

# SECURITIES AND EXCHANGE COMMISSION

## FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

Filing Date: **1999-09-10** | Period of Report: **1999-06-30**  
SEC Accession No. **0000708950-99-000013**

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### FILER

#### **CALVERT VARIABLE SERIES INC**

CIK: **708950** | State of Incorporation: **MD** | Fiscal Year End: **1231**  
Type: **N-30D** | Act: **40** | File No.: **811-03591** | Film No.: **99709498**

#### Mailing Address

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O CA 00000

#### Business Address

C/O CALVERT GROUP  
4550 MONTGOMERY AVE  
BETHESDA MD 20814  
301-951-4881

Calvert  
Variable  
Series, Inc.

Calvert  
Social  
Portfolios

Semi-Annual Report  
June 30, 1999

Calvert Variable Series, Inc.  
Calvert Social Money Market Portfolio

Managed by Calvert Asset Management Company,  
Inc.

Dear Investor:

The year began with a rapidly growing economy accompanied by low inflation, low unemployment, and the Dow in record territory. Inflation figures showed no signs of an overheating economy, and the bond markets were focused on the crises occurring in Brazil and Japan. Concerns about the global markets and treasury paydown were expected to keep yields on bonds low. The Federal Reserve, while watchful for signs of inflation, showed no bias towards a rate move.

The Investment Climate

As the first quarter progressed, however, rapidly rising rates in Japan and continuing strong economic data at home pushed the U. S. bond markets higher. Concerns over Federal Reserve tightening became clear as Chairman Alan Greenspan began commenting on the robust economy. By May, talk of more than one rate hike was leading the markets. While inflation and unemployment remained low, consumer spending and manufacturing purchases soared. Inflation fears began to plague the markets.

In June, Greenspan announced a rate hike of 25 basis points and an end to the tightening bias. Market participants took this as a sign that the Fed felt inflation was still under control and that the economic pace, while robust, was not threatening. Yields on short-term instruments plunged and remain low at this time.

#### Performance And Strategy

For the six month period ending June 30, 1999 your portfolio modestly outperformed the average variable annuity money market fund tracked by Lipper.

The Portfolio continues to be heavily weighted in variable rate demand notes backed by letters of credit from commercial banks. Most of these securities reset their coupon rate each week. In an environment of rising rates fueled by inflation concerns, these bonds will increase their yield as rates move up.

Most of the variable rate demand notes are issued by municipalities and are taxable notes that fund municipal projects such as hospitals and roads.

#### Outlook

Looking forward, we believe that the markets will continue to watch for any signs of inflation. Additional strength in economic numbers will have to be weighed against possible global crises and continued paydown fundamentals in the treasury market. Trading ranges should remain tight for the near future, although we expect to see rates rise toward the second half of the year. The fund has been structured to accommodate these expectations.

We appreciate your investment in the Calvert Variable Series Social Money Market Portfolio.

Sincerely,

Laurie Webster  
Calvert Asset Management Company  
July 20, 1999

Calvert Social Money Market Portfolio of  
Calvert Variable Series, Inc.,  
should not be confused with the Calvert  
Social Investment Fund Money Market  
Portfolio. Performance of the two funds will  
differ.

Money Market Portfolio  
Portfolio of Investments  
June 30, 1999

	Principal	Amount
Corporate Obligations - 69.0%		Value
Alabama State IDA VRDN, Mitchell Grocery, 5.15%, 5/1/10, LOC: Regions Bank *	\$185,000	\$185,000
Alabama State IDA VRDN, Simcala, Inc., 5.20%, 12/1/19, LOC: Nationsbank *	460,000	460,000
American Baptist Homes COPs VRDN, 5.15%, 10/1/27, LOC: Banque Natl de Paris *	47,000	47,000
Aspen Institute, Inc. VRDN, 5.32%, 12/1/04, LOC: First National Bank of Maryland *	340,000	340,000
Bel Air, LLC. VRDN, 5.20%, 12/1/15, LOC: Amsouth Bank *	420,000	420,000
Bettors Group LP. VRDN, 5.20%, 2/1/12, LOC: Century National Bank and Trust, Confirming LOC: Mellon Bank *	430,000	430,000
Blount Strange Realty Holdings, LLC. VRDN, 5.20%, 7/1/16, LOC: Regions Bank *	500,000	500,000
Botsford General Hospital VRDN, 6.00%, 2/15/27, LOC: Michigan National *	350,000	350,000
Colorado Health Facilities Authority Revenue		

VRDN,  
 5.45%, 2/1/25, LOC: Kredietbank \*  
 460,000 460,000  
 Healthtrack Sports and Wellness VRDN, 5.05%,  
 2/15/27,  
 LOC: American National Bank & Trust \*600  
 ,000 600,000  
 IPC Industries, Inc. VRDN, 5.20%, 10/1/11,  
 LOC: National Bank of Canada \*  
 340,000 340,000  
 Meriter Management Services, Inc., VRDN,  
 5.15%, 12/1/16,  
 LOC: Firststar Bank \* 575,000 575,000  
 Montgomery Cancer Center, LLC. VRDN, 5.20%,  
 10/1/12,  
 LOC: Southtrust Bank \* 130,000 130,000  
 Montgomery County, Kentucky Industrial  
 Development Revenue  
 VRDN, Fireblanking, 5.20%, 8/1/06,  
 LOC: Fleet Bank \* 209,000 209,000  
 Physicians Plus Medical Group VRDN, 6.00%,  
 8/1/16,  
 LOC: LaSalle Bank \* 600,000 600,000  
 Roosevelt Paper Co. VRDN, 5.20%, 6/1/12,  
 LOC: Corestates \* 465,000 465,000  
 San Jose Financing Authority Revenue VRDN,  
 5.00%, 12/1/25,  
 BPA: Bank of Nova Scotia,  
 INSUR: AMBAC \* 400,000 400,000  
 Sault Ste Marie, Michigan VRDN, 5.55%,  
 6/1/03,  
 LOC: First America Bank, MI \*  
 275,000 275,000  
 St. Paul, Minnesota Housing and  
 Redevelopment Authority  
 VRDN, 5.15%, 3/1/18,  
 LOC: Credit Local D France \* 580,000  
 580,000  
 St. Joseph County Economic Development  
 Revenue  
 VRDN, 5.31%, 6/1/27,  
 LOC: FHLB - Indianapolis \* 540,000  
 540,000  
 South Cent Communications Corp. VRDN, 5.13%,  
 6/1/13,  
 LOC: Citizens National Bank,  
 Confirming LOC: Suntrust Bank \*  
 180,000 180,000  
 TLC Holdings, LLC. VRDN, 5.20%, 6/1/26,  
 LOC: Columbus Bank and Trust \*  
 450,000 450,000

Washington State Housing Finance Authority  
 VRDN,  
 Glenbrook Apartments, 5.20%, 7/1/29,  
 LOC: Bank One\* 600,000 600,000  
 Waukesha Health System, Inc. VRDN, 5.15%,  
 8/15/26,  
 LOC: Bank of America \* 600,000 600,000

Principal

Corporate Obligations - (Cont'd)

Amount Value

Wenatchee Valley Clinic VRDN, 5.10%,  
 11/23/24,

LOC: US Bank, National Association \*  
 \$600,000 \$600,000

W.L. Petrey Wholesale, Inc., Industrial  
 Development

VRDN, 5.20%, 3/1/11,  
 LOC: Southtrust Bank, AL \* 345,000  
 345,000

Total Corporate Obligations (Cost  
 \$10,681,000) 10,681,000

U.S. Government Agencies and  
 Instrumentalities - 1.7%

Federal Farm Credit Bank, 4.73%, 9/16/99  
 100,000 98,988

Federal National Mortgage Assn.,  
 4.75%, 8/12/99 163,000 162,097

Total U.S. Government Agencies and  
 Instrumentalities  
 (Cost \$261,085) 261,085

Municipal Obligations - 24.9%

California Pollution Solid Waste Disposal  
 Revenue VRDN,

5.28%, 7/1/06, LOC: Wells Fargo Bank \*50  
 0,000 500,000

California Statewide Community Development  
 Authority

MFH Revenue VRDN, 5.65%, 7/1/27, LOC:  
 Sanwa Bank,

Confirming LOC: California State Teacher's  
 Retirement System \* 280,000 280,000

Episcopal Health Services, Inc. Revenue  
 VRDN, 5.20%, 3/1/28,

LOC: Paribas \* 285,000 285,000  
 Gardena, California COPS VRDN, 7.31%,  
 7/1/25,  
 LOC: Sumitomo Trust and Banking,  
 Confirming LOC: Dai-Ichi Kango Bank \*400  
 ,000 400,000  
 Health Insurance Plan Greater NY Revenue  
 VRDN,  
 5.06%, 7/1/16,  
 LOC: Morgan Guaranty Trust \* 500,000  
 500,000  
 Maricopa County IDA Revenue VRDN, 5.15%,  
 2/1/29,  
 LOC: Banque National De Paris \*  
 390,000 390,000  
 Texas State VRDN, 5.003%, 12/1/27,  
 TOA: Citibank \* 501,000 501,000  
 Virginia State Housing Development Authority  
 VRDN,  
 5.20%, 7/1/07, BPA: Bayer Hypobank \*  
 350,000 350,000  
 Virginia State Housing Development Authority  
 VRDN,  
 5.05%, 1/1/47, GA:  
 Virginia Housing Development Authority \*  
 635,000 635,000

Total Municipal Obligations (Cost  
 \$3,841,000) 3,841,000

Principal  
 Repurchase Agreements - 3.9% Amount  
 Value  
 State Street Bank: 4.85%, dated 6/30/99, due  
 7/1/99  
 (Collateral: \$631,167,  
 FHLB, 5.125%, 9/15/03) \$600,000 \$600,000

Total Repurchase Agreements (Cost  
 \$600,000) 600,000

TOTAL INVESTMENTS (Cost \$15,383,085) -  
 99.5% 15,383,085  
 Other assets and liabilities, net -  
 0.5% 73,693  
 Net Assets - 100% \$15,456,778

\* Optional tender features give these securities a shorter effective maturity date.

Explanation of Guarantees:           Abbreviations:

BPA: Bond-Purchase Agreement       COPs: Certificates of Participation

GA: Guaranty Agreement   IDA: Industrial Development

Authority

LOC: Letter of Credit       INSUR: Insurance

TOA: Tender Option Agreement       VRDN: Variable Rate Demand Notes

See notes to financial statements.

Money Market Portfolio  
Statement of Assets and Liabilities  
June 30, 1999

Assets

Investments in securities, at value		
\$15,383,085		
Cash	18,402	
Interest receivable	68,360	
Other assets		137
Total assets	15,469,984	

Liabilities

Payable to Calvert Asset Management Company, Inc.		5,922
Payable to Calvert Administrative Services Company, Inc.	2,035	
Payable to Calvert Shareholder Services, Inc.	98	
Accrued expenses and other liabilities		5,151
Total liabilities	13,206	
Net assets	\$15,456,778	

Net Assets Consist of:

Par value and paid-in capital applicable to



15,460,556 shares of commonstock  
outstanding;  
\$0.01 par value, 35,000,000  
shares authorized \$15,455,981  
Undistributed net investment income (loss)  
797

Net Assets \$15,456,778

Net Asset Value per Share \$1.00

See notes to financial statements.

Money Market Portfolio  
Statement of Operations  
Six Months Ended June 30, 1999

Net Investment Income

Investment Income

Interest income	\$373,419	
Total investment income		373,419

Expenses

Investment advisory fee		25,892
Transfer agency fees and expenses		2,187
Administrative Services fees		8,010
Accounting fees	4,289	
Directors' fees and expenses		537
Custodian fees	6,090	
Reports to shareholders		505
Professional fees	717	
Miscellaneous	316	
Total expenses	48,543	
Fees paid indirectly		(1,316)
Net expenses	47,227	

Net Investment Income 326,192

Increase (Decrease) in Net Assets  
Resulting From Operations

\$326,192

See notes to financial statements.

Money Market Portfolio  
 Statements of Changes in Net Assets

	Six Months Ended	
Year ended	June 30,	December 31,
Increase (Decrease) in Net Assets		
1999	1998	
Operations		
Net investment income	\$326,192	\$489,926
Increase (Decrease) in Net Assets		
Resulting From Operations	326,192	489,926
Distributions to shareholders from		
Net investment income	(325,704)	(490,032)
Capital share transactions		
Shares sold	23,533,517	31,692,032
Reinvestment of distributions	325,116	488,559
Shares redeemed	(19,607,336)	(27,217,376)
Total capital share transactions	4,251,297	4,963,215
Total Increase (Decrease) in Net Assets	4,251,785	4,963,109
Net Assets		
Beginning of period	11,204,993	6,241,884
End of period (including undistributed net investment income of \$797 and \$309, respectively)	\$15,456,778	\$11,204,993

Capital Share Activity		
Shares sold	23,533,517	31,692,032
Reinvestment of distributions	325,116	488,559
Shares redeemed	(19,607,336)	(27,217,376)
Total capital share activity	4,251,297	4,963,215

See notes to financial statements.

## Notes to Financial Statements

### Note A -- Significant Accounting Policies

**General:** Calvert Social Money Market Portfolio (formerly, Calvert Responsibly Invested Money Market Portfolio) (the "Portfolio"), a series of Calvert Variable Series, Inc. (formerly Acacia Capital Corporation) (the "Fund"), is registered under the Investment Company Act of 1940 as a diversified, open-end management investment company. The operations of each series of the Fund are accounted for separately. The shares of the Portfolio are sold to affiliated and unaffiliated insurance companies for allocation to certain of their variable separate accounts. **Security Valuation:** All securities are valued at amortized cost, which approximates market.

**Repurchase Agreements:** The Portfolio may enter into repurchase agreements with recognized financial institutions or registered broker/dealers and, in all instances, holds underlying securities with a value exceeding the total repurchase price, including accrued interest. Although risk is mitigated by the collateral, the Fund could experience a delay in recovering its value and a possible loss of income or value if the counterparty fails to perform in accordance with the terms of the agreement.

**Security Transactions and Investment Income:** Security transactions are accounted for on trade date. Realized gains and losses are recorded on an identified cost basis.

Interest income, accretion of discount and amortization of premium are recorded on an accrual basis. **Distributions to Shareholders:** Distributions to shareholders are recorded by the Portfolio on ex-dividend date. Dividends from net investment income are accrued daily and paid monthly. Distributions from net realized capital gains, if any, are paid at least annually. Distributions are determined

in accordance with income tax regulations which may differ from generally accepted accounting principles; accordingly, periodic reclassifications are made within the Portfolio's capital accounts to reflect income and gains available for distribution under income tax regulations.

**Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

**Expense Offset Arrangements:** The Portfolio has an arrangement with its custodian bank whereby the custodian's and transfer agent's fees may be paid indirectly by credits earned on the Portfolio's cash on deposit with the bank. Such a deposit arrangement is an alternative to overnight investments.

**Federal Income Taxes:** No provision for federal income or excise tax is required since the Portfolio intends to continue to qualify as a regulated investment company under the Internal Revenue Code and to distribute substantially all of its earnings.

**Note B -- Related Party Transactions**  
Calvert Asset Management Company, Inc. (the "Advisor") is wholly-owned by Calvert Group, Ltd. ("Calvert"), which is indirectly wholly-owned by Ameritas Acacia Mutual

Holding Company. The Advisor provides investment advisory services and pays the salaries and fees of officers and affiliated Directors of the Portfolio. For its services, the Advisor received a monthly fee based on an annual rate of .50% through February 28, 1999, and effective March 1, 1999 receives a fee of .30%, based on the Portfolio's average daily net assets.

Calvert Administrative Services Company, Inc., an affiliate of the Advisor, provides administrative services to the Portfolio for an annual fee, payable monthly, of .20% of the average daily net assets of the Portfolio. The administrative service fee was initiated on March 1, 1999.

Calvert Shareholder Services, Inc. ("CSSI"), an affiliate of the Advisor, acts as shareholder servicing agent for the Portfolio. For its services, CSSI received a fee of \$656 for the six months ended June 30, 1999. National Financial Data Services, Inc. is the transfer and dividend disbursing agent.

Each Director who is not affiliated with the Advisor received a fee of \$750 for each Board meeting attended plus an annual fee of \$3,000 for Directors not serving on other Calvert Fund Boards. Director's fees are allocated to each of the portfolios served.

#### Note C -- Investment Activity

The cost of investments owned at June 30, 1999, was substantially the same for federal income tax and financial reporting purposes. As a cash management practice, the Portfolio may sell or purchase short-term variable rate demand notes from other Portfolios managed by the Advisor. All transactions are executed at independently derived prices.

#### Note D -- Line of Credit

A financing agreement is in place with all Calvert Group Funds and State Street Bank and Trust Company ("the Bank"). Under the agreement, the Bank is providing an unsecured line of credit facility, in the aggregate amount of \$50 million (\$25 million committed and \$25 million uncommitted), to be accessed by the Funds for temporary or emergency purposes only.

Borrowings under this facility bear interest at the overnight Federal Funds Rate plus .50% per annum. A commitment fee of .10% per annum will be incurred on the unused portion of the committed facility which will be allocated to all participating funds. The Fund had no loans outstanding pursuant to this line of credit at June 30, 1999.

Money Market Portfolio  
Financial Highlights

	Periods Ended		
	June 30,	December 31,	December 31,
	1999	1998	1997
Net asset value, beginning	\$1.00	\$1.00	\$1.00
Income from investment operations			
Net investment income	.022	.050	.051
Total from investment operations	.022	.050	.051
Distributions from			
Net investment income	(.022)	(.050)	(.051)
Total increase (decrease) in net asset value	----	--	--
Net asset value, ending	\$1.00	\$1.00	\$1.00
Total return		2.25%	5.14%
			5.20%
Ratios to average net assets:			
Net investment income	4.50% (a)		5.01%
			5.10%
Total expenses	+.67% (a)	.66%	.69%
Net expenses	.65% (a)	.63%	.59%
Net assets, ending (in thousands)	\$15,457	\$15,457	\$15,457
	\$11,205	\$6,242	
Number of shares outstanding, ending (in thousands)	15,461	11,209	6,246

	Years Ended		
	December 31,	December 31,	December 31,
	1996	1995	1994
Net asset value, beginning	\$1.00	\$1.00	\$1.00
Income from investment operations			
Net investment income	.048	.055	.039
Total from investment operations	.048	.055	.039
Distributions from			
Net investment income	(.048)	(.055)	(.039)
Total increase (decrease) in net asset value	--	--	--
Net asset value, ending	\$1.00	\$1.00	\$1.00
Total return		4.95%	5.37%
			3.96%

Ratios to average net assets:			
Net investment income	4.82%	5.23%	3.91%
Total expenses +	.75%	.66%	NA
Net expenses	.62%	.59%	.45%
Expenses reimbursed	---	--	.36%
Net assets, ending (in thousands)	\$5,129	\$6,479	\$4,378
Number of shares outstanding,			
ending (in thousands)	4,382	5,133	6,484

(a) Annualized

+ Effective December 31, 1995, this ratio reflects total expenses before reduction for fees paid indirectly; such reductions are included in the ratio of net expenses. Total expenses are presented net of expense waivers and reimbursements.  
 NA Disclosure not applicable to prior periods.

Calvert Variable Series, Inc.  
 Calvert Social Money Market Portfolio

A special meeting of shareholders was scheduled for February 24, 1999. There were several proposals voted upon at the meeting. A brief description of each proposal is shown below.

All proposals were passed.

Proposal 1 - To elect the Board of Directors.

Nominees

Frank H. Blatz, Jr.  
 Alice Gresham Bullock  
 Charles E. Diehl  
 Barbara J. Krumsiek  
 M. Charito Kruvant  
 Arthur J. Pugh  
 South Trimble III

Proposal 2 - To approve amended fundamental investment restrictions to: (a) delete restrictions that are no longer required to

be fundamental due to changes in state laws or which otherwise need not be fundamental; and (b) to revise the language of those restrictions that are still required to be fundamental.

Proposal 3 - To approve a new investment advisory agreement with the investment advisor, Calvert Asset Management Company, Inc. ("CAMCO").

Proposal 4 - To change the par value of the common stock from \$1.00 to \$0.01.

Proposal 5 - To ratify the Board's selection of auditors, PricewaterhouseCoopers LLP.

Calvert Variable Series, Inc.  
Calvert Social Small Cap Growth Portfolio

Managed by Awad Asset Management, Inc.

CVS Calvert Social  
Small Cap Growth Portfolio  
GRAPH HERE

Comparison of change in value of a  
hypothetical \$10,000 investment.  
CVS Calvert Social Small Cap Growth  
Portfolio - \$12,698  
Russell 2000 Index TR - \$18,640

Average Annual Total Return  
(period ended 6.30.99)  
One year -9.35%  
Since inception 5.71%

\*Performance information is for the Portfolio only and does not reflect charges and expenses of the variable annuity or variable universal life contract.

For comparison purposes, Portfolio and Index performance is shown from the month end date of 3.31.95.

Past performance does not indicate future results.



New Subadvisor assumed management of the Portfolio effective October 1997.

Dear Investor:

The Investment Climate 1999 can be described in two distinct discussions:

1) The first quarter was a momentum market, with many investors focusing on large cap technology and internet companies. During this time, a small number of stocks did extremely well while the majority of equities did poorly. Small capitalization stocks performed poorly during this period, and investors with strict earnings and valuation disciplines did less well than others. Within the small cap sector, the stocks of companies with no earnings did better than the stocks of companies that made money, and the larger cap stocks within the small cap universe did better than the remainder.

During this period, CVS Calvert Social Small Cap Growth underperformed both absolutely and relatively to its benchmark. While we continued to seek out growing companies with favorable valuations, investors at large did not, and small cap companies remained undervalued. Not only did small cap perform poorly, but most small cap stocks did worse than the Russell 2000 which is heavily influenced by internet stocks.

2) A dramatic change occurred at the end of March. As the momentum stock began to falter and as the perception about the strength of worldwide growth improved, the prospects for small cap stocks began to improve and the stocks of companies with growing earnings and modest valuations did better. The stock of companies with low P/E ratios did better than the stock of companies with high P/E ratios. During this period,

CVS Calvert Social Small Cap Growth did well absolutely and relatively to its benchmark.

#### Performance

In the six month period ending June 30, 1999, the Portfolio significantly underperformed the Lipper VA Small Cap Index. Despite trailing both the Russell 2000 and the Lipper VA Small Cap Index in the first quarter, however, the Portfolio made up considerable ground in the second quarter.

#### Outlook

Our patience and discipline was challenged during the first six months of the year. Still, the last two months of the period have vindicated our philosophy of seeking growth stocks trading at value prices. Again, we expect to do well both absolutely and relatively to our benchmark, and we fully believe that rewards are there as long as small cap stocks remain cheap relative to large cap stocks and as these stocks gain momentum fueled by money flows and company takeovers.

Thank you for your confidence in Awad Asset Management, Inc. and the CVS Calvert Social Small Cap Growth Portfolio. We will continue to work hard for you.

Sincerely,

James D. Awad  
Awad Asset Management  
July 20, 1999

Calvert Social Small Cap Growth Portfolio of Calvert Variable Series, Inc., should not be confused with the New Vision Small Cap Fund. Performance of the two funds will differ.

Small Cap Growth Portfolio  
 Portfolio of Investments  
 June 30, 1999

Equity Securities - 90.3%	Shares	
Value		
Agricultural Products - 3.2%		
Corn Products International, Inc.		
3,800		\$115,662
Air Freight - 0.7%		
Air Express International Corp.	1,000	
25,375		
Banks - 6.3%		
Hamilton Bancorp, Inc. *	2,000	48,000
Investors Financial Services Corp.		
2,600		104,000
North Fork Bancorporation, Inc.	3,500	
74,594		
		226,594
Biotechnology - 2.0%		
Aviron *		
2,500		71,875
Broadcast - 1.2%		
Gaylord Entertainment Co.	1,500	
45,000		
Communications Equipment - 7.6%		
American Tower Corp., Class A *	3,500	
84,000		
Periphonics Corp. *	8,000	131,000
Transaction Network Services, Inc. *		
2,000		58,500
		273,500
Computers - Peripherals - 2.1%		
Printronic, Inc. *	5,500	77,000
Computer Software and Services - 7.0%		
Barra, Inc. *		3,000
75,750		
Eclipsys Corp *	3,150	75,403
LanVision Systems, Inc. *		7,900
9,134		
Sterling Software, Inc. *		3,500
93,406		
		253,693

Financial - Diversified - 4.7%		
Doral Financial Corp.	6,800	117,300
LTC Properties, Inc.	4,000	52,000
		169,300
Food - 3.2%		
Smucker (J.M.) Co., Class B		6,000
		114,000
Health Care, Drug and Pharmaceutical - 0.6%		
Twinlabs Corp. *	2,500	21,485
Equity Securities - (Cont'd)                      Shares		
Value		
Health Care, Medical Product and Supplies -		
5.1%		
ATS Medical, Inc. *	10,000	\$78,750
Beckman Coulter, Inc.	2,000	97,250
Somanetics Corp. *	2,500	8,750
		184,750
Insurance - Life/Health - 5.0%		
Annuity and Life Re Holdings		4,000
		89,750
Presidential Life Corp.	4,500	88,312
		178,062
Investment Management - 0.3%		
Excel Legacy Corp. *	2,000	9,500
Manufacturing - Diversified - 0.8%		
Danaher Corp.	500	29,063
LTC Healthcare, Inc. *	400	775
		29,838
Personal Care - 1.1%		
NBTY, Inc. *	6,000	39,000
Photography & Imaging - 2.7%		
Zebra Technologies Corp., Class A *		
2,500		96,094
Publishing - 9.1%		
Houghton Mifflin Co.	2,300	108,244
Penton Media, Inc.	5,000	121,250
Wiley (John) & Sons, Inc., Class A		
5,600		98,700
		328,194

Railroads - 0.6%		
Genesee & Wyoming, Inc., Class A *		
2,000	20,625	
Retail - Discounters - 3.3%		
Bradlees, Inc. *	8,000	120,000
Retail Specialty- 1.1%		
Heilig Meyers Co.	500	3,406
U.S. Vision, Inc. *	7,000	36,531
		39,937
Service Commercial and Consumers - 9.2%		
American Retirement Corp. *		3,000
37,500		
New Horizons Worldwide, Inc. *		8,750
172,813		
StarTek, Inc. *	4,850	120,038
		330,351
Services - Computer Systems - 9.4%		
Comdisco, Inc.	5,500	140,937
Health Management Systems, Inc. *		
12,000	66,000	
Shared Medical System	2,000	130,495
		337,432
Equity Securities - (Cont'd) Shares		
Value		
Services - Data Processing - 4.0%		
National Data Corp.	3,400	\$145,350
Total Equity Securities (Cost \$2,799,185)		
3,252,617		
TOTAL INVESTMENTS (Cost \$2,799,185) -		
90.3%	3,252,617	
Other assets and liabilities, net -		
9.7%	347,913	
Net Assets - 100%		\$3,600,530

\* Non-income producing.  
See notes to financial statements.

Small Cap Growth Portfolio  
Statement of Assets and Liabilities  
June 30, 1999

Assets	
Investments in securities, at value	
\$3,252,617	
Cash	422,100
Dividends receivable	1,286
Other assets	
44	
Total assets	3,676,047

Liabilities	
Payable for securities purchased	
72,001	
Payable to Calvert Asset Management Company, Inc.	2,439
Payable to Calvert Administrative Services Company	587
Accrued expenses and other liabilities	
490	
Total liabilities	75,517
Net assets	\$3,600,530

Net Assets Consist of:

Par value and paid-in capital applicable to 317,602 shares of common stock outstanding; \$0.01 par value, 5,000,000 shares authorized	
\$3,858,456	
Undistributed net investment income (loss)	
(4,110)	
Accumulated net realized gain (loss) on investments	(707,248)
Net unrealized appreciation (depreciation) on investments	453,432
Net Assets	\$3,600,530

Net Asset Value per Share  
\$11.34

See notes to financial statements.

Small Cap Growth Portfolio  
Statement of Operations  
Six Months Ended June 30, 1999

Net Investment Income

Investment Income

Dividend income (net of foreign taxes of  
\$95) \$12,341

Total investment income  
12,341

Expenses

Investment advisory fee  
13,171

Transfer agent fees and expenses  
1,131

Accounting fees 2,761

Directors' fees and expenses  
98

Administrative fees 3,021

Registration fees 174

Custodian fees 4,509

Reports to shareholders  
204

Professional fees 160

Miscellaneous 156

Total expenses 25,385

Fees paid indirectly  
(7,300)

Net expenses 18,085

Net Investment Income (Loss)

(5,744)

Realized and Unrealized Gain (Loss) on  
Investments

Net realized gain (loss) (440,195)

Change in unrealized appreciation or  
(depreciation) 512,994

Net Realized and Unrealized Gain  
(Loss) on Investments

72,799

Increase (Decrease) in Net Assets  
Resulting From Operations

\$67,055

See notes to financial statements.

