

**Massachusetts Development Finance Agency Short Term Asset Reserve Fund
("STAR Fund")**

**SUPPLEMENT DATED APRIL 29, 2026
TO THE INFORMATION STATEMENT DATED DECEMBER 30, 2021, AS
SUPPLEMENTED OCTOBER 1, 2024 AND NOVEMBER 19, 2025**

This Supplement supplies additional information with respect to the STAR Fund and should be read in conjunction with the Information Statement dated December 30, 2021, as supplemented October 1, 2024 and November 19, 2025. Terms used in this Supplement shall be as defined in the Information Statement, as supplemented.

STAR Fund's Investment Advisor now offers arbitrage rebate calculation services for proceeds of tax-advantaged borrowings, provided a Participant invests all of the proceeds subject to arbitrage rebate in the Fund on the same day as they are received by the Participant. This will enable the Investment Advisor to track the investment and expenditure of these funds. Arbitrage rebate services are provided at no out-of-pocket cost to Participants.

In the section titled "Investment Advisor" beginning on page 12, a new paragraph is added at the end of the section as follows:

- **Rebate Calculation Services.** Preparation and provision to Participants in the Fund, upon request, of interim rebate calculation estimates, rebate exception compliance reports and installment rebate calculation reports. If applicable, provision of notice to Participants prior to any expenditure test date related to any exception from rebate requirements and preparation of an exception compliance report.

In the section entitled "Tax Matters," beginning on page 14, the second paragraph titled "Arbitrage Rebate" is replaced with the following:

- **Arbitrage Rebate.** The Internal Revenue Code generally requires issuers of tax-advantaged debt obligations to yield restrict or rebate to the federal government their arbitrage profits derived from investment of gross proceeds in nonpurpose obligations. Various exceptions from the rebate requirements are available, and each Participant should consult with its bond counsel to determine whether and to what extent appropriate exceptions might be available. The investment by Participants of gross proceeds of tax-advantaged debt obligations in the Fund will be an investment in a nonpurpose obligation and will be taken into account in determining any rebate or yield restriction liability. Generally, the separate arbitrage rebate and yield restriction requirements are hereinafter referred to as arbitrage rebate, or simply rebate, requirements.

Following the section "Tax Matters," a new section is added as follows:

- **Arbitrage Rebate Compliance**
To further the objective of providing Participants with simplified arbitrage rebate compliance for proceeds of tax- advantaged debt obligations, the Fund has adopted the

following recommended set of practices. The Investment Advisor strongly recommends that they be followed to minimize the Participant's rebate compliance costs.

- 1) A Participant should deposit all the proceeds of a debt issue subject to arbitrage rebate in the Fund on the same day as they are received by the Participant. This will enable the Participant to track the investment and expenditure of these funds.
- 2) A Participant should identify all the proceeds of a debt issue subject to the same yield at the time of initial investment. A separate account should be established for each fund or group of funds having a different yield by completing an Account Application. The Investment Advisor will provide advice on the number and type of accounts that will be needed to provide a clear audit trail.
- 3) Federal tax law requires issuers of tax-advantaged obligations either to make certain rebate payments to the Federal government or to meet certain expenditure guidelines. If the Participant expects to meet one of the expenditure exceptions, it should notify the Investment Advisor when making its initial investment so the Investment Advisor can provide information regarding the expenditure of the proceeds of an issue.
- 4) If the Participant expects to make rebate payments, it should note that Federal tax law requires issuers of tax-advantaged debt obligations to meet certain rebate payment requirements at least every five years. However, a Participant may need to account for its rebate liability on an annual basis. The Investment Advisor can provide assistance with the preparation of rebate calculations annually or upon request (see - Rebate Calculation Services for the Proceeds of Debt Issues).
- 5) If the Participant is eligible and has elected to pay a penalty in lieu of making rebate payments, it is the Participant's responsibility to notify the Investment Advisor of this fact and provide the requested bond documents.
- 6) It is recommended that Participants not draw down the entire proceeds of a debt issue account before providing for any rebate requirement or penalty payment.

If any Participant and any parties related to the Participant own more than ten percent (10%) of the Shares of the Liquid Portfolio, such ownership may adversely affect the rebate liability of all Participants (see "Tax Matters").

Documentation of Market Price

The Investment Advisor will follow certain procedures to document that investments are purchased at a "market price" in accordance with requirements of the Internal Revenue Code and related rulings and regulations. These procedures include obtaining three bids or offers for all securities transactions on the secondary market, documenting transaction prices using independent pricing services, and following practices to avoid making

“prohibited payments” or receiving “imputed receipts” (as these terms are used in the applicable U.S. Treasury regulations) that improperly reduce the yield on investments.

