

ASrIA

The Emergence of 401(k) Plans in the U.S.

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Agenda

- Global pension markets.
- U.S. pension markets.
- 401(k)-type plans in the U.S.
- Socially responsible investing (SRI) in 401(k)-type plans.



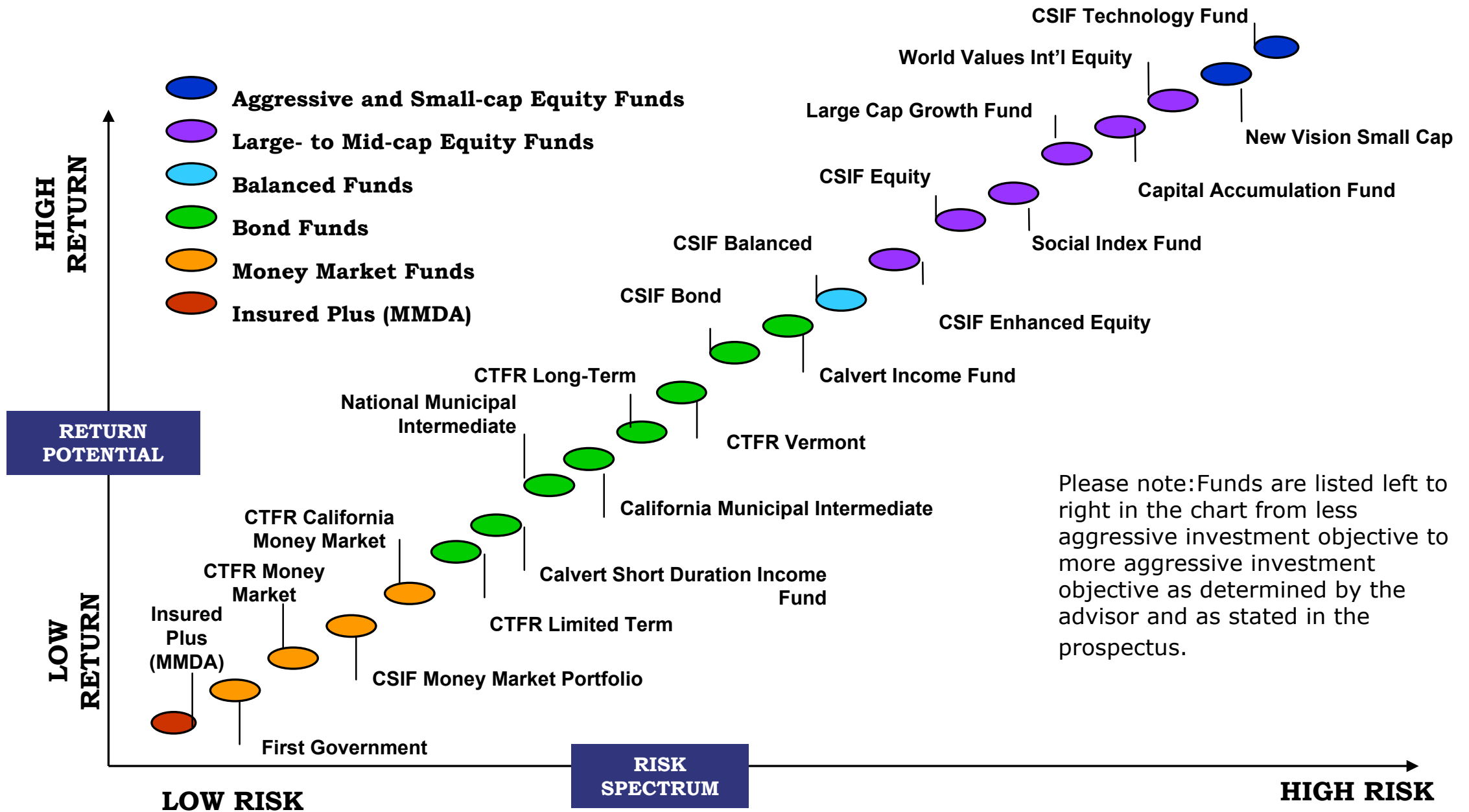
The Calvert Distinction

- Founded in 1976 and based in the United States – Washington, DC area.
- One of the largest socially responsible mutual fund families in the U.S. with \$8.3 billion in total assets.*
- One of the largest managers in the socially responsible investment retirement market.

* Social Investment Forum



Calvert Fund Family



Please note: Funds are listed left to right in the chart from less aggressive investment objective to more aggressive investment objective as determined by the advisor and as stated in the prospectus.



Pension & Population Country Rankings

Country	Assets ¹	Total Population ²	Population Ranking ²
United States	\$3,446,460	287,675,526	3
Japan	\$427,573	127,065,841	10
United Kingdom	\$423,800	59,912,431	21
Netherlands	\$298,029	16,067,754	59
Canada	\$191,286	31,902,268	35

¹Source: *Pensions & Investments* September 16, 2002; Ranked by U.S. dollars, in millions.
All fund data as of Dec. 31, 2001 except for Japan, which is as of March 31, 2001.

²Source: *U.S. Census Bureau, International Data Base*. Population data as of Oct. 10, 2002.



Largest Pension Funds

Rank	Fund	Country	Assets
1	California Public Employees	U.S.	\$143,887
2	ABP	Netherlands	\$130,391
3	New York State Common	U.S.	\$106,091
4	Local Government Officials	Japan	\$98,705
5	California State Teachers	U.S.	\$95,553
6	Federal Retirement Thrift	U.S.	\$93,328

All fund data as of Dec. 31, 2001 except for Japan, which is as of March 31, 2001.