Small Cap Growth Portfolio  
Statements of Changes in Net Assets

Six Months Ended Year ended

June 30, December

31,

Increase (Decrease) in Net Assets

1999 1998

Operations

Net investment income (loss) (\$5,744)

\$4,843

Net realized gain (loss) (440,195)

(267,053)

Change in unrealized appreciation

or (depreciation) 512,994 36,357

Increase (Decrease) in Net Assets

Resulting From Operations 67,055

(225,853)

Distributions to shareholders from

Net investment income ---- (3,209)

Net realized gain on investments

---- (44,479)

Total distributions ---- (47,688)

Capital share transactions

Shares sold 500,361 1,296,087

Reinvestment of distributions ----

47,688

Shares redeemed (592,702) (1,590,8

37)

Total capital share transactions

(92,341) (247,062)

Total Increase (Decrease) in Net Assets

(25,286) (520,603)

Net Assets

Beginning of period 3,625,816 4,146,419

End of period (including undistributed net  
investment income

(loss) of (\$4,110) and \$1,634,



respectively) \$3,600,530\$3,625,  
816

Capital Share Activity	
Shares sold	48,664
111,161	
Reinvestment of distributions	----
4,383	
Shares redeemed	(57,004) (134,628)
Total capital share activity	(8,340)
(19,084)	

See notes to financial statements.

## Notes to Financial Statements

Note A -- Significant Accounting Policies  
General: Calvert Social Small Cap Growth Portfolio (formerly, Calvert Responsibly Invested Strategic Growth Portfolio) (the "Portfolio"), a series of Calvert Variable Series, Inc. (formerly Acacia Capital Corporation) (the "Fund"), is registered under the Investment Company Act of 1940 as a diversified, open-end management investment company. The operations of each series of the Fund are accounted for separately. The shares of the Portfolio are sold to affiliated and unaffiliated insurance companies for allocation to certain of their variable separate accounts.

Security Valuation: Securities listed or traded on a national securities exchange are valued at the last reported sale price. Unlisted securities and listed securities for which the last sale price is not available are valued at the most recent bid price or based on a yield equivalent obtained from the securities' market maker. Other securities and assets for which market quotations are not available or deemed inappropriate are valued in good faith under the direction of the Board of Directors.

Security Transactions and Investment Income: Security transactions are accounted for on trade date. Realized gains and losses are recorded on an identified cost basis.

Dividend income is recorded on the ex-dividend date. Interest income, accretion of discount and amortization of premium are recorded on an accrual basis. Dividends declared on securities sold short are reported as an expense.

**Distributions to Shareholders:** Distributions to shareholders are recorded by the Portfolio on ex-dividend date. Dividends from net investment income and distributions from net realized capital gains, if any, are paid at least annually. Distributions are determined in accordance with income tax regulations which may differ from generally accepted accounting principles; accordingly, periodic reclassifications are made within the Portfolio's capital accounts to reflect income and gains available for distribution under income tax regulations.

**Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

**Expense Offset Arrangements:** The Portfolio has an arrangement with its custodian bank whereby the custodian's and transfer agent's fees may be paid indirectly by credits earned on the Portfolio's cash on deposit with the bank. Such a deposit arrangement is an alternative to overnight investments.

**Federal Income Taxes:** No provision for federal income or excise tax is required since the Portfolio intends to continue to qualify as a regulated investment company under the Internal Revenue Code and to distribute substantially all of its earnings.

**Note B -- Related Party Transactions**  
Calvert Asset Management Company, Inc. (the "Advisor") is wholly-owned by Calvert Group, Ltd. ("Calvert"), which is indirectly wholly-owned by Ameritas Acacia Mutual

Holding Company. The Advisor provides investment advisory services and pays the salaries and fees of officers and affiliated Directors of the Portfolio. For its services, the Advisor received a monthly fee based on an annual rate of .90% through February 28, 1999, and effective March 1, 1999 receives a fee of .75%, based on the Portfolio's average daily net assets.

Calvert Administrative Services Company, an affiliate of the Advisor, provides administrative services to the Portfolio for an annual fee, payable monthly of .10% through February 28, 1999, and .25% effective March 1, 1999, based on the Portfolio's average daily net assets.

Calvert Shareholder Services, Inc. ("CSSI"), an affiliate of the Advisor, acts as shareholder servicing agent for the Portfolio. For its services, CSSI received a fee of \$92 for the six months ended June 30, 1999. National Financial Data Services, Inc. is the transfer and dividend disbursing agent.

Each Director who is not affiliated with the Advisor received a fee of \$750 for each Board meeting attended plus an annual fee of \$3,000 for Directors not serving on other Calvert Fund Boards. Director's fees are allocated to each of the portfolios served.

#### Note C -- Investment Activity

During the period, purchases and sales of investments, other than short-term securities, were \$1,090,194 and \$1,050,896, respectively.

The cost of investments owned at June 30, 1999 was substantially the same for federal income tax and financial reporting purposes. Net unrealized depreciation aggregated \$453,432, of which \$639,390 related to appreciated securities and \$185,958 related to depreciated securities.

Net realized capital loss carryforward for federal income tax purposes, of approximately \$263,528 at December 31, 1998 may be utilized to offset future capital gains until expiration in

December 2006.

Note D -- Line of Credit

A financing agreement is in place with all Calvert Group Funds and State Street Bank and Trust Company ("the Bank"). Under the agreement, the Bank is providing an unsecured line of credit facility, in the aggregate amount of \$50 million (\$25 million committed and \$25 million uncommitted), to be accessed by the Funds for temporary or emergency purposes only.

Borrowings under this facility bear interest at the overnight Federal Funds Rate plus .50% per annum. A commitment fee of .10% per annum will be incurred on the unused portion of the committed facility which will be allocated to all participating funds. The Fund had no loans outstanding pursuant to this line of credit at June 30, 1999.

Small Cap Growth Portfolio  
Financial Highlights

	Periods Ended		
	June 30,	December 31,	Decem
ber 31,	1999	1998	1997
Net asset value, beginning	\$11.12		\$12.02
	\$14.65		
Income from investment operations			
Net investment income	(.02)	.02	(.12)
Net realized and unrealized			
gain (loss)	.24	(.77)	(1.32)
Total from investment			
operations	.22	(.75)	(1.44)
Distributions from			
Net investment income	----	(.01)	--
Net realized gains	----	(.14)	(1.19)
Total distributions	----	(.15)	(1.19)
Total increase (decrease) in net			
asset value	.22	(.90)	(2.63)
Net asset value, ending	\$11.34	\$11.12	\$12.02
Total return		1.98%	(6.23%)
(9.86%)			
Ratios to average net assets:			
Net investment income	(.35%)	(a)	.12%
(1.19%)			

Total expenses	+1.54% (a)	1.33%	1.92%
Net expenses	1.10% (a)	1.12%	1.61%
Expenses reimbursed	----	----	.18%
Portfolio turnover	35%	72%	292%
Net assets, ending (in thousands)			\$3,601
			\$3,626 \$4,146
Number of shares outstanding,			
ending (in thousands)	318	326	345

	Periods Ended	
	December 31, Decem	
ber 31,	1996	1995*
Net asset value, beginning		\$10.94
\$10.00		
Income from investment operations		
Net investment income	(.15)	.25
Net realized and unrealized gain (loss)		
3.90	.93	
Total from investment operations		
3.75	1.18	
Distributions from		
Net investment income	--	(.24)
Net realized gains	(.04)	--
Total distributions	(.04)	(.24)
Total increase (decrease) in net asset value		
3.71	.94	
Net asset value, ending	\$14.65	\$10.94
Total return		34.33%
9.65%		
Ratios to average net assets:		
Net investment income	(1.60%)	.43% (a)
Total expenses +	2.27%	2.17% (a)
Net expenses	1.81%	1.64% (a)
Expenses reimbursed	.20%	.20% (a)
Portfolio turnover	120%	223%
Net assets, ending (in thousands)		
\$3,031	\$1,209	
Number of shares outstanding,		
ending (in thousands)	207	111

(a) Annualized

+ Effective December 31, 1995, this ratio reflects total expenses before reduction for fees paid indirectly;

such reductions are included in the ratio of net expenses. Total expenses are presented net of expense

waivers and reimbursements.

\* From March 1, 1995 inception.

Calvert Variable Series, Inc.  
Calvert Social Small Cap Growth Portfolio

A special meeting of shareholders was scheduled for February 24, 1999. There were several proposals voted upon at the meeting. A brief description of each proposal is shown below.

All proposals were passed.

Proposal 1 - To elect the Board of Directors.

Nominees

Frank H. Blatz, Jr.  
Alice Gresham Bullock  
Charles E. Diehl  
Barbara J. Krumsiek  
M. Charito Kruvant  
Arthur J. Pugh  
South Trimble III

Proposal 2 - To approve amended fundamental investment restrictions to: (a) delete restrictions that are no longer required to be fundamental due to changes in state laws or which otherwise need not be fundamental; and (b) to revise the language of those restrictions that are still required to be fundamental.

Proposal 3 - To approve a new investment advisory agreement with the investment advisor, Calvert Asset Management Company, Inc. ("CAMCO").

Proposal 4 - To authorize CVS and/or CAMCO to enter into a new and/or materially amended existing investment subadvisory agreement with a subadvisor in the future without having to first obtain shareholder approval.

Proposal 5 - To change the par value of the common stock from \$1.00 to \$0.01.

Proposal 6 - To ratify the Board's selection of auditors, PricewaterhouseCoopers LLP.

Calvert Variable Series, Inc.  
Calvert Social Mid Cap Growth Portfolio

Managed by Brown Capital Management, Inc.

CVS Calvert Social  
Mid Cap Growth Portfolio<sup>1</sup>  
GRAPH HERE

Comparison of change in value of a  
hypothetical \$10,000 investment.

CVS Calvert Social Mid Cap Growth Portfolio  
- \$30,949  
S & P Midcap 400 Index TR - \$37,482

Average Annual Total Return  
(period ended 6.30.99)

One year	16.42%
Five year	19.72%
Since inception (7.16.91)	15.20%

<sup>1</sup>Performance information is for the Portfolio only and does not reflect charges and expenses of the variable annuity or variable universal life contract.

<sup>2</sup>For comparison purposes, Portfolio and Index performance is shown from the month end date of 7.31.91, rather than the actual inception date of 7.16.91.

Past performance does not indicate future results.

New subadvisors assumed management of the Portfolio effective December 1994.

Dear Investor:

Certain numbers seem to recur more than others in our daily lives. Take, for example, the number three (three stooges, three wise men, three blind mice, three strikes and you're out! etc.). It seems that

Federal Reserve chairman

Alan Greenspan also likes the number three.

In his June 17th congressional testimony, Greenspan declared that 2% productivity growth plus 1% growth

in the labor force should support a 3% sustainable level of economic growth

-- a proposition that counters the previously held view that economic growth much above 2 % was not sustainable without igniting inflation.

The Investment Climate

The much anticipated broadening out of the market was finally realized in the second quarter of 1999 as small and midcap companies wrestled the leadership position away from large cap companies

A closer look at the market's performance in the second quarter reveals investor preference for cyclical market sectors, including basic materials/processing, integrated oils, and other energy, and capital goods/producer durables. But while they generated strong relative performance, their contribution was somewhat muted by the more heavily weighted sectors of the indices -- which, with the exception of technology, contributed negatively to market performance.

Strong gains posted by the more cyclical segments of the technology sector, i.e., semiconductors, fueled the positive contribution in the second quarter. Internet stocks, particularly certain large cap companies, ceded the performance spotlight in the second quarter evidenced by the double-digit declines posted by America Online, Amazon.com, and At Home. Despite the diminutive revenue and earnings base of many publicly traded inter-

net companies, their impact on index returns has grown significantly. While we have historically avoided the internet companies, we do believe that the internet/intranet



paradigm is powerful, sustainable, and productivity enhancing. Consequently, we are investing in companies that leverage an e-commerce, business-to-business-based operating model.

#### Performance

The CVS Calvert Social Mid Cap Growth Portfolio outperformed the S&P Midcap 400 Index during the six-month period ended June 30, 1999. We attribute the relative outperformance to strategic reallocation decisions and stock selection. We decreased exposure to larger cap companies, i.e., companies with a market capitalization greater than \$11 billion. In our opinion, valuation levels are most stretched in the large cap segment of the market, regardless of the underlying future growth prospects of individual companies. We continue to identify fundamentally sound mid cap and smaller cap companies at attractive valuations. We were also very opportunistic in raising our allocation to selected technology stocks, purchasing those that we believed were overly discounted due to the omnipresent Y2K concerns. Such stocks as BMC Software, Compuware, and Keane are now top Portfolio holdings. In our opinion, these companies have durable revenue and earnings that will persist beyond the year 2000.

#### Outlook

We will continue to look for stocks that, in our opinion, have been oversold unjustifiably. During the first half of the year, performance was also enhanced by merger activity. Platinum Technology is one such Portfolio holding (it is being acquired by Computer Associates). Looking forward, we will continue to make changes to the Portfolio in a strategic and opportunistic manner.

We remain cautiously optimistic for the second half of 1999. On the one hand, while corporate profit and growth may slow, we see few signs indicating that inflationary pressure will emerge and cause interest rates to rise further. On the other hand, equity

valuations do appear to be stretched. Assuming a stable interest rate environment in the latter half of the year, we would expect appreciation in stock prices to be driven primarily by earnings growth and sustained investor confidence. Adverse economic and political factors could upset the delicate combination of low interest rates and low equity risk premiums that currently buttress the market's premium valuation. We continue to focus our efforts on bottom-up fundamental analysis while looking for Growth-At-A-Reasonable-Price investments.

Sincerely,

Ed Brown  
Brown Capital Management  
July 20, 1999

Calvert Social Mid Cap Growth Portfolio of Calvert Variable Series, Inc., should not be confused with the Calvert Capital Accumulation Fund. Performance of the two funds will differ.

