

# 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)

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### FILER

#### **CALVERT TAX FREE RESERVES**

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June 30, 1999

Semi-annual

Report

Calvert Tax-Free Reserves

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Dear Shareholders:

Here is your semi-annual report for the six-month period ending June 30, 1999. For the most current

information regarding the performance of your fund, please visit our recently redesigned Web site at [www.calvertgroup.com](http://www.calvertgroup.com).

In reviewing our recently redesigned Web site, you will see that we now offer more interactive information tools to help you make the most informed investment decisions. At [www.calvertgroup.com](http://www.calvertgroup.com) you will find fund performance, profiles and literature, as well as a rich array of information on socially responsible and tax free investing. Our site also includes company profiles, issues briefs and our award winning "Know What You Own(R)" service.

Of special note, we have taken online disclosure a step further this month by publishing the entire portfolio holdings for each of our equity funds. Calvert Group is the first mutual fund family to provide a complete listing of holdings on a monthly basis.

Of course, knowing how a fund has performed is as important as knowing the companies that are in a Portfolio. I'm pleased to report that a significant number of our funds have received a three-star or better Morningstar rating for their performance over the past three years. For performance over the same time frame, two funds -- Calvert Income Fund and Calvert Tax-Free Reserves Limited Term Portfolio -- received Morningstar's superlative five-star rating.<sup>1</sup> More detail about your fund's performance is included in this report.

As always, we encourage investors to make decisions based on your financial objectives and tolerance for risk. You should routinely review your asset allocation to be sure you are positioned at a comfortable risk level. Your financial professional can suggest strategies that keep you on track to meet long-term financial objectives without exposing you to undue levels of risk.

We appreciate your investment in Calvert Group funds and look forward to providing competitive returns in the future.

Sincerely,

Barbara J. Krumsiek  
President and CEO  
July 20, 1999

1 A Morningstar five-star ranking indicates that the fund is in the top 10% of all investment companies in a category, a four star ranking indicates that the fund is in the next 22.5%, and a three-star ranking is in the middle 35%.

Tom Dailey is a member of the CAMCO portfolio management team. Calvert Tax-Free Reserves Money Market Portfolio seeks to earn the highest interest income exempt from federal income taxes as is consistent with prudent investment management, preservation of capital and the quality and maturity characteristics of the Portfolio.

Fund  
Information

asset allocation  
tax-exempt  
money market

NASDAQ symbol  
CTMXX

CUSIP number  
131620-10-6

Calvert Tax-Free Reserves  
Money Market Portfolio

How did the Fund perform?  
The Money Market Portfolio's return for the semi-annual period ending June 30, 1999 was

1.43% (Class O). This was above the 1.24% return for the average tax-exempt money market fund tracked by Lipper Analytical Services, Inc.

How would you characterize the investment climate over the past six months?

The U.S. economy continued to expand through the first half of 1999, thanks both to relentless consumer spending and the stabilization of economies around the world after economic crisis in Brazil, Asia, and Japan.

The task of identifying a sufficient supply of tax-free money market securities was made difficult by the low issuance of such securities and an investor preference to keep cash in short-term funds. It wasn't until the tax season that there was an ample amount of securities to pick and choose from. In June, the annual issuance of municipal notes also brought much needed supply to the market.

What was your strategy for this period? Since supply was scarce early in the year, finding fairly-priced securities proved difficult and we were forced to bide our time until money flowed out of tax-exempt funds for April tax payments. These redemptions forced other fund managers into selling securities to raise cash -- which made it easier to find attractively priced securities, and we were presented with an opportunity to extend the average maturity of the Fund.

Given the likelihood of the Federal Reserve raising rates toward the end of June, tax exempt rates were too low on a taxable equivalent basis when the first one-year municipal notes were issued earlier in the month. Therefore, we did not initially participate in buying these. In fact, the Federal Reserve did raise rates a quarter of a point on June 30, 1999. Once enough supply of one-year notes arrived, the rates on these securities

rose to a more reasonable level and we began to buy a few of these issues, extending the Fund's average maturity to 72 days.

What is your outlook?

Even though the Federal Reserve removed its bias to raise rates further at the June Federal Open Market Committee meeting, we feel the economy will likely continue to expand and possibly force the Fed to raise rates again in the second half of 1999. We are also keeping a close eye on global economic events that could destabilize world markets and cause investors to seek the safety of U.S. money markets. Therefore, we will keep the portfolio very liquid in order to react quickly to changing market conditions.

July 20, 1999

Please remember, this discussion reflects the views and opinions of Calvert Asset Management Company at June 30, 1999, the end of the reporting period. Our strategy and the Fund's portfolio composition may differ due to ever-changing market and economic conditions. While historical performance is no guarantee of future results, it may give you a better and more thorough understanding of our investment decisions and management philosophy.

COMPARATIVE MONTH-END YIELDS

	CTFR	IBC's Gene Purpose Tax-Free
	Money Market Class O	Money Market Averages
6.30.99		2.90%
2.67%		
5.31.99		3.09%
2.79%		
4.30.99		2.94%
2.56%		
3.31.99		2.87%
2.42%		
2.28.99		2.51%

2.17%	
1.31.99	2.87%
2.54%	
12.31.98	3.02%
2.73%	

Total returns assume reinvestment of dividends. Past performance is no guarantee of future results. Performance information represents Class O shares. The value of an investment in Class I or T shares would be different. Sources: IBC's Money Fund Report, IBC Financial Data Inc. and Lipper Analytical Services Inc.

Portfolio  
Statistics

weighted average maturity	
6.30.99	72 days
12.31.98	61 days

credit quality  
distribution

as of 6.30.99

PIE CHART HERE  
First tier - 96%  
Second tier - 4%

All securities in Calvert Group money market funds are eligible securities under rule 2a-7 of the Investment Company Act of 1940. First Tier Securities are eligible securities rated in the highest rating category for short-term debt obligations by at least two of the Nationally Recognized Statistical Ratings Organizations. Second Tier Securities are eligible securities not in the First Tier.

class O  
average annual  
total return

as of 6.30.99	
1 year	2.99%
5 year	3.40%

10 year	3.78%
inception	4.71%
(3.04.81)	

Tom Dailey is a member of the CAMCO portfolio management team.

Calvert Tax-Free Reserves Limited-Term Portfolio seeks to earn the highest level of interest income exempt from federal income taxes as is consistent with prudent investment management, preservation of capital and the quality and maturity characteristics of the Portfolio.

Fund  
Information

asset allocation  
short-term  
tax-exempt bonds

NASDAQ symbol  
CTFLX

CUSIP number  
131620-20-5

Calvert Tax-Free Reserves Limited-Term  
Portfolio

How did the Fund perform?

The Portfolio performed as it was designed, that is, to outperform during a rising interest rate environment. The Fund's six-month return was 1.35% compared to a 0.72% return for the average short-term municipal fund tracked by Lipper Analytical Services, Inc. The Fund outperformed all other Lipper tax-exempt fixed income total return averages during the six-month period ending June 30, 1999.

What was your strategy for this period?

Short-term municipal rates remained low well into the first half of the year, due to a limited supply of new issues and strong



demand for the securities that did come to market. Since there was no additional yield to be gained by extending the Fund, we remained invested in very short maturity issues.

When taxable rates started to rise, short municipal rates did not immediately follow. When it became apparent that the Fed would raise the Fed funds rate we felt it was only a matter of time for municipal rates to follow. With the supply of new issues in June, tax-exempt rates finally started to rise to more attractive levels, and we began to participate more aggressively by buying securities with a three-year final maturity.

#### Comparative Investment Performance

	CTFR Lipper Short Limited-Term Municipal Debt Municipal Bond Portfolio Funds Average	Lehman Index TR
6 month - 0.89%	1.35%	0.72%
1 year 2.76%	3.42% 3.24%	
5 year* 7.00%	4.01%	4.32%
10 year* 7.43%	4.64%	4.90%

Investment performance does not reflect the deduction of any front-end sales charge.

TR represents total return. Source: Lipper Analytical Services, Inc.

\* Average annual return

What is your outlook?

We expect the U. S. economy to remain strong, which could force the Fed to raise rates again to preempt inflation. We need to be wary of the possibility of more rate increases, and weigh this against periods of low supply and possible further financial crises abroad.

July 20, 1999

Please remember, this discussion reflects the views and opinions of Calvert Asset Management Company at June 30, 1999, the end of the reporting period. Our strategy and the Fund's portfolio composition may differ due to ever-changing market and economic conditions. While historical performance is no guarantee of future results, it may give you a better and more thorough understanding of our investment decisions and management philosophy.

Growth of a hypothetical \$10,000 investment  
Total returns assume reinvestment of dividends and reflect the deduction of Portfolio's maximum front-end sales charge of 1.00%. No sales charge has been applied to the indices used for comparison. Past performance is no guarantee of future returns. Source: Lipper Analytical Services, Inc.

LINE GRAPH HERE

CTFR Limited-Term Portfolio	\$15,576
Lehman Municipal Bond Fund Index TR	\$20,472
Lipper Short Municipal Debt Funds Average	\$16,095

Portfolio  
Statistics

monthly dividend yield	
6.30.99	3.66%
12.31.98	3.58%

30 day SEC yield	
6.30.99	3.38%
12.31.98	3.07%

weighted average maturity	
6.30.99	276 days
12.31.98	283 days

effective duration	
6.30.99	285 days

12.31.98

253 days

credit quality  
distribution

as of 6.30.99

PIE CHART HERE

AAA	31%	
AA		9%
A	6%	
BBB	28%	
cash equivalents	26%	

average annual  
total return

as of 6.30.99

1 year	2.37%	
5 year	3.80%	
10 year		4.53%
inception	5.94%	
(3.04.81)		

Emmett Long is a member of the CAMCO  
portfolio management team.

Calvert Tax-Free Reserves Long-Term  
Portfolio seeks to earn the highest  
level of interest income exempt from federal  
income taxes as is consistent  
with prudent investment management,  
preservation of capital and the quality and  
maturity characteristics of the Portfolio.

Fund  
Information

asset allocation  
long-term  
tax-exempt bonds

NASDAQ symbol  
CTTLX

CUSIP number  
131620-30-4

Calvert Tax-Free Reserves

## Long-Term Portfolio

How did the Fund perform?

For the six month period ending June 30, 1999 the Fund had a return of -1.96% vs. the Lipper General Municipal Debt Funds Average of -1.82%, due in large part to our slightly longer than average duration in the first quarter.

How would you characterize the investment climate over the past six months?

As 1998 closed, we anticipated that the economy would slow to the point where the Fed would have to cut rates rather than raise them. Surprisingly, the economy continued on its torrid pace of growth. When it became clear that consumer appetite for goods and services was continuing to surge, we shortened our portfolio maturity to better reflect our interest rate outlook for the near term. Late in the second quarter of 1999, the Federal Reserve adopted a tightening bias, although the market had already priced in a 50 basis point tightening and the long bond was trading near six percent for the first time in almost a year. By the time the Federal Reserve met on June 30, and increased the Fed funds rate by one quarter of one percent (25 basis points), the market was prepared.

What was your strategy for this period?

Going into 1999, we maintained a strategy of purchasing good quality issues with good structure -- a strategy that has served us in the past and should benefit us in the future. We don't attempt to make bets on any particular sector of the market, but high grade general obligations, housing, and Puerto Rico Bonds performed the best during this back up in the market. We benefited by our exposure to

Comparative Investment Performance

Bond	CTFR Lipper General Long-Term Municipal Debt	Lehman Municipal
	Portfolio Funds Average	Index TR
6 month	-1.96%	-1.82%
-0.89%		
1 year	1.18%	1.13%
2.76%		
5 year*	6.16%	6.18%
7.00%		
10 year*	6.51%	6.85%
7.43%		

Investment performance does not reflect the deduction of any front-end sales charge.

TR represents total return. Source: Lipper Analytical Services, Inc.

\*Average annual return

almost all of the best performing sectors.

What is your outlook?

As stated earlier, the Federal Reserve raised rates at the end of June as a precaution against inflation. Having anticipated that move we shortened our portfolio. The question that we are now evaluating is whether subsequent rate hikes will follow. In any event, we shall remain nimble, proactive, and alert to the possibility of rapid shifts in interest rates.

July 20, 1999

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## Growth of a hypothetical \$10,000 investment

Total returns assume reinvestment of dividends and reflect the deduction of Fund's maximum front-end sales charge of 3.75%. No sales charge has been applied to the indices used for comparison. Past performance is no guarantee of future returns. Source: Lipper Analytical Services, Inc.

### LINE GRAPH HERE

CTFR Long-Term Portfolio \$18,090  
Lehman Municipal Bond Fund Index TR \$20,472  
Lipper General Municipal Debt Funds Average \$18,905

### Portfolio Statistics

#### monthly

##### dividend yield

6.30.99	4.11%
12.31.98	4.58%

##### 30 day SEC yield

6.30.99	4.23%
12.31.98	4.10%

#### weighted

##### average maturity

6.30.99	17 years
12.31.98	16 years

##### effective duration

6.30.99	8.37 years
12.31.98	8.75 years

#### credit quality distribution

as of 6.30.99

### PIE CHART HERE

AAA	38%
AA	17%
A	24%
cash & equivalents	21%

#### average annual

total return

as of 6.30.99

1 year	-2.64%	
5 year	5.35%	
10 year		6.11%
inception	7.60%	
(8.23.83)		

Money Market Portfolio  
Statement of Net Assets  
June 30, 1999

Principal

Municipal Obligations - 104.4%

Amount Value

Alabama - 3.5%

Athens IDA Revenue VRDN, 5.55%, 6/1/05,

LOC: Tokai Bank, Ltd.

\$3,500,000      \$3,500,000

Birmingham Airport Authority Revenue

Municipal

Trust Receipts,

3.63%, 7/1/26, BPA: Societe Generale,

MBIA Insured

8,000,000      8,000,000

Calhoun County Economic Development Council

Revenue VRDN,

4.00%, 3/1/18, LOC: FNB Boston

3,900,000      3,900,000

Columbia IDA Revenue VRDN, 4.45%, 6/1/22,

LOC: Alabama Power Company      12,000,000

12,000,000

Haleyville IDA Revenue VRDN, 3.90%, 11/1/04,

LOC: Columbus Bank & Trust      1,550,000

1,550,000

MFH Revenue VRDN,

3.80%, 4/1/14, LOC: Southtrust Bank, AL7

65,000 765,000

3.80%, 9/1/20, LOC: Southtrust Bank, AL3

,045,000      3,045,000

Mobile Spring Hill Medical Clinic Revenue

VRDN,

3.80%, 2/1/11,

LOC: Amsouth Bank      3,240,000 3,240,000

Montgomery IDA Revenue VRDN,

3.95%, 9/1/04, LOC: Southtrust Bank

2,650,000      2,650,000

3.90%, 3/1/23, LOC: Southtrust Bank  
3,190,000 3,190,000  
Northpoint MFH Revenue VRDN,  
3.90%, 9/3/15, LOC: Amsouth Bank  
2,115,000 2,115,000  
3.80%, 7/1/18, LOC: Amsouth Bank  
5,595,000 5,595,000  
State IDA Revenue VRDN, 3.90%, 11/1/14,  
LOC: Southtrust Bank, AL 6,495,000  
6,495,000  
Wynlakes Government Utility Authority  
Revenue VRDN,  
3.95%, 5/1/06, LOC: Amsouth Bank  
4,000,000 4,000,000

Arizona - 3.1%  
Apache County IDA Revenue VRDN, 3.75%,  
12/15/18,  
LOC: Bank of New York 4,600,000 4,600,000  
Pinal County IDA Revenue VRDN, 5.70%,  
12/1/05,  
LOC: Industrial Bank of Japan  
10,000,000 10,000,000  
Prescott IDA Revenue VRDN, 3.50%, 12/1/14,  
GA: Household Finance Corp. 8,100,000  
8,100,000  
Salt River Project Municipal Commercial  
Paper, 3.35%, 7/14/99,  
BPA: Multi-Bank 28,900,000 28,900,  
000

Arkansas - 0.9%  
Arkadelphia IDA Revenue VRDN, 3.95%, 4/1/11,  
LOC: Den Danske Bank 4,000,000 4,000,000  
Fayetteville Public Facilities Revenue VRDN,  
4.00%, 9/1/27,  
LOC: Dresdner Bank, AG. 7,100,000  
7,100,000  
North Little Rock Baptist Health Facilities  
Revenue VRDN,  
4.65%, 12/1/21, BPA: Credit Suisse,  
MBIA Insured 4,000,000 4,000,000

Principal  
Municipal Obligations - (Cont'd)  
Amount Value  
California - 18.3%  
Community College Financing Authority VRDN,