Largest Pension Funds

Rank	Fund	Country	Assets
7	Postal Savings Fund	Taiwan	\$91,043
8	Florida State Board	U.S.	\$88,514
9	General Motors	U.S.	\$82,500
10	Texas Teachers	U.S.	\$75,109
11	New York State Teachers	U.S.	\$74,915
12	National Public Service	Japan	\$69,337

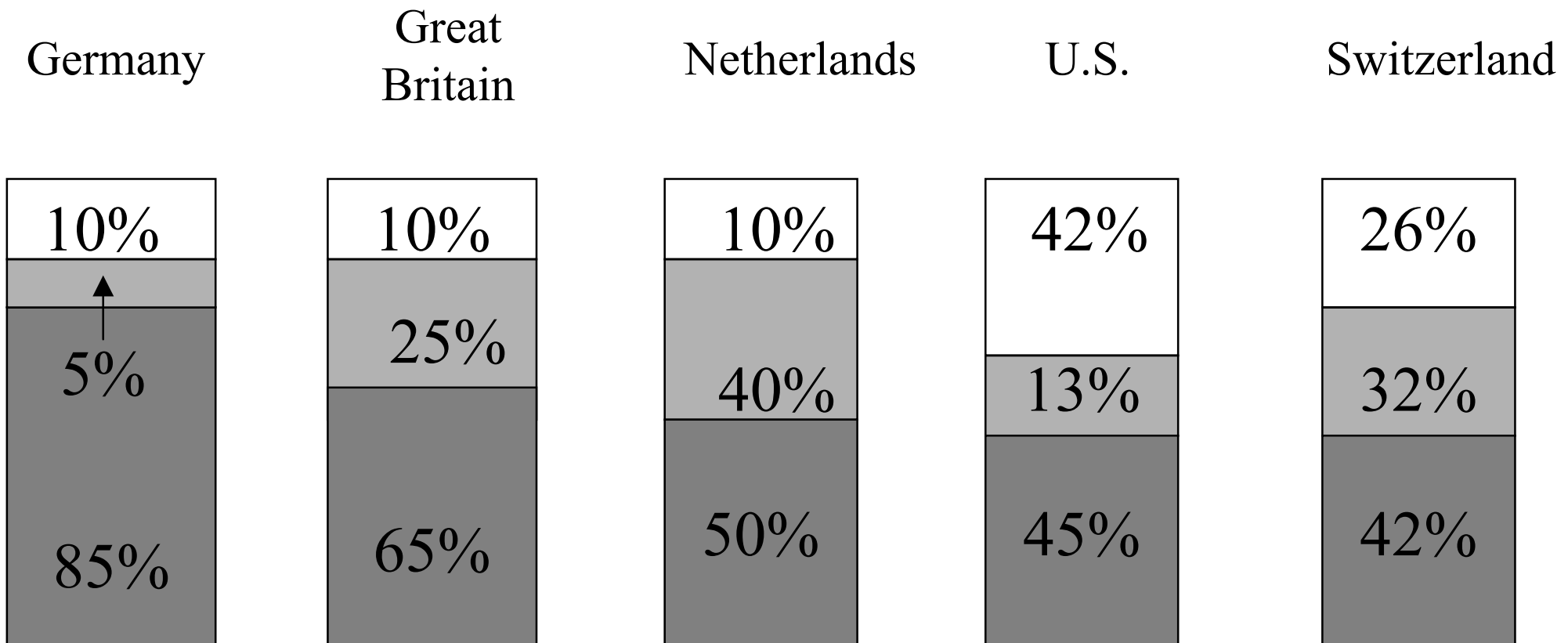
All fund data as of Dec. 31, 2001 except for Japan, which is as of March 31, 2001.

Source: Pensions & Investments September 16, 2002. Ranked by U.S. dollars, in millions.



Comparison Chart

Public (Pay-as-you-go), Company, & Individual Pension Plans



- Percent of pensions provided by an individual's investments or savings
- Percent of pensions provided by occupational schemes (employment-based plans)
- Percent of pensions provided by pay-as-you-go government plans

Data is based on information as of 1999.

Source: Chart featured in Heritage Lectures February 26, 2002.