Mid Cap Growth Portfolio  
Portfolio of Investments  
June 30, 1999

Equity Securities - 97.1%	Shares
Value	
Communication Equipment - 3.0%	
ADC Telecommunications, Inc. *	19,300
\$879,356	
Nortel Networks Corp. 15,320	461,842
	1,341,198
Computer - Software and Services - 18.3%	
Advent Software, Inc. * 18,300	1,226,100
BMC Software, Inc. * 39,300	2,122,200
Compuware Corp. * 65,300	2,077,356
Parametric Technology Corp. * 65,700	
911,587	
Sterling Commerce, Inc. * 21,600	
788,400	
Sterling Software, Inc. * 42,600	
1,136,888	

8,262,531

Distributors - Food and Health - 2.1%		
Cardinal Health, Inc.	15,100	968,288
Electrical Equipment - 2.6%		
Sanmina Corp. *	15,500	1,176,063
Electronics - Semiconductors - 1.7%		
Altera Corp. *	20,400	750,975
Financial - Diversified - 3.2%		
SLM Holding Corp.	31,200	1,429,350
Health Care - Drug, General and Others - 4.2%		
ALZA Corp. *	36,900	1,877,287
Health Care - Hospital Management - 2.6%		
Health Management Associates, Inc., Class A		
* 102,750	1,155,938	
Health Care - Medical Products and Supplies - 3.3%		
Biomet, Inc.		16,600
659,850		
St. Jude Medical, Inc. *	22,700	808,688
		1,468,538
Health Care - Special Services - 5.5%		
Covance, Inc.*	42,300	1,012,556
Omnicare, Inc.	44,300	559,287
Quintiles Transnational Corp. *		21,600
907,200		
		2,479,043
Equity Securities - (Cont'd)		Shares
Value		
Household Product - Non Durable - 2.4%		
Dial Corp New	28,800	\$1,071,000
Housewares - 2.9%		
Newell Rubbermaid, Inc.	28,300	1,315,950
Insurance - Life and Health - 0.8%		
AFLAC, Inc.	7,900	378,212

Investment - Banking and Brokerage - 2.7%  
Legg Mason, Inc. 31,600 1,216,600

Investment Management - 6.1%  
Franklin Resources, Inc. 30,286 1,230,369  
T. Rowe Price Associates, Inc. 39,600  
1,519,650  
2,750,019

Leisure Time - Products - 1.6%  
Harley Davidson, Inc. 13,400 728,625

Retail - Building Supplies - 2.9%  
Fastenal Co. 25,400  
1,331,912

Retail - Discounters - 5.1%  
Dollar General Corp. 40,291 1,168,439  
Dollar Tree Stores, Inc. \* 25,500  
1,122,000  
2,290,439

Retail - Specialty - 3.0%  
AutoZone, Inc. \* 10,200 307,275  
Office Depot, Inc. \* 47,600 1,050,175  
1,357,450

Services - Advertising and Marketing - 4.8%  
Acxiom Corp. \* 38,400 957,600  
Catalina Marketing Corp. \* 13,100  
1,205,200  
2,162,800

Services - Commercial and Consumer - 4.3%  
G & K Services, Inc., Class A 15,700  
822,288  
Sylvan Learning Systems, Inc. \* 40,500  
1,101,094  
1,923,382

Services - Computer Systems - 2.7%  
Keane, Inc. \* 53,900  
1,219,487

Services - Data Processing - 6.6%  
Equifax, Inc. 27,200  
970,700  
Fiserv, Inc. \* 24,450  
765,591  
Paychex, Inc. 38,350 1,222,406  
2,958,697

Equity Securities - (Cont'd)	Shares
Value	
Services - Employment - 4.7%	
Interim Services, Inc. * 52,000	\$1,072,500
Robert Half International, Inc. *	
39,700	1,032,200
	2,104,700

Total Equity Securities (Cost	
\$37,135,963)	43,718,484

TOTAL INVESTMENTS (Cost \$37,135,963) -	
97.1%	43,718,484
Other assets and liabilities, net -	
2.9%	1,305,044
Net Assets - 100%	\$45,023,528

\*Non-income producing.

See notes to financial statements.

Mid Cap Growth Portfolio  
Statement of Assets and Liabilities  
June 30, 1999

Assets

Investments in securities, at value	
\$43,718,484	
Cash	1,334,509
Interest and dividends receivable	
10,361	
Other assets	
601	
Total assets	45,063,955

Liabilities

Payable to Calvert Asset Management Company, Inc.	24,436
Payable to Calvert Administrative Services Company	8,985
Payable to Calvert Shareholder Services, Inc.	376
Accrued expenses and other liabilities	
6,630	
Total liabilities	40,427
Net assets	\$45,023,528

Net Assets Consist of:

Par value and paid-in capital applicable to 1,365,432 shares of common stock outstanding; \$0.01 par value, 5,000,000 shares authorized	\$32,921,159
Undistributed net investment income (loss) (146,282)	
Accumulated net realized gain (loss) on investments	5,666,135
Net unrealized appreciation (depreciation) on investments	6,582,521
Net Assets	\$45,023,533

Net Asset Value per Share  
\$32.97

See notes to financial statements.

Mid Cap Growth Portfolio  
Statement of Operations  
Six Months Ended June 30, 1999

Net Investment Income

Investment Income

Dividend income (net of foreign taxes of  
\$306) \$54,982

Total investment income  
54,982

Expenses

Investment advisory fee  
139,856  
Transfer agency fees and expenses  
16,607  
Accounting fees 5,049  
Directors' fees and expenses  
1,414  
Administrative fees 41,002  
Custodian fees 7,329  
Reports to shareholders  
2,752  
Professional fees 1,964  
Miscellaneous 1,105  
Total expenses 217,078  
Fees paid indirectly  
(15,814)  
Net expenses 201,264

Net Investment Income (Loss)  
(146,282)

Realized and Unrealized Gain (Loss) on  
Investments

Net realized gain (loss) 5,176,147  
Change in unrealized appreciation or  
(depreciation) (1,522,664)

Net Realized and Unrealized Gain  
(Loss) on Investments  
3,653,483

Increase (Decrease) in Net Assets  
Resulting From Operations  
\$3,507,201

See notes to financial statements.

Mid Cap Growth Portfolio  
Statements of Changes in Net Assets

	Six Months Ended	
Year ended	June 30,	December
1999	1998	
Increase (Decrease) in Net Assets		
Operations		
Net investment income (loss)	(\$146,282)	
Net realized gain (loss)	5,176,147	
Change in unrealized appreciation or (depreciation)	(1,522,664)	3,487,530
Increase (Decrease) in Net Assets Resulting From Operations		
	3,507,201	8,388,573
Distributions to shareholders from		
Net realized gain on investments		
---- (4,698,137)		
Total distributions	----	(4,698,137)
Capital share transactions		
Shares sold	10,043,083	17,443,253
Reinvestment of distributions	----	4,698,137
Shares redeemed	(8,064,490)	(12,410,597)
Total capital share transactions		
	1,978,593	9,730,793
Total Increase (Decrease) in Net Assets		
	5,485,794	13,421,229
Net Assets		
Beginning of period	39,537,739	26,116,510
End of period (including undistributed net investment income (loss) of (\$146,282) and \$0, respectively)	\$45,023,533	\$39,537,739



Capital Share Activity	
Shares sold	333,511
573,133	
Reinvestment of distributions	----
157,974	
Shares redeemed	(267,315) (412,755)
Total capital share activity	66,196
318,352	

See notes to financial statements.

## Notes to Financial Statements

### Note A -- Significant Accounting Policies

General: Calvert Social Mid Cap Growth Portfolio (formerly, Calvert Responsibly Invested Capital Accumulation Portfolio) (the "Portfolio"), a series of Calvert Variable Series, Inc. (formerly Acacia Capital Corporation) (the "Fund"), is registered under the Investment Company Act of 1940 as a diversified, open-end management investment company. The operations of each series of the Fund are accounted for separately. The shares of the Portfolio are sold to affiliated and unaffiliated insurance companies for allocation to certain of their variable separate accounts.

Security Valuation: Securities listed or traded on a national securities exchange are valued at the last reported sale price.

Unlisted securities and listed securities for which the last sale price is not available are valued at the most recent bid price. Other securities and assets for which market quotations are not available or deemed inappropriate are valued in good faith under the direction of the Board of Directors.

### Security Transactions and Investment Income:

Security transactions are accounted for on trade date. Realized gains and losses are recorded on an identified cost basis.

Dividend income is recorded on the ex-dividend date. Interest income, accretion of

discount and amortization of premium are recorded on an accrual basis.

**Distributions to Shareholders:** Distributions to shareholders are recorded by the Portfolio on ex-dividend date. Dividends from net investment income and distributions from net realized capital gains, if any, are paid at least annually. Distributions are determined in accordance with income tax regulations which may differ from generally accepted accounting principles; accordingly, periodic reclassifications are made within the Portfolio's capital accounts to reflect income and gains available for distribution under income tax regulations.

**Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

**Expense Offset Arrangements:** The Portfolio has an arrangement with its custodian bank whereby the custodian's and transfer agent's fees may be paid indirectly by credits earned on the Portfolio's cash on deposit with the bank. Such a deposit arrangement is an alternative to overnight investments.

**Federal Income Taxes:** No provision for federal income or excise tax is required since the Portfolio intends to continue to qualify as a regulated investment company under the Internal Revenue Code and to distribute substantially all of its earnings.

**Note B -- Related Party Transactions**  
Calvert Asset Management Company, Inc. (the "Advisor") is wholly-owned by Calvert Group, Ltd. ("Calvert"), which is indirectly wholly-owned by Ameritas Acacia Mutual Holding Company. The Advisor provides investment advisory services and pays the salaries and fees of officers and affiliated Directors of the Portfolio. For its services, the Advisor received a monthly fee based on an annual rate of .80% through

February 28, 1999, and effective March 1, 1999 receives a fee of .65%, based on the Portfolio's average

daily net assets. The Portfolio paid a monthly performance fee of plus or minus up to .05%, on an annual basis, of average daily net assets of the performance period depending on the Portfolio's performance compared to the S&P Mid-Cap 400 Index. The performance fee was eliminated on February 28, 1999. Calvert Administrative Services Company, an affiliate of the Advisor, provides administrative services to the Portfolio for an annual fee, payable monthly, of .10% through February 28, 1999, and .25% effective March 1, 1999, based on the Portfolio's annual average daily net assets. Calvert Shareholder Services, Inc. ("CSSI"), an affiliate of the Advisor, acts as shareholder servicing agent for the Portfolio. For its services, CSSI received a fee of \$2,635 for the six months ended June 30, 1999. National Financial Data Services, Inc. is the transfer and dividend disbursing agent.

Each Director who is not affiliated with the Advisor received a fee of \$750 for each Board meeting attended plus an annual fee of \$3,000 for Directors not serving on other Calvert Fund Boards. Director's fees are allocated to each of the portfolios served.

#### Note C -- Investment Activity

During the period, purchases and sales of investments, other than short-term securities, were \$18,333,641 and \$16,701,902, respectively.

The cost of investments owned at June 30, 1999, was substantially the same for federal income tax and financial reporting purposes. Net unrealized appreciation aggregated \$6,582,521, of which \$8,282,379 related to appreciated securities and \$1,699,858 related to depreciated securities.

#### Note D -- Line of Credit

A financing agreement is in place with all Calvert Group Funds and State Street Bank

and Trust Company ("the Bank"). Under the agreement, the Bank is providing an unsecured line of credit facility, in the aggregate amount of \$50 million (\$25 million committed and \$25 million uncommitted), to be accessed by the Funds for temporary or emergency purposes only.

Borrowings under this facility bear interest at the overnight Federal Funds Rate plus .50% per annum. A commitment fee of .10% per annum will be incurred on the unused portion of the committed facility which will be allocated to all participating funds. The Fund had no loans outstanding pursuant to this line of credit at June 30, 1999.

Mid Cap Growth Portfolio  
Financial Highlights

	Periods Ended		
	June 30,	December 31,	Decem
ber 31,	1999	1998	1997
Net asset value, beginning	\$30.43		\$26.63
	\$24.05		
Income from investment operations			
Net investment income	(.11)	(.14)	(.04)
Net realized and unrealized gain (loss)	2.65	8.00	5.70
Total from investment operations	2.54	7.86	5.66
Distributions from			
Net investment income	----	--	--
Net realized gains	----	(4.06)	(3.08)
Total distributions	----	(4.06)	(3.08)
Total increase (decrease) in net asset value	2.54	3.80	2.58
Net asset value, ending	\$32.97	\$30.43	\$26.63
Total return		8.35%	29.88%
			23.53%
Ratios to average net assets:			
Net investment income	(.73%)	(a)	(.60%)
	(.17%)		
Total expenses	+1.08%	(a)	1.05%
			1.04%
Net expenses	1.00%	(a)	1.00%
			.96%
Portfolio turnover	42%	65%	96%
Net assets, ending (in thousands)	\$45,024		
	\$39,538	\$26,117	

Number of shares outstanding,  
ending (in thousands) 1,3651,299 981

	Years Ended		
	December 31,	December 31,	December 31,
	1996	1995	1994
Net asset value, beginning	\$22.42	\$16.97	\$18.95
Income from investment operations			
Net investment income	(.12)	(.15)	.10
Net realized and unrealized gain (loss)	1.79	6.85	(1.98)
Total from investment operations	1.67	6.70	(1.88)
Distributions from			
Net investment income	--	(.01)	(.10)
Net realized gains	(.04)	(1.24)	--
Total distributions	(.04)	(1.25)	(.10)
Total increase (decrease) in net asset value	1.63	5.45	(1.98)
Net asset value, ending	\$24.05	\$22.42	\$16.97

Total return 7.44% 39.46%  
(9.92%)

Ratios to average net assets:

Net investment income	(.60%)	(.84%)	.68%
Total expenses +	1.33%	1.56%	NA
Net expenses	1.00%	1.25%	.79%
Expenses reimbursed	--	.10%	--
Portfolio turnover	124%	135%	79%
Net assets, ending (in thousands)	\$8,935	\$5,689	\$19,904

Number of shares outstanding,  
ending (in thousands) 828 398 335

(a) Annualized

+ Effective December 31, 1995, this ratio reflects total expenses before reduction for fees paid indirectly;

such reductions are included in the ratio of net expenses. Total expenses are presented net of expense

waivers and reimbursements.

NA Disclosure not applicable to prior periods.

Calvert Variable Series, Inc.

## Calvert Social Mid Cap Growth Portfolio

A special meeting of shareholders was scheduled for February 24, 1999. There were several proposals voted upon at the meeting. A brief description of each proposal is shown below.

All proposals were passed.

Proposal 1 - To elect the Board of Directors.

Nominees

Frank H. Blatz, Jr.  
Alice Gresham Bullock  
Charles E. Diehl  
Barbara J. Krumsiek  
M. Charito Kruvant  
Arthur J. Pugh  
South Trimble III

Proposal 2 - To approve amended fundamental investment restrictions to: (a) delete restrictions that are no longer required to be fundamental due to changes in state laws or which otherwise need not be fundamental; and (b) to revise the language of those restrictions that are still required to be fundamental.