3.35%, 9/30/99,  
 FSA Insured \$20,725,000\$20,72  
 5,000  
 Fresno MFH Revenue VRDN, 5.65%, 5/1/15,  
 LOC: Tokai Bank, Ltd. 8,512,0008,512,000  
 Inland Valley Development Agency Tax  
 Allocation VRDN,  
 3.75%, 3/1/27, C/LOC: Cal Sters, LOC:  
 Union Bank, California. 34,485,000  
 34,485,000  
 Los Angeles County MFH VRDN,  
 3.30%, 12/1/05, LOC:  
 Bank of America 4,595,0004,595,000  
 3.65%, 12/1/07, C/LOC:  
 FHLB-San Fransisco 1,000,0001,000,000  
 5.85%, 11/1/09, LOC:  
 Industrial Bank of Japan 12,000,000  
 12,000,000  
 Los Angeles County Schools Fixed Rate Trust  
 Receipts,  
 3.35%, 9/30/99, FSA Insured 56,095,000  
 56,095,000  
 Los Angeles County Tax and Revenue  
 Anticipation Notes,  
 4.50%, 6/30/00 47,400,00047,710,  
 944  
 Los Angeles Regional Airport Improvement  
 Revenue Bonds,  
 4.10%, 12/1/25, LOC:  
 Societe Generale 7,900,0007,900,000  
 Oceanside MFH Revenue VRDN, 3.80%, 8/1/17,  
 SURBD: Continental Casualty Co.  
 500,000 500,000  
 Orange County Apartment Development Revenue  
 VRDN,  
 6.00%, 11/1/08, LOC:  
 Tokai Bank, Ltd. 6,300,0006,300,000  
 Riverside MFH Revenue VRDN, 5.55%, 6/1/09,  
 LOC: Tokai Bank, Ltd. 990,000 990,000  
 Sacramento County Floating Rate Trust  
 Receipts, 3.55%, 9/30/99,  
 BPA: Bank of New York 7,700,0007,700,000  
 School Cash Reserve Program Authority  
 Revenue Notes,  
 4.50%, 7/2/99, AMBAC Insured 25,175,000  
 25,175,505  
 4.00%, 7/3/00, AMBAC Insured 18,035,000  
 18,146,096  
 Statewide Community Development Authority  
 Revenue VRDN,  
 3.35%, 9/30/99, FSA Insured 35,580,000

35,580,000  
3.75%, 3/25/25, LOC:  
Chase Manhattan 22,167,000  
22,167,000

Colorado - 2.0%  
Boulder County MFH Revenue VRDN, 3.90%,  
12/25/31,  
LOC: Chase Manhattan 8,464,000  
8,464,000  
Central City MFH Revenue VRDN, 3.90%,  
12/25/30,  
LOC: Texas Commerce Bank 194,000  
194,000

City and County of Denver MFH Revenue VRDN,  
3.60%, 12/15/14,  
CONF: Den Danske Bank, LOC:  
Credit Lyonnais 8,500,000  
8,500,000  
Fort Collins MFH Revenue VRDN,  
3.90%, 11/25/30, LOC:  
Texas Commerce Bank 7,900,000  
7,900,000  
3.90%, 12/25/31, LOC: Chase Manhattan  
6,509,000  
6,509,000  
Lakewood IDA Revenue VRDN, 4.20%, 8/1/07,  
LOC: West One Bank 2,070,000  
2,070,000

District of Columbia - 1.8%  
Municipal Trust Receipts,  
3.85%, 6/1/03, LOC:  
Credit Suisse, FSA Insured 5,300,000  
5,300,000  
3.85%, 7/27/03, LOC:  
Credit Suisse, AMBAC Insured 10,900,000  
10,900,000  
3.85%, 6/1/05, LOC:  
Credit Suisse, MBIA Insured 7,710,000  
7,710,000  
Tax and Revenue Anticipation GO Notes,  
3.75%, 9/30/99,  
LOC: Canadian Imperial Bank 7,000,000  
7,011,041

Principal  
Municipal Obligations - (Cont'd)  
Amount Value  
Florida - 7.0%  
Capital Projects Financial Authority Revenue  
VRDN,  
3.65%, 8/1/17, BPA:Credit Suisse,  
FSA Insured \$31,650,000  
\$31,650,000

0,000  
 3.75%, 6/1/28, BPA: Credit Suisse,  
 FSA Insured 10,000,00010,000,  
 000  
 Duval County MFH Revenue VRDN,  
 4.35%, 6/1/07, LOC:  
 Household Financial Corp. 3,750,000  
 3,750,000  
 Housing Finance Agency Revenue VRDN, 3.85%,  
 7/1/23,  
 CONF: Commerze Bank, AG, LOC:  
 Heller Financial 8,800,0008,800,000  
 Orange County Health Facilities Authority  
 Revenue VRDN,  
 4.25%, 3/27/06, LOC:  
 Credit Suisse, MBIA Insured 2,600,000  
 2,600,000  
 3.80%, 10/1/06, LOC:  
 Credit Suisse, MBIA Insured 6,880,000  
 6,880,000  
 3.80%, 10/1/08, LOC:  
 Credit Suisse, MBIA Insured 4,000,000  
 4,000,000  
 Palm Beach County IDA Revenue VRDN, 4.80%,  
 10/1/28,  
 IA: Escrowed Treasury Bills 8,865,000  
 8,865,000  
 Pinellas County Health Facilities Authority  
 Revenue VRDN,  
 3.75%, 11/1/15, LOC:  
 First Union Bank, NC 3,830,0003,830,000  
 Sunshine State GFC Commercial Paper,  
 3.35%, 7/9/99, BPA:  
 Bank of Nova Scotia, AMBAC Insured  
 10,580,000 10,580,000  
 3.35%, 7/13/99, BPA:  
 Canadian Imperial 16,565,00016,565,  
 000  
 Sunrise Utilities Systems Revenue VRDN,  
 3.82%, 10/1/15,  
 TOA: Citibank, AMBAC Insured 7,000,000  
 7,000,000  
 Volusia County MFH Revenue VRDN, 4.075%,  
 9/1/05,  
 LOC: Amsouth Bank 3,830,0003,830,000  
  
 Georgia - 1.0%  
 Athens MFH Revenue VRDN, 4.075%, 8/1/05,  
 CONF: FNB Chicago, LOC:  
 First Bank, NA 2,000,0002,000,000  
 Columbus Downtown Development Authority

Revenue

VRDN, 3.90%, 8/1/15, LOC:  
Columbus Bank & Trust 7,725,0007,725,000  
Franklin County Industrial Building  
Authority Revenue VRDN,  
4.00%, 1/1/07, LOC: Comerica Bank  
2,280,000 2,280,000  
Jackson County IDA Revenue VRDN, 3.95%,  
12/1/24, LOC: Barclays Bank, Plc.  
2,505,000 2,505,000  
State Residential Financial Authority  
Revenue  
VRDN, 3.10%, 3/1/99, TOA: Citibank 2,865,000

Hawaii - 0.6%

State Department Budget and Finance  
VRDN, 4.50%, 12/1/21,  
LOC: Union Bank of California 9,800,000  
9,800,000

Illinois - 7.5%

Arlington Heights MFH Revenue VRDN, 4.50%,  
5/1/24,  
LOC: Heller Financial 4,230,0004,230,000  
Chicago Municipal Trust Receipts VRDN,  
3.80%, 1/1/18,  
LOC: Credit Suisse, AMBAC Insured  
2,900,000 2,900,000  
Decatur Water Treatment Revenue VRDN, 4.00%,  
7/8/99,  
LOC: Sumitomo Bank, Ltd. 8,000,000  
8,000,000  
Educational Facilities Authority Revenue  
VRDN, 3.80%, 4/1/32,  
LOC: Bank of America 10,200,00010,200,  
000  
Elgin IDA Revenue VRDN, 3.75%, 9/1/16,  
LOC: LaSalle Bank 4,400,0004,400,000

Principal

Municipal Obligations - (Cont'd)

Amount Value

Illinois - (Cont'd)

Fulton IDA Revenue VRDN, 3.80%, 4/1/12,  
LOC: Firstar Bank, Milwaukee \$7,500,000  
\$7,500,000  
Galesburg Knox College Project Revenue VRDN,  
3.85%, 3/1/31,

LOC: LaSalle Bank 4,000,0004,000,000  
 Health Facilities Authority Revenue VRDN,  
 3.90%, 5/1/11, BPA: Comerica Bank  
 11,000,000 11,000,000  
 3.90%, 8/15/25, BPA: Northern Trust  
 Company 8,000,0008,000,000  
 3.55%, 4/1/33, LOC: American National  
 Bank and Trust 5,200,0005,200,000  
 Housing Development Authority Revenue VRDN,  
 3.40%, 3/2/00, LOC: Bear Stearns  
 Capital Market 11,715,00011,715,  
 000  
 5.25%, 2/1/24, LOC: Sumitomo  
 Bank, Ltd. 2,700,0002,700,000  
 IDA Revenue VRDN,  
 4.13%, 9/2/05, LOC: American National  
 Bank and Trust 2,000,0002,000,000  
 3.85%, 9/1/26, LOC:  
 Firststar Bank, Milwaukee 2,172,500  
 2,172,500  
 Rockford Economic Development Revenue VRDN,  
 3.80%, 12/1/10,  
 LOC: Banque Paribas 2,270,0002,270,000  
 StateToll Highway Authority Revenue VRDN,  
 3.25%, 2/15/12,  
 LOC: Bear Stearns Capital Markets,  
 FSA Insured 38,700,00038,700,  
 000  
 Winnebago County IDA Revenue VRDN, 5.5025%,  
 12/1/06,  
 LOC: Bank of Nova Scotia 2,280,000  
 2,280,000  
  
 Indiana - 1.4%  
 Frankfort Economic IDA Revenue VRDN, 5.25%,  
 1/1/23,  
 LOC: Dai-Ichi Kangyo Bank 4,300,000  
 4,300,000  
 Health Facilities Financing Authority  
 Revenue VRDN,  
 3.55%, 1/1/12, LOC: Comerica Bank  
 4,700,000 4,700,000Indianapolis MFH  
 Revenue VRDN, 3.45%, 12/20/33,  
 LOC: National City Bank 4,500,000  
 4,500,000  
 Shelbyville IDA Revenue VRDN, 5.25%, 9/1/06,  
 LOC: Industrial Bank of Japan 6,300,000  
 6,300,000  
 South Bend MFH Revenue VRDN, 4.00%, 10/1/09,  
 LOC: FHLB-Indianapolis 4,420,0004,420,000

Iowa - 0.1%  
 Davenport IDA Revenue VRDN, 5.5025%,  
 12/1/06,  
 LOC: Bank of Nova Scotia 1,600,000  
 1,600,000

Kentucky - 1.4%  
 Carroll County Solid Waste IDA Revenue VRDN,  
 4.05%, 5/1/27,  
 LOC: Banco Bilbao Vizcaya 5,951,000  
 5,951,000

Glasgow IRB VRDN, 5.425%, 6/1/20,  
 LOC: Bank of Tokyo-Mitsubishi, Ltd. 4,400  
 ,000 4,400,000

Hancock County IDA Revenue VRDN, 3.85%,  
 6/1/12,  
 LOC: Chase Manhattan 4,340,000 4,340,000

Hopkinsville IDA Revenue VRDN, 5.25%,  
 4/1/04,  
 LOC: Dai-Ichi Kangyo Bank 8,500,000  
 8,500,000

Principal

Municipal Obligations - (Cont'd)  
 Amount Value

Louisiana - 2.3%  
 Caddo-Bossier Parishes Port Revenue VRDN,  
 3.90%, 1/1/28, LOC:  
 First Regions Bank \$4,000,000 \$4,000,  
 000

New Orleans Levee District Revenue VRDN,  
 5.60%, 10/1/17, LOC: Fuji Bank, Ltd.  
 24,155,000 24,155,000

Public Facilities Authority Revenue VRDN,  
 3.75%, 12/1/00, BPA: Banque  
 National De Paris, MBIA Insured  
 7,700,000 7,700,000

3.80%, 12/1/14, LOC: Regions Bank  
 2,775,000 2,775,000

Massachusetts - 0.3%  
 Hudson IDA Revenue VRDN, 4.375%, 10/1/13,  
 LOC: FNB Boston 1,025,000 1,025,000

State Industrial Finance Authority Revenue  
 VRDN,  
 4.125%, 11/3/99, LOC: FNB Boston  
 350,000 350,000

4.375%, 8/1/14, LOC: FNB Boston

4,500,000            4,500,000

Michigan - 2.1%

Monroe County Economic Development LO

Revenue VRDN,

3.90%, 10/1/24, LOC: Barclays Bank, Plc.

1,200,000            1,200,000

Sault Sainte Marie Tribe Building Revenue

VRDN, 3.65%, 6/1/03,

LOC: First of America Bank, MI

4,520,000            4,520,000

State Hospital Authority Revenue VRDN,

3.30%, 12/1/03,

LOC: Bear Stearns Capital Market,

FSA Insured            11,970,000 11,970,

000

State Strategic Fund Economic Development LO

Revenue VRDN,

5.25%, 9/1/08, LOC: Dai-Ichi

Kangyo Bank            6,800,000 6,800,000

5.70%, 11/1/09, LOC:

Tokai Bank, Ltd.        8,200,000 8,200,000

3.90%, 9/1/30, LOC:

Barclays Bank, Plc. 2,800,000 2,800,000

Minnesota - 2.2%

Cloquet Industrial Facilities Revenue VRDN,

4.05%, 4/1/29,

LOC: Credit Suisse        6,900,000 6,900,000

Cottage Grove Pollution Control Board

Revenue VRDN,

3.596%, 8/1/12, GA: 3M 1,100,000 1,100,000

Duluth Economic Development Revenue VRDN,

4.00%, 6/1/19,

LOC: Credit Local D France        2,400,000

2,400,000

Minneapolis Community Development Agency

Revenue VRDN,

4.85%, 2/1/12, LOC: Sumitomo

Bank, Ltd.            11,555,000 11,555,

000

Minneapolis GO VRDN,

3.50%, 12/1/05, BPA:

Bayerische Vereinsbank        10,500,000

10,500,000

3.50%, 12/1/06, BPA:

Bayerische Vereinsbank        5,300,000

5,300,000

Mississippi - 0.3%

Business Financial Corp. IDA Revenue VRDN,

4.05%, 6/1/06, LOC: Deposit Guaranty  
3,675,000            3,675,000  
4.15%, 6/1/07, LOC: Deposit Guaranty  
1,900,000            1,900,000

Principal

Municipal Obligations - (Cont'd)

Amount Value

Missouri - 1.4%

Kansas City MFH Revenue VRDN, 4.05%, 6/1/15,  
LOC: Huntington National Bank \$6,530,000  
\$6,530,000

St. Louis IDA Revenue VRDN, 5.55%, 1/1/21,  
LOC: Banca Nazionale Del Lavoro  
9,300,000            9,300,000

State IDA Revenue VRDN, 3.90%, 9/1/08,  
LOC: Morgan Guaranty Trust            4,000,000  
4,000,000

State MFH Revenue VRDN, 3.90%, 12/25/30,  
LOC: Texas Commerce Bank            4,000,000  
4,000,000

Nebraska - 0.2%

IDA Revenue VRDN, 5.25%, 12/1/04,  
LOC: Sanwa Bank, Ltd.            4,000,000  
4,000,000

New Hampshire - 0.3%

State Business Finance Authority Revenue  
VRDN, 3.80%, 12/1/17,  
LOC: Firstar Bank Milwaukee            5,500,000  
5,500,000

New York - 6.8%

Long Island Power Authority Electric Revenue  
VRDN,  
4.00%, 5/1/33, LOC:  
ABN Amro Bank            22,900,000  
22,900,000

Municipal Securities Trust Certificates  
Revenue VRDN,

3.25%, 6/26/11, BPA: Bear Stearns  
Capital Market, FGIC Insured  
27,600,000            27,600,000

3.43%, 5/11/13, BPA: Bear Stearns  
Capital Market, AMBAC Insured  
27,600,000            27,600,000

3.48%, 9/1/27, LOC: Bear Stearns  
Capital Market, FSA Insured



10,000,000      10,000,000  
 New York City Water Authority  
     Commercial Paper, 3.35%, 7/7/99  
 23,000,000      23,000,000  
 State Energy Development Authority Pollution  
 Control Revenue  
     VRDN, 4.00%, 6/1/29, LOC:  
     Morgan Guaranty Trust              4,335,000  
 4,335,000

Nevada - 0.2%  
 Henderson Public Improvement Trust Revenue  
 VRDN,  
     3.40%, 12/1/21, LOC: NationsBank  
 2,900,000      2,900,000

