financial Effects of a Merger Proposal

Mergers, acquisitions and other corporate restructuring proposals allow or require the board to consider the impact of the proposed action on various stakeholders, including employees, communities of place or interest, customers, and business partners, and give the board the right to reject a proposal on the grounds that it would adversely affect the company's stakeholders. In voting on proposals relating to these matters, Calvert ordinarily will:

- **support** proposals that consider non-financial impacts of mergers, acquisitions or other corporate restructurings.
- vote **case-by-case** on all merger, acquisition and restructuring proposals, giving consideration to the value being offered to shareholders and the likely impact on sustainability risks and opportunities.
- **oppose** proposals for corporate acquisition, takeover, restructuring plans that include significant new takeover defenses or that pose other potential financial, social, or environmental risks or liabilities.

Adjournment of Meeting

Generally **oppose** proposals that provide management with the authority to adjourn an annual or special meeting, particularly in instances where the proposal seeks to adjourn meetings for the purpose that “other business” might be brought forth.

Generally **support** proposals that pertain to soliciting additional votes for a merger or transaction if there are insufficient votes at the time of the meeting to approve the transaction if Calvert is supporting that merger or transaction.

Opt-Out of State Anti-takeover Law

Several states have enacted anti-takeover statutes to protect companies against hostile takeovers. In some, directors or shareholders are required to opt in for such provisions to be operational; in others, directors or shareholders may opt out. Hostile takeovers come in many forms. Some offer advantages to shareholders by replacing current management with more effective management. Others do not. Shareholders of both the acquirer and the target firms stand to lose or gain significantly, depending on the terms of the takeover, the strategic attributes of the takeover, and the price and method of acquisition. In general, shareholders should have the right to consider all potential takeovers, hostile or not, and vote their shares based on their assessment of the particular offer. In voting on proposals relating to these matters, Calvert ordinarily will:

- **support** proposals for bylaw changes allowing a company to opt out of state anti-takeover laws.
- **oppose** proposals requiring companies to opt into state anti-takeover statutes.

Unilateral Charter, Bylaws and Amendments

Boards should not be allowed to make bylaw/charter amendments changes that adversely affect shareholder rights without seeking shareholder ratification of the amendments. This policy codifies our current approach to unilateral bylaw/charter amendments and the issue of companies adopting a suite of shareholder-unfriendly governance provisions shortly before, or on the date of, their initial public offerings (“IPOs”). The policy addresses this trend in IPO-related amendments by considering it a factor when determining a vote recommendation on directors. In voting on proposals relating to these matters, Calvert ordinarily will:

- **oppose** or withhold from directors individually, committee members, or the entire board (except new nominees, who will be considered on a **case-by-case** basis) if the board amends the company's bylaws or charter without shareholder approval in a manner that materially diminishes shareholders' rights or that could adversely affect shareholders.
- vote **case-by-case** on proposals to amend or change corporate charter or by-laws, and will ordinarily **support** such proposals if they are deemed consistent with shareholders' best interests and the principles of sound governance and overall corporate social responsibility/sustainability.

Corporate Purpose

In the United States and certain other markets, companies are typically understood to owe their primary fiduciary duty to shareholders. In certain other markets, especially in Europe, a

“stakeholder centric” model prevails, requiring companies to consider the interests of all stakeholders in making decisions. Recently, some companies in the U.S. and other shareholder-centric markets have been integrating stakeholder concerns into governing documents, and a few have reincorporated under corporate forms that prioritize the creation of value for all stakeholders. Calvert supports reasonable governance reforms to better align companies with long-term shareholder interests, which include appropriate consideration of stakeholder concerns that are material to the performance of the business.

In voting proposals relating to these matters, Calvert ordinarily will:

- **support** proposals that generally ask companies to align the corporate governance practices and provisions with a business model that creates societal impact and addresses stakeholder concerns.
- **oppose** proposals that are overly prescriptive in asking companies to amend their certificates of incorporation to reorganize into different corporate structures on the basis of aligning with its commitment to a stakeholder-centric model.

Reincorporation

Corporations are bound by the laws of the states in which they are incorporated. Companies reincorporate for a variety of reasons, including shifting incorporation to a state where the company has its most active operations or corporate headquarters. In other cases, reincorporation is to take advantage of stronger state corporate takeover laws, or to reduce tax or regulatory burdens. In these instances, reincorporation may result in greater costs to stakeholders, or in loss of valuable shareholder rights. Finally, changes in state law have made reincorporating in certain locations more or less favorable to governance issues such as shareholder rights. In voting on proposals relating to these matters, Calvert ordinarily will:

- **support** proposals to reincorporate for valid business reasons (such as reincorporating in the same state as the corporate headquarters).
- vote **case-by-case** on proposals to reincorporate for improvements in governance structure and policies (such as reincorporating in states like North Dakota, with shareholder friendly provisions).
- **oppose** proposals to reincorporate outside the United States if it is determined that such reincorporation is no more than the establishment of a skeleton offshore headquarters or mailing address for purposes of tax avoidance, and the company does not have substantial business activities in the country in which it proposes to reincorporate.