Rebate Exception Services for the Proceeds of Debt Issues

Upon initial investment of the proceeds of a tax-advantaged debt issue, a Participant should inform the Investment Advisor if it expects to qualify for an expenditure exception to the Federal rebate requirements or if it has elected to pay a penalty in lieu of rebate. If the Investment Advisor has been so informed, the Investment Advisor will provide a notice to the Participant approximately thirty (30) days before any expenditure test date related to such an exception from the rebate requirements that tracks the cumulative percentage of proceeds of a debt issue drawn from funds invested in the Pool and compares the cumulative percentage of funds drawn to the requirements of the exception to assist the Participant in determining its eligibility for such exception. Approximately thirty (30) days after any expenditure test date, the Investment Advisor will provide a report (a “Rebate Exceptions Compliance Report”) to such Participant showing the cumulative percentage of the proceeds of a debt issue (including investment income) actually drawn and calculating the penalty, if any, due to the Internal Revenue Service if actual amounts drawn do not meet the expenditure test.

Rebate Calculation Services for the Proceeds of Debt Issues

With respect to proceeds of tax-advantaged debt-obligations invested in the Fund, including funds whose cash flows are tracked through Participant accounts in the Fund, the Investment Advisor will, upon request, provide interim rebate calculation estimates to enable Participants to estimate rebate liabilities for financial reporting purposes.

The Investment Advisor will provide each Participant who requests with a rebate calculation report (Rebate Calculation Report) for any given report period that summarizes calculations of:

- The allowable investment yield;
- Investment activities for the report Period; and
- A calculation of the rebate liability at the end of the report period using the methodology prescribed by the applicable U.S. Treasury Regulations.

When an account for the proceeds of a debt issue is opened, the Investment Advisor will request certain information from a Participant, including information necessary to permit scheduling of the Rebate Calculation Report or Rebate Exceptions Compliance Report. The Investment Advisor will require additional information from a Participant, including copies of the official statement, non-arbitrage or tax certificate, IRS Form 8038(-G), debt issue resolution and similar documents, before the first such Rebate Calculation Report or Rebate Exceptions Compliance Report can be prepared.

Normally, the Rebate Calculation Report will be completed and furnished to the Participant for each debt issue no later than thirty (30) days after a Computation Date, provided that the Participant has authorized its preparation and provided the necessary information to

the Investment Advisor, but a Participant may request that a Rebate Calculation Report be completed at shorter intervals. Every effort will be made to honor such requests although no assurance can be given that reports can be completed in a shorter time period.

Generally, there is no additional charge to the Participant for Rebate Exception or Rebate Calculation Services when all of the proceeds of a debt issue have been invested exclusively in the Fund from their date of issuance until the date of calculation of the Rebate Exceptions Compliance Report or Rebate Calculation Report. There will be a separate charge for each Rebate Exceptions Compliance Report or Rebate Calculation Report when the Participant has requested and instructed the Investment Advisor to include the investment by the Participant of proceeds of a debt issue outside of the Fund. If applicable, any such fee for a Rebate Exceptions Compliance Report or Rebate Calculation Report prepared by the Investment Advisor that includes investments outside of the Fund will be billed separately to the Participant at rates mutually agreed upon between the Participant and the Investment Advisor.

For proceeds of tax-advantaged debt issues invested outside the Fund, due to differences of elapsed time since the issuance of the debt, types of investments, volume and type of transactions, number of funds, and condition and availability of records, the Investment Advisor may charge a fee to provide arbitrage rebate compliance services. At the request of the Participant, the Investment Advisor will provide an estimated cost based on the Participant's specific circumstances.

In addition to the rebate calculation services offered by the Investment Advisor, Participants also have the option of contracting directly with another service provider for rebate calculation services. If another service provider is used, the scope of the services provided, and the fees charged are entirely the responsibility of the Participant and its service provider.

The date of this Supplement is April 29, 2026.

**THIS IS A SUPPLEMENT TO THE INFORMATION STATEMENT
DATED DECEMBER 30, 2021, AS SUPPLEMENTED OCTOBER 1, 2024 AND
NOVEMBER 19, 2025. IT PROVIDES ADDITIONAL INFORMATION ABOUT THE
FUND. A COMPLETE INFORMATION STATEMENT, INCLUDING SUPPLEMENTS,
IS AVAILABLE UPON REQUEST BY CONTACTING A FUND REPRESENTATIVE
AT (800) 937-2736.**

PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE.