Ohio - 0.6%  
 Cleveland Public Power System Revenue VRDN,  
 3.82%, 11/15/18  
     BPA: Commerze Bank, AG,  
     MBIA Insured              4,995,0004,995,000  
 Piqua IDA Revenue VRDN, 4.60%, 10/1/01,  
     LOC: Sanwa Bank, Ltd.              5,800,000  
 5,800,000

Oklahoma - 1.0%  
 Cleveland MFH Revenue VRDN, 3.80%, 4/1/20,  
     SURBD: Continental Casualty Co.  
 5,930,000      5,930,000  
 Housing Finance Authority Revenue VRDN,  
 4.45%, 12/1/05,  
     C/LOC: Binghampton Savings Bank  
 5,900,000      5,900,000  
 Tulsa IDA Revenue VRDN, 3.60%, 11/1/14,  
     LOC: St. John's Medical Center  
 5,000,000      5,000,000

Principal

Municipal Obligations - (Cont'd)  
 Amount Value  
 Pennsylvania - 4.6%  
 Chester County IDA Revenue VRDN, 3.80%,  
 4/1/17,  
     LOC: Corestates              \$3,110,000\$3,110,  
 000  
 Delaware County Authority Revenue VRDN,  
 3.55%, 7/1/14,  
     LOC: PNC Bank              8,500,0008,500,000  
 Delaware County IDA Revenue VRDN, 3.25%,  
 8/1/16,  
     LOC: Toronto - Dominion              3,600,000

3,600,000  
Montgomery County IDA Revenue VRDN, 3.75%,  
12/1/13,  
LOC: PNC Bank 150,000 150,000  
Municipal Securities Trust Certificates  
Revenue VRDN,  
3.50%, 2/1/03, BPA: Bear Stearns  
Capital Market, AMBAC Insured  
10,725,000 10,725,000  
Philadelphia MFH Redevelopment Authority  
Revenue VRDN,  
3.95%, 12/1/09, LOC:  
Marine Midland Bank 2,950,000 2,950,000  
Philadelphia Tax and Revenue  
Anticipation Notes, 4.80%, 6/30/00  
46,700,000 47,038,108  
West Cornwall Township Municipal Authority  
Revenue VRDN,  
3.75%, 3/1/16, LOC: Corestates  
1,710,000 1,710,000

Puerto Rico - 0.2%  
Electric Power Authority GO VRDN, 3.41%,  
7/1/22,  
BPA: Societe Generale 2,200,000 2,200,000  
Infrastructure Financing Authority Revenue  
VRDN, 3.54%, 7/1/28, BPA:  
Bank of America 500,000 500,000

South Carolina - 1.7%  
Dorchester County IDA Revenue VRDN, 3.96%,  
10/1/24,  
LOC: Bayerische Vereinsbank 5,100,000  
5,100,000  
Orangeburg IDA Revenue VRDN,  
4.375%, 6/1/08,  
LOC: FNB Boston 3,900,000 3,900,000  
State MFH Authority Revenue VRDN,  
3.85%, 7/1/07,  
SURBD: Continental Casualty Co.  
6,000,000 6,000,000  
State Public Service Authority Revenue  
VRDN, 3.85%, 1/1/25,  
BPA: Bayerische Hypobank,  
FGIC Insured 13,800,000 13,800,  
000

Tennessee - 6.6%  
Coffee County IDA Revenue VRDN,  
5.45%, 12/1/01, LOC: Asahi Bank  
9,000,000 9,000,000 4.40%, 5/1  
/12, LOC: Barnett

Bank of South Florida	2,520,000
2,520,000	
Memphis-Shelby County IDA Revenue VRDN,	
3.70%, 3/1/24,	
LOC: National Bank of Commerce, TN	
6,000,000	6,000,000
Sevier County Public Building Authority	
Revenue VRDN,	
3.65%, 6/1/05, BPA: KredietBank,	
AMBAC Insured	7,000,0007,000,000
3.65%, 6/1/14, BPA: Landesbank Hessen-	
TH, AMBAC Insured	3,000,0003,000,000
3.65%, 6/1/17, BPA: Landesbank Hessen-	
TH,	
AMBAC Insured	5,000,0005,000,000
3.65%, 6/1/18, BPA: Landesbank Hessen-	
TH,	
AMBAC Insured	17,000,00017,000,
000	
3.35%, 6/1/19, BPA: KredietBank,	
AMBAC Insured	4,200,0004,200,000
3.65%, 6/1/19, BPA: Landesbank Hessen-	
TH,	
AMBAC Insured	25,000,00025,000,
000	
3.65%, 6/1/20, BPA: Bayerische	
Landesbank	
Girozentrale, AMBAC Insured	
10,000,000	10,000,000
3.65%, 6/1/21, BPA: Landesbank Hessen-	
TH,	
AMBAC Insured	5,000,0005,000,000
Shelby County Health Educational and	
Housing Facilities Board	
Revenue VRDN, 3.95%, 7/1/22,	
LOC: NationsBank	5,000,0005,000,00
Tennenergy Corp. Gas Revenue Bonds,	
4.00%, 6/1/00, MBIA Insured	
14,035,000	14,116,078

Principal

Municipal Obligations - (Cont'd)

Amount	Value
Texas - 11.0%	
Austin Combined Utilities System Commercial	
Paper,	
3.35%, 7/15/99, LOC:	
Morgan Guaranty Trust	\$16,093,000
\$16,093,000	

Austin Utilities Revenue VRDN, 3.30%,  
 12/1/04,  
 LOC: Bear Stearns Capital Market,  
 MBIA Insured 23,265,000 23,265,  
 000  
 Bexar County MFH Revenue  
 VRDN, 4.00%, 5/1/30 3,710,000 3,710,000  
 Cleburne IDA Revenue VRDN, 3.90%,  
 2/1/04,  
 LOC: National City Bank 1,550,000  
 1,550,000  
 Grand Prairie IDA Revenue VRDN, 3.45%,  
 12/1/06,  
 LOC: PNC Bank, N.A. 1,000,000 1,000,000  
 Harris County IDA Revenue VRDN,  
 5.25%, 8/1/01, LOC: Bank of Tokyo-  
 Mitsubishi, Ltd. 700,000 700,000  
 5.25%, 8/1/01, LOC: Sakura Bank, Ltd.  
 1,200,000 1,200,000  
 5.35%, 8/1/01, LOC: Bank of Tokyo-  
 Mitsubishi, Ltd. 750,000 750,000  
 Harris County Health Facilities Development  
 Corp. VRDN,  
 4.10%, 2/15/27, BPA: Morgan  
 Guaranty Trust 56,770,000 56,770,  
 000  
 Harris County MFH Revenue VRDN, 4.42%,  
 6/1/30,  
 LOC: Heller Financial 5,500,000 5,500,000  
 Tax and Revenue Anticipation Notes,  
 4.50%, 8/31/99 74,300,000 74,428,  
 352  
  
 Utah - 0.2%  
 University of Utah Revenue VRDN, 3.35%,  
 12/1/15,  
 LOC: First Security Bank 4,185,000  
 4,185,000  
  
 Virginia - 0.0%  
 Henrico County IDA Revenue VRDN, 3.90%,  
 10/1/00,  
 C/LOC: Bank of America,  
 LOC: Tokai Bank, Ltd. 800,000  
 800,000  
  
 Washington - 0.8%  
 Grant County Public Utilities VRDN, 3.80%,  
 10/1/11,  
 LOC: Southtrust Bank, AL 4,000,000  
 4,000,000

State Public Power Supply System Revenue  
VRDN, 3.60%, 7/1/17,  
LOC: Bank of America 10,000,000 10,000,  
000

West Virginia - 0.2%  
Harris County IDA Revenue VRDN, 3.65%,  
6/1/14,  
LOC: Societe Generale 4,140,000 4,140,000

Wisconsin - 1.0%  
Eau Claire IDA Revenue VRDN, 3.80%, 5/1/07,  
LOC: Firstar Bank, Milwaukee 3,185,000  
3,185,000

Germantown IDA Revenue VRDN, 3.80%, 5/1/17,  
LOC: Firstar Bank, Milwaukee 1,800,000  
1,800,000

Grafton IDA Revenue VRDN, 3.90%, 12/1/17,  
LOC: Firstar Bank, Milwaukee 2,900,000  
2,900,000

State Health & Educational Facilities  
Authority Revenue VRDN,  
3.70%, 11/1/23, LOC:  
Firstar Bank, Milwaukee 8,200,000  
8,200,000

Principal  
Municipal Obligations - (Cont'd)  
Amount Value  
Other - 11.8%  
ABN Amro Chicago Corp. LeaseTOPS Trust  
Certificates,  
4.09%, 10/4/00, BPA: Lasalle Bank  
\$14,708,708 \$14,708,708  
3.82%, 3/1/10, BPA: ABN Amro Bank,  
MBIA Insured 17,585,000 17,585  
,000  
Capital Realty Investors Tax Exempt  
Certificates Revenue VRDN,  
3.90%, 2/1/04, BPA: UBS, AG 48,955,000  
48,955,000  
3.90%, 12/1/04, BPA: UBS, AG 23,865,000  
23,865,000  
Lehman Brothers Pooled Trust Receipts VRDN,  
3.90%, 7/1/12,  
BPA: Bank of America, LOC:  
Industrial Bank of Japan 18,200,000  
18,200,000  
Macon Pooled Trust Receipts VRDN, 3.72%,

12/5/20,  
 BPA: Bank of America,  
 AMBAC Insured 10,000,000 10,000  
 ,000  
 Morgan Keegan Trust Receipts VRDN,  
 3.92%, 12/9/99, LOC:  
 Credit Local D France 2,995,000 2,995,000  
 3.80%, 6/1/06, BPA: National Westminster  
 Bank,  
 FGIC Insured 32,929,000 32,929  
 ,000  
 Municipal Securities Trust VRDN, 3.25%,  
 3/1/18,  
 LOC: Bear Sterns Capital Market,  
 FSA Insured 14,455,000 14,455  
 ,000  
 Pitney Bowes Corporation LeaseTOPS Trust  
 Certificates VRDN,  
 4.04%, 10/10/01, BPA:  
 Pitney Bowes Credit, AMBAC Insured  
 16,687,660 16,687,660

TOTAL INVESTMENTS (Cost \$1,771,978,992) -  
 104.4% 1,771,978,992  
 Other assets and liabilities, net - (4.4%)  
 (75,048,083)  
 Net Assets - 100.0%  
 \$1,696,930,909

Net Assets Consist of:  
 Paid in capital applicable to the following  
 shares of beneficial interest,  
 unlimited number of no par value shares  
 authorized:  
 Class O: 1,324,377,929 shares  
 outstanding \$1,324,265,581  
 Institutional Class: 341,602,737 shares  
 outstanding 341,599,914  
 Class T: 31,022,776 shares outstanding  
 31,022,776  
 Undistributed net investment income (loss)  
 7,487  
 Accumulated net realized gain (loss) on  
 investments 35,151

Net Assets \$1,696,930  
 ,909

Net Asset Value Per Share  
 Class O (based on net assets of

\$1,324,298,057) \$1.00  
 Institutional Class (based on net assets of  
 \$341,608,913) \$1.00  
 Class T (based on net assets of \$31,023,939)  
 \$1.00

See notes to financial statements.

Limited-Term Portfolio  
 Statement Of Net Assets  
 June 30, 1999

	Principal	Amount
Municipal Obligations - 110.1%		
Value		
Arizona - 0.4%		
Glendale County IDA Revenue Bonds, 4.10%, 12/1/13,		
LOC: Dresdner Bank	\$2,300,000	\$2,273,205
California - 24.7%		
Community College Development Authority Tax and Revenue		
Anticipation Notes, 4.00%, 9/29/00, FSA Insured	8,695,000	8,725,085
Fontana COPs VRDN, 5.00%, 7/1/21, LOC:		
Sumitomo Bank, Ltd.	7,000,000	7,000,000
Los Angeles County Schools COPs, 3.35%, 9/30/99, FSA Insured	15,340,000	
15,338,159		
4.00%, 9/29/00, LOC: National Westminster Bank,		
FSA Insured	5,000,000	5,022,100
Public Works Board Lease Revenue Bonds, 4.75%, 9/1/99	13,960,000	13,991,968
Sacramento County Revenue VRDN, 3.55%, 9/30/99,		
BPA: Bank of New York	9,900,000	9,900,000
San Bernardino County MFH Revenue VRDN, 6.00%, 5/1/06,		
LOC: Sumitomo Bank, Ltd.	18,945,000	
18,945,000		
San Diego Local Government COPs, 4.00%, 7/28/00	15,000,000	15,088,950
San Diego Tax Anticipation Notes, 4.25%, 9/29/00	25,000,000	25,158

,000  
Statewide Community Development Authority  
Revenue VRDN,  
3.35%, 9/30/99, FSA Insured 14,500,000  
14,500,000

Colorado - 2.1%  
Central City MFH Revenue VRDN, 3.90%,  
12/25/30,  
LOC: Texas Commerce 200,000 200,000  
Denver City & County Airport Revenue VRDN,  
7.00%, 11/15/99 10,750,000 10,874,  
378

Connecticut - 0.4%  
Recovery Authority Revenue Bonds,  
5.60%, 11/15/99 1,945,000 1,960,521

Florida - 1.7%  
Capital Projects Financial Authority Revenue  
VRDN, 3.65%, 8/1/17,  
BPA: Credit Suisse, FSA Insured  
800,000 800,000

Miami Dade County School Board COPs, 5.00%,  
8/1/01,  
FSA Insured 3,000,000 3,053,340

Orange County Housing Financial Authority  
Revenue VRDN,

3.75%, 8/1/08, LOC: NationsBank  
150,000 150,000

Palm Beach Housing Finance Authority Revenue  
VRDN,

5.037%, 3/1/22, INSUR:  
Fireman's Insurance Co. 4,750,000  
4,750,000

Volusia County MFH Revenue VRDN,  
4.075%, 9/1/05, LOC: Amsouth Bank  
170,000 170,000

Georgia - 0.2%  
Tri-City Hospital Authority Revenue Bonds,  
5.25%, 7/1/99 1,000,000 1,000,030

Guam - 0.4%  
Government GO Bonds, 5.75%, 8/15/99  
1,885,000 1,890,146

Principal  
Municipal Obligations - (Cont'd)



Amount Value

Illinois - 1.3%

Berwyn GO Bonds, 7.00%, 11/15/10,  
 MBIA Insured \$3,000,000\$3,174,  
 330

Educational Facilities Authority Revenue  
 Bonds,  
 4.75%, 9/1/00 1,770,0001,786,992

Housing Development Authority Revenue VRDN,  
 5.25%, 2/1/24,  
 LOC: Sumitomo Bank, Ltd. 2,200,000  
 2,200,000

Indiana - 0.3%

Shelbyville Economic Development Revenue  
 VRDN, 5.25%, 9/1/06,  
 LOC: Industrial Bank of Japan 1,700,000  
 1,700,000

Louisiana - 0.3%

St. Tammany Parish Hospital Services Revenue  
 Bonds,  
 5.00%, 7/1/99 1,760,0001,760,070

Maine - 0.5%

Finance Authority MFH Revenue VRDN, 5.25%,  
 9/1/18,  
 LOC: Sakura Bank 2,935,0002,941,075

Maryland - 3.5%

Baltimore Revenue Bonds, The Zamoiski  
 Company Project,  
 6.061%, 12/1/09 7,110,1707,110,170

Health and Higher Educational Facilities  
 Authority Revenue Bonds,  
 5.50%, 7/1/99 2,855,0002,855,171

Montgomery County Economic Development  
 Bonds, 5.25%, 11/1/09,  
 LOC: FNB of Maryland 850,000 851,675

State and Local Facilities GO Bonds,  
 5.00%, 3/1/00 8,000,0008,091,760

Massachusetts - 1.1%

Municipal Wholesale Electric Power Company  
 Revenue Bonds,  
 6.25%, 7/1/99 6,025,0006,025,422

Michigan - 1.1%

Building Authority Revenue Bonds, 4.25%,  
 10/15/00 3,915,000  
 3,942,092

Housing Development Authority LO Revenue  
VRDN,  
5.00%, 10/1/11 995,000 993,119  
Housing Development Authority Revenue Bonds,  
6.00%, 10/1/11,  
(Escrowed in U.S. Treasury Obligations)2  
70,000 270,467  
Strategic LO Revenue VRDN, 5.70%, 11/1/09,  
LOC: Tokai Bank Ltd. 800,000 800,000

Minnesota - 2.5%  
Edina MFH Revenue VRDN, 5.00%, 7/1/25  
6,340,000 6,340,254  
St. Paul Port Authority Revenue VRDN,  
4.40%, 7/1/12 7,165,000 7,164,785