Common Stock Authorization

Companies may choose to increase their authorization of common stock for a variety of reasons. In some instances, the intended purpose of the increased authorization may clearly benefit shareholders; in others, the benefits to shareholders are less clear. Given that increased authorization of common stock is dilutive, except where the authorization is being used to facilitate a stock split or stock dividend, proposed increases in authorized common stock must be examined carefully to determine whether the benefits of issuing additional stock outweigh the potential dilution. In voting on proposals relating to these matters, Calvert ordinarily will:

- **support** proposals authorizing the issuance of additional common stock necessary to facilitate a stock split.

- vote **case-by case** on proposals authorizing the issuance of additional common stock.
- **oppose** the proposals if the company already has a large amount of stock authorized but not issued, or reserved for its stock option plans, or where the proposal is to increase shares by more than 100 percent of the current authorization (unless there is a convincing business plan for use of additional authorized common stock) due to concerns that the authorized but unissued shares will be used as a shareholder rights plan or other takeover defense.
- **support** proposals to implement a reverse stock split when the number of authorized shares will be proportionately reduced.
- vote **case-by-case** on proposals related to reverse stock splits that do not result in a proportionate reduction in the number of authorized shares, taking into account the following factors:
 - A stock exchange notification to the company of a potential delisting;
 - Disclosure of substantial doubt about the company's ability to continue as a going concern without additional financing;
 - The company's rationale; or
 - Other factors, as applicable.

Blank Check Preferred Stock

Blank check preferred stock is stock with a fixed dividend and a preferential claim on company assets relative to common shares, for which the terms of the stock (voting, dividend, and conversion rights) are set by the board at a future date without further shareholder action. While such an issue can in theory have legitimate corporate purposes, most often it has been used as an anti-takeover device. In voting on proposals relating to these matters, Calvert ordinarily will:

- **oppose** the creation of blank check preferred stock.
- **oppose** increases in authorization of preferred stock with unspecified terms and conditions of use that may be determined by the board at a future date, without approval of shareholders.

Shareholder Rights Plans

Shareholder rights plans (sometimes referred to as “poison pills”) are triggered by an unwanted takeover attempt and cause a variety of events to occur which may make the company financially less attractive to the suitor. Typically, directors have enacted these plans without shareholder approval. Most shareholder rights plans resolutions deal with shareholder ratification of the shareholder rights plans or repealing them altogether. In voting on proposals relating to these matters, Calvert ordinarily will:

- **support** proposals calling for shareholder approval of shareholder rights plans.
- **oppose** shareholder rights plans.

Greenmail

Greenmail is the premium a takeover target firm offers to a corporate raider in exchange for the raider's shares. This usually means that the bidder's shares are purchased at a price higher than market price, discriminating against other shareholders. In voting on proposals relating to these matters, Calvert ordinarily will:

- **support** anti-greenmail provisions.
- **oppose** the payment of greenmail.

B. CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY

1. Sustainability Reporting

Investors require substantive and comparable information about corporate performance on material ESG factors both to integrate these factors into investment decisions and to engage with companies. A high-quality sustainability report can demonstrate the company's positioning with respect to the material sustainability risks and opportunities it may face. However, sustainability reporting remains an evolving area of corporate disclosure. While practices have advanced, the information reported is not standardized, resulting in variation in relevance and quality across companies. Sustainability reporting continues to improve as guidelines promulgated by the Global Reporting Initiative (GRI) and the International Sustainability Standards Board (ISSB) have become recognized standards for disclosure. Calvert continues to be supportive of evolving reporting frameworks informed by standards and metrics developed by the Task Force on Climate-related Financial Disclosures (TCFD) and Sustainability Accountability Standards Board (SASB) – now ISSB. These standards are useful to companies seeking to align their disclosures with the needs of the capital markets, but compliance with a third-party is not a substitute for accurately describing the company's unique circumstances. Effective reports provide clarity about a company's understanding of the risks and opportunities arising from its relationships with stakeholders; its governance policies for addressing these issues; and robust performance data that informs shareholders of how the company measures itself against its objectives. We believe that sustainability information that is deemed material should be incorporated into a company's regulatory filings. In voting on proposals relating to these matters, Calvert ordinarily will:

- **support** proposals asking companies to prepare sustainability reports, including those requesting disclosure consistent with ISSB, GRI, or other internationally recognized sets of guidelines.
- **support** proposals requesting that companies conduct social and/or environmental audits and/or risk assessments of their performance.