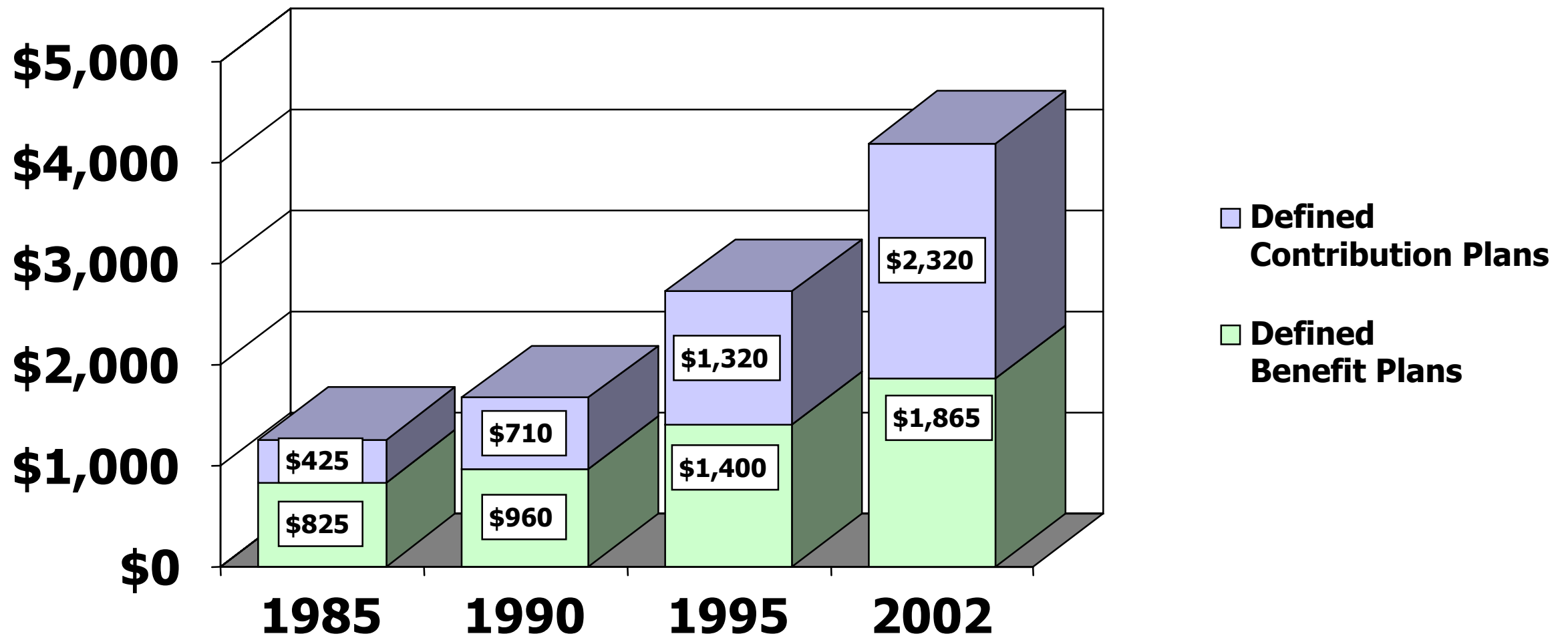
U.S. Retirement Market

- Retirement market assets totaled \$10.9 trillion at year-end 2001.
- The U.S. retirement market consists of: IRAs, public and private defined contribution and defined benefit plans, and annuities not otherwise held in IRAs and pension plans.
- The number of wage/salary workers ages 21-64 participating in a pension plan reached 62.1 million in 2000 (up from 50.3 million in 1992). Furthermore, the percentage of these workers participating in a pension plan also increased from 47.1 percent in 1992 to 52.3 percent in 2000.



Shift to Defined Contribution Plans

Private Sector Assets (billions)

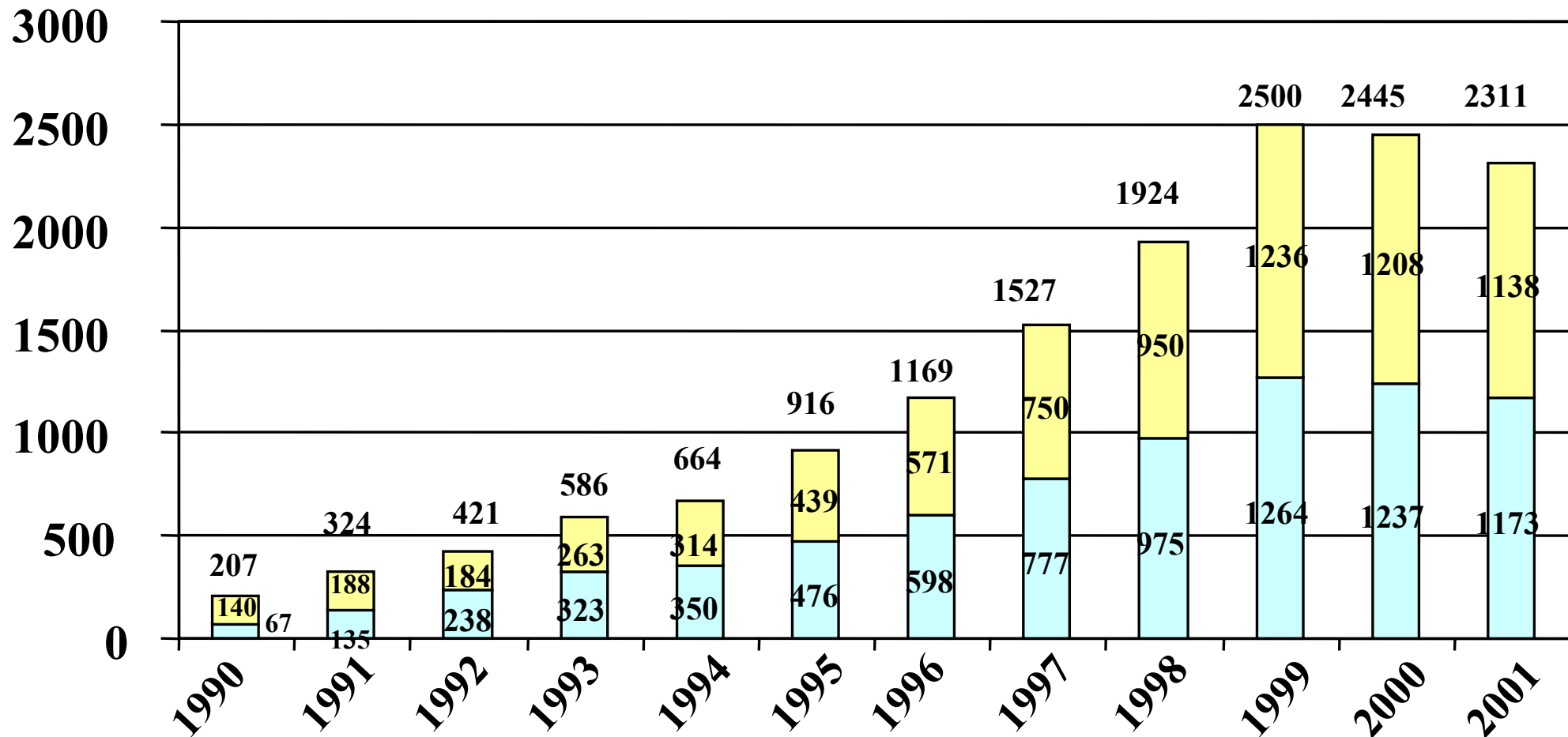




Mutual Fund Retirement Assets

1990-2001 (billions of dollars)

- Individual Retirement Accounts
- Employer-Sponsored Defined Contribution Pension Plans



Note: Components may not add to total because of rounding

Source: Investment Company Institute



History of the 401(k) Plan

- Named after IRS Code Section §401.
- Benefits consultants designed the first 401(k) plan in 1981.
- One of the fastest growing savings vehicles.