Proposal 3 - To approve a new investment advisory agreement with the investment advisor, Calvert Asset Management Company, Inc. ("CAMCO").

Proposal 4 - To approve a new investment subadvisory agreement between CAMCO and the investment subadvisor, Brown Capital Management, Inc.

Proposal 5 - To authorize CVS and/or CAMCO to enter into a new and/or materially amended existing investment subadvisory agreement with a subadvisor in the future without having to first obtain shareholder approval.

Proposal 6 - To change the par value of the common stock from \$1.00 to \$0.01.

Proposal 7 - To ratify the Board's selection of auditors, PricewaterhouseCoopers LLP.

Calvert Variable Series, Inc.  
Calvert social International Equity Portfolio  
Managed by Murray Johnstone International, Ltd.

CVS Calvert Social International Equity Portfolio  
GRAPH HERE  
Comparison of change in value of a hypothetical \$10,000 investment.  
CVS Calvert Social International Equity Portfolio - \$22,182  
MSCI EAFE Index GD - \$21,309

Average Annual Total Return  
(period ended 6.30.99)

One year	6.92%
Five year	11.55%
Since inception (6.30.92)	12.04%

\*Performance information is for the Portfolio only and does not reflect charges and expenses of the variable annuity or variable universal life contract.

Past performance does not indicate future results.

Dear Investor:

The first half of 1999 saw a reversal of the events of 1998 when the Asian financial crisis led to the collapse of smaller markets from the Far East, through Europe, and finally to Latin America.

Performance  
Through this period, CVS Calvert Social International Equity benefited from a full weighting in Japan, particularly as other investors started to buy the market in early 1999. The underweight exposure to the

European markets

was also beneficial, although the positive move within Europe in cyclical stocks (oils, chemicals, etc.) was difficult to capture. Still, the Portfolio outperformed the EAFE Index for the period.

The Investment Climate

The shift to lower interest rates, initiated by the Federal Reserve Board in September 1998, took the pressure off tumbling currencies and helped Asian economies to rebuild. This marked a watershed for the region and stock markets quickly began to discount recovery in the real economy, even though clear signs of a return to growth did not emerge until well into 1999. During the six months, the Hong Kong, Singapore, and Australia markets (which had fallen less in the downturn), all strengthened significantly. Also, we had been confident that we would see a return to growth in Japan this year and had increased investments in the market through 1998. Our foresight was rewarded: Japan was one of the best of the major markets. The Latin American markets also benefited from both the lower interest rates and the sustained growth in the US.

Europe was the exception to the buoyant trend. Slower to recover from the downturn in 1998, the European markets also suffered as assets were switched to those regions such as

Asia and Latin America, where real growth was coming through. By the end of the period, the MSCI Europe Index had declined.

Progress of the Euro

The initial stage of the new single European currency, the euro, has been rocky. It was inevitable that there would have to be adjustments and compromises as eleven disparate economies moved towards economic union. Varying growth rates in the respective economies and stringent budget deficit criteria have further dampened



growth, with countries such as Italy and Spain curtailing government expenditure to achieve budget deficit targets. Other countries, such as Germany and France, have been trying to stimulate growth after a poor 1998. Despite these measures, Europe is still looking to grow only 1.5% this year, while economies in Asia and Latin America can expect to achieve 4% or 5%, albeit from a lower base.

The upshot of this is that investors have sold the euro and bought the currencies of those markets where they perceived economic growth to be more attractive, namely the Asian markets, Japan, and Latin America. The selling has so far led to a de facto devaluation of the Euro of 15% since its launch. Does this undermine the future of the euro as a reserve currency? Probably not. Fluctuations in value have not harmed any other currency perceived as a reserve currency, the US dollar, sterling or the Japanese yen. All have fluctuated through substantial ranges without this influencing their "reserve" status. We believe this will be the case for the euro, which still represents an economic block almost the size of the United States. Currencies are often accurate forecasters of economic cycles. If Europe lags the US and Asia, as we believe it does, the coming period may be an excellent opportunity to buy European assets before the situation is reversed and the dollar begins to slip.

Another crucial issue evidently facing investors is whether Japan is experiencing a real turn in its economy or just another false dawn. Our view is that we are seeing an economy on the turn -- and there are several factors to support this. Firstly, the recapitalization of the banking system has largely been achieved, and banks are once again in a position to lend. Secondly, and perhaps most importantly, there are increasing signs that corporate Japan realizes that profit is more important than

cash flow: For the first time in a decade, companies are examining their operations, deciding which parts are profitable, and beginning to dismantle or sell-off the rest. This is a very positive sign for the Japanese economy as a whole. Thirdly, growth in Asia is being stimulated, at least in part by demand in Japan, especially from the electronics industry. And fourthly, we have recently seen signs of rising consumer confidence in Japan where they are beginning to spend after years of being the world's best savers. If these trends continue, corporate Japan will once again be able to build its reputation on the growth of profits and earnings for some years to come.

The final question concerns the prospects for global growth and the role played by the US. While the US has clearly been the driver of global growth for the last three years, we do not think this is sustainable for several reasons:

1. The rising value of the US dollar will have a dampening affect on the domestic economy. Already US goods are finding it harder to compete in international markets while US consumers are enjoying a "bonanza" of cheap imported products.

2. The US trade account is showing a rising deficit and eventually this will be reflected in a weaker dollar. Domestic growth will be impacted through import substitution. "Trade friction" will become a more contentious issue.

#### Outlook

The converse of slower US growth, however, will be strengthening economies in Japan and Europe. These regions are not closely synchronized with the US and in this cycle are lagging by several months. Over the next year, therefore, as the US slows we expect at least some of the slack to be absorbed in Japan and Europe. This will see profits rising and returns to

investors improving in those markets.

For the coming period, the strategy for CVS Calvert Social International Equity will be to continue with a slightly overweight exposure to the Japanese market and to gradually increase investments in Europe through the latter part of the year. Although the launch of the euro has been a surprisingly turbulent event, its unexpected weakness is setting the scene for strong European economies in the year 2000.

We appreciate your investment and confidence in our ability to deliver competitive returns.

Sincerely,

Andrew Preston  
Murray Johnstone International  
July 20, 1999

Calvert Social International Equity  
Portfolio of Calvert Variable Series, Inc.,  
should not be confused with the Calvert  
World Values International Equity Fund.  
Performance of the two funds will differ.

International Equity Portfolio  
Portfolio of Investments  
June 30, 1999

Equity Securities - 93.6%	Shares
Value	
Argentina - 2.6%	
Banco Frances Del Rio La Plata (ADR)	
15,000            \$285,000	
Telecom Argentina Stet-France (ADR)	
7,000    187,250	
	472,250

Australia - 1.9%	
National Australia Bank    21,000	347,051

Brazil - 2.4%		
Unibanco (GDR)	17,500	421,093
Denmark - 0.9%		
Novo-Nordisk As B	1,500	161,601
France - 9.9%		
AXA UAP		2,389
291,338		
Banque National de Paris	4,437	369,570
Cap Gemini		2,232
350,651		
Equant *		
2,532	238,324	
Legrand		
889	180,902	
Pinault Printemps	1,155	198,121
Vivendi		
1,800	145,752	
		1,774,658
Germany - 6.4%		
Allianz		
957	265,375	
Douglas Holdings AG	3,590	160,983
Linde		210
125,774		
Mannesmann		1,681
250,745		
SAP	409	138,291
Volkswagen		3,310
211,892		
		1,153,060
Hong Kong - 1.2%		
Cheung Kong Hldgs	25,000	222,334
Ireland - 2.7%		
Allied Irish Banks	16,685	220,918
Global Telesystems Group, Inc. *		
3,214	260,334	
		481,252
Italy - 5.9%		
Banca Popolare Di Milano	27,718	214,013
Telecom Italia Mobile	51,707	308,620
Telecom Italia Spa	62,749	340,242
Unicredito Italian	44,034	193,372
		1,056,247

Equity Securities - (Cont'd)		Shares
Value		
Japan - 23.0%		
Fuji Machine Manufacturing		8,000
\$246,673		
Fujitsu		
14,000	281,805	
Hino Motors		25,000
117,798		
Matsushita Comm	4,000	286,021
Meitec Corp.		8,400
281,227		
Nippon Comsys	17,000	276,143
Nippon Express Co.	36,000	215,756
NTT	27	314,706
Olympus Optical Co.	19,000	280,987
Omron Corp.		10,000
173,597		
Secom Co.		3,000
312,474		
Sharp Corp.		24,000
283,707		
Snow Brand Milk	22,000	107,481
Sony Corp.		2,400
258,907		
Sumitomo Bank	21,000	260,569
Yamanouchi Pharmaceutical		7,000
267,918		
York Benimaru Co.	4,300	162,445
		4,128,214
Mexico - 1.5%		
Cifra (ADR) *	8,000	153,434
Grupo Industrial Durango (ADR) *		
11,000	112,750	
		266,184
Netherlands - 8.0%		
Elsevier		
24,842	288,094	
ING Groep		5,318
287,808		
Koninklijke KPN	6,506	305,155
Utd Pan-Europe Communicat		2,372
128,616		
V.N.U		10,550
421,424		
		1,431,097
New Zealand - 1.7%		

## Telecom Corporation of New Zealand

70,000	300,198	
Norway - 1.4%		
Christiania Bank	67,652	242,948
Singapore - 1.5%		
City Developments	42,000	268,978
South Africa - 0.7%		
Liberty International PLC		932
6,170		
Liberty Life Assocociation		2,000
25,621		
Standard Bank Investment	28,000	92,575
		124,366
Spain - 3.6%		
Argentaria		13,815
314,018		
Superdiplo *		2,905
64,384		
Telefonica de Espana	5,338	257,690
Telefonica de Espana (rights)		106
5,104		
		641,196
Equity Securities - (Cont'd)		
Value		Shares
Switzerland - 2.0%		
Zurich Allied	619	\$351,872
United Kingdom - 16.3%		
Abbey National	15,300	287,350
Anglian Group	2,400	12,283
Anglian Water	10,000	110,653
Barclays		
12,500	363,523	
Beazer Group	17,000	53,324
Bellway		
10,000	56,272	
British Telecom	16,000	267,836
Cadbury Schweppes	22,000	140,406
FirstGroup PLC	5,000	27,309
Johnson Matthey	12,000	117,273
Kingfisher		3,335
38,916		
Mayflower Corp.	21,600	73,541
National Westminster Bank		9,000

190,805		
Norwich Union	26,000	176,020
Pearson		
15,000	304,768	
Railtrack Group	4,000	81,776
Smithline Beecham	19,000	247,077
Somerfield		12,200
57,210		
Vodafone Group	16,000	314,749
		2,921,091

Total Equity Securities (Cost		
\$14,005,061)	16,765,690	

	Principal	
TIME DEPOSITS - 2.8%	Amount	
Capital Markets, London, 6.00%, 7/1/99		
\$501,357	501,357	

Total Time Deposits (Cost \$501,357)	
501,357	

TOTAL INVESTMENTS	
(Cost \$14,506,418) - 96.4%	
17,267,047	
Other assets and liabilities, net -	
3.6% 648,723	
Net Assets - 100%	\$17,915,770

\* Non-income producing.

Abbreviations:

ADR: American Depository Receipts  
See notes to financial statements.

International Equity Portfolio  
Statement of Assets and Liabilities  
June 30, 1999

Assets

Investments in securities, at value	
\$17,267,047	
Cash	392,856
Receivable for securities sold	
233,245	
Receivable for shares purchased	

10,694	
Interest and dividends receivable	
17,994	
Other assets	
19,799	
Total assets	17,941,635

Liabilities	
Payable to Calvert Asset Management Company, Inc.	14,299
Payable to Calvert Administrative Services Company	3,872
Payable to Calvert Shareholder Services, Inc.	117
Accrued expenses and other liabilities	
7,577	
Total liabilities	25,865
Net assets	\$17,915,770

Net Assets Consist of:

Par value and paid-in capital applicable to 819,706 shares of common stock outstanding; \$0.01 par value, 5,000,000 shares authorized	
\$14,326,678	
Undistributed net investment income (loss)	
60,746	
Accumulated net realized gain (loss) on investments and foreign currency transactions	
769,071	
Net unrealized appreciation (depreciation) on investments and foreign currencies and assets and liabilities denominated in foreign currencies	2,759,275

Net Assets	\$17,915,770
------------	--------------

Net Asset Value per Share	
\$21.86	

See notes to financial statements.

International Equity Portfolio  
Statement of Operations  
Six Months Ended June 30, 1999

Net Investment Income



Investment Income	
Interest income	\$6,629
Dividend income (net of foreign taxes of \$21,582)	175,198
Total investment income	
	181,827

Expenses

Investment advisory fee	
	71,350
Transfer agency fees and expenses	
	2,888
Directors' fees and expenses	
	575
Administrative fees	22,290
Accounting fees	7,635
Custodian fees	36,816
Registration fees	508
Reports to shareholders	
	523
Professional fees	838
Miscellaneous	309
Total expenses	143,732
Reimbursement from Advisor	
	(3,908)
Fees paid indirectly	
	(7,536)
Net expenses	132,288

Net Investment Income (Loss)	
	49,539

Realized and Unrealized Gain (Loss)	
Net realized gain (loss) on:	
Investments	670,654
Foreign currency transactions	
	(21,739)
	648,915

Change in unrealized appreciation or (depreciation):	
Investments and foreign currency transactions	124,145
Assets and liabilities denominated in foreign currencies(2,012)	
	122,133

Net Realized and Unrealized Gain (Loss)	771,048
---	---------

Increase (Decrease) in Net Assets Resulting From Operations

\$820,587

See notes to financial statements.

International Equity Portfolio  
Statements of Changes in Net Assets

	Six Months Ended	
Year ended	June 30,	December
31,		
Increase (Decrease) in Net Assets		
1999		1998
Operations		
Net investment income	\$49,539	\$78,743
Net realized gain (loss)		648,915
1,168,855		
Change in unrealized appreciation or (depreciation)	122,133	1,335,513
Increase (Decrease) in Net Assets Resulting From Operations	820,587	
2,583,111		

Distributions to shareholders from		
Net investment income	----	(53,185)
Net realized gain on investments		
---- (1,265,356)		
Total distributions	----	(1,318,541)

Capital share transactions		
Shares sold	1,665,098	3,075,675
Reinvestment of distributions	----	
1,318,544		
Shares redeemed	(1,678,790)	(2,999,999)
Total capital share transactions		
(13,692)	1,394,220	

Total Increase (Decrease) in Net Assets		
806,895	2,658,790	

Net Assets		
Beginning of period	17,108,875	14,450,085
End of period (including undistributed net investment income of \$60,746 and \$11,207,		

respectively) \$17,915,770\$17,10  
8,875

Capital Share Activity	
Shares sold	77,150
142,752	
Reinvestment of distributions	----
63,667	
Shares redeemed	(79,451) (141,023)
Total capital share activity	(2,301)
65,396	

See notes to financial statements.