2. Environment

All economic activities affect, and in turn depend on, the natural environment. Physical changes in ecosystems, the associated effects on human health and the availability of natural resources, and national and international efforts to mitigate environmental harm will have a profound impact on corporate and investor outcomes. We believe that, over time, the market will reward companies whose strategies and operations continually progress towards minimal negative or beneficial environmental impact. As investors, we also believe that over the long-term stable ecosystems are necessary to sustain capital markets and economic growth.

We expect that companies will develop robust environmental management systems; implement business strategies that anticipate risks and opportunities related to growing expectations for corporate environmental sustainability, and set quantitative targets for reducing environmental impacts from operations and supply chains. Companies should pay particular attention to their impact on:

Climate: Companies should develop policies and procedures to anticipate the risks and opportunities related to the transition to a low carbon economy; reduce, and ultimately eliminate, greenhouse gas emissions from products, operations and supply chains; transition to the use of renewable and low carbon energy sources as economic feasibility allows; mitigate ocean acidification; and anticipate possible physical impacts of climate change on markets and infrastructure. Companies should consider all material sources of climate impacts, including direct emissions, indirect emissions through purchased electricity, products, supply chains, end-of-life and ancillary business activities. In considering these policies and procedures, Calvert commits to support companies in achieving a net zero greenhouse gas emissions goal by 2050 or sooner, in line with global efforts to limit warming to well-below 2°C above pre-industrial levels.

In planning and implementing decarbonization strategies, companies should also consider the impact on workers and communities, especially the most vulnerable. Public and private investments in low-carbon strategies and technologies should also be designed to support inclusive economies and a just energy transition.

Water: Companies should analyze risks associated with business operations that might affect: water stressed areas; the possible impacts of changing water systems on their ability to operate; the impact of company operations on water quality or availability; consider the company's impacts on marine life and ecosystems; and explore ways of increasing access to water, especially among economically disadvantaged populations. Companies in water-intensive industries, including the food products, paper and semiconductor industries, should consider improving their water efficiency or water re-use.

Toxins and Pollution: Companies should develop policies and procedures to reduce or eliminate the use and marketing of toxic chemicals; to minimize waste throughout product lifecycles; and to seek alternatives to products and operations whose emissions harm human health and the environment. Additionally, producers of plastics should report on its efforts to reduce or eliminate the use and marketing of plastics, as well as the relevant impact on its business model.

Land Use and Biodiversity: Companies should analyze the impacts of their operations and products on land use and biodiversity, including agricultural land use, deforestation, habitat conservation, and pollution.

In voting on proposals relating to the foregoing environmental matters, Calvert ordinarily will:

General

- **support** reasonable proposals to reduce negative environmental impacts and a company's overall environmental footprint, including any threats to biodiversity in ecologically sensitive areas.
- **support** proposals asking companies to report on their environmental practices, policies and impacts, including environmental damage and health risks resulting from operations, and the impact of environmental liabilities on shareholder value.

Climate Change Mitigation

- **support** proposals requesting that companies disclose information on greenhouse gas emissions (including carbon, methane, and all other recognized greenhouse gases) and mitigation targets.

- **support** proposals asking companies to adopt greenhouse gas reduction targets, including science-based targets.
- **support** proposals asking for the preparation of a report on a company's efforts to increase its use of renewable energy sources.
- **support** proposals asking for increased investment in renewable energy unless the terms of the resolution are overly restrictive.
- **support** proposals seeking an assessment of a company's impact on financed emissions through their investment, lending, and borrowing activities.
- **support** proposals asking companies to report on the strategic implications of a current or anticipated energy transformation on their business models.
- **support** climate change mitigation proposals related to the aforementioned actions in alignment with the Paris Agreement's goal to limit global warming to well below 2°C above pre-industrial levels, working towards net zero emissions.

Climate Change Adaptation

- **support** proposals seeking the preparation of a report on the company's risks attributable to climate change.
- **support** proposals seeking disclosure of the company's plans to adapt to climate change.
- **support** proposals seeking disclosure of the company's plans in order to align its oversight, strategy, and operations to adapt to the effects of climate change and reduce risk exposure.
- **support** "just transition" proposals seeking disclosure of the company's plans to integrate concerns about workers and communities into its decarbonization strategy and activities.