Total Assets in 401(k) plans
As of 2001

\$1.75 trillion



Key Events and Developments for the 401(k)

	Revenue Act of 1978 1984	Tax Reform Act of 1986 1986	1996	Tax Relief Reconciliation Act of 2001 2001
1978				
DOW 805	Tax Reform Act of 1984 DOW 1,211 Active participants in 401(k) 7.5 million Assets \$91.8 billion	DOW 1,896	DOW 6,448 Active participants in 401(k) 30.8 million Assets \$1.06 trillion	DOW 10,021

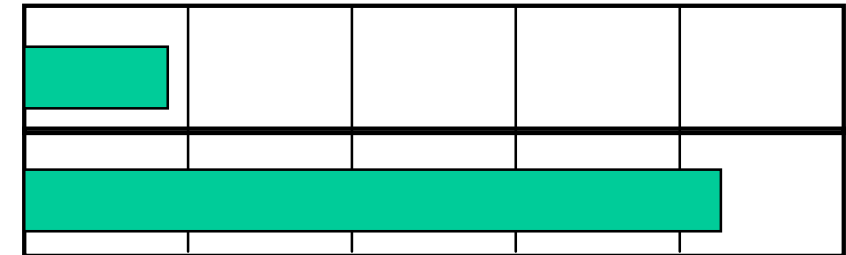
Source: EBRI online, December 2000.

DOW figures are as of year-end.



The 401(k)-Type Plan: Then and Now

- In 1984, there were **7.5 million** 401(k) participants and 17,303 401(k) plans.
- In 2000, there were over **42million** participants and 327,364 plans.

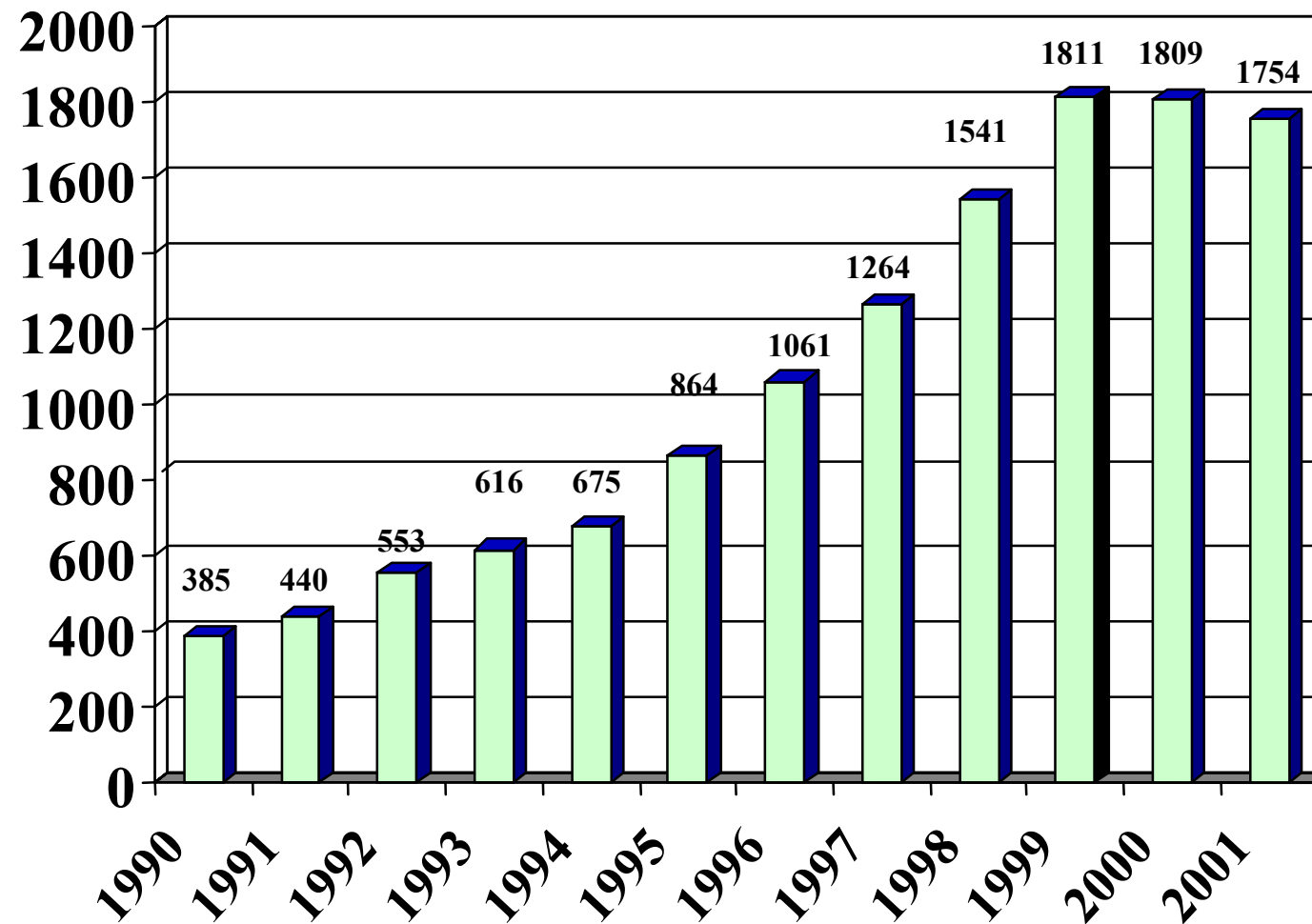


Source: EBRI



The 401(k) Market

Assets 1990-2001 (billions of U.S. dollars)



Sources: Investment Company Institute, Federal Reserve Board, and Department of Labor



Factors Driving Growth of 401(k)-Type Plans

- **Employer match** – Many companies match the contributions of their employees, which increases employee participation.
- **Portability** – Employees can take their investments with them when they change employers.
- **Control over investments** – Employees can choose from a varied menu of funds and receive regular statements showing the value of their investments.