Mississippi - 3.2%  
Highway Revenue Bonds, 4.50%, 6/1/01  
17,370,000 17,510,176

Nebraska - 0.5%  
University of Nebraska Facilities Corp.  
Revenue Bonds,  
4.25%, 7/15/00 2,525,000 2,544,518

Nevada - 3.6%  
Housing Division Revenue VRDN, 5.50%,  
10/1/20,  
LOC: Sumitomo Bank, Ltd. 19,500,000  
19,500,000

Principal

Municipal Obligations - (Cont'd)  
Amount Value  
New Hampshire - 0.0%  
Higher Education & Health Revenue Bonds,  
7.50%, 12/1/00,  
FGIC Insured \$75,000 \$75,212

New Jersey - 0.9%  
State Turnpike Authority Revenue Bonds,  
5.60%, 1/1/00 5,000,000 5,051,600

New York - 24.8%  
Dormitory Authority Revenue Bonds,  
5.00%, 2/15/00 3,460,000 3,493,700  
5.00%, 2/15/01 3,865,000 3,907,747  
Long Island Power Authority Revenue Bonds,  
4.25%, 4/1/01 25,670,000 25,664,

Nassau County GO Bonds, 5.125%, 3/1/00,  
 AMBAC Insured 4,330,000 4,381,224

New York City GO Bonds,  
 5.25%, 8/1/99 2,900,000 2,904,505  
 4.25%, 8/1/00 9,005,000 9,070,466  
 5.00%, 8/1/01 2,000,000 2,031,160

New York City IDA Revenue VRDN, 4.00%,  
 1/1/24,  
 BPA: Bank of New York 18,085,000 18,085,  
 000

New York City Municipal Water and Sewer  
 System Revenue  
 VRDN, 3.75%, 6/15/29, BPA:  
 Bank of New York 16,500,000 16,500,  
 000

Port Authority New York and New Jersey,  
 Special Obligation  
 Revenue Bonds, 6.25%, 10/1/99 2,700,000  
 2,714,418

State COPs Revenue Bonds,  
 4.75%, 2/1/00 13,915,000 14,018,  
 110  
 4.75%, 2/1/01 13,635,000 13,735,  
 899  
 4.00%, 3/1/01 5,830,000 5,804,640  
 4.25%, 9/1/01 8,465,000 8,459,328

Thruway Authority Highway and Bridge Revenue  
 Bonds,  
 4.75%, 4/1/00, AMBAC Insured 3,675,000  
 3,714,396

Ohio - 2.2%

Lorraine County Hospital Revenue Bonds,  
 5.00%, 9/1/99 2,000,000 2,005,360

Water Development Authority Revenue VRDN,  
 4.25%, 6/1/33 10,000,000 9,926,800

Pennsylvania - 1.6%

Northeastern Hospital Authority Revenue  
 VRDN, 7.65%, 7/1/10,  
 (Prerefunded 7/1/99 @ 102) 3,590,000  
 3,662,195

Philadelphia Airport Revenue Bonds,  
 5.25%, 6/15/00, FGIC Insured 3,690,000  
 3,747,453

Philadelphia Hospitals & Higher Education  
 Revenue Bonds,  
 5.35%, 7/1/99 1,335,000 1,335,067

Puerto Rico - 5.3%

Commonwealth GO Bonds, 5.50%, 7/1/99  
 10,200,000      10,200,510  
 Commonwealth Highway and Transportation  
 Authority Revenue  
   Bonds, 4.25%, 7/1/00      12,490,000 12,583,  
 925  
 Commonwealth Highway and Transportation  
 Authority Revenue  
   Bonds, 3.85%, 7/1/10      6,000,000 6,000,000  
  
 South Carolina - 0.6%  
 Education Assistance Revenue Bonds,  
   4.75%, 9/1/01              3,375,000 3,409,155

Principal

Municipal Obligations - (Cont'd)  
 Amount Value  
 Tennessee - 0.9%  
 Knox County Health Educational Hospital  
 Facility Revenue Bonds,  
   7.00%, 1/1/15, MBIA Insured      \$4,450,000  
 \$4,618,077

Texas - 10.8%  
 Brazos River Authority Revenue Bonds,  
   4.15%, 6/1/30              35,000,000 34,966,  
 750  
 Harris County IDA Revenue VRDN,  
   5.25%, 8/1/01, LOC:  
   Bank of Tokyo, Mitsubishi      3,250,000  
 3,250,000  
   5.25%, 8/1/01, LOC: Sakura Bank  
 300,000              300,000  
 Tax and Revenue Anticipation Notes,  
   4.50%, 8/31/99              20,000,000 20,032,  
 200

Vermont - 5.8%  
 Student Assistance Corp. Promissory Notes,  
   3.75%, 12/15/99              6,705,000 6,705,000  
   6.50%, 6/15/00, AMBAC Insured      2,000,000  
 2,051,800  
   4.10%, 12/15/00              10,855,000 10,826,  
 126  
   4.55%, 12/15/00              11,830,000 11,935,  
 642

Virginia - 3.0%  
 Fairfax County Public Improvement GO Bonds,

4.00%, 6/1/00	10,550,000	10,608,764
Public School Authority Revenue Bonds,		
4.25%, 8/1/99	5,520,000	5,524,030
Virgin Islands - 0.2%		
Virgin Islands Public Finance Authority		
Revenue Bonds,		
5.00%, 10/1/00	1,000,000	1,012,640
Washington - 0.9%		
Public Power Supply Revenue Bonds,		
4.50%, 7/1/99	1,935,000	1,935,058
7.30%, 7/1/00	3,000,000	3,106,170
Wisconsin - 2.6%		
De Pere IDA Revenue VRDN, 4.20%, 6/1/2910,		
000,000	9,986,100	
GO Bonds, 5.10%, 5/1/01	4,000,000	4,061,840
Wyoming - 1.6%		
Housing Development Revenue Bonds,		
3.75%, 6/1/01	8,600,000	8,560,440
Other - 1.1%		
Fort Mojave Indian Tribe of Arizona,		
California and Nevada Public		
Facilities Combined LO and Revenue Bonds		
Adjustable Rate		
and Tender Series A of 1993,		
10.75%, 12/1/18	3,880,180	3,880,180
Lehman Brothers Pooled Trust Receipts,		
3.90%, 7/1/12,		
BPA: Bank of America,		
LOC: Industrial Bank of Japan 2,300,000		
2,300,000		
TOTAL INVESTMENTS (Cost \$596,429,902) -		
110.1%	596,495,998	
Payable for investments purchased - (9.9%)		
(54,065,189)		
Other assets and liabilities, net - (0.2%)		
(842,134)		
Net Assets - 100.0%		
\$541,588,675		

Net Assets Consist of:  
Paid in capital applicable to 50,776,973

shares of beneficial interest,  
 unlimited number of no par value shares  
 authorized \$541,378,658  
 Undistributed net investment income (loss)  
 107,866  
 Accumulated realized gain (loss) on  
 investments 36,055  
 Net unrealized appreciation (depreciation)  
 on investments 66,096  
  
 Net Assets \$541,588,675

Net Asset Value Per Share  
 \$10.67

See notes to financial statements.

Long-Term Portfolio  
 Statement of Net assets  
 June 30, 1999

	Principal	Amount
Municipal Obligations - 98.7%		
Value		
Arizona - 7.5%		
Maricopa County School District 69 GO Bonds, 6.25%, 7/1/14, FSA Insured	\$2,000,000	\$2,216 ,880
Tucson GO Bonds, 5.50%, 7/1/18	2,000,000	2,057,220
California - 1.9%		
Los Angeles Unified School District GO Bonds, 6.00%, 7/1/15, FGIC Insured	1,000,000	1,089,610
Colorado - 3.5%		
Central City MFH Revenue VRDN, 3.90%, 12/25/30, LOC: Texas Commerce	2,000,000	2,000,000
Florida - 7.8%		
Dade County GO Bonds, 7.75%, 10/1/18, AMBAC Insured	2,000,000	2,589,440
Dade County IDA Revenue Bonds, 8.00%, 6/1/22	1,700,000	1,846,353
Georgia - 7.0%		

Atlanta Water and Wastewater Revenue Bonds,  
 5.50%, 11/1/22,  
     FGIC Insured                      2,000,000 2,050,340  
 GO Bonds, 5.00%, 7/1/14    2,000,000 1,961,840

Illinois - 5.2%  
 Housing Development Authority VRDN, 5.35%,  
 2/1/24,  
     LOC: Sumitomo Bank Ltd.              2,990,000  
 2,990,000

Kentucky - 1.8%  
 IDA Revenue VRDN, 3.55%, 2/1/08, LOC:  
     National City Bank              1,000,000 1,000,000

Louisiana - 3.2%  
 Public Facility Authority MFH Revenue Bonds,  
 7.00%, 6/1/24                      1,660,000 1,798,311

Maryland - 4.1%  
 Cambridge Economic Development Revenue  
 Bonds,  
     8.50%, 4/1/14                      2,100,000 2,335,578

Massachusetts - 10.8%  
 Bay Transportation Authority Revenue Bonds,  
 5.50%, 3/1/15,  
     MBIA Insured                      2,500,000 2,582,225  
 GO Bonds, 5.25%, 8/1/18    2,000,000 1,995,120  
 Water Resource Authority Revenue Bonds,  
 5.50%,  
     8/1/15, FSA Insured              1,500,000 1,550,220

Michigan - 1.8%  
 State Trunk Line Revenue Bonds,  
     5.50%, 11/1/18                      1,000,000 1,023,930

Principal

Municipal Obligations - (Cont'd)  
 Amount Value  
 New York - 4.8%  
 New York and New Jersey Port Authority,  
 Consolidated Revenue  
     Bonds, 6.125%, 6/1/2094              \$2,500,000  
 \$2,750,200

North Carolina - 3.2%  
 Community Health Care Facility-Duke  
 University Revenue Bonds,

4.75%, 6/1/21	1,000,000	893,400
Eastern Municipal Power Agency Revenue Bonds,		
4.50%, 1/1/24	1,040,000	935,938
Ohio - 3.2%		
State Turnpike Commission Revenue Bonds,		
5.50%, 2/15/26,		
FGIC Insured	1,800,000	1,843,146
Puerto Rico - 8.5%		
Commonwealth Highway and Transportation Authority		
Revenue Bonds, 6.00%,		
7/1/18, MBIA Insured	2,000,000	2,181,520
Commonwealth Highway and Transportation Authority		
Revenue Bonds, 4.75%, 7/1/38	3,000,000	
		2,648,880
Rhode Island - 1.0%		
Port Authority & Economic Development Corp. Airport Revenue		
Bonds, Series A, 7.00%, 7/1/14,		
FSA Insured	500,000	579,300
Tennessee - 3.9%		
Coffee County IDA Revenue VRDN, 4.40%,		
5/1/12,		
LOC: Barnett Bank of South Florida		
2,200,000	2,200,000	
Texas - 3.7%		
Tarrant County Health Facilities Development Corp. Revenue Bonds,		
Taxes Health Resources, 5.75%, 2/15/15,		
MBIA Insured	2,000,000	2,096,860
Vermont - 3.2%		
Education & Health Buildings Financing Agency Revenue Bonds,		
5.00%, 11/1/38,	2,000,000	1,818,760
Virginia - 2.5%		
Fairfax County Water Authority Revenue Bonds,		
5.00%, 4/1/21	1,500,000	1,438,440
Washington - 4.3%		
Central Puget Sound Regional Transportation Authority		



Revenue Bonds, 5.25%, 2/1/21,  
FGIC Insured 2,500,000 2,458,675

Other - 5.8%  
Lehman Brothers Pooled Trust Receipts VRDN,  
3.90%, 7/1/12,  
BPA: Bank of America, LOC:  
Industrial Bank of Japan 3,300,000  
3,300,000

Total Municipal Obligations (Cost  
\$56,823,371) 56,232,186

Options Purchased - 0.1% Contracts Value  
Put Options on September U.S. Treasury Bond  
Futures, Expiration 100  
8/20/99, Strike price 114  
\$75,000

Total Options (Premium \$72,875)  
75,000

TOTAL INVESTMENTS  
(Cost and Premium \$56,896,246) - 98.8%  
56,307,186  
Other assets and liabilities, net - 1.2%  
661,453  
Net Assets - 100.0% \$56,968,639

Net Assets Consist of:  
Paid in capital applicable to the following  
3,545,837 shares of  
beneficial interest, unlimited number of  
no par value  
shares authorized \$57,152,702  
Undistributed net investment income (loss)  
5,673  
Accumulated net realized gain (loss) on  
investments 399,324  
Net unrealized appreciation (depreciation)  
on investments (589,060)

Net Assets \$56,968,639

Net Asset Value Per Share  
\$16.07

Explanation of Guarantees:  
BPA: Bond-Purchase Agreement IA: Invest

ment Agreement  
 C/LOC: Collateralized LOC                    LOC: Letter  
 of Credit  
 CONF: Confirming Letter of Credit  
 SURBD: Surety Bond  
 GA: Guaranty Agreement    TOA: Tender Option  
 Agreement  
 GIC: Guaranteed Investment Contract

Abbreviations:

AMBAC: American Municipal Bond Assurance  
 Corp  
 IRB: Industrial Building Authority  
 COPs: Certificates of Participation  
 LO: Limited Obligation  
 FGIC: Financial Guaranty Insurance Company  
 MBIA: Municipal Bond Insurance Association  
 GFC: Governmental Financing Commission  
 MFH: Multi-Family Housing  
 GO: General Obligation  
 VRDN: Variable Rate Demand Notes  
 IDA: Industrial Development Authority

Certain securities have optional or  
 mandatory tender features which give them a  
 shorter effective maturity date.

See notes to financial statements.

Statements of Operations  
 six months ended june 30, 1999

	Money Market	Limited-Term	Long-Term
Net Investment Income	Portfolio	Portfolio	Portfolio
Investment Income			
Interest income	\$28,659,655	\$11,278,897	\$1,461,676
Expenses			
Investment advisory fee	1,608,693	1,606,303	173,413
Transfer agency fees and expenses	992,843	168,073	18,608
Distribution Plan expenses:			
Class A	----	----	31,142
Class T	7,784	----	----
Trustees' fees and expenses	69,629	23,341	

2,521			
Administrative fees:			
Class O	1,772,845	19,976	1,319
Institutional Class	69,770	----	----
Class T	8,095	----	----
Accounting fees	30,381	22,660	7,384
Custodian fees	77,132	26,537	1,125
Registration fees	32,971	14,756	9,432
Reports to shareholders	153,475		29,249
4,321			
Professional fees	31,640	10,849	1,141
Miscellaneous	86,404	19,612	2,771
Total expenses	4,941,662	1,941,356	253
,177			
Fees paid indirectly	(118,481)	(52,276)	
(7,676)			
Net expenses	4,823,181	1,889,080	245,501
Net Investment Income	23,836,474	9,389,	
817	1,216,175		

Realized and Unrealized Gain  
(Loss) on Investments  
Net realized gain (loss) on securities 35,151  
36,055 401,200  
Change in unrealized  
appreciation or (depreciation) ---- (2,466,2  
04) (2,810,650)

Net Realized and Unrealized  
Gain (Loss) on Investments ---- (2,430,  
149) (2,409,450)

Increase (Decrease) in Net Assets  
Resulting from  
Operations \$23,871,625 \$6,959,668 (\$1,193  
,275)  
See notes to financial statements.

Money Market Portfolio  
Statements of Changes in Net Assets

Six Months Ended Y

ear Ended

June 30, December

31,

Increase (Decrease) in Net Assets

1999 1998

Operations

Net investment income	\$23,836,474	\$50,552,253
Net realized gain (loss)	35,151	203,276

Increase (Decrease) in Net Assets		
Resulting from Operations	23,871,625	50,755,529

Distributions to shareholders from		
Net investment income:		
Class O shares	(19,469,608)	(44,484,980)
Institutional Class shares	(4,532,699)	(6,074,676)
Class T shares	(86,040)	----
Total distributions	(24,088,347)	(50,559,656)

Capital share transactions:

Shares sold:		
Class O shares	950,398,846	1,893,035,372
Institutional Class shares	1,762,008,451	2,253,311,523
Class T shares	47,386,432	----
Reinvestment of distributions:		
Class O shares	18,979,614	43,565,798
Institutional Class shares	2,443,868	3,808,687
Class T Shares	83,052	
Shares redeemed:		
Class O shares	(1,000,203,955)	(1,986,801,809)
Institutional Class shares	(1,669,790,498)	(2,061,263,513)
Class T shares	(16,446,708)	----
Total capital share transactions	94,859,102	145,656,058

Total Increase (Decrease) in Net Assets	94,642,380	145,851,931
---	------------	-------------

Net Assets	
Beginning of period	1,602,288,529
End of period (including undistributed net investment income of \$7,487 and \$259,360, respectively)	1,643,658,916

\$1,696,930,909\$1,602,288,529

	Six Months Ended	
Year Ended	June 30,	December
31,		
Capital Share Activity	1999	1998
Shares sold:		
Class O shares	950,398,846	1,893,035,372
Institutional Class shares	1,762,008,451	2,253,311,523
Class T shares	47,386,432	----
Reinvestment of distributions:		
Class O shares	18,979,614	43,565,798
Institutional Class shares	2,443,868	3,808,687
Class T shares	83,052	----
Shares redeemed:		
Class O shares	(1,000,203,955)	(1,986,801,809)
Institutional Class shares	(1,669,790,498)	(2,061,263,513)
Class T shares	(16,446,708)	----
Total capital share activity	94,859,102	145,656,058

See notes to financial statements.