## Notes to Financial Statements

Note A -- Significant Accounting Policies  
General: Calvert Social International Equity Portfolio (formerly, Calvert Responsibly Invested Global Equity Portfolio) (the "Portfolio"), a series of Calvert Variable Series, Inc. (formerly Acacia Capital Corporation) (the "Fund"), is registered under the Investment Company Act of 1940 as a diversified, open-end management investment company. The operations of each series of the Fund are accounted for separately. The shares of the Portfolio are sold to affiliated and unaffiliated insurance companies for allocation to certain of their variable separate accounts.  
Security Valuation: Securities listed or traded on a national securities exchange are valued at the last reported sale price. Foreign security prices, furnished by quotation services in the security's local currency, are translated using the current US dollar exchange rate. Unlisted securities and listed securities for which the last sale price is not available are valued at the most recent bid price or based on a yield equivalent obtained from the securities' market maker. Other securities and assets for which market quotations are not available or deemed inappropriate are valued in good faith under the direction of the Board of Directors.  
Security Transactions and Investment Income:

Security transactions are accounted for on trade date. Realized gains and losses are recorded on an identified cost basis.

Dividend income is recorded on the ex-dividend date or, in the case of dividends on certain foreign securities, as soon as the Portfolio is informed of the ex-dividend date.

Interest income, accretion of discount and amortization of premium are recorded on an accrual basis.

Foreign Currency Transactions: The Portfolio's accounting records are maintained in

US dollars. For valuation of assets and liabilities on each date of net asset value determination, foreign denominations are translated into US dollars using the current exchange rate. Security transactions, income and expenses are translated at the prevailing rate of exchange on the date of the event. The effect of changes in foreign exchange rates on securities and foreign currencies is included with the net realized and unrealized gain or loss on investments and foreign currencies.

Distributions to Shareholders: Distributions to shareholders are recorded by the Portfolio on ex-dividend date. Dividends from net investment income and distributions from net realized capital gains, if any, are paid at least annually. Distributions are determined in accordance with income tax regulations

which may differ from generally accepted accounting principles;

accordingly, periodic reclassifications are made within the Portfolio's capital accounts to reflect income and gains available for distribution under income tax regulations.

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results

could differ from those estimates.

**Expense Offset Arrangements:** The Portfolio has an arrangement with its custodian bank whereby the custodian's and transfer agent's fees may be paid indirectly by credits earned on the Portfolio's cash on deposit with the bank. Such a deposit arrangement is an alternative to overnight investments.

**Federal Income Taxes:** No provision for federal income or excise tax is required since the Portfolio intends to continue to qualify as a regulated investment company under the Internal Revenue Code and to distribute substantially all of its earnings.

**Note B -- Related Party Transactions**  
Calvert Asset Management Company, Inc. (the "Advisor") is wholly-owned by Calvert Group, Ltd. ("Calvert"), which is indirectly wholly-owned by Ameritas Acacia Mutual Holding Company. The Advisor provides investment advisory services and pays the salaries and fees of officers and affiliated Directors of the Portfolio. For its services, the Advisor received a monthly fee based on an annual rate of 1% through February 28, 1999, and effective March 1, 1999 receives a fee of .75%, based on the Portfolio's average daily net assets.

Calvert Administrative Services Company, an affiliate of the Advisor, provides administrative services to the Portfolio for an annual fee, payable monthly, of the greater of \$40,000 or .10% through February 28, 1999, and .35% effective March 1, 1999, based on the Portfolio's annual average daily net assets. The Advisor voluntarily reimbursed the Portfolio \$3,908 for administrative service fees.

Calvert Shareholder Services, Inc. ("CSSI"), an affiliate of the Advisor, acts as shareholder servicing agent for the Portfolio. For its services, CSSI received a fee of \$892 for the six months ended June 30, 1999. National Financial Data Services, Inc. is the transfer and dividend disbursing agent.

Each Director who is not affiliated with the

Advisor received a fee of \$750 for each Board meeting attended plus an annual fee of \$3,000 for Directors not serving on other Calvert Fund Boards. Director's fees are allocated to each of the portfolios served.

Note C -- Investment Activity

During the period, purchases and sales of investments, other than short-term securities, were \$4,882,150 and \$5,003,513, respectively.

The cost of investments owned at June 30, 1999, was substantially the same for federal income tax and financial reporting purposes. Net unrealized appreciation aggregated \$2,760,629, of which \$3,650,555 related to appreciated investments and \$889,926 related to depreciated investments.

Note D -- Line of Credit

A financing agreement is in place with all Calvert Group Funds and State Street Bank and Trust Company ("the Bank"). Under the agreement, the Bank is providing an unsecured line of credit facility, in the aggregate amount of \$50 million (\$25 million committed and \$25 million uncommitted), to be accessed by the Funds for temporary or emergency purposes only.

Borrowings under this facility bear interest at the overnight Federal Funds Rate plus .50% per annum. A commitment fee of .10% per annum will be incurred on the unused portion of the committed facility which will be allocated to all participating funds. The Fund had no loans outstanding pursuant to this line of credit at June 30, 1999.

International Equity Portfolio  
Financial Highlights

	Periods Ended		
	June 30,	December 31,	December 31,
	1999	1998	1997
Net asset value, beginning	\$20.81	\$19.10	\$18.74
Income from investment operations			
Net investment income	.06	.10	.19
Net realized and unrealized			

gain (loss)	.99	3.35	2.28
Total from investment operations	1.05	3.45	2.47
Distributions from			
Net investment income	----	(.07)	(.20)
Net realized gains	----	(1.67)	(1.91)
Total distributions	----	(1.74)	(2.11)
Total increase (decrease) in net asset value	1.05	1.71	.36
Net asset value, ending	\$21.86	\$20.81	\$19.10

Total return	5.05%	18.09%
	13.23%	

Ratios to average net assets:

Net investment income	.58% (a)	.49%	.85%
Total expenses +	1.63% (a)	1.65%	1.56%
Net expenses	1.54% (a)	1.56%	1.17%
Expenses reimbursed	.05% (a)	.15%	.17%
Portfolio turnover	29%	92%	35%
Net assets, ending (in thousands)	\$17,109	\$14,450	\$17,916
Number of shares outstanding, ending (in thousands)	820	822	757

Years Ended

December 31, December 31, December 31,

	1996	1995	1994
Net asset value, beginning	\$17.15	\$17.72	\$15.89
Income from investment operations			
Net investment income	.17	.27	.11
Net realized and unrealized gain (loss)	2.40	1.69	(.49)
Total from investment operations	2.57	1.96	(.38)
Distributions from			
Net investment income	(.14)	(.25)	(.13)
Net realized gains	(.84)	(.45)	(1.32)
Total distributions	(.98)	(.70)	(1.45)
Total increase (decrease) in net asset value	1.59	1.26	(1.83)
Net asset value, ending	\$18.74	\$17.15	\$15.89

Total return	14.99%	12.35%
	(2.13%)	

Ratios to average net assets:

Net investment income	1.02%	1.48%	.59%
Total expenses +	1.59%	1.51%	NA
Net expenses	1.18%	1.12%	1.24%
Expenses reimbursed	.23%	.39%	.29%

Portfolio turnover	85%	90%	84%
Net assets, ending (in thousands)	\$14,027		
	\$9,831	\$7,765	
Number of shares outstanding,			
ending (in thousands)	748	573	489

(a) Annualized

+ Effective December 31, 1995, this ratio reflects total expenses before reduction for fees paid indirectly;

such reductions are included in the ratio of net expenses. Total expenses are presented net of expense

waivers and reimbursements.

NA Disclosure not applicable to prior periods.

Calvert Variable Series, Inc.  
Calvert Social International Equity  
Portfolio

A special meeting of shareholders was scheduled for February 24, 1999. There were several proposals voted upon at the meeting. A brief description of each proposal is shown below.

All proposals were passed.

Proposal 1 - To elect the Board of Directors.

Nominees

Frank H. Blatz, Jr.  
Alice Gresham Bullock  
Charles E. Diehl  
Barbara J. Krumsiek  
M. Charito Kruvant  
Arthur J. Pugh  
South Trimble III

Proposal 2 - To approve amended fundamental investment restrictions to: (a) delete restrictions that are no longer required to be fundamental due to changes in state laws or which otherwise need not be fundamental; and (b) to revise the language of those restrictions



that are still required to be fundamental.

Proposal 3 - To approve a new investment advisory agreement with the investment advisor, Calvert Asset Management Company, Inc. ("CAMCO").

Proposal 4 - To authorize CVS and/or CAMCO to enter into a new and/or materially amended existing investment subadvisory agreement with a subadvisor in the future without having to first obtain shareholder approval.

Proposal 5 - To change the par value of the common stock from \$1.00 to \$0.01.

Proposal 6 - To ratify the Board's selection of auditors, PricewaterhouseCoopers LLP.

Calvert Variable Series, iNc.  
Calvert Social Balanced Portfolio

CVS Calvert Social Balanced Portfolio  
INSERT GRAPH HERE

Average Annual Total Return  
(period ended 6.30.99)

One year	11.00%
Five year	16.86%
Ten year	12.19%
Since inception (9.02.86)	11.57%

\*Performance information is for the Portfolio only and does not reflect charges and expenses of the variable annuity or variable universal life contract. Past performance does not indicate future results.

New subadvisors assumed management of the Portfolio effective February 1995.

Dear Investor:

Performance  
For the first six months of 1999, CVS Calvert Social Balanced performed slightly

better than the Lipper VA Balanced Fund Index. Throughout the period, the Fund continued to maintain its asset allocation at approximately 60% stocks and 40% bonds. During the first quarter, when the equity market favored our investing style, the Fund outperformed the Lipper VA Balanced Fund Index. The reversal of style preferences in equity markets in the second quarter accounted for the Portfolio's relative underperformance against the Lipper VA Balanced Fund Index.

#### The Investment Climate

The first six months of 1999 saw the reversal of a long-standing trend in equity markets. The first quarter of the year was characterized by the continued strong performance of large cap growth stocks. Internet stocks, which had been on a strong run since September of last year, continued to power along. In the small cap arena, the internet stocks prospered to the almost complete exclusion of other small companies. As the picture for global growth improved and the picture for domestic inflation worsened late in the first quarter, markets changed in tone. The much ignored value plays in the market and smaller cap stocks lead the way in the closing months of this semi-annual period. Bonds rose throughout the period as investors grew more cautious about domestic inflation and whether the Federal Reserve would hike short term interest rates. This rising rate environment was a catalyst for the changes in investor preferences in stocks.

#### Strategy

Fixed Income Investments -- Managed by Calvert Asset Management Company, Inc. As fear of a global crisis dissipated since the beginning of the year, Treasury prices dropped substantially and other fixed income securities rallied relative to Treasuries as the "flight to quality" reversed itself. With a more stable market and "tighter" credit spreads, the first quarter of this

year was characterized by massive issuance of bonds and the proliferation of megadeals (deals sized over 1 billion dollars).

This continued through April, and Calvert was an active and profitable participant in the new issue bond market. During this period of time, Calvert's bond funds recaptured all of the underperformance suffered during the global meltdown last year -- and then some. In May and June, the staggering amount of new issues and inflation fears started to weigh on bond markets and resulted in falling bond prices.

Starting in November of last year, Calvert taxable bond funds have rallied 8 straight months relative to their benchmarks. Calvert has attempted to be defensive by avoiding high risk/high yield positions in both emerging markets and the "junk arena", unless they represent stellar value. The manager has successfully implemented a strategy such that the Portfolio has performed well in both a rallying and deteriorating marketplace.

Equity Investments -- Managed by NCM Capital Management, Inc.

The Investment Climate

The market environment for the first three months of the year was for the most part a continuation of 1998. Large capitalized stocks continued to outperform small stocks and growth continued to outpace value. This was reflected by the divergent performance of the S&P 500 versus the Russell 2000 (small cap index). For the first three months of the period, the S&P outpaced the Russell 2000.

Strategy

The strongest sector during the first three months of the year was Technology, followed by Financials. Other traditional growth industries did not perform nearly as well with both Healthcare and Consumer Staples posting below market returns. The Portfolio

enjoyed a healthy weighting in the technology sector with technology stocks contributing a significant portion of the quarter's gain.

The next three months was an entirely different matter. Following the release of very strong first quarter economic data attributable in part to stabilization in Asia and Latin America, the Federal Reserve switched from a neutral stance on interest rates to a tightening bias. The Fed's less accommodative stance was the very catalyst the market needed to abandon high growth stocks in favor of deep value cyclical stocks which tend to perform better than growth stocks in a rising interest rate environment. (As p/e multiples contract, those stocks with the highest multiples - growth stocks - suffer the most.)

The second reason investors rotated into value stocks is because corporate profits are accelerating (S&P corporate profits are expected to rise at a double-digit pace this year) -- just as worldwide economic growth is accelerating. While Asia, Latin America, and parts of Europe have been in recent recession, many of these economies are now showing signs of stability and even recovery.

During the past six months, the Portfolio was positioned fairly aggressively toward growth with heavy weightings in Technology, Healthcare, and Consumer Staples. Needless to say, when the rotation out of growth occurred, Portfolio performance declined accordingly.

#### Outlook

Looking out to the second half of 1999, the market's performance will likely be dictated by how the Federal Reserve responds to upcoming economic data. Many economists now accept that given the surge in productivity due to the use of technology, the non-

inflationary rate of economic growth is now somewhere nearer 3% than the 2 to 2.5% previously thought. Thus, I believe the Fed will attempt to slow GDP growth to 3%, which is still very healthy. The Fed raised the federal funds rate by 25 basis points on the last day of the quarter and may move once again before year-end. Should the Fed's goal of 3% GDP growth be achieved, the economic landscape will be attractive for traditional large cap growth investors.

Large cap growth will not always guarantee the strongest return quarter to quarter, but I feel very comfortable that over the long term, large cap growth as an investment style will remain highly competitive.

Sincerely,

John Nichols  
Vice President of Equities  
Calvert Asset Management Company

Calvert Social Balanced Portfolio of Calvert Variable Series, Inc., should not be confused with the Calvert Social Investment Fund Balanced Portfolio. Performance of the two funds will differ.