Advisory Vote on Climate Transition Plans (Say-On-Climate)

Vote **case-by-case** on management "Say on Climate" proposals that present company climate plans or strategies to shareholders for an advisory vote, considering the following factors:

- Alignment of corporate strategy with net zero commitments
- Greenhouse gas emissions reduction goals in line with efforts to limit global temperature increase to well below 2°C above pre-industrial levels
- Disclosure and alignment of interim targets with net zero commitments
- Emissions reductions efforts throughout the entirety of the company's operations and its value chain
- Evidence of actualized emissions reductions and planned capital allocation towards climate strategy
- Effective governance of overall climate strategy
- Incorporation of concerns about workers and communities into climate-related planning and activity (i.e. – "Just Transition")

In consideration of the different forms of management and shareholder proposals that may arise related to Say-on-Climate, Calvert will generally:

- **oppose** management proposals on climate plans that fail to meet the disclosure, strategic, oversight and target-setting considerations listed above.
- **support** shareholder proposals that ask the company to issue a climate transition report or plan.
- **support** shareholder proposals that ask the company to provide shareholders with the opportunity of an annual advisory vote on the company's climate-related policies and strategies.

Waste and Pollution

- **support** proposals seeking improved management and reporting of a company's risks linked to pollution of air, water, land or other ecological systems.
- **support** proposals seeking the preparation of a report on a company's risks linked to the lifecycle environmental impact of materials used in its production and products, including plastics.
- **support** proposals asking for reporting and management of waste throughout the supply chain and product lifecycle, including proposals to develop and report on recycling and "circular economy" strategies.
- **support** proposals asking for a report on the health effects of environmental pollution, especially with respect to the disparate impact of pollution on different ethnic and socioeconomic groups.

Water

- **support** proposals seeking the preparation of a report on a company's risks linked to water use or impacts to water, including but not limited to the company's impact on water quality, availability, and accessibility.
- **support** proposals seeking the adoption of programs and policies that enhance equitable access to affordable safe drinking water and sanitation.
- **support** proposals seeking improved management of water in industrial or agricultural operations and supply chains.
- **support** proposals asking for improved management and reporting of marine ecosystems.
- **support** proposals seeking improvements in water efficiency or water re-use for companies in water-intensive industries, including the food products, paper and semiconductor industries.

Land-Use Change / Biodiversity Conservation

- **support** proposals requesting greater transparency of the company's impact on land use, including deforestation, throughout the company's product lifecycle.
- **support** proposals asking companies for the preparation of a report on the impact of the company on biodiversity, throughout the company's product lifecycle.

3. Workplace Issues

Labor Relations and Vendor Standards

The relationship between companies and their labor forces has become more complex over the last 20-30 years. The simple employee-employer relationship has evolved into outsourced and

offshored supply chains, contingent workers, contractors, “gig economy” labor, and other non-standard forms. Companies retain the responsibility for respecting the human rights of everyone they employ regardless of the legal status of the worker. Companies that provide fair labor standards, equitable compensation and decent working conditions may experience improved productivity and worker engagement. Conversely, companies that violate core human rights may face legal and reputational risk, as well as the risk of a disengaged and unproductive workforce.

Worker rights include, at a minimum, the core International Labor Organization standards, which include freedom of association and collective bargaining, freedom from discrimination, and prohibitions on child and forced labor. Other safeguards, such as the right to a safe and healthy workplace, freedom from harassment and livable and equitable compensation, are also important.

At a minimum, companies should develop a code of conduct that respects all relevant human rights in the workplace and that covers company operations, supply chains and other key business partners. Companies should report on their human capital practices as well as their related policies and procedures. Companies should also provide detailed explanations of expectations to managers and vendors and provide for independent monitoring of compliance. Remediation should be available for violations of company policy, and the company should be transparent about when it would terminate a relationship based on human rights violations.

In the current environment, companies should pay special attention to supply chain resiliency while ensuring worker’s rights are being upheld to standards of international conventions, throughout their supply chain, especially in high-risk countries. Companies should also improve transparency by reporting on all the suppliers that are involved in the full lifecycle of their product or service, in addition to disclosing their responsible sourcing practices. In voting on proposals relating to these matters, Calvert ordinarily will:

- **support** proposals seeking improved management and reporting of a company’s suppliers, supply chain resiliency and responsible sourcing practices.

Modern Slavery

Although slavery has been formally abolished, people remain enslaved in many parts of the world, including in the supply chains of public companies. Modern slavery practices can be found in any sector and may include forced and bonded labor, unlawful child labor, and human trafficking. Risks are highest in industries whose supply chains are relatively more labor-intensive, lower-skilled, lightly regulated, or more reliant on migrant labor. Different methods of pressure and coercion are imposed on workers including physical threats, intimidation, psychological abuse, misuse of the legal process, or other means to compel someone to work, often making it extremely difficult for those workers to leave those arrangements.