#### Limited-Term 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	\$9,389,817	\$18,873,747
Net realized gain (loss)		36,055
Change in unrealized appreciation or (depreciation)	(2,466,204)	614,093

Increase (Decrease) in Net Assets  
Resulting from Operations

6,959,668      19,678,441

Distributions to shareholders from:

Net investment income (9,369,153) (18,875,335)

Net realized gain on investments  
(20,908)      (73,203)

Total distributions (9,390,061) (18,948,538)

Capital share transactions:

Shares sold      140,924,663  
321,420,461

Reinvestment of distributions:  
7,902,948      15,624,101

Shares redeemed      (152,020,623) (280,742,089)

Total capital share transactions  
(3,193,012)      56,302,473

Total Increase (Decrease) in Net Assets

(5,623,405)      57,032,376

Net Assets

Beginning of period      547,212,080  
490,179,704

End of period (including undistributed net investment

income of \$107,866 and \$87,202, respectively) \$541,588,675  
\$547,212,080

Capital Share Activity

Shares sold      13,159,544  
30,000,403

Reinvestment of distributions      739,379  
1,460,415

Shares redeemed      (14,195,113) (26,196,065)

Total capital share activity      (296,190)  
5,264,753

See notes to financial statements.

Long-Term Portfolio

Statements of Changes in Net Assets

## Six Months Ended

Year Ended

June 30, December

2011,

Increase (Decrease) in Net Assets

2011 2010

Operations

Net investment income	\$1,216,175	\$2,532,798
-----------------------	-------------	-------------

Net realized gain (loss)		401,200
	1,608,740	

Change in unrealized appreciation or (depreciation)	(2,810,650)	(1,389,917)
---	-------------	-------------

Increase (Decrease) in Net Assets

Resulting from Operations

	(1,193,275)	2,751,621
--	-------------	-----------

Distributions to shareholders from:

Net investment income	(1,215,208)	(2,569,096)
-----------------------	-------------	-------------

Net realized gain on investments	(245,663)	(1,694,387)
----------------------------------	-----------	-------------

Total distributions	(1,460,871)	(4,263,483)
---------------------	-------------	-------------

Capital share transactions:

Shares sold	7,153,003	15,227,311
Reinvestment of distributions	1,242,091	3,601,187

Shares redeemed	(6,449,756)	(10,604,794)
-----------------	-------------	--------------

Total capital share transactions	1,945,338	8,223,704
----------------------------------	-----------	-----------

Total Increase (Decrease) in Net Assets

	(708,808)	6,711,842
--	-----------	-----------

Net Assets

Beginning of period	57,677,447	50,965,605
---------------------	------------	------------

End of period (including undistributed net investment

income of \$5,673 and \$4,706, respectively)	\$56,968,639	\$57,677,447
--	--------------	--------------

Capital Share Activity

Shares sold	428,704	884,903
-------------	---------	---------

Reinvestment of distributions	74,977	
-------------------------------	--------	--

211,682  
Shares redeemed (388,789) (615,866)  
Total capital share activity 114,892  
480,719  
See notes to financial statements.

## Notes To Financial Statements

Note A -- Significant Accounting Policies  
General: Calvert Tax-Free Reserves (the "Fund") is registered under the Investment Company Act of 1940 as as an open-end management investment company. The Fund is comprised of five separate portfolios, three of which are reported herein; Money Market, Limited-Term and Long-Term. Money Market and Limited-Term are registered as diversified portfolios and Long-Term as a non-diversified portfolio. The operations of each portfolio are accounted for separately. Each Portfolio offers shares of beneficial interest. Money Market Class O and Institutional Class shares are sold without a sales charge. Institutional Class shares require a minimum account balance of \$1,000,000 and have a lower expense ratio than Class O Shares. Shares of Limited-Term and Long-Term are sold with a maximum front-end sales charge of 1.00% and 3.75%, respectively.  
Effective March 1, 1999, Money Market began to offer Class T Shares. Class T shares are sold to investors with brokerage accounts at The Advisors Group, Inc. Class T Shares are sold without a sales charge. Security Valuation: 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. Securities (including options) listed or traded on a national securities exchange are valued at the last reported sale price. All securities for Money Market are valued at amortized cost which approximates market. 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 Trustees.

**Options:** Long-Term may write or purchase option securities. The option premium is the basis for recognition of unrealized or realized gain or loss on the option. The cost of securities acquired or the proceeds from securities sold through the exercise of the option is adjusted by the amount of the premium. Risks from writing or purchasing option securities arise from possible illiquidity of the options market and the movement in the value of the investment or in interest rates. The risk associated with purchasing options is limited to the premium originally paid.

**Futures Contracts:** Long-Term may enter into futures contracts agreeing to buy or sell a financial instrument for a set price at a future date. The Portfolio maintains securities with a value equal to its obligation under each contract. Initial margin deposits of either cash or securities are made upon entering into futures contracts; thereafter, variation margin payments are made or received daily reflecting the change in market value.

Unrealized or realized gains and losses are recognized based on the change in market value. Risks of futures contracts arise from the possible illiquidity of the futures markets and the movement in the value of the investment or in interest rates.

**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. Investment income and realized gains and losses are allocated to separate classes of shares based upon the relative net assets of each class. Expenses arising in connection with a class are charged directly to that class. Expenses common to the classes are allocated to each class in proportion to their relative net assets.

**Distributions to Shareholders:** Distributions to shareholders are recorded by the Fund on ex-dividend date. Dividends from net investment income are accrued daily and paid monthly for Money Market; dividends from net investment income are declared and paid monthly for Limited-Term and Long-Term. 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 Fund'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 Fund 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 Fund'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 Fund 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

Trustees of the Fund. For its services, the Advisor receives monthly fees based on the following annual rates of average daily net assets:

	First \$500 Million	Next \$500 Million	Over \$1 Bi llion
Money Market	.25%	.20%	.15%
Limited-Term	.60%	.50%	.40%
Long-Term		.60%	.50%
	.40%		

Under the terms of the agreement, \$469,255, \$310,730, and \$35,669 were payable at period end for Money Market, Limited-Term and Long-Term, respectively.

Calvert Administrative Services Company, an affiliate of the Advisor, provides administrative services to the Fund for an annual fee. Class O, Class T and Institutional Class of Money Market pay annual rates of .26%, .26% and .05%, respectively, based on their average daily net assets. The remaining portfolios of the Fund pay monthly an annual fee, of \$80,000, which is allocated between the Portfolios based on their relative net assets. Under the terms of the agreement, \$304,670 and \$3,357 were payable at period end for Money Market and Limited-Term, respectively.

Calvert Distributors, Inc., an affiliate of the Advisor, is the distributor and principal underwriter for the Fund. Distribution Plans, adopted by Class T of Money Market and Long-Term, allow the Portfolio to pay the distributor for expenses and services associated

with distribution of shares. The expenses paid may not exceed an annual rate of average daily net assets of .25% on Class T of Money Market and .35% on Long-Term. The Distributor paid \$2,335 in addition to the commissions charged on sales of Limited-Term. The Distributor received \$9,592 as its portion of commissions charged on sales of Long-Term. Under the terms of the agreement, \$6,268 and \$4,279 were payable at period end for Money Market and

Long-Term, respectively.

Calvert Shareholder Services, Inc. ("CSSI"), an affiliate of the Advisor, is the shareholder servicing agent for the Fund. For its services, CSSI received fees of \$543,527, \$21,403, and \$2,250 for the six months ended June 30, 1999 for Money Market, Limited-Term and Long-Term, respectively. Under the terms of the agreement, \$82,341, \$3,123, and \$365 were payable at period end for Money Market, Limited-Term and Long-Term, respectively. National Financial Data Services, Inc., is the transfer and dividend disbursing agent.

Each Trustee who is not affiliated with the Advisor received an annual fee of \$20,500 plus up to \$1,500 for each Board and Committee meeting attended. Trustee fees are allocated to each of the funds served.

#### Note C -- Investment Activity

During the period, purchases and sales of investments, other than short-term securities, were:

	Limited-Term	Long-term
Purchases	\$127,545,210	
\$19,802,668		
Sales	78,575,050	
20,730,017		

Money Market held only short-term investments.

The cost of investments owned at June 30, 1999 was substantially the same for federal income tax and financial reporting purposes for each Portfolio.

The following table presents the components of net unrealized appreciation (depreciation) as of June 30, 1999:

	Money Market	Limited-Term	Long-Term
Unrealized appreciation--	\$722,318	\$986,290	
Unrealized depreciation--	656,222	1,575,350	
Net	--	\$66,096	
(\$589,060)			

As a cash management practice, Portfolios

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,
Class 0 Shares	1999	1998	1997
Net asset value, beginning	\$1.00	\$1.00	\$1.00
Income from investment operations			
Net investment income	.014	.032	.033
Distributions from			
Net investment income	(.014)	(.032)	(.033)
Net asset value, ending	\$1.00	\$1.00	\$1.00
Total return*	1.43%	3.22%	3.38%
Ratios to average net assets:			
Net investment income	2.82% (a)	3.17%	3.32%
Total expenses	+.66% (a)	.65%	.65%
Net expenses	.64% (a)	.64%	.64%
Net assets, ending (in thousands)	\$1,324,298	\$1,355,322	\$1,405,350
Number of shares outstanding,			
ending (in thousands)	1,324,338	1,355,203	

1,405,404

	Years Ended		
	December 31,	December 31,	December 31,
Class O Shares	1996	1995	1994
Net asset value, beginning	\$1.00	\$1.00	\$1.00
Income from investment operations			
Net investment income	.033	.040	.028
Distributions from			
Net investment income	(.033)	(.040)	(.028)
Net asset value, ending	\$1.00	\$1.00	\$1.00
Total return*	3.33%	4.02%	2.81%
Ratios to average net assets:			
Net investment income	3.28%	3.93%	2.75%
Total expenses +	.65%	.62%	--
Net expenses	.64%	.61%	.62%
Net assets, ending (in thousands)	\$1,550,731	\$1,740,839	\$1,344,595
Number of shares outstanding,			
ending (in thousands)	1,550,724	1,740,948	1,344,668

#### Money Market Portfolio Financial Highlights

	Periods Ended	
	June 30,	December 31,
Institutional Class/MMP++	1999	1998
1997		
Net asset value, beginning	\$1.00	\$1.00
Income from investment operations		
Net investment income	.016	.035
Distributions from		
Net investment income	(.016)	(.035)
Net asset value, ending	\$1.00	\$1.00
Total return*	1.60%	3.58%
3.12%		
Ratios to average net assets:		

Net investment income	3.23% (a)	3.54%
	3.37%	
Total expenses +	.31% (a)	.30%
Net expenses	.30% (a)	.29%
Expenses reimbursed	---	--
		(.04%)
Net assets, ending (in thousands)	\$341,608	\$246,967
		\$51,087
Number of shares outstanding,		
ending (in thousands)	341,602	246,941
		151,084

Periods Ended

	December 31,	December 31,
	ber 31,	
Institutional Class/MMP++		1996
1995^		
Net asset value, beginning		\$1.00
\$1.00		
Income from investment operations		
Net investment income	.030	.008
Distributions from		
Net investment income	(.030)	(.008)
Net asset value, ending	\$1.00	\$1.00

Total return*	2.68%
.79%	

Ratios to average net assets:

Net investment income	2.65%	3.19% (a)
Total expenses +	1.29%	1.35% (a)
Net expenses	1.28%	1.34% (a)
Net assets, ending (in thousands)		
\$33,160	\$41,736	
Number of shares outstanding,		
ending (in thousands)	33,153	41,732

Money Market Portfolio  
Financial Highlights

	Period Ended
	June 30,
	1999^^
Class T Shares	
Net asset value, beginning	
\$1.00	
Income from investment operations	
Net investment income	.010
Distributions from	
Net investment income	(.010)
Net asset value, ending	\$1.00

Total return\*  
.95%

Ratios to average net assets:

Net investment income	2.81%	(a)
Total expenses +	.76%	(a)
Net expenses	.75%	(a)

Net assets, ending (in thousands)  
\$31,024

Number of shares outstanding,  
ending (in thousands) 31,023

Limited-Term Portfolio  
Financial Highlights

Periods Ended	June 30,	December 31,	December 31,
	1999	1998	1997
Net asset value, beginning	\$10.71	\$10.71	\$10.70
	\$10.69		
Income from investment operations			
Net investment income	.18	.40	.42
Net realized and unrealized gain (loss)	(.04)	.01	.01
Total from investment operations	.14	.41	.43
Distributions from			
Net investment income	(.18)	(.40)	(.42)
Net realized gains	----	----	----
Total distributions	(.18)	(.40)	(.42)
Total increase (decrease) in net asset value		(.04)	.01
	.01		
Net asset value, ending	\$10.67	\$10.71	\$10.70
Total return*	1.35%	3.87%	4.07%
Ratios to average net assets:			
Net investment income	3.46%	(a)	3.70%
	3.91%		
Total expenses +	.71%	(a)	.70%
Net expenses	.70%	(a)	.69%
Portfolio turnover	25%	45%	52%
Net assets, ending (in thousands)	\$541,589	\$547,212	\$490,180
Number of shares outstanding, ending (in thousands)	50,777	51,073	45,808



Years Ended	December 31,	December 31,	Decem
ber 31,	1996	1995	1994
Net asset value, beginning	\$10.72	\$10.72	\$10.59
Income from investment operations			
Net investment income	.44	.45	.39
Net realized and unrealized gain (loss)	(.03)	.13	(.13)
Total from investment operations	.41	.58	.26
Distributions from			
Net investment income	(.44)	(.45)	(.39)
Total increase (decrease) in net asset value	(.03)	.13	(.13)
Net asset value, ending	\$10.69	\$10.72	\$10.59
Total return*	2.42%	3.94%	5.55%
Ratios to average net assets:			
Net investment income	4.12%	4.21%	3.60%
Total expenses +	.71%	.71%	--
Net expenses	.70%	.70%	.66%
Portfolio turnover	45%	33%	27%
Net assets, ending (in thousands)	\$457,707	\$544,822	\$512,342
Number of shares outstanding, ending (in thousands)	47,922	42,690	51,424

## Long-Term Portfolio Financial Highlights

Periods Ended	June 30,	December 31,	Decem
ber 31,	1999	1998	1997
Net asset value, beginning	\$16.81	\$16.81	\$17.28
Income from investment operations			
Net investment income	.35	.78	.87
Net realized and unrealized gain (loss)	(.67)	.06	.50
Total from investment operations	(.32)	.84	1.37
Distributions from			
Net investment income	(.35)	(.80)	(.87)
Net realized gains	(.07)	(.51)	(.03)

Total distributions	(.42)	(1.31)	(.90)
Total increase (decrease) in net asset value		(.74)	(.47)
	.47		
Net asset value, ending	\$16.07	\$16.81	\$17.28
Total return *	(1.96%)	5.01%	8.41%
Ratios to average net assets:			
Net investment income	4.21%(a)	4.58%	5.16%
Total expenses +	.88%(a)	.87%	.87%
Net expenses	.85%(a)	.84%	.85%
Portfolio turnover	41%	72%	41%
Net assets, ending (in thousands)	\$56,969		
	\$57,677	\$50,966	
Number of shares outstanding, ending (in thousands)	3,546	3,431	2,950

Years Ended

	December 31,	December 31,	December 31,
	1996	1995	1994
Net asset value, beginning	\$17.31	\$17.15	\$15.83
Income from investment operations			
Net investment income	.93	.95	.93
Net realized and unrealized gain (loss)	(.46)	1.53	(1.33)
Total from investments	.47		2.48
	(.40)		
Distributions from			
Net investment income	(.95)	(.91)	(.92)
Net realized gains	(.02)	(.09)	--
Total distributions	(.97)	(1.00)	(.92)
Total increase (decrease) in net asset value	(.50)	1.48	(1.32)
Net asset value, ending	\$16.81	\$17.31	\$15.83

Total return *	2.89%	16.05%	(2.30%)
Ratios to average net assets:			
Net investment income	5.50%	5.71%	5.73%
Total expenses +	.89%	.87%	--
Net expenses	.86%	.85%	.81%
Portfolio turnover	41%	58%	98%
Net assets, ending (in thousands)	\$57,359	\$47,267	\$52,945
Number of shares outstanding, ending (in thousands)	3,149	3,314	2,985

(a) Annualized

\* Total return is not annualized for periods less than one year and does not reflect

deduction of Class A front-end sales charge.  
 + 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 October 2, 1995 inception.