Factors Driving Growth of 401(k)-Type Plans

- **Favorable tax legislation** - Tax and regulatory changes have made 401(k) type plans more attractive.
- **Sharing of funding** – Employers seeking to reduce pension funding costs – Defined Contribution Plans are considered less costly to employers than Defined Benefit Plans.
- **Aging of Baby Boomer population** – Baby Boomers are saving more as they approach retirement.



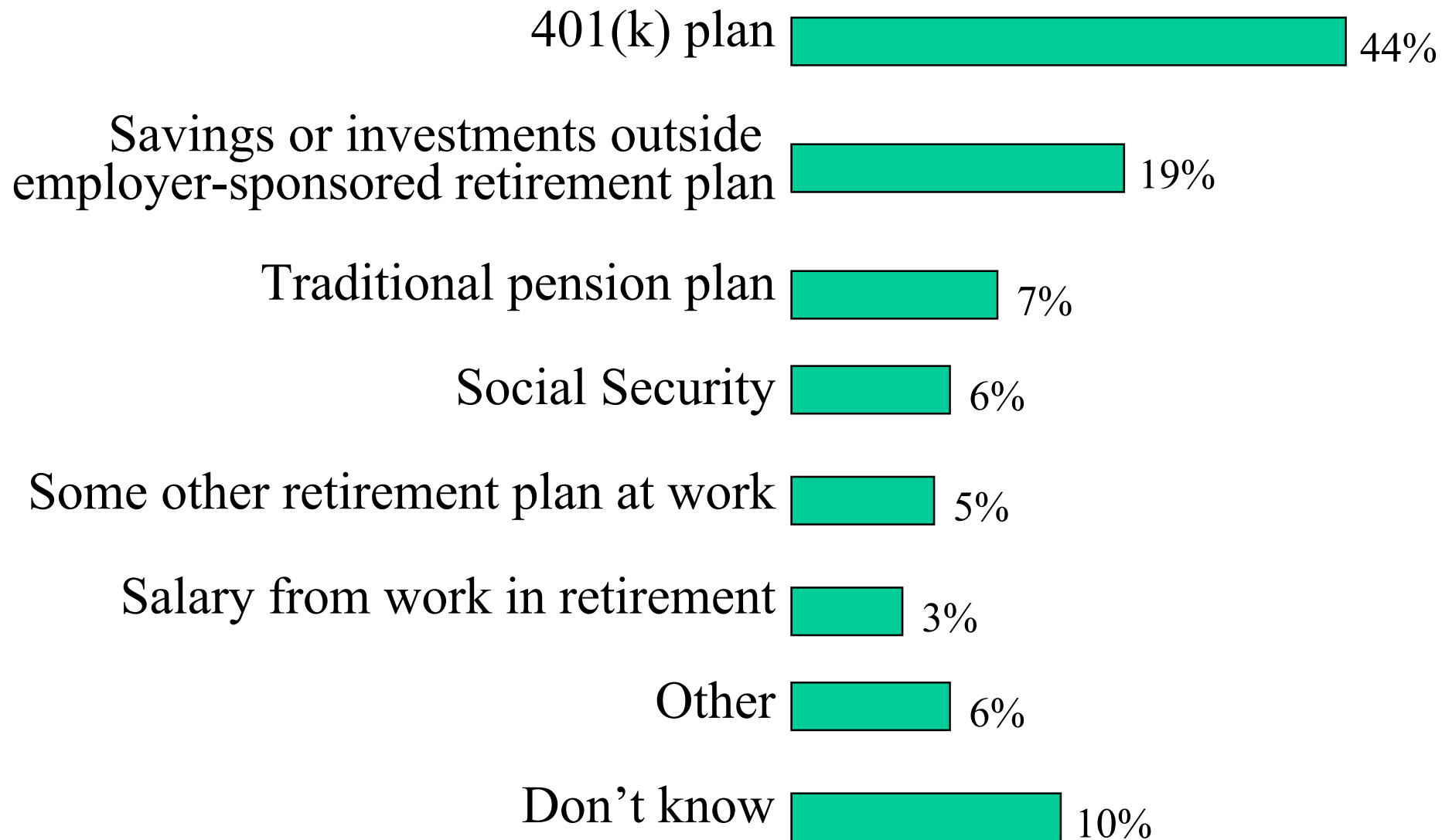
Factors Influencing Contribution Rates

- **Tax benefits** - Investors can qualify for numerous tax benefits.
- **Loans** - Contribution rates tend to be higher in 401(k) plans that permit loans to participants.
- **Employer match** - Among plans offering a matching contribution, the most common match rate was 50 cents on the dollar.
- **Employee education** - Employees are receiving more education about saving for retirement from their employers.

Source: ICI Perspectives, November 2001.