Calvert believes companies need to take affirmative steps to avoid complicity in any form of modern slavery, consistent with international law and global standards addressing forced labor, including those from the International Labor Organization, the Universal Declaration of Human Rights, the United Nations Guiding Principles on Human Rights, the Worst Forms of Child Labor Convention, and the United Nations Sustainable Development Goals. Especially in high-risk industries, we expect companies to have strategies and policies to address the root causes of potential violations and develop steps for a value chain free from any forced labor or human trafficking.

Companies should publicly disclose the modern slavery risks within their operations and supply chains, the actions they have taken to assess and address such risks and the effectiveness of such steps, including policies on modern slavery and human trafficking, due diligence processes, risk assessment and management and information on training. Companies should take affirmative steps, as appropriate, to support and promote prevention, protection, and remediation measures to eliminate all forms of forced and bonded labor and modern slavery.

Mandatory Arbitration

Some companies use arbitration clauses to have their employees resolve disputes outside of judiciary courts. The use of these clauses for their employees potentially can expose companies to brand, legal, and human capital risks as mandatory arbitration potentially limits employees' remedies for wrongdoing, reduces willingness to report discriminatory behavior and conceals potential concerns shared by other employees. Generally, Calvert will:

- **support** well-crafted proposals asking the company to produce a report on its use of mandatory arbitration on employment-related claims, while considering:
 - i. Current practices and policies related the use of mandatory arbitration agreements;
 - ii. The history of recent controversy, litigation, or regulatory actions related to the use of mandatory arbitration agreements; and
 - iii. The existing disclosure of its policies and practices, and impact on workplace culture related to the use of mandatory arbitration agreements on workplace claims as compared to its peers.
- **oppose** proposals that request that the company adopt a mandatory arbitration bylaw.

Diversity and Equal Employment Opportunity (EEO)

While most companies now agree that a diverse workforce is important to corporate performance, progress towards equality remains slow, both in the U.S. and elsewhere. Insufficient representation deprives the companies of the perspectives and talents of individuals who are prevented from achieving their full potential.

Over the past few years, investor concerns about diversity have broadened from the number of women and people of color in leadership to root causes of persistent barriers to advancement, such as racial or gender gaps in pay, sexual harassment and gender-based violence, and the absence of effective policies to help employees balance work and family responsibilities.

Many investors are asking companies to develop diversity policies that outline company efforts to prevent discrimination and build a more diverse workforce; to explain the company's policies to increase diversity on its board of directors; disclose the company's diversity statistics for each professional level, for example through release of the EEO-1 report in the United States; to provide quantitative and qualitative reports on pay gaps; and to provide appropriate disclosures on company efforts to eliminate harassment and other forms of gender-based violence in the workplace.

Additionally, investors are asking companies to develop policies and practices to prevent discrimination and harassment of LGBTQ+ employees and to create a working environment

where individuals can feel comfortable and accepted. While most U.S. public companies currently have non-discrimination policies, investors are concerned that these policies are not consistently applied across the company, its supply chain and its business partners, especially in places that do not provide legal protections for LGBTQ+ people.

In voting on proposals relating to workplace matters, Calvert ordinarily will:

- **support** proposals requesting that companies adopt fair labor practices consistent with all recognized international human rights standards.
- **support** proposals requesting that companies adopt codes of conduct and other vendor/supplier standards requiring that suppliers, licensees, and other key business partners comply with all applicable laws and/or international standards regarding wages, benefits, and working conditions.
- **support** proposals requesting companies to adopt, report on, and agree to compliance and enforcement procedures for labor and human rights codes of conduct, including independent monitoring.
- **support** proposals asking for an assessment of risks related to potential violations of labor and human rights.
- **support** proposals asking a company to issue a diversity report, including diversity policies and full disclosure of EEO-1 data for U.S. workforces.
- **support** proposals asking companies to include language in EEO statements specifically barring discrimination based on sexual orientation, and gender identity and/or expression, and to report on company initiatives to create a workplace free of discrimination based on sexual orientation and gender identity and/or expression.
- **support** proposals to adopt policies to eliminate gender-based violence and other forms of harassment from the workplace, as well as proposals asking a company to prepare a report on its efforts to promote a safe workplace for all employees.
- **support** proposals asking companies to prepare a report on pay equity based on race, gender, or another appropriate category.
- Calvert will **oppose** proposals that seek to eliminate or scale back diversity or non-discrimination policies.