**Massachusetts Development Finance Agency Short Term Asset Reserve Fund
("STAR Fund")**

**SECOND SUPPLEMENT DATED NOVEMBER 19, 2025
TO THE
INFORMATION STATEMENT
DATED DECEMBER 30, 2021**

This second Supplement supplies additional information with respect to the STAR Fund and should be read in conjunction with the Information Statement dated December 30, 2021. Terms used in this Supplement shall be as defined in the Information Statement.

Effective November 19, 2025, orders can be processed the same Business Day if they are received and accepted by 3:00 p.m. Eastern Time and if the STAR Fund's Custodian receives federal funds by wire prior to the close of business. Wire orders received after 3:00 p.m. Eastern Time are processed on the next Business Day.

The date of this Supplement is November 19, 2025.

**THIS IS A SUPPLEMENT TO THE INFORMATION STATEMENT DATED
DECEMBER 30, 2021. IT PROVIDES ADDITIONAL INFORMATION ABOUT THE
FUND. A COMPLETE INFORMATION STATEMENT, INCLUDING ALL
SUPPLEMENTS, IS AVAILABLE UPON REQUEST BY CONTACTING A FUND
REPRESENTATIVE AT (800) 937-2736.**

PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE.

**Massachusetts Development Finance Agency Short Term Asset Reserve Fund
("STAR Fund")**

**SUPPLEMENT DATED OCTOBER 1, 2024
TO THE
INFORMATION STATEMENT
DATED DECEMBER 30, 2021**

This Supplement supplies additional information with respect to the STAR Fund and should be read in conjunction with the Information Statement dated December 30, 2021. Terms used in this Supplement shall be as defined in the Information Statement.

Effective October 1, 2024, the STAR Fund's investment adviser, PFM Asset Management LLC ("PFMAM") has consolidated its investment advisory accounts under its parent company, U.S. Bancorp Asset Management Inc. ("USBAM"), an investment adviser registered with the U.S. Securities and Exchange Commission, under the Investment Advisers Act of 1940, as amended. PFMAM will continue to serve the STAR Fund as a brand operating as a division of USBAM. USBAM is a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. As a result of the consolidation, effective October 1, 2024, USBAM is the investment adviser to the STAR Fund.

Effective October 1, 2024, PFM Fund Distributors, Inc., the distributor of the STAR Fund's shares, merged into its affiliate U.S. Bancorp Investments, Inc. ("USBI"), member Financial Industry Regulatory Authority (FINRA) (www.finra.org) and Securities Investor Protection Corporation (SIPC) (www.sipc.org). U.S. Bancorp Investments, Inc. is an affiliate of USBAM. As a result of the merger, effective October 1, 2024, USBI is the distributor of the STAR Fund's shares.

The date of this Supplement is October 1, 2024.

**THIS IS A SUPPLEMENT TO THE INFORMATION STATEMENT DATED
DECEMBER 30, 2021. IT PROVIDES ADDITIONAL INFORMATION ABOUT THE
FUND. A COMPLETE INFORMATION STATEMENT, INCLUDING ALL
SUPPLEMENTS, IS AVAILABLE UPON REQUEST BY CONTACTING A FUND
REPRESENTATIVE AT (800) 937-2736.**

PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE.



Information Statement

Massachusetts Development Finance Agency STAR Fund

Short Term Asset Reserve (STAR) Fund: A professionally-managed investment program designed exclusively to provide a convenient method of pooling cash for short-term investments.

December 30, 2021

99 High Street
Boston, MA 02110

800.937.2736

www.massdevelopment.com

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Key Facts

Part 1 presents key facts about the Fund including information on costs, policies, and how to place transaction orders. Part 1 is descriptive, not definitive, and is qualified by the information contained in Part 2.

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Part 2

Information Statement Addendum

Part 2 contains supplemental information to Part 1. Some of this information further defines or qualifies information presented in Part 1. There is also information on additional topics, such as the history of the Fund. Parts 1 and 2 together constitute the offering document for the Fund.

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Part 1 – Key Facts

Terms Used in This Document

Administrator Massachusetts Development Finance Agency provides broad oversight, policy guidance and administrative support to the STAR Fund (also referred to herein as (the “Agency”).

Advisory Agreement Investment Advisory and Administrative Services Agreement between the Massachusetts Development Finance Agency and the Investment Advisor.

Auditor Independent accounting firm retained to audit the annual financial statements of the Fund. The Fund’s current auditor is RSM US LLP.