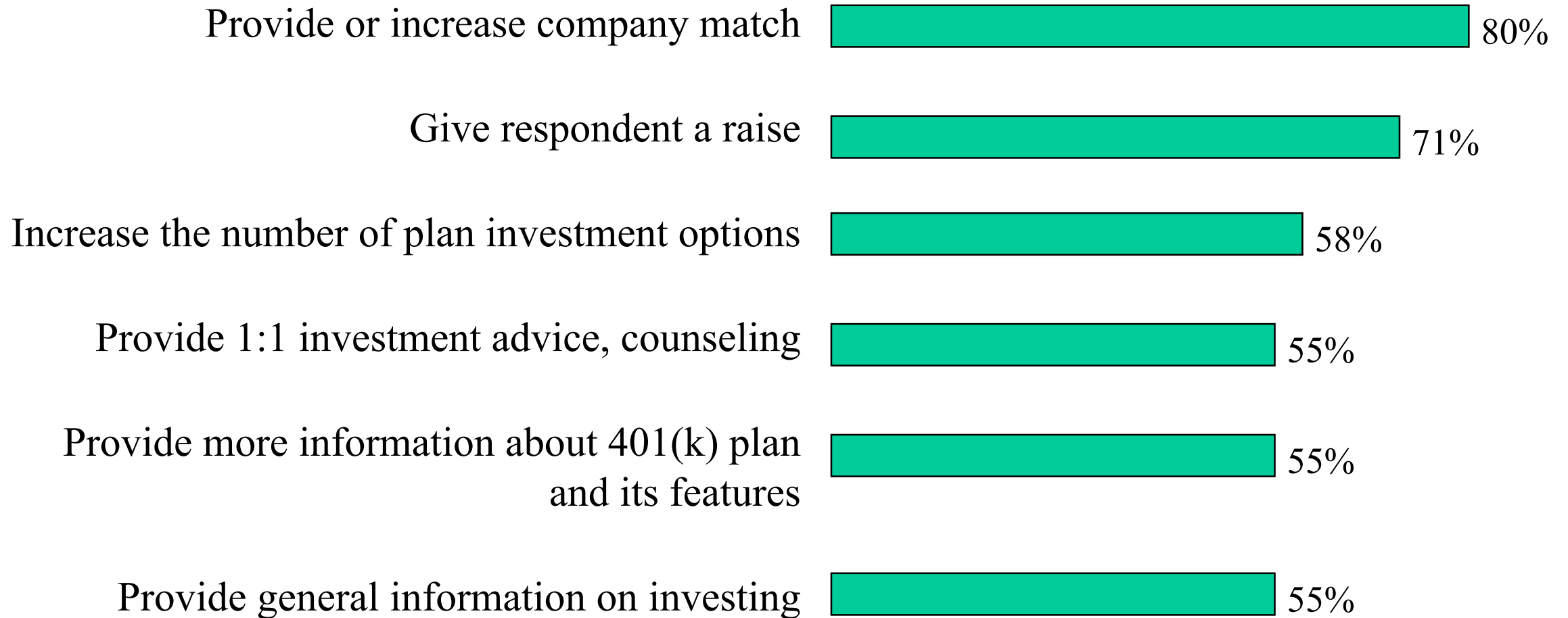


Expected Sources of Retirement Income: Plan Participant Survey





Ways To Improve Participation: Plan Participant Survey



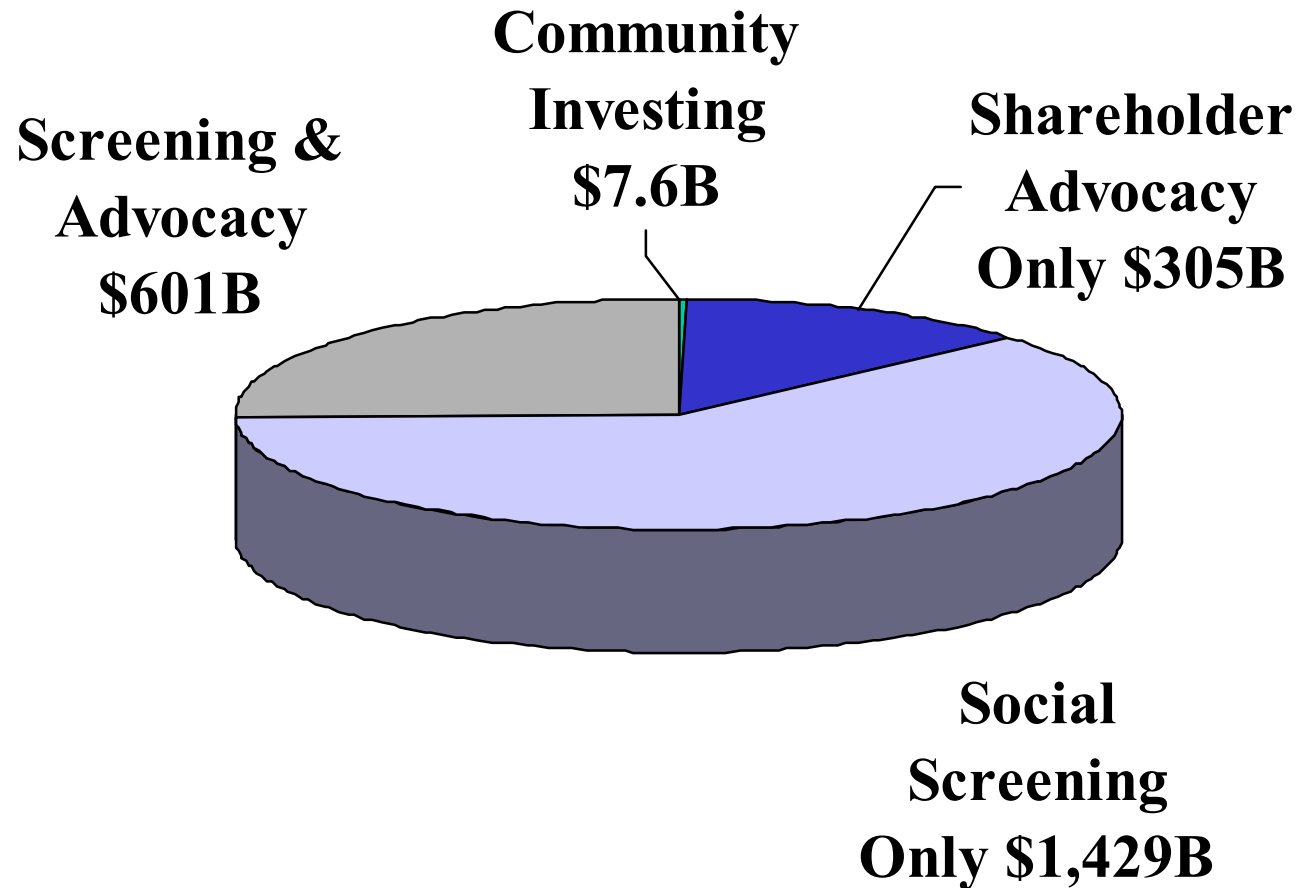
Source: Investment Company Institute Spring 2000.