Equity Audit Proposals

Equity audit proposals request companies engage a variety of key stakeholders to evaluate specific topics to be addressed, including employees, shareholders, customers, stakeholders, and civil rights organizations to see the environmental, civil, and/or racial impact on the company's stakeholders. Calvert will ordinarily:

- **support** proposals asking the company to commission an equity audit while considering characteristics of the proposal such as who conducts the audit and qualifications of the auditor, among other factors; and
- **oppose** proposals that ask companies to commission non-discrimination audits designed either in spirit or substance to undermine the need for companies to protect the specific interests of minorities.

Employee Representation on Boards

Non-management employee representation on boards provides an opportunity for enhancing board diversity by potentially giving the board and management meaningful insights into the company's workplace.

In voting proposals asking for an employee representative (or increased employee representation) to serve on the board, Calvert ordinarily will **support** these proposals, factoring in the potential employee representative director's rights and duties as compared to other incumbent board members, objective independence of the candidate, director selection process, existing workplace controversies facing the company, among other issues.

4. International Operations and Human Rights

Business Activities and Investments

Global corporations often do business in countries lacking adequate legal or regulatory structures protecting workers, consumers, communities and the environment, or where lax enforcement renders existing laws ineffective. Companies operate in these locations for a variety of reasons, including access to natural resources, lower wages or regulatory burdens, access to regional markets, or for many other reasons. For the global economic actors, globalized companies create numerous benefits including expanded markets, improved efficiencies, and greater competitiveness. These operations may also be highly beneficial to the host country by providing jobs, tax payments, access to new products and services, and development opportunities. However, such operations may exploit local workforces or communities, or become complicit in human rights violations committed by host governments or business partners, if companies fail to develop and enforce substantive policies to respect human rights.

Modern communications technologies have increased public scrutiny of company operations around the world. Adverse publicity from transgressions of human rights may result in regulatory action, loss of social license to operate, boycotts, work stoppages and other business harms. Policies to safeguard human rights help to ensure company's ability to operate globally with a minimum of opposition from global or local stakeholders.

Numerous internationally recognized standards guide the development of corporate human rights policies. At a minimum, companies should commit to respecting all human rights as outlined in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights. Company policy should also be consistent with internationally recognized standards for corporations, including the UN Guiding Principles on Business and Human Rights and the Global Compact.

It is particularly important for companies whose operations may have a significant impact on indigenous communities to develop affirmative policies and practices respect the rights of these groups both in the North America and globally. The United Nations Declaration on the Rights of Indigenous Peoples defines the scope of rights specific to these groups, including for example self-determination, freedom from discrimination, and knowledge, cultures and traditional practices. Companies should develop policies to avoid complicity in violations of indigenous rights through business partnerships, supply chains or financial investments. Projects and investments should proceed only with the free, prior and informed consent of indigenous communities that may be significantly impacted.

Where relevant, companies should also develop specific policies to ensure respect for human rights that are material for their business, such as the right to health care and the right to privacy. Companies should also incorporate a global policy to ensure respect for the rights of LGBTQ+ people, especially in countries and localities whose policies are either hostile or neglectful of LGBTQ+ rights. Numerous guidelines also exist that are relevant for specific industries and types of operations. In voting on proposals relating to these matters, Calvert ordinarily will:

- **support** proposals requesting that companies develop appropriate policies to ensure respect for human rights throughout their global operations, including business partners and supply chains.
- **support** proposals requesting that a company undertake due diligence appropriate to their industry and issues specific to their human rights risks.
- **support** proposals requesting that companies develop policies and protocols to eliminate bribery and corruption.
- **support** proposals asking companies to respect the rights of local and indigenous communities to participate in decisions affecting their local environment, consistent with international law regarding the rights of indigenous people to free prior and informed consent.

5. Product Safety and Impact

Companies bear primary responsibility for the safety of their operations and products. In certain circumstances, ignoring product safety or impact concerns may result in short-term profitability for companies. However, investors in companies that harm their customers or other stakeholders may be concerned about a risk of a consumer or regulatory response that undermines the economic viability of companies. Moreover, harmful products may have broader community or environmental impacts that may de-stabilize markets in which shareholders invest. Calvert believes companies should develop governance and reporting mechanisms to ensure the safety of their products. In voting on proposals relating to these matters, Calvert ordinarily will:

- **case-by-case** on proposals asking companies to disclose product ingredients, depending on the feasibility of disclosure and the nature of the safety concerns.
- **support** proposals requesting the company to report on or adopt consumer product safety policies and initiatives.