Business Day Any day on which both the bond market (as determined by the Securities Industry and Financial Markets Association “SIFMA”) and the Custodian are open for business. The Fund may close early on any days when the bond market closes early. In light of anticipated limited availability for money market securities and fixed income settlement capacity limitations, the Fund will not be open for business on Good Friday even if the primary trading markets are open.

Contract The document that establishes the STAR Fund.

Custodian U.S. Bank National Association or designated bank, agent, or trust company responsible for safeguarding financial assets of the Fund.

Eastern Time East Coast time, either daylight or standard depending on time of year.

EON Easy online network. The Investment Advisor’s web-based information and transaction service.

FDIC Federal Deposit Insurance Corporation.

FINRA Financial Industry Regulatory Authority.

Fund the Massachusetts Development Finance Agency Short Term Asset Reserve Fund (also referred to herein as the “STAR Fund”).

GASB 79 Governmental Accounting Standards Board Statement No. 79.

Institutions Institutional borrowers defined as not-for-profit institutions exempt from federal income tax under the Internal Revenue Code and located within the state. The Institutions are not generally deemed participants.

Internal Revenue Code The Internal Revenue Code of 1986, as amended.

Investment Advisor PFM Asset Management LLC.

Moody’s Moody’s Investors Service Rating Agency.

NAV The net asset value of Fund shares.

NCUA National Credit Union Administration

Participant May buy and sell Units upon deposit of funds in the Program.

Program includes the STAR Fund and any individual portfolios designed to meet a participant’s investment needs.

Standard & Poor’s Standard & Poor’s Rating Agency.

Units represent an equal proportionate interest in the STAR Fund property with each other outstanding Unit of the STAR Fund.

Fund Summary

MassDevelopment STAR Fund

Investment Objectives

The Fund seeks to preserve principal, maintain liquidity and attain a level of current income as high as is consistent with those objectives. There can be no assurance that this investment objective will be achieved. The Fund seeks to achieve its investment objective through professionally managed investment funds governed by the investment policies and restrictions described below.

Principal Investment Strategies

The Fund invests mainly in the following high-quality, very short-term debt securities. Additional details regarding these investments are contained in Part 2, Authorized Investments.

- U.S. Government and agency obligations
- Asset-backed securities
- State municipal obligations
- Government money market mutual funds
- Commercial paper
- Bankers' acceptances
- Negotiable certificates of deposit
- Repurchase agreements collateralized by U.S. Government and agency obligations
- Collateralized bank deposits or certificates of deposit
- Corporate Obligations
- FDIC or NCUA Insured Deposits

The Fund is managed to maintain a dollar weighted average maturity of no more than 60 days and a dollar weighted average life (final maturity, adjusted for demand features but not interest rate adjustments) of no more than 120 days. In addition, it only buys investments that have a remaining maturity of three hundred ninety-seven (397) days or less at the time of purchase (except for variable-rate notes issued by the U.S. Government or its agencies or instrumentalities.

The Investment Advisor may adjust exposure to interest rate risk, typically seeking to protect against possible rises in interest rates and to preserve yield when interest rates appear likely to fall.

As of the date of this Information Statement, the Fund has a rating of AAAM from Standard & Poor's.

Main Risks

As with any similar pooled investment, there are several factors that could hurt the Fund's performance, cause Participants to lose money, or cause the Fund's performance to be less than that of other investments.

- **Interest rate risk** When short-term interest rates fall, the Fund's yield is likely to fall. When interest rates rise, especially if the rise is sharp or unexpected, the Fund's share price could fall.
- **Credit risk** The issuer of a security could fail to pay interest or principal in a timely manner. The credit quality of the Fund's holdings could change rapidly in certain markets, and the default or decline in credit quality of even a single investment could cause the Portfolio's share price to fall.
- **Liquidity risk** The Fund's share price could fall during times when there are abnormal levels of redemption requests or markets are illiquid.
- **Management risk** Performance could be hurt by decisions made by the Investment Advisor, such as choice of investments or timing of buy/sell decisions.

An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation, the Commonwealth of Massachusetts or any other governmental agency. Although the Fund seeks to preserve the value of a Participant's investment at \$1.00 per Unit, it is possible to lose money by investing in the Fund.

Investment Advisor

The Fund’s Investment Advisor is PFM Asset Management LLC, with an office at 213 Market Street, Harrisburg, Pennsylvania 17101-2044.

Fees and Expenses

These are the fees and expenses Participants will pay when they buy and hold Units in the Fund. The figures shown here do not reflect the effects of any voluntary expense reductions. Going forward, actual expenses may be higher or lower. The Administrator is obligated to reimburse the Fund for the amount by which annual operating expenses, including investment management, legal and audit fees exceed 0.25% of average daily net assets. There were no reimbursements to the Fund for the year ended December 31, 2019.