Balanced Portfolio  
Portfolio of Investments  
June 30, 1999

Equity Securities - 60.4%	Shares
Value	
Banks - Major Regional - 3.2%	
Fifth Third Bancorp.	33,700 \$2,243,156
First Republic Bank Corp.	1,500
1,500,000	
Firststar Corp	123,600
3,460,800	
State Street Corp.	41,000 3,500,375

## Banks - Money Center - 1.3%

Bank of America Corp.	59,700	4,376,756
-----------------------	--------	-----------

## Broadcast - TV, Radio and Cable - 1.6%

Clear Channel Communications. *	31,000	
		2,137,063
Comcast Corp.	47,200	1,814,250
Mediaone Group, Inc. *	18,700	1,390,813
		5,342,126

## Chemicals - 0.7%

Praxair, Inc.		47,300
		2,314,744

## Chemicals - Specialty - 0.7%

Sigma Aldrich Corp.	71,400	2,458,838
---------------------	--------	-----------

## Communications Equipment - 4.3%

Alltel Corp		35,400
		2,531,100
Lucent Technologies, Inc.		68,900
		4,646,444
Nokia Corp. *	22,200	2,032,688
Tellabs Inc. *	79,800	5,391,488
		14,601,720

## Computer - Hardware - 3.5%

International Business Machines Corp.		
	34,400	4,446,200
Sun Microsystems, Inc. *	103,400	7,121,675
		11,567,875

## Computer - Networking - 1.4%

Cisco Systems, Inc. *	74,500	4,805,250
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## Computer - Peripherals - 1.4%

EMC Corp. *	87,800	4,829,000
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## Computer - Software &amp; Services - 5.7%

America Online, Inc. *	26,400	2,917,200
At Home Corp. *	9,600	517,800
BMC Software, Inc. *	56,100	3,029,400
Microsoft Corp. *	79,180	7,141,046
Oracle Corp. *	146,902	5,453,737
		19,059,183

Equity Securities - (Cont'd)	Shares	Value
Distributors - Food and Health - 1.1%		
Cardinal Health, Inc.	58,050	\$3,722,456
Electronics - Semiconductors - 0.9%		
Intel Corp.	51,600	
		3,070,200
Entertainment - 1.0%		
Time Warner, Inc.	44,100	3,241,350
Financial - Diversified - 1.4%		
Federal National Mortgage Assn.	44,600	
		3,049,525
Fusion Capital ^	8,069,222	1,738,480
		4,788,005
Health Care - Diversified - 1.1%		
Johnson & Johnson	36,300	3,557,400
Health Care - Drugs, General and Others - 0.4%		
Watson Pharmaceuticals, Inc. *	35,800	
		1,255,238
Health Care - Pharmaceutical and Drugs - 4.1%		
Merck & Co., Inc.	71,400	5,283,600
Pfizer, Inc.		24,200
		2,655,950
Schering Plough Corp.	110,900	5,877,700
		13,817,250
Healthcare - Medical Products and Supplies - 0.5%		
Medtronic, Inc.	22,800	1,775,550
Household Produces - Non-Durable - 1.3%		
Dial Corp.		113,200
		4,209,625
Insurance Broker - 1.1%		
Marsh & McLennan Cos., Inc.	48,000	
		3,624,000
Insurance - Multi-Line - 1.2%		
American International Group, Inc.		
	34,137	3,996,163

Investment Management - 0.9%		
Equitable Companies, Inc.	43,000	
		2,881,000
Leisure Time - Products - 0.4%		
Harley Davidson, Inc.	24,600	1,337,625
Manufacturing - Diversified - 3.6%		
Illinois Tool Works, Inc.	53,800	
		4,411,600
Tyco International, Ltd.	80,100	7,589,475
		12,001,075
Manufacturing - Specialized - 1.5%		
Avery Dennison Corp.	48,200	2,910,075
Sealed Air Corp.	34,200	2,218,725
		5,128,800
Equity Securities - (Cont'd)	Shares	Value
Office Equipment & Supplies - 0.8%		
Pitney Bowes, Inc.	40,600	\$2,608,550
Oil and Gas Products - 0.6%		
Anadarko Petroleum Corp.	51,600	1,899,525
Photography and Imaging - 0.4%		
Xerox Corp.		22,900
		1,352,531
Real Estate Investment Trust - 0.4%		
Highwoods Properties, Inc., Preferred, Series A	1,500	1,296,600
Retail - Building Supplies - 1.8%		
Home Depot, Inc.	63,740	4,107,246
Lowe's Cos., Inc.	33,200	1,882,025
		5,989,271
Retail - Department Stores - 0.6%		
Federated Department Stores, Inc. *		
	39,200	2,075,150
Retail - Drug Stores - 1.7%		
CVS Corp.		111,000
		5,633,250
Retail - General Merchandise - 2.3%		



Costco Cos., Inc. *	54,500	4,363,406
Dayton Hudson Corp.	50,500	3,282,500
		7,645,906

Retail - Food Chains - 1.4%

Kroger Co. *		95,600
		2,670,825
Safeway, Inc. *	42,300	2,093,850
		4,764,675

Savings and Loan Companies - 0.4%

Washington Mutual, Inc.	35,500	1,255,812
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Services - Data Processing - 0.4%

First Data Corp.	28,700	1,404,506
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Telecomm-Long Distance 1.3%

MCI Worldcom, Inc. *	51,838	4,461,308
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Telephone - 3.6%

BellSouth Corp.	80,300	3,764,063
Century Telephone Enterprises, Inc.		
	51,145	2,033,034
SBC Communications, Inc.	105,940	6,144,520
		11,941,617

Water Utilities - 0.4%

American Water Works, Inc.		42,300
		1,300,725

Total Equity Securities (Cost		
\$151,280,587)	202,094,986	

Principal

Corporate Obligations - 33.1%	Amount
Value	
Abbey National PLC, 8.20%, 10/15/04	
\$1,440,000	\$1,522,958
AGL Capital Trust, 8.17%, 6/1/37	
1,000,000	922,070
AMR Corp., 9.82%, 3/7/01	25,000
	26,160
ARG Funding Corp., 5.88%, 5/20/02	
2,000,000	1,978,437
Atlantic Mutual Insurance Co., 8.15%,	
2/15/28	3,000,000
	2,517,780
BCI US Funding Trust 1, 8.01%, 12/29/49	
2,500,000	2,355,725
BNP US Funding, LLC, 7.738%, 12/31/49	

2,000,000 1,877,646  
 Central LA Electric Co., 6.52%, 5/15/09  
 1,500,000 1,461,645  
 CMS Energy Corp., 8.375%, 7/1/03  
 1,500,000 1,495,531  
 Colonial Bank, 8.00%, 3/15/09 2,000,000  
 1,910,656  
 Columbia University, 6.83%, 12/15/20  
 3,000,000 2,920,500  
 Computer Associates International, Inc.,  
 6.25%, 4/15/03 2,685,000 2,604,396  
 Computer Associates International, Inc.,  
 6.375%, 4/15/05 3,000,000 2,859,330  
 Consec, Inc., 6.80%, 6/15/05 4,000,000  
 3,821,160  
 Consec, Inc., 8.796%, 4/1/27 220,000  
 202,138  
 Cox Enterprises, Inc., 7.375%, 6/15/09  
 500,000 500,085  
 Credit Suisse First Boston, 7.90%, 5/1/07  
 1,000,000 973,566  
 Deutsche Bank, 7.872%, 12/29/49 3,000,000  
 2,887,632  
 Discover Card Master Trust, 5.65%,  
 11/15/04 5,000,000  
 4,934,500  
 Dresdner Funding Trust, 8.151%, 6/30/31  
 2,500,000 2,392,602  
 First Data Corp., 6.75%, 7/15/05  
 1,000,000 997,440  
 Florida Windstorm Underwriting, 7.125%,  
 2/25/19 1,500,000  
 1,482,300  
 Fusion Capital, 10.00%, 1/16/02 364,919  
 311,702  
 Goldman Sachs Group, 6.625%, 12/1/04  
 2,000,000 1,976,660  
 Goldman Sachs Group, 6.34%, 3/1/06  
 2,000,000 1,920,508  
 Household Finance Corp., 6.40%, 6/17/08  
 2,000,000 1,894,120  
 Imperial Bank, 8.50%, 4/1/09 3,500,000  
 3,344,701  
 Interpool Capital Trust, 9.875%, 2/15/27  
 2,000,000 1,791,880  
 Interpool, Inc., 6.625%, 3/1/03 2,085,000  
 1,920,431  
 Interpool, Inc., 7.20%, 8/1/07 1,000,000  
 869,110  
 LG G Cap Corp., 5.75%, 11/1/01 2,500,000  
 2,438,425

Liberty Media, 7.875%, 7/15/09	1,000,000	997,270
Liberty Media, 8.50%, 7/15/29	1,650,000	1,645,496
Mark IV Industries, Inc., 7.50%, 9/1/07	250,000	229,800
MCN Investment Corp., 6.30%, 4/2/11	2,000,000	1,981,540
MCN Investment Corp., 6.35%, 4/2/12	1,000,000	981,810
Merita Bank Ltd., 7.15%, 12/29/49	4,500,000	4,411,530
Natexis SA, 8.44%, 12/29/49	2,000,000	1,909,054
National Rural Utilities Coop, 5.38%, 12/15/03	1,000,000	964,120
North America Mortgage, 7.315%, 8/25/03	1,500,000	1,492,845
Onbank Capital Trust I, 9.25%, 2/1/27	1,400,000	1,497,146
Orion Capital Trust, 7.70%, 4/15/28	3,500,000	2,856,945
Paine Webber Group, Inc., 6.375%, 5/15/04	1,000,000	971,960
Republic NY Corp., 7.75%, 5/15/02	5,000,000	5,160,200
Riggs Capital Trust, 8.625%, 12/31/26	1,000,000	962,950
Russell Frank Co, 5.625%, 1/15/09	3,200,000	2,926,368
Skandinaviska Enskilda Banken, 6.50%, 12/29/49	4,500,000	4,279,851
Sovereign Bancorp, Inc., 6.75%, 9/1/00	1,250,000	1,242,750
Swedbank Sparbank Sveuge, 7.50%, 9/27/492, 000,000	1,916,932	
Telecom Corp. of New Zealand, 6.50%, 2/10/08	2,500,000	2,427,565
Tyco International Group, 6.125%, 1/15/09	2,000,000	1,862,380
WNH L.P., 9.40%, 10/1/99	705,000	710,999
Xerox Corp., 5.875%, 5/15/04	7,500,000	7,281,150

Principal  
Corporate Obligations - (Cont'd)

Amount Value

Zurich Capital Trust, 8.376%, 6/1/37

\$3,000,000      \$3,065,220

Total Corporate Obligations

(Cost \$113,513,177)      110,887,675

U.S. Government Agencies

and Instrumentalities - 0.3%

Federal Home Loan Mortgage Corp.,

7.12%, 6/25/28      1,000,000 1,009,010

Total U.S. Government Agencies and

Instrumentalities

(Cost \$1,037,585)      1,009,010

Municipal Obligations - 1.7%

Chickasaw Nation Certificates of

Participation,

10.00%, 8/1/03#      469,060      422,154

Maryland State Economic Development Corp.,

8.00%, 10/1/05      905,000      912,765

Maryland State Economic Development Corp.,

8.625%, 10/1/19      750,000      857,588

San Mateo, CA Redevelopment Agency,

7.125%, 8/1/08      3,585,000 3,555,854

Total Municipal Obligations

(Cost \$5,709,060)      5,748,361

U.S. Treasury - 1.3%

U.S. Treasury Notes, 6.875%, 5/15/06

500,000      526,570

U.S. Treasury Notes, 5.50%, 5/15/09

4,000,000      3,885,000

Total U.S. Treasury (Cost \$4,408,977)

4,411,570

Repurchase Agreements - 5.1%

State Street Bank: 4.70%, dated 6/30/99, due

7/1/99

(Collateral: \$17,899,898,

FNMA, 5.75%, 2/15/08) 17,000,000 17,000

,000

Total Repurchase Agreements

(Cost \$17,000,000)      17,000,000

TOTAL INVESTMENTS		
(Cost \$292,949,386) - 101.9%		
341,151,602		
Other assets and liabilities, net -		
(1.9%) (6,274,251)		
Net Assets - 100%		\$334,877,351

\* Non-income producing.

# This security was valued by the Board of Directors. See Note A.

^ See note B.

See notes to financial statements.

Balanced Portfolio  
Statement of Assets and Liabilities  
June 30, 1999

Assets

Investments in securities, at value		
\$341,151,602		
Cash	2,319,268	
Receivable for securities sold		
35,099,687		
Interest and dividends receivable		
1,889,467		
Other assets		
7,948		
Total assets	380,467,972	

Liabilities

Payable for securities purchased		
45,289,564		
Payable to Calvert Asset Management Company, Inc.	149,124	
Payable to Calvert Administrative Services Company	73,135	
Payable to Calvert Shareholder Services, Inc.	3,417	
Payable for shares redeemed		
4,402		
Accrued expenses and other liabilities		
70,979		
Total liabilities	45,590,621	
Net assets	\$334,877,351	

Net Assets Consist of:

Par value and paid-in capital applicable to  
149,023,657 shares of common  
stock outstanding; \$0.01 par value,  
275,000,000 shares authorized  
\$265,232,388

Undistributed net investment income (loss)  
4,329,759

Accumulated net realized gain (loss) on  
investments and foreign currency  
transactions 17,110,790

Net unrealized appreciation (depreciation)  
on investments and  
foreign currencies and assets and  
liabilities denominated  
in foreign currencies 48,204,414

Net Assets \$334,877,351

Net Asset Value per Share  
\$2.247

See notes to financial statements.

Balanced Portfolio  
Statement of Operations  
Six Months Ended June 30, 1999

Net Investment Income

Investment Income

Interest income	\$4,282,273
Dividend income	652,387
Total investment income	

4,934,660

Expenses

Investment advisory fee	
817,516	
Transfer agency fees and expenses	
140,901	
Directors' fees and expenses	
10,899	
Administrative fees	297,796
Accounting fees	20,339
Custodian fees	33,002
Registration fees	2,706
Reports to shareholders	

21,832	
Professional fees	16,707
Miscellaneous	8,625
Total expenses	1,370,323
Fees paid indirectly	
(50,989)	
Net expenses	1,319,334
Net Investment Income	3,615,326

Realized and Unrealized Gain (Loss)	
Net realized gain (loss) on:	
Investments	15,597,070
Foreign currency transactions	
352	
	15,597,422

Change in unrealized appreciation or (depreciation):	
Investments and foreign currencies	
(3,331,487)	
Assets and liabilities denominated in foreign currencies	386
	(3,331,101)

Net Realized and Unrealized Gain (Loss)	12,266,321
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Increase (Decrease) in Net Assets Resulting From Operations	
\$15,881,647	

See notes to financial statements.