Toxic Chemicals

Greater awareness of the impact of toxic chemicals on human health has led to widespread regulatory limitations on these chemicals and consumer embrace of alternatives. Companies who ignore these trends and defend the use of chemicals deemed harmful risk being overtaken by more innovative rivals in the marketplace. Calvert believes companies should disclose policies and practices to reduce the use or marketing of toxic chemicals and provide reasonable disclosures of performance. In voting on proposals relating to these matters, Calvert ordinarily will:

- **support** resolutions asking companies to disclose policies related to toxic chemicals.
- **support** proposals asking companies to report on the feasibility of removing or substituting safer alternatives for all harmful ingredients used in company products.

Animal Welfare

Concern for animal welfare has led to a consumer movement to demand better treatment of food animals. Calvert believes companies should develop reasonable policies to assure the well-being of kept animals, consistent with good environmental practices and the safety and quality of foods. In voting on proposals relating to these matters, Calvert ordinarily will:

- **support** proposals asking management to report on steps to reduce or eliminate antibiotic use for animal health.
- **support** proposals requesting that companies report on policies to ensure animal welfare.
- vote **case-by-case** on proposals asking companies to limit animal testing, giving consideration to the specific practices raising concerns, potential benefits to human health and welfare, and available alternative processes.

Inherently Dangerous Products and Inherently Hazardous Activities

Some products are inherently dangerous by nature because their function involves a risk of danger or injury to consumers or the general public's health and safety. Additionally, some activities are inherently hazardous by nature, that is, they hold substantial risks of predatory practices and/or may lead to addiction. Inherently dangerous products, which may be age-restricted or require a license to obtain, include, but are not limited to, alcohol, tobacco, e-cigarettes, guns, firearms, and other weapons. Inherently hazardous activities include, but are not limited to, gambling and non-medicinal cannabis consumption.

Companies should publicly disclose the inherent risks associated with these products and activities and develop reasonable policies and procedures to mitigate the risks associated with their manufacturing, sale, distribution, use and/or participation. In voting on proposals relating to these matters, Calvert ordinarily will:

- **support** proposals asking management to report on steps taken to mitigate the risks associated with consumer use of inherently dangerous products and consumer participation in inherently hazardous activities.
- **support** proposals requesting that companies report on its policies and procedures related to the risks associated with the manufacturing, sale and distribution of inherently dangerous products and participation in inherently hazardous activities.
- vote **case-by-case** on proposals asking companies to stop manufacturing inherently dangerous products or participating in inherently hazardous activities.

Data Privacy and Data Security

A revolution in computer and communications technologies has led to the rapid development of previously unimagined new services and access to information, while the number of internet users continues to expand globally. One result of the transformation of communications services is the exponential growth in the personal information that has been created and collected by companies. This data has potentially beneficial uses, including contributing to improved healthcare, more efficient transportation, and greater access to financial services. However, many people may have concerns about giving companies access to their personal data, particularly if unauthorized users gain access to this data for criminal or other malicious purposes.

Beyond concerns about the *security* of data, users may also be concerned about data *privacy* -- the lawful use of these data by companies for purposes other than what users intend. For example, data could be used to discriminate on the basis of race, gender, health or family status, or for other inappropriate purpose; for economic exploitation or harassment; or to manipulate a democratic election. These concerns are heightened when companies sell data to third parties with no connection to the original user.

For this reason, governments are currently questioning the appropriate use of data, and in particular whether users or companies own the data that is collected. Rules requiring companies to gain user consent for use of their data are coming into effect, but their effectiveness is not yet proven.

For example, the “right to be forgotten” has been codified in the European Union’s (EU) General Data Protection Regulation. Under such, personal data must be erased immediately where: (1) the data is no longer needed for its original processing purpose; (2) the data subject has withdrawn his or her consent and there is no other legal ground for processing; (3) the data subject has objected and there are no overriding legitimate grounds for the processing; or (4) erasure is required to fulfill a statutory obligation under the EU law. In addition, data must naturally be erased if the processing itself was against the law in the first place.

Expanding use of media raises additional concerns, such as the company’s responsibility to set rules for appropriate conduct on social media; the addictiveness of internet services, especially to children; and the company’s relationship to foreign governments who may wish to use data to violate human rights, especially the right to free expression.

For investors in companies whose business models depend upon unfettered access and use of user data, there is a risk that society will expand privacy rights and limit corporate use of personal data for business purposes, or that users will find ways of masking this information from companies while using internet services. Companies should analyze these risks and create governance structures that will allow them to adapt to changing expectations for data privacy and security. Companies should also develop robust systems to safeguard data from unauthorized access and use. In voting on proposals relating to these matters, Calvert ordinarily will:

- **support** *data security* proposals asking companies to strengthen governance mechanisms to prevent illegal or non-consensual use of data, and proposals for greater transparency regarding company efforts to protect user data.
- **support** reasonable *data privacy* proposals asking companies to set reasonable standards for the fair collection, storage and use of consumer data, respecting the rights of users to offer fully informed consent for the use of their data.
- **support** reasonable proposals asking companies to adopt *content management* policies that ensure freedom of expression and the free flow of information balanced with respect for user security, privacy, freedom from harassment and other rights on line.
- **support** proposals asking companies to develop policies to ensure that the company respects human rights wherever its services are available.
- **support** proposals asking companies to analyze the risk to its business model relating to data privacy or security.