^^ From March 1, 1999 inception.

++ On August 1, 1997, Class MMP changed its name and was converted to the Institutional Class, with a lower expected expense ratio. See notes to financial statements.

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 and the number of votes received for, against, and votes to abstain is shown below. All proposals were passed.

Proposal 1 - To elect the Board of Trustees.

Nominees	Money Market		Limited-Term	
	For	Against	For	Against
Richard L. Baird, Jr.	687,316,584	170,308,761	28,946,843	3,413,009
Frank H. Blatz, Jr.	716,887,895	140,737,450	8,974,514	3,385,338
Frederick T. Borts	712,906,245	144,719,100	28,947,869	3,411,983
Charles E. Diehl	715,297,621	142,327,724	28,981,574	3,378,278
Douglas E. Feldman	713,527,879	144,097,466	29,012,979	3,346,873
Peter W. Gavian	717,742,438	139,882,907	29,033,197	3,326,655
John G. Guffey, Jr.	700,495,332	157,130,013	9,354,278	3,005,574
Barbara J. Krumsiek	718,008,732	139,616,613	29,786,367	2,573,485
M. Charito Kruvant	717,588,557	140,036,788	29,776,783	2,583,069
Arthur J. Pugh	717,702,207	139,923,138	29,777,881	2,581,971
David R. Rochat	717,944,633	139,680,712	29,783,140	2,576,712

D. Wayne Silby 716,652,898 140,972,447 29,769,763 2,590,089

Long-Term

Nominees	For	Against
Richard L. Baird, Jr.	2,125,174	81,718
Frank H. Blatz, Jr.	2,124,883	82,009
Frederick T. Borts	2,118,816	88,076
Charles E. Diehl	2,113,558	93,334
Douglas E. Feldman	2,120,987	85,905
Peter W. Gavian	2,123,387	83,505
John G. Guffey, Jr.	2,079,577	127,315
Barbara J. Krumsiek	2,122,592	84,300
M. Charito Kruvant	2,120,811	86,081
Arthur J. Pugh	2,116,841	90,051
David R. Rochat	2,126,664	80,228
D. Wayne Silby	2,126,664	80,228

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.

	For	Against	Abstain	Broker Non-Vote
Money Market	739,346,632	31,001,761	185,197,939	2,079,013
Limited-Term	24,575,184	2,733,003	1,654,873	396,792
Long-Term	1,843,012	79,411	112,012	172,457

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

	For	Against	Abstain
Money Market	745,251,986	17,801,279	85,572,079
Limited-Term	28,226,898	2,580,010	1,552,943
Long-Term	2,057,121	85,458	64,311

Proposal 4 - To change the fundamental

policy concerning credit quality to a non-fundamental policy, allowing Limited-Term and Long-Term to invest in non-investment grade securities.

	For	Against	Abstain	Broker Non-Vote
Limited-Term	21,787,396,792	2245,387,121	11,788,715	3,926,792
Long-Term	1,756,172,457	922200,928	76,585	

Proposal 5 - To change Long-Term from a diversified to a non-diversified fund.

	For	Against	Abstain	Broker Non-Vote
Long-Term	1,710,195,100	289212,899	88,604	

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

	For	Against	Abstain
Money Market	770,916,991	17,669,171	179,039,181
Limited-Term	30,366,944	105,177	1,887,730
Long-Term	40,513	2,121,920	44,457

## 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).

Calvert  
Tax-Free  
Reserves

This report is intended to provide fund information to shareholders. It is not authorized for distribution to prospective investors unless preceded or accompanied by a prospectus.

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Calvert Distributors, Inc.  
4550 Montgomery Avenue  
Suite 1000 North  
Bethesda, Maryland 20814

Calvert Group's  
Family of Funds

Tax-Exempt Money Market Funds  
CTFR Money Market Portfolio  
CTFR California Money Market Portfolio

Taxable Money Market Funds  
First Government Money Market Fund  
CSIF Money Market Portfolio

Balanced Fund  
CSIF Balanced Portfolio

Municipal Funds  
CTFR Limited-Term Portfolio  
CTFR Long-Term Portfolio  
CTFR Vermont Municipal Portfolio  
National Muni. Intermediate Portfolio  
California Muni. Intermediate Portfolio  
Maryland Muni. Intermediate Portfolio  
Virginia Muni. Intermediate Portfolio

Taxable Bond Funds  
CSIF Bond Portfolio  
Income Fund

Equity Funds  
CSIF Managed Index Portfolio  
CSIF Equity Portfolio  
Capital Accumulation Fund  
CWV International Equity Fund  
New Vision Small Cap Fund  
New Africa Fund

4550 Montgomery Avenue  
Suite 1000 North



Bethesda, Maryland 20814

June 30, 1999

SEMI-ANNUAL

REPORT

CALVERT TAX-FREE RESERVES CALIFORNIA MONEY  
MARKET  
PORTFOLIO

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Dear Shareholders:

Here is your semi-annual report for the six-month period ending June 30, 1999. For the most current information regarding the performance of your fund, please visit our recently redesigned Website at [www.calvertgroup.com](http://www.calvertgroup.com).

In reviewing our recently redesigned Website, you will see that we now offer more interactive information tools to help you make the most informed investment decisions. At [www.calvertgroup.com](http://www.calvertgroup.com) you will find fund performance, profiles and literature, as well as a rich array of information on socially responsible and tax free investing. Our site also includes company profiles, issues briefs and our award winning "Know What You Own(r)" service.

Of special note, we have taken online disclosure a step further this month by publishing the entire portfolio holdings for each of our equity funds. Calvert Group is the first mutual fund family to provide a complete listing of holdings on a monthly basis.

Of course, knowing how a fund has performed is as important as knowing the companies that are in a Portfolio. I'm pleased to report that a significant number of our funds have received a three-star or better Morningstar rating for their performance over the past three years. For performance over the same time frame, two funds -- Calvert Income Fund and Calvert Tax-Free Reserves Limited Term Portfolio -- received Morningstar's superlative five-star rating.<sup>1</sup> More detail about your fund's performance is included in this report.

As always, we encourage investors to make decisions based on your financial objectives and tolerance for risk. You should routinely review your asset allocation to be sure you are positioned at a comfortable risk level. Your financial professional can suggest strategies that keep you on track to meet long-term financial objectives without exposing you to undue levels of risk.

We appreciate your investment in Calvert Group funds and look forward to providing competitive returns in the future.

Sincerely,

Barbara J. Krumsiek  
President and CEO  
July 20, 1999

1 A Morningstar five-star ranking indicates that the fund is in the top 10% of all investment companies in a category, a four star ranking indicates that the fund is in the next 22.5%, and a three-star ranking is in the middle 35%.

Tom Dailey is a member of the CAMCO portfolio management team.

Calvert Tax-Free Reserves California Money Market Portfolio seeks to earn the highest level of interest income exempt from federal and California state income taxes as is consistent with prudent investment management, preservation of capital and the quality and maturity characteristics of the Portfolio.

Fund  
Information

asset allocation  
California tax-exempt  
money market

NASDAQ symbol  
CTCXX

CUSIP number  
131620-50-2

Calvert Tax-Free Reserves California Money  
Market Portfolio

How did the Fund perform?

The California Money Market Portfolio's return for the semi-annual period ending June 30, 1999 was 1.36%. This was above the 1.17% return for the Lipper California Tax Exempt Money Market Funds Average.

How would you characterize the investment climate over the past six months?

The U.S. economy continued to expand through the first half of 1999, thanks both to relentless consumer spending and the stabilization of economies around the world after economic crisis in Brazil, Asia, and Japan.

The task of identifying a sufficient supply of tax-free money market securities was made difficult by the low issuance of such securities and an investor preference to keep cash in short-term funds. It wasn't until the tax season that there was an ample amount of securities to pick and choose from. In June, the annual issuance of municipal notes also brought much needed supply to the market.

What was your strategy for this period?

Since supply was scarce early in the year, finding fairly-priced securities proved difficult and we were forced to bide our time until money flowed out of tax exempt funds for April tax payments. These redemptions forced other fund managers into selling securities to raise cash -- which made it easier to find attractively priced securities, and we were presented with an opportunity to extend the average maturity of the Fund.

Given the likelihood of the Federal Reserve raising rates toward the end of June, tax exempt rates were too low on a taxable equivalent basis when the first one-year municipal notes were issued earlier in the month. Therefore, we did not initially participate in buying these. In fact, the Federal Reserve did raise rates a quarter of a point on June 30, 1999. Once enough supply of one-year notes arrived, the rates on these securities rose to a more reasonable

level and we began to buy a few of these issues, extending the Fund's average maturity to 62 days.

What is your outlook?

Even though the Federal Reserve removed its bias to raise rates further at the June Federal Open Market Committee meeting, we feel the economy will likely continue to expand and possibly force the Fed to raise rates again in the second half of 1999. We are also keeping a close eye on global economic events that could destabilize world markets and cause investors to seek the safety of U.S. money markets. Therefore, we will keep the portfolio very liquid in order to react quickly to changing market conditions.

July 20, 1999

Please remember, this discussion reflects the views and opinions of Calvert Asset Management Company at June 30, 1999, the end of the reporting period. Our strategy and the Fund's portfolio composition may differ due to ever-changing market and economic conditions. While historical performance is no guarantee of future results, it may give you a better and more thorough understanding of our investment decisions and management philosophy.

#### COMPARATIVE MONTH-END YIELDS

IBC's State

CTFR	Specific SB&GP	
California		Tax-Free Money
Money Market	Market	Averages
6.30.99	2.83%	2.57%
5.31.99	3.10%	2.71%
4.30.99	2.83%	2.46%
3.31.99	2.63%	2.30%
2.28.99	2.30%	2.03%
1.31.99	2.67%	2.42%
12.31.98	2.86%	2.61%

Total returns assume reinvestment of dividends. Past performance is no guarantee of future results. Sources: IBC's Money Fund

Portfolio  
statistics

weighted  
average maturity  
6.30.99                    62 days  
12.31.98                    60 days

credit quality  
distribution

as of 6.30.99

PIE CHART HERE  
First Tier 99%  
Second Tier 1%

All securities in Calvert Group money market  
funds are eligible securities under rule 2a-  
7 of the Investment Company  
Act of 1940. First Tier Securities are  
eligible securities rated in the highest  
rating category  
for short-term debt  
obligations by at least  
two of the Nationally Recognized Statistical  
Ratings Organizations. Second Tier  
Securities are eligible securities not in  
the First Tier.

average annual  
total return

as of 6.30.99  
1 year 2.90%  
5 year 3.26%  
inception                    3.58%  
(10.16.89)

Statement of Net Assets  
June 30, 1999

	Principal	Amount
Municipal Obligations -	105.8%	
Value		
California -	100.4%	
ABN Amro California Munitops Certificates		
Trust VRDN,		

3.60%, 8/1/24, BPA: ABN Amro  
 Bank, INSUR: FGIC \$3,000,000 \$3,000,000  
 Alameda County Tax & Revenue  
 Anticipation Notes, 4.50%, 7/7/99  
 15,000,000 15,002,141  
 Buena Park Community Development Authority  
 VRDN,  
 4.8825%, 12/28/99, GA: Mass  
 Mutual Life Insurance 6,800,000 6,800,000  
 Community College Financing Authority VRDN:  
 3.35%, 9/30/99 5,224,500 5,224,500  
 3.35%, 9/30/99, INSUR: FSA 580,500  
 580,500  
 Contra Costa County MFH Revenue VRDN, 3.45%,  
 10/20/28,  
 LOC: State Street Bank & Trust  
 7,385,000 7,385,000  
 Fresno MFH VRDN, 5.65%, 5/1/15,  
 LOC: Tokai Bank, Ltd. 1,188,000 1,188,000  
 Housing Finance Agency Revenue VRDN:  
 3.45%, 8/1/10, TOA: Citibank,  
 INSUR: MBIA 2,410,000 2,410,000  
 3.57%, 8/1/14, BPA: Banco Santander,  
 INSUR: MBIA 6,940,000 6,940,000  
 Inland Valley Development Agency Tax  
 Allocation VRDN,  
 3.20%, 3/1/27, CONF: Cal Sters,  
 LOC: Union Bank of California 10,000,000  
 10,000,000  
 Los Angeles Community Redevelopment MFH  
 Revenue VRDN,  
 3.60%, 12/1/05, LOC: Industrial Bank of  
 Japan,  
 SA: Bank of America 18,000,000 18,000,000  
 Los Angeles Convention & Exhibition Center  
 Authority Lease Revenue  
 VRDN, 3.57%, 8/15/18, BPA: Merrill Lynch,  
 INSUR: MBIA 13,500,000 13,500,000  
 Los Angeles County MFH Revenue VRDN:  
 3.35%, 12/1/07, CONF: Federal  
 Home Loan Bank 3,000,000 3,000,000  
 5.50%, 11/1/09, LOC: Industrial  
 Bank of Japan 5,000,000 5,000,000  
 Los Angeles County Schools Fixed Rate Trust  
 Receipts:  
 3.35%, 9/30/99, 18,979,171 18,979,171  
 3.35%, 9/30/99, INSUR: FSA 2,115,829

2,115,829  
Los Angeles County Tax & Revenue  
Anticipation Notes,  
4.00%, 6/30/99 20,000,000 20,131  
,200  
Los Angeles Transportation Community Sales  
Tax Revenue VRDN,  
3.45%, 8/20/03, LOC: Credit Suisse,  
INSUR: MBIA 7,890,000 7,890,000  
Marin County Housing Authority MFH Revenue  
VRDN,  
5.65%, 10/15/29, LOC: Dai-Ichi  
Kangyo Bank 18,450,000 18,450  
,000  
Metropolitan Water District Bonds, 3.05%,  
7/9/99,  
BPA: Westdeutsche Landes 21,700,000  
21,700,000  
Midway School District COPs VRDN, 4.00%,  
2/1/23,  
LOC: Union Bank of California 4,965,000  
4,965,000  
Modesto Irrigation District Financing  
Authority Revenue VRDN,  
3.57%, 10/1/15, BPA:  
Societe Generale, INSUR: MBIA 14,000,000  
14,000,000  
Oakland Tax and Revenue Anticipation  
Notes, 4.25%, 9/30/99 9,000,000 9,026,330  
Oceanside MFH Revenue VRDN, 3.75%, 8/1/17,  
SURBD: Continental Casualty Co.  
6,040,000 6,040,000  
Ontario Revenue VRDN, 3.25%, 10/1/26, CONF:  
Cal Sters,  
LOC: Union Bank of California 7,770,000  
7,770,000  
Orange County Apartment Development Revenue  
VRDN:  
3.65%, 11/1/08, LOC: Banque Paribas  
9,400,000 9,400,000  
6.00%, 11/1/08, LOC: Tokai Bank Ltd.  
3,400,000 3,400,000

Principal

Municipal Obligations - (Cont'd)  
Amount Value  
Orange County MFH Authority VRDN, 3.65%,  
5/1/22,  
LOC: Banque Paribas \$3,600,000 \$3,600