Annual Portfolio Operating Expenses

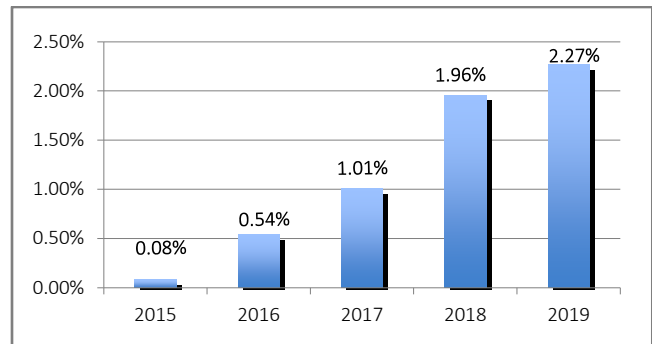
(Fees and expenses shown are gross numbers based on the prior year's audited financial statements and may be subject to certain fee waivers.)

Management and administrative fees	0.21%
Other operating expenses	0.01%
Total annual class operating expenses	0.22%

Past Performance

All performance figures shown here assume that dividends were reinvested. Figures shown are for the five most recent audited fiscal years. For current yield information, call (800) 937-2736. Past performance may not indicate future results.

Fiscal Year Total Returns (%)



Purchase and Sale of Fund Units

Minimum Initial Investment	No minimum.
Minimum Account Balance	No minimum.

Placing Orders

You can place orders to buy or sell Fund Units by a variety via the phone, mail, fax or using EON, the Fund’s web-based information and transaction service.

To place orders, contact us at:

Phone: 800-937-2736

Orders are generally processed the same Business Day if they are received and accepted by the Investment Advisor by 2:00 p.m. Eastern Time and (for purchases) if the Fund’s Custodian receives federal funds by wire prior to the close of business. Otherwise, they are processed on the next Business Day.

For more complete information on buying and redeeming shares, see “Buying Shares ” and "Redeeming Shares.” For information on the potential tax consequences of investing in the Fund, see “Tax Information.”

Individual Portfolio Summary

Individual Portfolios

Purpose

Individual Portfolios are designed to offer Participants a comprehensive program to meet their investment needs. Institutions may invest in longer-term investments in a manner that the Investment Advisor will coordinate with the Institution. Created pursuant to separate agreements between the Participant and the Investment Advisor these Individual Portfolios will be managed solely by the Investment Advisor in accordance with specific instructions from the Participant. Individual Portfolios are designed to complement investment in the STAR Fund by providing specific investments for a portion of the proceeds of a debt issue where liquidity is not needed or where specific expenditures are to be funded. For proceeds of debt issues, an Individual Portfolio may be appropriate for Participants with relatively lengthy project drawdown schedules, or for Participants that wish to match expected construction draws more closely with investment maturities to fix earnings on some or all of their funds.

Individual Portfolios may also be appropriate for the investment of debt service reserve funds and certain funds subject to investment yield restrictions. The Investment Advisor will assist each Participant in evaluating the possible use of an Individual Portfolio. For further information, call the Investment Advisor at (800) 937-2736.

In order to establish an Individual Portfolio, the Participant must first establish an account with the Fund, generally through the Agency in its role as fiduciary for project and expense funds or through its bond Trustee. The Custodian will hold assets in an Individual Portfolio in a separate account in the Participant's name.

Note that any investments held in Individual Portfolios are not assets of the STAR Fund, and the STAR Fund assumes no liability for them.

Investment Policies

Assets in an Individual Portfolio may be invested in those investments that are permitted investments for the Participant under the terms of related debt issue documents. Individual Portfolios are not governed by the investment policy of the Fund.

Individual Portfolios may take two forms:

- 1) An actively managed portfolio where the Investment Advisor provides a continuous investment program throughout the life of the portfolio.
- 2) A one-time only procurement of a portfolio where the Investment Advisor constructs and purchases a portfolio on behalf of the Participant, after which the Investment Advisor's responsibility for the portfolio concludes.

A Participant should discuss the characteristics of portfolio types and specific investments in an Individual Portfolio with the Investment Advisor.

Opening an Individual Portfolio

The Investment Advisor offers advice on Individual Portfolio investments to Participants in order to provide Participants with the benefits of coordinating the investments in an Individual Portfolio with investing in the Fund and the economies achieved by using the Fund's Custodian. Accordingly, before a Participant's funds are invested in an Individual Portfolio, the Participant must first purchase shares of the STAR Fund, generally through the Agency or bond Trustee. A Participant may then open an Individual Portfolio by signing a separate agreement with the Investment Advisor. Participants should contact the Investment Advisor directly at (800) 937-2736 regarding investments in an Individual Portfolio.