Multiple responses included.



U.S. Assets in SRI as of December 31, 2001

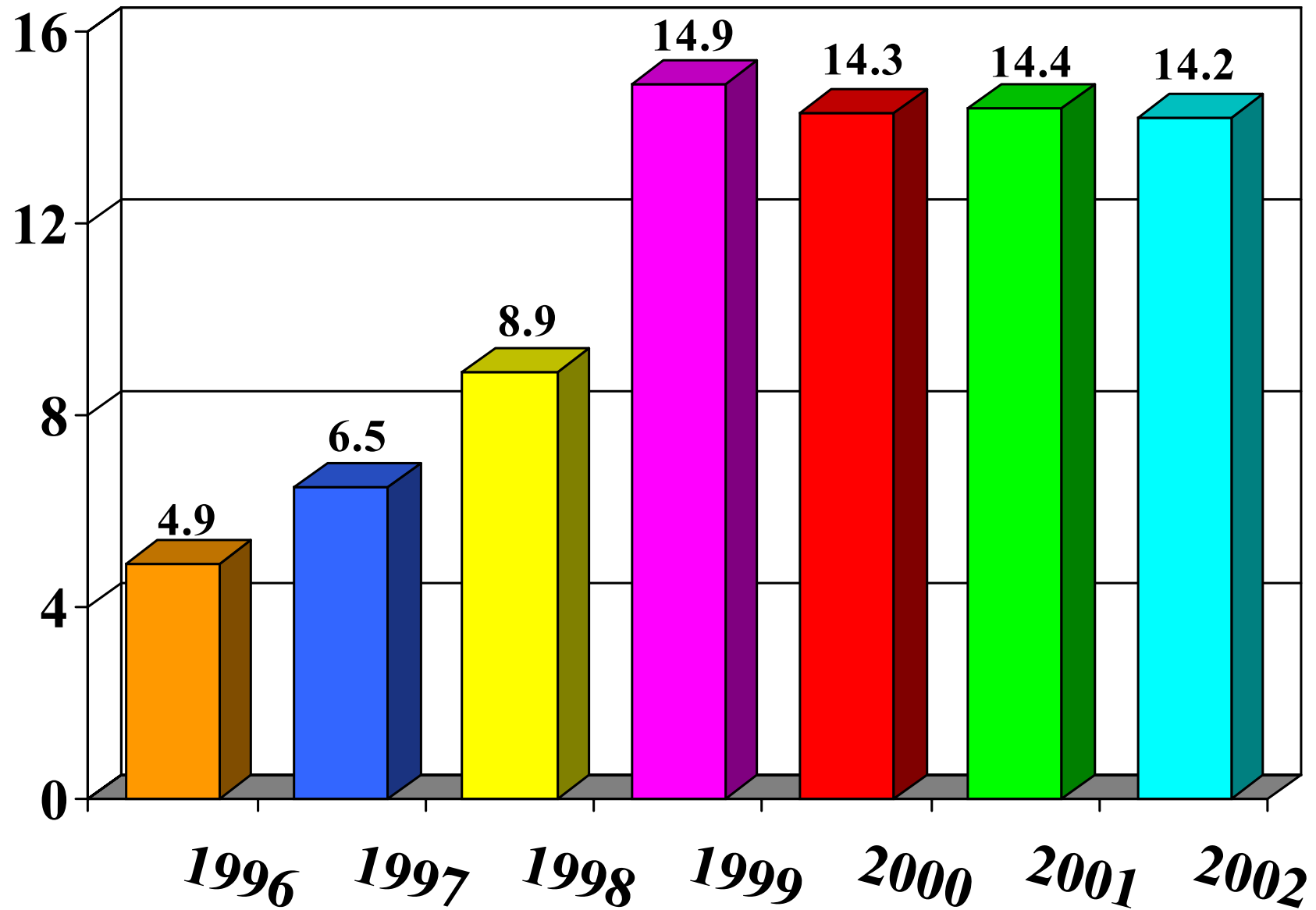
**Total Assets
\$2.34
Billion**



Source: Social Investment Forum



U.S. Growth of SRI (billions of U.S. dollars)