Health and Pharmaceuticals

The continued high cost of medications in the United States limits access to many people, especially those lacking health insurance. In the developing world, lack of access to healthcare continues to be a barrier to the advancement of these societies. Additionally, the emergence of an epidemic of opioid abuse has raised concerns about the marketing practices of the pharmaceutical industry. Investors may be concerned about a public backlash against pharmaceutical company policies, with potential risks to the company's ability to gain regulatory approval for new products, protect its intellectual property rights, and gain access to markets internationally, as well as potential liabilities relating to harm caused by its products. Calvert believes companies should clearly disclose how its governance and management systems ensure attention to long-term risks relating to pricing and marketing strategies. In voting on proposals relating to these matters, Calvert ordinarily will:

- **support** proposals asking pharmaceutical companies to take steps to make drugs more affordable and accessible globally, to report on its efforts to increase access, and to align governance mechanisms with the objective of increasing access, consistent with long-term financial performance.
- **support** proposals requesting that companies prepare a report on their policies to ensure that drug price increases do not have the effect of reducing access to life-saving medicines.
- **support** proposals to report on efforts to align governance mechanisms with high standards for product safety, especially regarding opioids.
- **support** proposals asking for responsible management of the production lifecycle of pharmaceutical products, including safe disposal.
- **support** proposals asking for information about the nutritional composition of the company's food products.

6. Consumer Finance

Predatory Finance

Predatory finance is the imposition of unfair, abusive or deceptive practices on consumers of financial products. Targets of predatory practices are often economically disadvantaged people but may also be military families, students or the elderly. Of particular concern are practices that catch consumers in a "debt trap" in which additional loans are necessary to pay back original loans because the borrower is unable to repay their debts. Predatory practices may be profitable in the short-term, but may impose longer term risks to shareholders both because of the risks that the company's will face regulatory scrutiny or consumer backlash and because predatory finance has the effect of de-stabilizing the market as a whole. In voting on proposals relating to these matters, Calvert ordinarily will:

- **support** proposals calling on companies to address and eliminate predatory or racially discriminatory lending practices.
- **support** proposals seeking the development of a policy or preparation of a report to guard against predatory lending practices.

7. Political Action Committees and Political Partisanship

Shareholders may be concerned that for some companies, activities to influence the political or policy environment may not be consistent with company sustainability strategy or the long-term interests of shareholders. While federal and state law require disclosure of direct political

spending, companies may make undisclosed expenditures indirectly through organizations who are not required to reveal their funding sources. For this reason, shareholders are unable to track corporate political spending unless the company voluntarily discloses this information.

We believe that a lack of transparency regarding political contributions creates a risk that decisions about expenditures will be driven by the personal interest of management or positions that may produce short-term gains at the expense of the company's values or the long-term interests of shareholders. To determine whether corporate political and lobbying activities are appropriate, shareholders require complete reporting of expenditures on these activities, as well as explanations of how decisions are made. In voting on proposals relating to these matters, Calvert ordinarily will:

- **support** proposals asking companies to disclose political spending made either directly or through political action committees, trade associations and/or other advocacy associations.
- **support** proposals asking companies to disclose the budgets dedicated to public policy lobbying activities.
- **support** proposals requesting a report discussing the alignment between a company's political contributions and its sustainability commitments and public policy positions.
- **support** proposals requesting that companies support public policy activities, including lobbying or political spending that are consistent with shareholder or other stakeholder efforts to strengthen policies that protect workers, communities, the environment, public safety, or any of the other financially material issues.

8. Other Issues

In the event Calvert is required to vote on a proposal that is not addressed by the general principles and voting guidelines expressed herein, it generally expects to determine the manner in which to vote such proposal in alignment with the objectives of promoting long-term corporate health and sustainable financial, social and environmental performance.

Voting on Shareholder Proposals Outside of the U.S.

Calvert will take into consideration market-specific characteristics, including Calvert's historic votes, potential barriers faced by shareholders in proposing resolutions, implications related to the passage of a resolution, and other factors, in addition to the ask of the proposal when voting on case-by-case shareholder resolutions outside of the US.