Individual Portfolio Transactions

The Investment Advisor will arrange for the execution of all security transactions in an Individual Portfolio on behalf of the Participant. Individual Portfolio transactions are normally conducted through the Participant's pre-designated Fund account. In arranging for security transactions, the Investment Advisor will give primary consideration to obtaining the most favorable price and efficient execution of transactions. Investment transactions can only be executed on Business Days during normal operating hours.

Individual Portfolio Investments. The Investment Advisor will purchase investments for an Individual Portfolio based upon specific instructions received from the Participant. The Investment Advisor will request a schedule

of expected withdrawals, which will be used in managing investments to help assure adequate liquidity. Investment purchases for an Individual Portfolio are settled by the

Custodian using funds made available from the Participant's pre-designated Fund account (See Part 1- Investing).

Investing

Opening an Account

Eligible Participants

The STAR Fund has been established pursuant to Chapter 614 of the Acts of 1968, as amended from time to time (the “HEFA Act”), to create a fund under the laws of the Commonwealth of Massachusetts to provide Participants with a convenient method of pooling cash and proceeds of bonds, notes or other obligations, for temporary investment pending their expenditure. Participation in the Fund involves the purchase of Units of beneficial interest in the Program.

The Institutions are not generally deemed Participants. Eligible institutions as defined under the laws of the Commonwealth of Massachusetts include not-for-profit institutions exempt from federal income tax and located within the state.

Fund Account Opening Procedures

To invest in the STAR Fund an eligible Institution must submit a Certificate of Authorization as provided in Attachment A to this Information Statement to the Participant. The Participant will then submit a STAR Fund Account Registration Form to the Investment Advisor prior to investing any funds. The Investment Advisor may also request a schedule of expected withdrawals which will be used in managing the STAR Fund investments to help facilitate adequate overall liquidity. The Investment Advisor reserves the right to reject any investment in the STAR Fund and to limit the size of a Participant’s account.

Buying Units

Once an account has been opened, the Participant may deposit funds on a Business Day with the Custodian by wire transfer or by check. Upon depositing funds into the STAR Fund, Participants will be credited with Units of the STAR Fund at the STAR Fund’s next determined net asset value

Method	Instructions	Additional information
Wire (same-day settlement)	<ul style="list-style-type: none"> Initiate the transaction by calling the Investment Advisor at 1-800-937-2736. Provide the following information: <ul style="list-style-type: none"> Participant’s Account Name Participant’s Account Number Name of bank sending wire Amount being wired Type of wire – Federal Reserve or Bank Instruct your bank to wire funds (Federal Reserve wire if possible) to the STAR Fund wire instructions. Wire instructions can be obtained by calling 1-800-937-2736. 	<ul style="list-style-type: none"> The STAR Fund does not charge fees for receiving wires. Important— Participants must call the Investment Advisor before 2:00 p.m. Eastern Time AND a Federal Reserve wire or bank wire convertible to Federal Funds on a same-day basis must be received that day by the Custodian if the investment is to begin earning income that day. To assure the timely investment of the funds, Participants should arrange for the wire to be received by the Custodian by 2:00 p.m. Eastern Time.
Check (settles two or more Business Days after the order arrives)	<ul style="list-style-type: none"> The Investment Advisor can provide instructions on how to invest by check. Checks will be deposited when received by the Custodian and proceeds will be invested when they are converted to immediately available funds. 	<ul style="list-style-type: none"> It is not advisable to use checks for investment of proceeds of tax-exempt borrowings.

Redeeming Units

An Institution may request withdrawal of its funds from its account in the STAR Fund at any time by directing its respective Participant (Agency or Trustee) to initiate a requisition for a wire transfer. Units in the STAR Fund will be redeemed in the amount of the withdrawal at the net asset value per share next determined after receipt of a request for withdrawal. This determination is made as of 2:00 p.m. Eastern Time each Business Day.

Important – Participants must call the Investment Advisor before 2:00 p.m. Eastern Time AND a Federal Reserve wire or bank wire convertible to Federal Funds on a same-day basis must be received that day by the Custodian if the investment is to begin earning income that day. To assure the timely investment of the funds, Participants should arrange for the wire to be received by the Custodian by 2:00 p.m. Eastern Time.