Balanced Portfolio  
Statements of Changes in Net Assets

	Six Months Ended
Year ended	Year ended
	June 30, December
2000	1999
2001	2000
2002	2001
2003	2002
2004	2003
2005	2004
2006	2005
2007	2006
2008	2007
2009	2008
2010	2009
2011	2010
2012	2011
2013	2012
2014	2013
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2160	2159
2161	2160
2162	2161
2163	2162
2164	2163
2165	2164
2166	2165
2167	2166
2168	2167
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Change in unrealized appreciation  
or (depreciation) (3,331,101) 17,878  
,260

Increase (Decrease) in Net Assets  
Resulting From Operations 15,881,647  
40,449,515

Distributions to shareholders from  
Net investment income ---- (6,779,908)  
Net realized gain on investments  
---- (15,194,510)  
Total distributions ---- (21,974,418)

Capital share transactions  
Shares sold 27,350,740 54,108,  
882  
Reinvestment of distributions ----  
21,974,418  
Shares redeemed (12,309,443) (18,4  
37,965)  
Total capital share transactions  
15,041,297 57,645,335

Total Increase (Decrease) in Net Assets  
30,922,944 76,120,432

Net Assets  
Beginning of period 303,954,407 227,83  
3,975  
End of period (including undistributed net  
investment  
income of \$4,329,759  
and \$714,433, respectively) \$334,877,351  
\$303,954,407

Capital Share Activity  
Shares sold 12,467,118  
25,653,403  
Reinvestment of distributions ----  
10,336,200  
Shares redeemed (5,644,330) (8,755  
,271)  
Total capital share activity 6,822,788  
27,234,332

See notes to financial statements.

Notes to Financial Statements



Note A -- Significant Accounting Policies  
General: Calvert Social Balanced Portfolio (formerly, Calvert Responsibly Invested Balanced Portfolio) (the "Portfolio"), a series of Calvert Variable Series, Inc. (formerly Acacia Capital Corporation) (the "Fund"), is registered under the Investment Company Act of 1940 as a diversified, open-end management investment company. The operations of each series of the Fund are accounted for separately. The shares of the Portfolio are sold to affiliated and unaffiliated insurance companies for allocation to certain of their variable separate accounts.

Security Valuation: Securities listed or traded on a national securities exchange are valued at the last reported sale price. Foreign security prices, furnished by quotation services in the security's local currency, are translated using the current U.S. dollar exchange rate. Unlisted securities and listed securities for which the last sale price is not available are valued at the most recent bid price or based on a yield equivalent obtained from the securities' market maker. Municipal securities are valued utilizing the average of bid prices or at bid prices based on a matrix system (which considers such factors as security prices, yields, maturities and ratings) furnished by dealers through an independent pricing service. Other securities and assets for which market quotations are not available or deemed inappropriate are valued in good faith under the direction of the Board of Directors. In determining fair value, the Board considers all relevant qualitative and quantitative information available. These factors are subject to change over time and are reviewed periodically. The values assigned to fair value investments are based on available information and do not necessarily represent amounts that might ultimately be realized, since such amounts depend on future developments inherent in long-term investments. Because of the inherent uncertainty of valuation, those estimated values may differ

significantly from the values that would have been used had a ready market of the investments existed, and the differences could be material. At June 30, 1999, \$422,154 or 0.1% of net assets were valued by the Board of Directors.

**Repurchase Agreements:** The Portfolio may enter into repurchase agreements with recognized financial institutions or registered broker/dealers and, in all instances, holds underlying securities with a value exceeding the total repurchase price, including accrued interest. Although risk is mitigated by the collateral, the Fund could experience a delay in recovering its value and a possible loss of income or value if the counterparty fails to perform in accordance with the terms of the agreement.

**Security Transactions and Investment Income:** Security transactions are accounted for on trade date. Realized gains and losses are recorded on an identified cost basis. Dividend income is recorded on the ex-dividend date or, in the case of dividends on certain foreign securities, as soon as the Portfolio is informed of the ex-dividend date. Interest income, accretion of discount and amortization of premium are recorded on an accrual basis.

**Foreign Currency Transactions:** The Portfolio's accounting records are maintained in U.S. dollars. For valuation of assets and liabilities on each date of net asset value determination, foreign denominations are converted into U. S. dollars using the current exchange rate. Security transactions, income and expenses are translated at the prevailing rate of exchange on the date of the event. The effect of changes in foreign exchange rates on securities is included with the net realized and unrealized gain or loss on investments.

**Distributions to Shareholders:** Distributions

to shareholders are recorded by the Portfolio on ex-dividend date. Dividends from net investment income and distributions from net realized capital gains, if any, are paid at least annually. Distributions are determined in accordance with income tax regulations

which may differ from generally accepted accounting principles;

accordingly, periodic reclassifications are made within the Portfolio's capital accounts to reflect income and gains available for distribution under income tax regulations.

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Expense Offset Arrangements: The Portfolio has an arrangement with its custodian bank whereby the custodian's and transfer agent's fees may be paid indirectly by credits earned on the Portfolio's cash on deposit with the bank. Such a deposit arrangement is an alternative to overnight investments.

Federal Income Taxes: No provision for federal income or excise tax is required since the Portfolio intends to continue to qualify as a regulated investment company under the Internal Revenue Code and to distribute substantially all of its earnings.

Note B -- Related Party Transactions

Calvert Asset Management Company, Inc. (the "Advisor") is wholly-owned by Calvert Group, Ltd. ("Calvert"), which is indirectly wholly-owned by Ameritas Acacia Mutual Holding Company. The Advisor provides investment advisory services and pays the salaries and fees of officers and affiliated Directors of the Portfolio. For its services, the Advisor received a monthly fee based on an annual rate of .70% through February 28, 1999, and effective March 1, 1999 receives a fee of .425%, based on the

Portfolio's average daily net assets. The Portfolio paid a monthly performance fee of plus or minus up to .15%, on an annual basis, of average daily net assets of the performance period depending on the Portfolio's performance compared to the Lipper Balanced Funds Index. The performance fee was eliminated on February 28, 1999.

Calvert Administrative Services Company, Inc., an affiliate of the Advisor, provides administrative services to the Portfolio for an annual fee, payable monthly, of .275% of the average daily net assets of the Portfolio. The administrative service fee was initiated on March 1, 1999.

Calvert Shareholder Services, Inc. ("CSSI"), an affiliate of the Advisor, acts as shareholder servicing agent for the Portfolio. For its services, CSSI received a fee of \$21,789 for the six months ended June 30, 1999. National Financial Data Services, Inc. is the transfer and dividend disbursing agent.

Each Director who is not affiliated with the Advisor received a fee of \$750 for each Board meeting attended plus an annual fee of \$3,000 for Directors not serving on other Calvert Fund Boards. Director's fees are allocated to each of the portfolios served.

Fusion Capital (formerly Umbono), which is an affiliate because the Portfolio owns over 11% of the voting securities, was purchased at a cost of \$2,228,799 for 8,069,222 shares.

#### Note C -- Investment Activity

During the period, purchases and sales of investments, other than short-term securities, were \$1,015,129,092 and \$996,084,306, respectively. U.S. government security purchases were \$594,003,340 and sales were \$582,848,689. The cost of investments owned at June 30, 1999, was substantially the same for federal income tax purposes and financial reporting purposes. Net unrealized appreciation

aggregated \$48,202,216, of which \$54,477,825 related to appreciated securities and \$6,275,609 related to depreciated securities.

As a cash management practice, the Portfolio may sell or purchase securities from other Portfolios managed by the Advisor. For the period ended June 30, 1999, the Portfolio effected transactions with other Calvert Portfolios, which resulted in net realized losses on sales of securities of \$231,857. These purchases and sales transactions, executed at independently derived prices pursuant to Rule 17a-7 under the Investment Company Act of 1940, were \$16,486,514 and \$11,247,350, respectively.

Note D -- Line of Credit

A financing agreement is in place with all Calvert Group Funds and State Street Bank and Trust Company ("the Bank"). Under the agreement, the Bank is providing an unsecured line of credit facility, in the aggregate amount of \$50 million (\$25 million committed and \$25 million uncommitted), to be accessed by the Funds for temporary or emergency purposes only.

Borrowings under this facility bear interest at the overnight Federal Funds Rate plus .50% per annum. A commitment fee of .10% per annum will be incurred on the unused portion of the committed facility which will be allocated to all participating funds. The Fund had no loans outstanding pursuant to this line of credit at June 30, 1999.

Balanced Portfolio  
Financial Highlights

	Periods Ended		
	June 30,	December 31,	December 31,
	1999	1998	1997
Net asset value, beginning	\$2.138	\$2.138	\$1.982
	\$1.774		
Income from investment operations			
Net investment income	.024	.052	.047
Net realized and unrealized gain (loss)	.085	.271	.309

Total from investment operations	.109	.323	.356
Distributions from			
Net investment income----	(0.52)		(.047)
Net realized gains ----	(.115)		(.101)
Total distributions----	(.167)		(.148)
Total increase (decrease) in net asset value	.109	.156	.208
Net asset value, ending	\$2.247	\$2.138	\$1.982
Total return	5.10%	16.33%	20.08%
Ratios to average net assets:			
Net investment income	2.29% (a)	2.66%	2.66%
Total expenses +	.87% (a)	.87%	.80%
Net expenses	.83% (a)	.85%	.77%
Portfolio turnover	324%	539%	905%
Net assets, ending			
(in thousands)	\$334,877	\$303,954	\$227,834
Number of shares outstanding, ending (in thousands)	149,024	142,201	114,967

	Years Ended		
	December 31,	December 31,	December 31,
	1996	1995	1994

Net asset value, beginning	\$1.703	\$1.440	\$1.537
Income from investment operations			
Net investment income	.040	.050	.046
Net realized and unrealized gain (loss)	.175	.380	(.097)
Total from investment operations	.215	.430	(.051)
Distributions from			
Net investment income	(.042)	(.040)	(.046)
Net realized gains	(.102)	(.127)	--
Total distributions	(.144)	(.167)	(.046)
Total increase (decrease) in net asset value	.071	.263	(.097)
Net asset value, ending	\$1.774	\$1.703	\$1.440
Total return	12.62%	29.87%	(3.30%)
Ratios to average net assets:			
Net investment income	2.71%	3.08%	3.39%
Total expenses +	.81%	.83%	NA
Net expenses	.78%	.81%	.80%
Portfolio turnover	99%	163%	43%
Net assets, ending (in thousands)	\$161,473		

\$110,237                      \$66,593  
Number of shares outstanding,  
ending (in thousands) 91,045 64,728 46,244

(a) Annualized  
+ Effective December 31, 1995, this ratio  
reflects total expenses  
before reduction for fees paid  
indirectly;  
such reductions are included in the  
ratio of net expenses. Total expenses are  
presented net of expense  
waivers and reimbursements.  
NA Disclosure not applicable to prior  
periods.

Calvert Variable Series, Inc.  
Calvert Social Balanced Portfolio

A special meeting of shareholders was  
scheduled for February 24, 1999.  
There were several proposals  
voted upon at the meeting. A brief  
description of each proposal is shown below.

All proposals were passed.

Proposal 1 - To elect the Board of  
Directors.

Nominees

Frank H. Blatz, Jr.  
Alice Gresham Bullock  
Charles E. Diehl  
Barbara J. Krumsiek  
M. Charito Kruvant  
Arthur J. Pugh  
South Trimble III

Proposal 2 - To approve amended fundamental  
investment restrictions to: (a) delete  
restrictions that are no longer required to  
be fundamental due to  
changes in state laws or which otherwise  
need not be fundamental; and (b)  
to revise the language of those restrictions  
that are still required to be fundamental.

Proposal 3 - To approve a new investment advisory agreement with the investment advisor, Calvert Asset Management Company, Inc. ("CAMCO").

Proposal 4 - To approve a new investment subadvisory agreement between CAMCO and the investment subadvisor, NCM Capital Management Group, Inc.

Proposal 5 - To authorize CVS and/or CAMCO to enter into a new and/or materially amended existing investment subadvisory agreement with a subadvisor in the future without having to first obtain shareholder approval.

Proposal 6 - To approve a revised investment objective which is more reflective of current economic times.

Proposal 7 - To change the par value of the common stock from \$1.00 to \$0.01.

Proposal 8 - To ratify the Board's selection of auditors, PricewaterhouseCoopers LLP.

#### Calvert Group and the Year 2000 Plans and Progress

We are now less than a year away from the year 2000, a problematic date for computer systems coded for two-character year format. Entered as "00," the year 2000 would be processed as 1900, a mistake that could foul a variety of date-sensitive transactions.

As your mutual fund sponsor, our goal is make sure there is no interruption in the level of service you receive. In the summary below, we've outlined the steps Calvert Group is taking to ensure our systems perform reliably.

Step One--Assess Systems and Software.  
Develop an Action Plan.  
In 1997, we identified all systems,



operating platforms and software potentially affected by the millennium bug. These included:

Calvert Group systems--portfolio trading, sales contact and reporting and internal management reporting transfer agency systems--shareholder record-keeping and transaction processing subadvisor systems--investment accounting other third-party data and service systems.

We also formed a Y2K task force, led by Calvert's vice president of technology. This group has identified and prioritized our efforts to achieve year 2000 compliance.

Step Two--Test for Compliance. Repair Systems as Necessary.

Internal systems have been tested. We've made repairs and moved modified code into production. These systems are now fully compliant. Transfer agency systems were re-engineered for compliance in 1989. Recent tests indicate these are, in fact, compliant. The readiness of third-party systems, including subadvisor systems, has been evaluated. Based on information received from these groups, we have found no significant obstacles to compliance.

Step Three--Confirm Compliance. Finalize Contingency Plan.

Testing of transfer agency systems will continue through 1999 to ensure these remain compliant and continue to interact correctly with external systems and processes. The transfer agency has established a back-up site, should main systems fail, and compliance testing of these contingency measures are also underway. We are developing contingency plans to ensure that any unforeseen systems failures will not adversely affect our operations or inconvenience our shareholders.

For more information or to get an update on remediation and testing efforts, please

visit us online at [www.calvertgroup.com](http://www.calvertgroup.com).