,000  
Palmdale School District Project Lease VRDN,  
3.90%, 12/13/10,  
LOC: National Westminster Bank  
10,429,999 10,429,999  
Paramount MFH Authority VRDN, 4.17%,  
10/1/18,  
LOC: Heller Financial 4,250,000 4,250,000  
Pitney Bowes Credit Corporation LeaseTOPS  
Trust Certificates  
VRDN, 4.04%, 10/1/18, BPA: Pitney Bowes  
Credit,  
INSUR: AMBAC 17,439,909 17,439  
,909  
Riverside County Tax & Revenue  
Anticipation Notes, 4.50%, 9/30/99  
6,000,000 6,022,056  
Riverside MFH Revenue VRDN, 5.55%, 6/1/09,  
LOC: Tokai Bank, Ltd. 975,000 975,000  
Sacramento County VRDN, 3.30%, 9/30/99,  
BPA: Bank of New York 18,100,000 18,100  
,000  
San Bernardino COPs VRDN, 4.55%, 3/1/24,  
LOC: Bank Tokyo Mitsubishi 4,050,000  
4,050,000  
San Bernardino MFH Revenue VRDN, 3.65%,  
6/1/05,  
LOC: Household Federal Savings  
2,000,000 2,000,000  
San Diego Area Local Government COPs Tax &  
Revenue  
Anticipation Notes, 4.50%, 9/30/99  
4,600,000 4,615,870  
San Francisco Redevelopment MFH VRDN:  
3.25%, 10/1/00, LOC: Credit Suisse  
8,630,000 8,630,000  
3.05%, 12/1/05, LOC: Bank One, AZ  
9,300,000 9,300,000  
San Marcos IDA VRDN, 3.82%, 12/1/20,  
LOC: Union Bank California 1,465,000  
1,465,000  
Schools Cash Reserve Program Authority  
Revenue Notes:  
4.50%, 7/2/99, 13,551,000 13,551,  
272  
4.50%, 7/2/99, INSUR: AMBAC 1,449,029  
1,309,053  
4.00%, 7/3/99, 14,466,172 14,555,  
283  
4.00%, 7/3/99, INSUR: AMBAC 1,578,828  
1,588,554

State Revenue Anticipation Notes VRDN,  
3.20%, 12/1/32, 12,600,000 12,600,000

State Transportation Finance Authority VRDN,  
3.75%, 10/1/27,  
BPA: Continental Casualty Co.,  
INSUR: FSA 9,000,000 9,000,000

Statewide Community Development Authority  
MFH VRDN:  
3.35%, 9/30/99, BPA: Bank of  
New York: 7,497,000 7,497,000  
3.35%, 9/30/99, BPA: Bank of New  
York: INSUR: FSA 833,000 833,000  
3.75%, 3/25/25, LOC: Chase Manhattan  
2,530,000 2,530,000  
3.20%, 6/1/26, LOC: Dresdner Bank  
3,300,000 3,300,000  
3.80%, 7/1/27, LOC: Banque Paribas  
4,170,000 4,170,000

Stockton Heritage Convalescent Center  
Project VRDN,  
5.425%, 12/1/05, LOC: Tokai Bank, Ltd. 1  
,055,000 1,055,000

Union City MFH Authority Revenue VRDN,  
5.25%, 10/1/07,  
CONF: Den Danske Bank,  
LOC: Credit Lyonnais 9,500,000 9,500,000

Vallejo IDA Revenue VRDN, 3.55%, 12/1/23,  
LOC: Wells Fargo Bank 5,300,000 5,300,000

Victorville MFH Revenue VRDN, 3.90%,  
12/1/15,  
C/LOC: Redlands S&L 6,585,000 6,585,000

Principal

Municipal Obligations - (Cont'd)  
Amount Value

Puerto Rico - 5.4%  
Electric Power Authority GO VRDN, 3.34%,  
7/1/22,  
BPA: Societe Generale, INSUR: MBIA  
\$8,200,000 \$8,200,000

Infrastructure GO VRDN, 3.54%, 7/1/28,  
BPA: Merrill Lynch, INSUR: AMBAC  
7,665,000 7,665,000

Tax & Revenue Anticipation Notes,  
3.50%, 7/30/99 7,000,000 7,002,718

TOTAL INVESTMENTS		
(Cost \$449,157,361) - 105.8%		
449,157,361		
Payable for investments		
purchased - (8.5%)		
(36,275,037)		
Other assets and liabilities, net -		
2.7%	11,603,530	
Net Assets - 100%		\$424,485,854

Net Assets Consist Of:

Paid in capital applicable to	424,614,833
shares of beneficial interest,	
unlimited number of no par value shares	
authorized	\$424,614,874
Undistributed net investment income (loss)	
3,779	
Accumulated realized gain/(loss) on	
investments	(132,799)

Net Assets	\$424,485,854
------------	---------------

Net Asset Value Per Share

\$1.00

Explanation of Guarantees:Abbreviations:

BPA: Bond-Purchase Agreement  
 AMBAC: American Municipal Bond Assurance Corp.  
 CONF: Confirming Letter of Credit  
 COPs: Certificates of Participation  
 GA: Guaranty Agreement  
 FGIC: Financial Guaranty Insurance Company  
 IA: Investment Agreement  
 FSA: Financial Security Advisor  
 INSUR: Insurance  
 GO: General Obligation  
 LOC: Letter of Credit  
 IDA: Industrial Development Authority  
 C/LOC: Collateralized  
 LOCMBIA: Municipal Bond Insurance Association  
 SA: Swap Agreement  
 MFH: Multi-Family Housing  
 SURBD: Surety Bond  
 VRDN: Variable Rate Demand Note  
 TOA: Tender Option Agreement

See notes to financial statements.

Statement of Operations

six months ended June 30, 1999

Net Investment Income

Investment Income

Interest income \$7,316,311

Expenses

Investment advisory fee	1,089,231
Transfer agency fees and expenses	230,247
Accounting fees	20,720
Trustees' fees and expenses	19,537
Administrative fees	16,018
Custodian fees	20,272
Registration fees	(23,796)
Reports to shareholders	45,250
Professional fees	8,777
Miscellaneous	17,478
Total expenses	1,443,734
Fees paid indirectly	(34,896)
Net expenses	1,408,838

Net Investment Income 5,907,473

Realized Gain (Loss) on Investments

Net realized gain (loss) (17,324)

Increase (Decrease) in Net Assets  
Resulting from Operations

\$5,890,149

See notes to financial statements.

Statements of Changes in Net Assets

	Six Months Ended	Year E
nded	June 30,	December
31,	1999	1998
Increase (Decrease) in Net Assets		
Operations		
Net investment income	\$5,907,473	\$11,690,354
Net realized gain (loss) on securities	(17,324)	16,197

Increase (Decrease) in Net Assets



management investment company. The operations of each series are accounted for separately. The Portfolio offers shares of beneficial interest to the public with no sales charges.

**Security Valuation:** Securities are valued at amortized cost which approximates market.

**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 earned 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 from 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 Portfolios' 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 Trustees of the Fund. For its services, the Advisor receives a monthly fee based on the following annual rates of average daily net assets: .50% on the first \$500 million, .45% on the next \$500 million and .40% on the excess of \$1 billion. Under the terms of the agreement, \$220,759 was payable at period end.

Calvert Administrative Services Company, an affiliate of the Advisor, provides administrative services to the Fund for an annual fee. The Fund (exclusive of the Money Market portfolio) pays monthly an annual fee of \$80,000, which is allocated between the Portfolios based on their relative net assets. Under the terms of the agreement, \$2,632 was payable at period end.

Calvert Distributors, Inc., an affiliate of the Advisor, is the distributor and principal underwriter for the Portfolio.

Calvert Shareholder Services, Inc. (CSSI), an affiliate of the Advisor, is the shareholder servicing agent for the Fund. For its services, CSSI received a fee of \$118,717 for the six months ended June 30, 1999. Under the terms of the agreement, \$19,346 was payable at period end. National Financial Data Services, Inc. is the transfer and dividend disbursing agent.

Each Trustee who is not affiliated with the Advisor received an annual fee of \$20,500 plus up to \$1,500 for each Board and Committee meeting attended. Trustee's fees are allocated to each of the funds 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. The table below presents the net capital loss carryforwards as of December 31, 1998 with expiration dates:

Capital Loss Carryforwards Dates	Expiration
\$115,124	12/31/03
351	12/31/04

Capital loss carryforwards may be utilized to offset current and future capital gains until expiration.

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.

## Financial Highlights



	Periods Ended		
	June 30,	Dec. 31,	Dec. 31,
	1999	1998	1997
Net asset value, beginning	\$1.00		\$1.00
\$1.00			
Income from investment operations			
Net investment income	.014	.031	.032
Distributions from			
Net investment income	(.014)	(.031)	(.032)
Net asset value, ending	\$1.00	\$1.00	\$1.00
Total return		1.36%	3.19%
3.28%			
Ratios to average net assets:			
Net investment income	2.71% (a)		3.13%
3.22%			
Total expenses	+.66% (a)	.67%	.66%
Net expenses	.65% (a)	.65%	.65%
Expenses reimbursed	----	.02%	.05%
Net assets, ending (in thousands)	\$424,486		
\$437,575	\$321,001		
Number of shares outstanding,			
ending (in thousands)	424,615	437,673	321,126

	Years Ended		
	Dec. 31,	Dec. 31,	Dec. 31,
	1996	1995	1994
Net asset value, beginning	\$1.00		\$1.00
\$1.00			
Income from investment operations			
Net investment income	.031	.037	.026
Distributions from			
Net investment income	(.031)	(.037)	(.026)
Net asset value, ending	\$1.00	\$1.00	\$1.00
Total return		3.17%	3.78%*
2.62% *			
Ratios to average net assets:			
Net investment income	3.14%	3.69%	2.55%
Total expenses +	.69%	.76%	--
Net expenses	.68%	.75%	.69%
Expenses reimbursed	.03%	----	----
Net assets, ending (in thousands)	\$346,008		
\$300,351	\$260,719		
Number of shares outstanding,			
ending (in thousands)	346,124	300,544	260,716

(a) Annualized

\* Total return numbers do not reflect the Tender Option Agreement. On December 15,

1994, the Portfolio entered into a Tendered Option Agreement with the Advisor valued at \$600,000 to secure payment of an "at risk" investment. On June 30, 1995, the investment paid the Portfolio in full and the Option expired unused. The expiration loss was applied against the Advisor's capital contribution of the Option.

+ Effective December 31, 1995, this ratio reflects total expenses before reduction of fees paid indirectly; such reductions are included in the ratio of net expenses. Total expenses are presented net of expense waivers and reimbursements.

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 and the number of votes received for, against, and votes to abstain is shown below. All proposals were passed.

Proposal 1 - To elect the Board of Trustees.

Nominees	For	Against
Richard L. Baird, Jr.	212,645	26216,981,995
Frank H. Blatz, Jr.	212,334	41517,292,842
Frederick T. Borts	212,093	66317,533,594
Charles E. Diehl	212,436	68217,190,575
Douglas E. Feldman	212,237	00917,390,248
Peter W. Gavian	212,593	87417,033,383
John G. Guffey, Jr.	207,891	19221,736,065
Barbara J. Krumsiek	212,755	89716,871,360
M. Charito Kruvant	212,515	67517,111,582
Arthur J. Pugh	212,467	15017,160,107
David R. Rochat	212,575	45417,051,803
D. Wayne Silby	212,392	35917,234,898

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.

For            Against    Abstain    Broker    Non-Vote

213,157,700                    4,700,27411,136,741632  
,542

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

For	Against	Abstain
216,164,487		2,800,26610,662,503

Proposal 4 - To ratify the Board's selection of auditors, PricewaterhouseCoopers LLP.

For	Against	Abstain
217,104,905		1,509,54311,012,808

### 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).

Calvert  
Tax-Free  
Reserves  
California  
Money  
Market  
Portfolio

This report is intended to provide fund information to shareholders. It is not authorized for distribution to prospective investors unless preceded or accompanied by a prospectus.

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Principal Underwriter  
Calvert Distributors, Inc.  
4550 Montgomery Avenue  
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Bethesda, Maryland 20814

Calvert Group's  
Family of Funds

Tax-Exempt Money Market Funds  
CTFR Money Market Portfolio  
CTFR California Money Market Portfolio

Taxable Money Market Funds  
First Government Money Market Fund  
CSIF Money Market Portfolio

Balanced Fund  
CSIF Balanced Portfolio

Municipal Funds  
CTFR Limited-Term Portfolio  
CTFR Long-Term Portfolio  
CTFR Vermont Municipal Portfolio  
National Muni. Intermediate Portfolio  
California Muni. Intermediate Portfolio  
Maryland Muni. Intermediate Portfolio  
Virginia Muni. Intermediate Portfolio

Taxable Bond Funds  
CSIF Bond Portfolio  
Income Fund

Equity Funds  
CSIF Managed Index Portfolio  
CSIF Equity Portfolio  
Capital Accumulation Fund  
CWV International Equity Fund  
New Vision Small Cap Fund  
New Africa Fund

June 30, 1999

semi-annual

report

Calvert Tax-Free Reserves Vermont Municipal  
Portfolio

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Dear Shareholders:

Here is your semi-annual report for the six-month period ending

June 30, 1999. For the most current information regarding the performance of your fund, please visit our recently redesigned

Web site at [www.calvertgroup.com](http://www.calvertgroup.com).

In reviewing our recently redesigned Web site, you will see that we now offer more interactive information tools to help you make the most informed investment decisions. At [www.calvertgroup.com](http://www.calvertgroup.com) you will find fund performance, profiles and

literature, as well as a rich array of information on socially responsible and tax free investing. Our site also includes company profiles, issues briefs and our award winning "Know What You Own(R)" service.

Of special note, we have taken online disclosure a step further this month by publishing the entire portfolio holdings for each of our equity funds. Calvert Group is the first mutual fund family to provide a complete listing of holdings on a monthly basis.

Of course, knowing how a fund has performed is as important as knowing the companies that are in a Portfolio. I'm pleased to report that a significant number of our funds have received a three-star or better Morningstar rating for their performance over the past three years. For performance over the same time frame, two funds -- Calvert Income Fund and Calvert Tax-Free Reserves Limited Term Portfolio -- received Morningstar's superlative five-star rating.<sup>1</sup> More detail about your fund's performance is included in this report.

As always, we encourage investors to make decisions based on your financial objectives and tolerance for risk. You should routinely review your asset allocation to be sure you are positioned at a comfortable risk level. Your financial professional can suggest strategies that keep you on track to meet long-term financial objectives without exposing you to undue levels of risk.

We appreciate your investment in Calvert Group funds and look forward to providing competitive returns in the future.

Sincerely,

Barbara J. Krumsiek  
President and CEO



July 20, 1999

1 A Morningstar five-star ranking indicates that the fund is in the top 10% of all investment companies in a category, a four star ranking indicates that the fund is in the next 22.5%, and a three-star ranking is in the middle 35%.

Emmett Long is a member of the CAMCO portfolio management team.

Calvert Tax-Free Reserves Vermont Municipal Portfolio seeks to earn the highest level of interest income exempt from Vermont and federal income taxes as is consistent with prudent investment management, preservation of capital, and the quality characteristics of the Portfolio.

Fund  
Information

asset allocation  
Vermont long-term  
tax-exempt bonds

NASDAQ symbol  
CGVTX

CUSIP number  
131620-70-0

Calvert tax-free reserves Vermont Municipal  
Portfolio

How did the Fund perform?  
For the six-month period ending 6/30 the Fund had a return of -2.00% vs. the Lipper Other States Municipal Debt Funds Average of -1.18%. This was due to a lessening of demand for Vermont bonds that had previously commanded a premium price. While our duration was in line with our benchmark, we shortened the Portfolio slightly going into the second quarter.

How would you characterize the investment

climate over the past six months?  
 As 1998 closed, we anticipated that the economy would slow to the point where the Fed would have to cut rates rather than raise them. Surprisingly, the economy continued on its torrid pace of growth. When it became clear that consumer appetite for goods and services was continuing to surge, we shortened our portfolio to better reflect our interest rate outlook for the near term. Late in the second quarter of 1999, the Federal Reserve adopted a tightening bias, although the market had already priced in a 50 basis point tightening and the long bond was trading near six percent for the first time in almost a year. By the time the Federal Reserve met on June 30, and increased the fed funds rate by one quarter of one percent (25 basis points), the market was prepared.

What was your strategy for this period?  
 Managing a Vermont fund provides its own set of unique challenges -- the largest one being the lack of supply of Vermont issues. We try to participate in most every new issue that comes to market in Vermont, but restrictions placed on issues to benefit individual investors in the state have hindered our participation. In the first quarter of 1999, we were able to obtain a block of a new Middlebury College issue -- an attractive purchase given Middlebury College's fine reputation. It historically trades well in the market. We have been

Comparative Investment Performance

	CTFR Portfolio	Lipper Funds	Other States Average	Lehman Index TR
Vermont Municipal Municipal Bond				
6 month	-0.89%		2.00%	-1.18%
1 year	2.76%	1.35%	1.63%	
5 year*			5.81%	6.01%

7.00%  
10 year\* N/A N/A  
N/A

Investment performance does not reflect the deduction of any front-end sales charge. TR represents total return. Source: Lipper Analytical Services, Inc.  
\* Average annual return

able to supplement our Vermont portfolio with tax exempt issues from territories such as Puerto Rico and Guam.

What is your outlook?  
As stated earlier, the Federal Reserve raised rates at the end of June as a precaution against inflation. Having anticipated that move we shortened our portfolio maturity. The question that we are now evaluating is whether subsequent rate hikes will follow. In any event, we shall remain nimble, proactive, and alert to the possibility of rapid shifts in interest rates.