Method	Instructions	Additional information
Wire (same-day settlement)	<ul style="list-style-type: none"> ● Initiate the transaction by calling the Investment Advisor at 1-800-937-2736 on any Business Day to request a withdrawal and the transfer of proceeds. ● If your request is received before 2:00 p.m. Eastern Time, funds will be wired on that same day. ● Requests received after 2:00 p.m. Eastern Time will be processed on the following Business Day. 	<ul style="list-style-type: none"> ● Funds may only be transferred by wire to the bank account specified in the Participant's Account Application. ● Changes to the Participant's specified bank account must be received in writing before they can be effective. ● Funds will remain invested in the STAR Fund until the day they are wired. ● The STAR Fund does not charge a fee for receipt of these wires; however, a Participant's bank may charge a fee for wiring funds.

Policies Concerning Withdrawal

Right to Suspend Withdrawals

The Agency reserves the right to suspend the right of withdrawal or to postpone the date of payment of redemption proceeds of Units if the New York Stock Exchange is closed other than for customary weekend and holiday closing, if trading on that Exchange is restricted or if, in the opinion of the Agency, an emergency or other situation exists such that disposal of the STAR Fund's securities or determination of its net asset value is not reasonably practicable.

Safeguards on Withdrawals

Proceeds of redemptions will be sent only to the Participant's account specified on the appropriate Account Application.

Instructions on the Account Application will remain in effect until the Investment Advisor receives written notification to change them. Thus, any changes to addresses, account registrations, or names or signatures of authorized officials, or other critical information will require appropriate documentation to the Investment Advisor.

General Policies

Services to Participants

The Fund offers certain additional account features at no extra charge, including:

Statements Daily transaction confirmations are available only on EON. The Investment Advisor provides monthly statements showing the previous month's transactions, dividends paid and the account balance as of the statement date. The statements also indicate total year-to-date income earned. Monthly statements are also available through EON within three Business Days after month-end. Participants may elect to stop receiving statements by mail.

Information Services Toll-free telephone service, **800-937-2736**, is available to provide Participants with information including up-to-date account information and transaction history, and to receive instructions for the investment or withdrawal of funds.

Information on Portfolio Holdings

The Fund discloses its holdings online monthly and a full description of the Fund's holdings in the annual audited financial reports.

For our policy on the disclosure of Portfolio holdings, see Part 2.

Rights we reserve

The Fund reserves the right, acting through its appropriate entity, to do any of the following:

- Increase, change, or decrease account minimums at any time without advance notice.
- Limit the frequency of purchases for any reason.

Tax Information

We suggest that your tax advisor is consulted before investing in the Fund. Relevant considerations include but are not limited to:

- Section 115(1) of the Internal Revenue Code, as amended (the "Code"), which provides that the gross income of a state or political subdivision does not

include income derived from the exercise of any essential government function.

- The arbitrage limitations or rebate requirements of section 148 of the Code (and related regulations), under which states and municipalities may be required to pay the U.S. Treasury a portion of earnings they derive from the investment of certain funds.

Use of Amortized Cost

The Agency has determined, in consultation with the Investment Adviser, that the Fund will be managed in accordance with GASB 79 requirements, as applicable, for the use of the amortized cost method of valuing its investment portfolio.

Financial Statements

The Fund's audited financial statements will be included its Annual Report for the year ended. The Annual Report will be provided to Participants and is available upon request.

Part 2 – Information Statement Addendum

General Information

Overview – The STAR Fund

Purpose

The Fund was established to provide a professionally-managed investment program that provides Participants with a convenient method of pooling cash and proceeds of bonds, notes or other obligations, for temporary investment pending their expenditure. Participation in the Fund involves the purchase of an Unit.

By pooling funds, the Fund seeks to provide the following benefits:

Preservation of Principal: The STAR Fund invests only in short-term government obligations and other high quality money market instruments, and follows certain other investment policies, which seek to earn the highest income consistent with the preservation of principal and maintenance of liquidity. While the STAR Fund seeks to maintain a constant net asset value of \$1.00 per Unit, it is possible to lose money investing in the STAR Fund, and investments in the STAR Fund are not deposits in banks and are not insured or guaranteed by the Federal Deposit Insurance Corporation, the Commonwealth of Massachusetts or any other governmental agency.

Income: The STAR Fund seeks as high a level of current income as is consistent with the preservation of principal and maintenance of liquidity.

Liquidity: Investment in the STAR Fund may be made, and Participants may withdraw funds, on any Business Day, as described in “Buying Units” and “Redeeming Units.”

Convenience: Participants do not have to schedule investment maturities to meet project draw schedules.