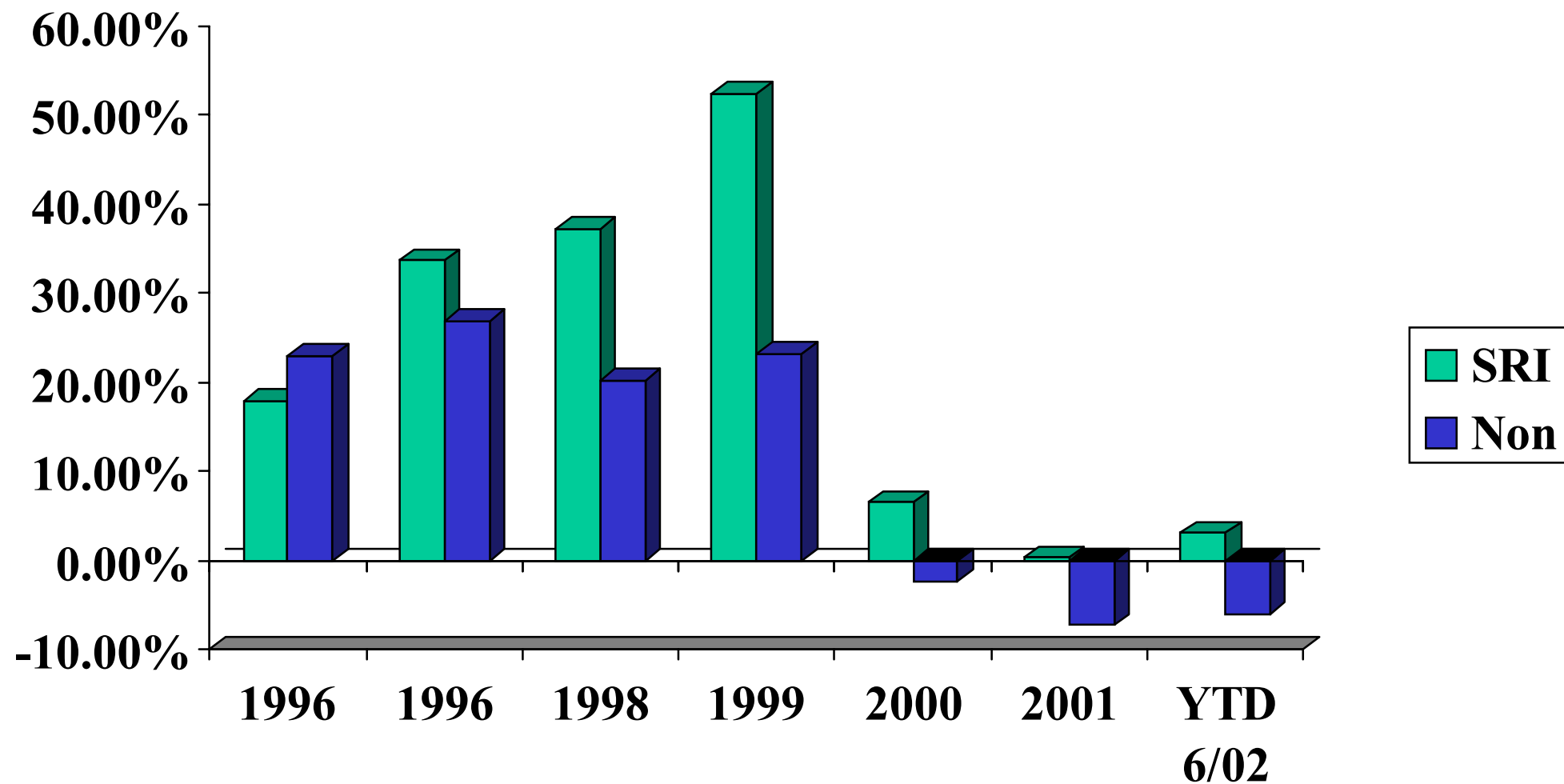


Source: Strategic Insight SIMFUND



U.S. SRI vs. Long-Term Funds

Asset Growth



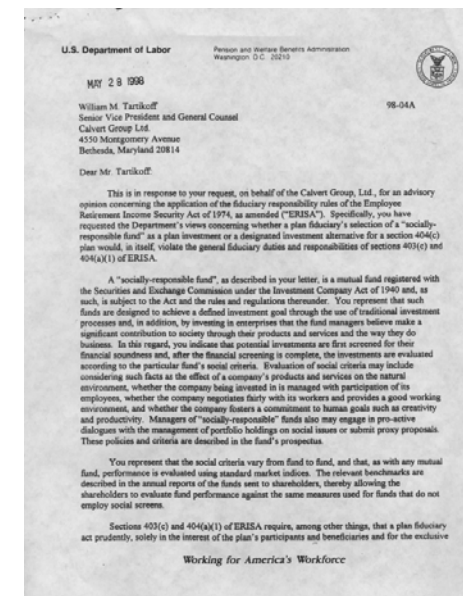
Source: SIMFUND



SRI in 401(k)-Type Plans Critical Factors

- Calvert Department of Labor (DOL) Letter May 28, 1998.
- Calvert funds are available in 9 out of 10 of the largest retirement platforms (ranked by assets in the country).

Calvert DOL Letter





Investments in SRI Mutual Funds: Harris Survey

Would you be more likely to invest in a mutual fund if you knew that one of its principles was to invest in companies:

		<u>1999</u>	<u>1996</u>
That are involved with the community	71%	N/A	N/A
That do not harm the environment	67%	70%	81%
With a good record of hiring and promoting women	61%	63%	74%
With a good record of hiring and promoting minorities	59%	62%	68%
That do not infringe on the rights of indigenous people	57%	N/A	N/A
That are not involved in sweatshop labor practices	52%	57%	N/A
That are not involved with tobacco	50%	50%	59%
That are not involved in the manufacturing of weapons	48%	N/A	N/A
That are not involved in gambling	46%	N/A	N/A
That are not involved in animal testing for developing consumer products	45%	N/A	N/A
That are not involved with alcohol	45%	N/A	N/A
That are not involved in the manufacturing of guns	43%	44%	47%
That are not involved with genetically modified food	37%	N/A	N/A

**Respondents were given a random selection of seven (7) attributes from this list in 2002*



Calvert's Social Analysis

- Environment
- Workplace (*e.g.*, corporate governance, board diversity)
- Product safety and impact (*e.g.*, animal rights)
- International operations and human rights (*e.g.*, labor issues)
- Indigenous peoples' rights
- Community relations



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For more complete information including charges and expenses, please contact your financial advisor or Calvert for a prospectus. Read the prospectus carefully before investing.

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