July 20, 1999

Please remember, this discussion reflects the views and opinions of Calvert Asset Management Company at June 30, 1999, the end of the reporting period. Our strategy and the Fund's portfolio composition may differ due to ever-changing market and economic conditions. While historical performance is no guarantee of future results, it may give you a better and more thorough understanding of our investment decisions and management philosophy.

Growth of a hypothetical \$10,000 investment

Total returns assume reinvestment of dividends and reflect the deduction of Fund's maximum front-end sales charge of 3.75%. No sales charge has been applied to the indices used for comparison. Past

performance is no guarantee of future returns.

LINE GRAPH HERE

CTFR Vermont Municipal Portfolio

\$15,941

Lehman Municipal Bond Fund Index TR

\$17,721

Lipper Other States Municipal Debt Funds

Average \$15,759

Portfolio

Statistics

monthly

dividend yield

6.30.99 4.08%

12.31.98 4.38%

30 day SEC yield

6.30.99 4.27%

12.31.98 4.12%

weighted

average maturity

6.30.99 17 years

12.31.98 16 years

effective duration

6.30.99 7.28 years

12.31.98 7.29 years

credit quality

distribution

as of 6.30.99

PIE CHART HERE

AAA 47%

AA 29%

A 14%

Cash & equivalents 10%

average annual

total return

as of 6.30.99

1 year -2.47%

5 year 5.01%

inception 5.81%

## Statement of Net Assets

June 30, 1999

	Principal	Amount
Municipal Obligations - 98.0%		
Value		
Vermont - 79.6%		
Burlington Electric Revenue Bonds, 6.375%, 7/1/10, MBIA Insured	\$3,125,000	\$3,471,281
Chittenden Solid Waste District GO Bonds, 6.60%, 1/1/12, Asset Guaranty Insured	2,000,000	2,146,000
Education and Health Revenue Bonds:		
5.75%, 9/1/05	580,000	596,449
6.60%, 12/1/14	1,000,000	1,073,430
5.00%, 11/15/15, AMBAC Insured		
2,000,000	1,915,740	
5.50%, 11/1/16	3,000,000	3,023,730
5.50%, 7/1/18	1,955,000	1,851,405
6.25%, 9/1/18	2,000,000	2,047,920
5.625%, 10/1/25, FSA Insured	1,000,000	
1,014,070		
5.00%, 11/1/38	3,000,000	2,728,140
Education and Health VRDN, 3.55%, 6/1/05, LOC: First National Bank of Boston		
1,985,000	1,985,000	
Housing Finance Authority Single Family Housing Bonds,		
7.20%, 11/1/11	575,000	585,051
IDA Revenue Bonds, 5.75%, 1/1/09, LOC: First Vermont Bank and Trust		
1,200,000	1,183,704	
Municipal Bond Bank Revenue Bonds, 5.50%, 12/1/22, AMBAC Insured	1,000,000	1,005,970
Rutland County Solid Waste GO Bonds:		
5.80%, 11/1/99	110,000	110,848
5.95%, 11/1/00	110,000	112,885
6.10%, 11/1/01	110,000	114,214
6.25%, 11/1/02	110,000	115,754
6.35%, 11/1/03	110,000	117,063
6.45%, 11/1/04	110,000	118,350
6.50%, 11/1/05	105,000	113,988
6.55%, 11/1/06	100,000	109,349
6.60%, 11/1/07	100,000	110,003
6.70%, 11/1/08	100,000	111,209

6.75%, 11/1/09	100,000	112,009
6.80%, 11/1/10	100,000	113,070
6.80%, 11/1/11	100,000	113,603
6.85%, 11/1/12	100,000	114,595
State Colleges Revenue Bonds, 5.125%, 7/1/18		
1,000,000	947,110	
State GO Bonds:		
6.30%, 1/15/06	2,500,000	2,730,025
Zero Coupon, 8/1/08	400,000	255,380
Zero Coupon, 8/1/09	300,000	181,053
5.00%, 1/15/11	3,000,000	2,984,340
6.45%, 2/1/12	1,950,000	2,090,244
State Industrial Redevelopment Revenue VRDN,		
4.125%, 12/1/04,		
LOC: First National Bank of Boston		
350,000	350,000	
Student Assistance Corporation Education		
Loan Revenue Bonds,		
6.50%, 12/15/05, FSA Insured	2,240,000	
2,384,973		

	Principal	
Municipal Obligations - (Cont'd)		
Amount Value		
Vermont - (Cont'd)		
University of Vermont and State Agriculture		
College Revenue Bonds,		
4.75%, 10/01/38, MBIA Insured	\$3,600,000	
\$3,167,136		
Total Vermont Municipal Obligations		
(Cost \$40,839,236)		41,305,091

Territories - 18.3%		
Guam Electric Power Authority Revenue Bonds,		
5.25%, 10/1/12,		
AMBAC Insured	2,000,000	2,030,420
Puerto Rico GO Bonds, 6.50%, 7/1/14		
1,690,000	1,916,899	
Puerto Rico Highway Electric Power Authority		
VRDN,		
3.34%, 7/1/22, BPA: Societe Generale		
1,200,000	1,200,000	
Puerto Rico Highway Transportation Authority		
Revenue Bonds:		
6.00%, 7/1/18, FSA Insured	1,000,000	
1,090,760		
4.75%, 7/1/38	3,000,000	2,648,880
Puerto Rico Infrastructure Financing		

Authority Revenue VRDN,  
3.27%, 7/1/28, BPA: Bank of America, AMBAC  
Insured  
600,000                      600,000

Total Territories Municipal Obligations  
(Cost \$9,844,447)                      9,486,959

Options Purchased 0.1% Contracts  
Put Options on September U.S. Treasury Bond  
Futures,  
Expiration 8/20/99, Strike price 114  
50    37,500

Total Options (Premium \$35,656)  
37,500

TOTAL INVESTMENTS (Cost and Premium  
\$50,719,339) - 98.0%  
50,829,550  
Other assets and liabilities, net -  
2.0%  
1,054,765  
Net Assets - 100%                      \$51,884,315

Net Assets Consist Of:  
Paid-in capital applicable to 3,324,121  
Class A shares of beneficial  
interest, unlimited number of no par  
shares authorized:  
\$51,049,629  
Undistributed net investment income (loss)  
151,912  
Accumulated net realized gain (loss) on  
investments                      572,563  
Net unrealized appreciation (depreciation)  
on investments                      110,211

Net assets                                      \$51,884,315

Net Asset Value Per Share  
\$15.61

Abbreviations:                      Explanation of  
Guarantees:  
AMBAC: AMBAC Indemnity Corporation BPA: Bond-  
Purchase Agreement  
FSA: Financial Security Assurance  
LOC: Letter of Credit  
GO: General Obligation

MBIA: MBIA Insurance Corporation  
VRDN: Variable Rate Demand Notes

See notes to financial statements.

Statement of Operations  
Six Months Ended June 30, 1999

Net Investment Income

Investment Income

Interest income \$1,327,635

Expenses

Investment advisory fee	153,366
Transfer agency fees and expenses	
17,715	
Trustees' fees and expenses	2,194
Accounting fees	7,148
Administrative fees	449
Custodian fees	7,477
Registration fees	3,507
Reports to shareholders	5,126
Professional fees	1,016
Miscellaneous	2,986
Total expenses	200,984
Fees paid indirectly	(7,100)
Net expenses	193,884

Net Investment Income 1,133,751

Realized and Unrealized Gain (Loss) on  
Investments

Net realized gain (loss) on securities  
572,563

Change in unrealized appreciation or  
(depreciation) (2,759,695)

Net Realized and Unrealized Gain  
(Loss) on Investments

(2,187,132)

Increase (Decrease) in Net Assets  
Resulting From Operations

(\$1,053,381)

See notes to financial statements.



Statements of Changes in Net Assets

Six Months Ended

Year Ended

June 30, December

1999 1998

Operations

Net investment income \$1,133,751 \$2,411,657

Net realized gain (loss) 572,563

Change in unrealized appreciation or (depreciation) (2,759,695) (258,557)

Increase (Decrease) in Net Assets Resulting From Operations (1,053,381)

2,850,264

Distributions to shareholders from:

Net investment income (1,129,502) (2,385,302)

Net realized gain ---- (953,229)

Total distributions (1,129,502) (3,338,531)

Capital share transactions:

Shares sold 5,888,757 6,525,371

Reinvestment of distributions 615,548

1,874,083

Shares redeemed (3,729,504) (6,812,642)

Total capital share transactions

2,774,801 1,586,812

Total Increase (Decrease) in Net Assets

591,918 1,098,545

Net Assets

Beginning of period 51,292,397 50,193,852

End of period (including undistributed net investment income of \$151,912 and \$147,663, respectively)

\$51,884,315 \$51,292,397

Capital Share Activity

Shares sold 366,990

397,896	
Reinvestment of distributions	38,310
114,634	
Shares redeemed	(231,672) (415,155)
Total capital share activity	173,628
97,375	

See notes to financial statements.

## Notes To Financial Statements

### Note A -- Significant Accounting Policies

General: The Vermont Municipal Portfolio (the "Portfolio"), a series of Calvert Tax-Free Reserves (the "Fund"), is registered under the Investment Company Act of 1940 as a nondiversified, open-end management investment company. The operations of each series are accounted for separately. Shares of the Portfolio are sold with a maximum front-end sales charge of 3.75%.

Security Valuation: 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. Securities (including options) listed or traded on a national securities exchange are valued at the last reported sale 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 Trustees.

Options: The Portfolio may write or purchase option securities. The option premium is the basis for recognition of unrealized or realized gain or loss on the option. The cost of securities acquired or the proceeds from securities sold through the exercise of the option is adjusted by the amount of the premium. Risks from writing or purchasing option securities arise from possible illiquidity of the options market and the movement in the value of the investment or in interest rates. The risk associated with purchasing

options is limited to the premium originally paid.

**Futures Contracts:** The Portfolio may enter into futures contracts agreeing to buy or sell a financial instrument for a set price at a future date. The Portfolio maintains securities with a value equal to its obligation under each contract. Initial margin deposits of either cash or securities are made upon entering into futures contracts; thereafter, variation margin payments are made or received daily reflecting the change in market value.

Unrealized or realized gains and losses are recognized based on the change in market value. Risks of futures contracts arise from the possible illiquidity of the futures markets and the movement in the value of the investment or in interest rates.

**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 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 liabili-

ties 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 Trustees of the Portfolio. For its services, the Advisor receives a monthly fee based on the following annual rates of average daily net assets: .60% on the first \$500 million, .50% on the next \$500 million and .40% on the excess of \$1 billion. Under the terms of the agreement, \$31,622 was payable at period end.

Calvert Administrative Services Company, an affiliate of the Advisor, provides administrative services to the Fund for an annual fee. The Fund (exclusive of the Money Market portfolio) pays monthly an annual fee of \$80,000, which is allocated between the Portfolios based on their relative net assets.

Calvert Distributors, Inc., an affiliate of the Advisor, is the distributor and principal underwriter for the Portfolio. The Distributor received \$22,467 as its portion of commissions charged on sales of the Portfolio.

Calvert Shareholder Services, Inc. ("CSSI"), an affiliate of the Advisor, is the shareholder servicing agent for the Portfolio. For its services, CSSI received a fee of \$2,527 for the six months ended June 30, 1999. Under the terms of the agreement, \$503 was payable at period end. National Financial Data Services, Inc., is the transfer and dividend disbursing agent. Each Trustee who is not affiliated with the Advisor received an annual fee of \$20,500 plus up to \$1,500 for each Board and Committee meeting attended. Trustee fees are allocated to each of the funds served.

#### Note C -- Investment Activity

During the period, purchases and sales of investments, other than short-term, were \$9,348,010 and \$11,661,128, 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 \$110,211, of which \$1,178,866 related to appreciated securities and \$1,068,655 related to depreciated securities. 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.

## Financial Highlights

	Periods Ended		
	June 30,	December 31,	Decem
ber 31,			
Class A Shares	1999	1998	1997
Net asset value, beginning	\$16.28		\$16.45
	\$16.33		
Income from investment operations			
Net investment income	.35	.78	.82
Net realized and unrealized			
gain (loss)	(.67)	.13	.26
Total from investment			
operations	(.32)	.91	1.08
Distributions from			
Net investment income	(.35)	(.77)	(.82)
Net realized gains ----	(.31)		(.14)
Total distributions	(.35)		(1.08)
	(.96)		
Total increase (decrease) in net			
asset value	(.67)	(.17)	.12
Net asset value, ending	\$15.61	\$16.28	\$16.45
Total return *	(2.00%)	5.67%	6.90%
Ratios to average net assets:			
Net investment income	4.44% (a)		4.73%
	5.11%		
Total expenses	+.79% (a)	.75%	.76%
Net expenses	.76% (a)	.72%	.73%
Portfolio turnover	19%	32%	14%
Net assets, ending (in thousands)			51,884
	\$51,292	\$50,194	
Number of shares outstanding,			
ending (in thousands)	3,324	3,150	3,052

	Years Ended		
	December 31,	December 31,	Decem
ber 31,			
Class A Shares	1996	1995	1994
Net asset value, beginning	\$16.62		\$15.34
	\$16.66		
Income from investment operations			
Net investment income	.88	.87	.87
Net realized and unrealized			
gain (loss)	(.25)	1.35	(1.35)
Total from investment			
operations	.63	2.22	(.48)

Distributions from

Net investment income(.85)	(.85)	(.84)
Net realized gains(.07)	(.09)	--
Total distributions	(.92)	(.94)

(.84)

Total increase (decrease) in net asset value

(.29)	1.28	(1.32)
-------	------	--------

Net asset value, ending\$16.33\$16.62 \$15.34

Total return \* 3.98% 14.86% (2.88%)

Ratios to average net assets:

Net investment income	5.27%	5.35%	5.47%
Total expenses +	.77%	.76%	--
Net expenses	.73%	.75%	.73%
Portfolio turnover	24%	12%	11%
Net assets, ending (in thousands)	\$49,774		
	\$60,203	\$64,215	
Number of shares outstanding,			
ending (in thousands)	3,048	3,621	4,185

(a) Annualized

\* Total return does not reflect deduction of Class A front-end sales charge.

+ 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.

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 and the number of votes received for, against, and votes to abstain is shown below. All proposals were passed. Proposal 1 - To elect the Board of Trustees.

Nominees	For	Against
Richard L. Baird, Jr.	1,797,362	104,898
Frank H. Blatz, Jr.	1,807,299	94,961
Frederick T. Borts	1,807,268	94,992
Charles E. Diehl	1,807,984	94,276
Douglas E. Feldman	1,807,984	94,276
Peter W. Gavian	1,816,869	85,391
John G. Guffey, Jr.	1,770,520	131,740
Barbara J. Krumsiek	1,819,652	82,608
M. Charito Kruvant	1,819,652	82,608
Arthur J. Pugh	1,816,869	85,391
David R. Rochat	1,819,652	82,608

D. Wayne Silby 1,820,873 81,387

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.

For	Against	Abstain
Broker Non-Vote		
1,494,105	44,927,101,738	261,490

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

For	Against	Abstain
1,802,676	13,749 85,834	

Proposal 4 - To change the fundamental policy concerning credit quality to a non-fundamental policy, allowing Vermont to invest in non-investment grade securities.

For	Against	Abstain
Broker Non-Vote		
1,364,319	147,537,128,914	261,490

Proposal 5 - Applied to a different fund in Calvert Tax-Free Reserves.

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

For	Against	Abstain
1,815,667	4,318 82,274	

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).

Calvert  
Tax-Free  
Reserves  
Vermont Municipal  
Portfolio

This report is intended to provide fund information to shareholders. It is not authorized for distribution to prospective investors unless preceded or accompanied by a prospectus.

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Calvert Group's  
Family of Funds

Tax-Exempt Money Market Funds  
CTFR Money Market Portfolio  
CTFR California Money Market Portfolio

Taxable Money Market Funds  
First Government Money Market Fund  
CSIF Money Market Portfolio

Balanced Fund  
CSIF Balanced Portfolio

Municipal Funds  
CTFR Limited-Term Portfolio  
CTFR Long-Term Portfolio  
CTFR Vermont Municipal Portfolio  
National Muni. Intermediate Portfolio  
California Muni. Intermediate Portfolio  
Maryland Muni. Intermediate Portfolio  
Virginia Muni. Intermediate Portfolio

Taxable Bond Funds  
CSIF Bond Portfolio  
Income Fund

Equity Funds  
CSIF Managed Index Portfolio  
CSIF Equity Portfolio  
Capital Accumulation Fund  
CWV International Equity Fund  
New Vision Small Cap Fund  
New Africa Fund