Diversification: The Units represent ownership in a diversified portfolio of high-quality, short-term instruments.

Arbitrage Rebate Compliance: STAR Fund is designed to assist Participants and Institutions in complying with arbitrage rebate requirements under the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”). Investments are purchased and documentation is maintained in accordance with requirements of the Internal Revenue Code.

Accounting, Safekeeping and Separate Account: The STAR Fund records each Participant’s investments in a manner compatible with generally accepted accounting standards and does all of the bookkeeping associated with the ownership of Units in book entry format.

Dividends: The STAR Fund’s net income is calculated and declared daily and dividends are paid monthly. Monthly dividends are reinvested in Units of the STAR Fund.

Contract Creating the STAR Fund

The Contract establishes the STAR Fund. All general descriptions of its terms contained in this Information Statement are subject to the specific language of the Contract itself. The Units of the STAR Fund are payable only from the STAR Fund assets. Each Unit represents an equal proportionate interest in the STAR Fund property with each other outstanding Unit of the STAR Fund. Upon redeeming Units, a Participant receives the current net asset value per Unit of the STAR Fund. If liquidation of the STAR Fund should occur, Participants would be entitled to receive as a class their proportionate share of the assets of the STAR Fund.

The STAR Fund may be terminated by the Agency at any time. Upon the termination of the STAR Fund and after paying or adequately providing for the payment of all liabilities, and upon receipt of such release, indemnities and refunding agreements as it may deem necessary for its protection, the Agency may distribute the remaining STAR Fund property, in cash or in kind or partly in cash and partly in kind, among the Participants, who will in turn distribute these amounts to participating Institutions, according to their respective beneficial Units.

Under the terms of the Contract, no Participant or Institution shall be subject to any liability whatsoever to any person in connection with STAR Fund property or the acts, obligations or affairs of the STAR Fund. No officer, employee or agent

of any Participant or Institution shall be subject to any personal liability whatsoever to any person in connection with STAR Fund property or the affairs of the STAR Fund, save only that arising from bad faith, willful misfeasance, gross negligence or reckless disregard of his duty to such person; and all such persons shall look solely to the STAR Fund Property for satisfaction of claims of any nature arising in connection with the affairs of the STAR Fund.

Neither the Agency nor any member, officer, employee, representative or agent of the Agency shall be liable, personally or otherwise, to the STAR Fund, its Participants or Institutions, or to any officer, employee, or agent thereof for any action or failure to act except for its or his own bad faith, willful misfeasance, gross negligence or reckless disregard of its or his duties. The Contract may be amended by the Agency at any time. However, no amendment may be made to the Contract that would change any rights to any Units of beneficial interest by reducing the amount payable thereon upon liquidation of the STAR Fund.

Service Providers

The Agency

The Agency, with offices at 99 High Street, Boston, Massachusetts 02110, provides broad oversight, policy guidance and administrative support to the STAR Fund. All activities and actions taken or authorized to be taken by the Agency are designed to ensure the STAR Fund is administered in a prudent and proper manner.

The Agency is responsible for providing supervision of the Investment Advisor, the Custodian and the Auditor. The Agency may promulgate rules and regulations necessary and proper for the efficient administration of the STAR Fund, and may formulate additional guidelines for the investment and reinvestment of funds under management.

The Agency may make changes to investment objectives, policies and restrictions in order to comply with changes in law relating to investment of funds by the Participants or changes in the Internal Revenue Code or any other related rules or regulations affecting arbitrage rebate.

Investment Advisor

PFM Asset Management LLC, with its principal office located at 213 Market Street, Harrisburg, Pennsylvania 17101, is the STAR Fund's Investment Advisor under terms of an Investment Advisory Agreement dated June 20, 2017 that terminates on June 20, 2022 (the "Advisory Agreement"). PFM Asset Management LLC is an investment advisor registered with the U.S. Securities and Exchange Commission, under the Investment Advisers Act of 1940, as amended and a subsidiary of U.S. Bancorp Asset Management, Inc. ("USBAM"). USBAM is a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bankcorp. The daily management of the investment affairs of the STAR Fund and research relating to the STAR Fund's portfolio are conducted by or under the supervision of the Investment Advisor.

Units of the STAR Fund are distributed by PFM Fund Distributors, Inc. with an office located at 213 Market Street, Harrisburg, PA 17101. PFM Fund Distributors, Inc., an affiliate of PFM Asset Management LLC, offers units of the STAR Fund on a continuous basis. It is responsible for printing and distributing sales materials. PFM Fund Distributors, Inc., is a subsidiary of U.S. Bank. U.S. Bank is a separate entity and subsidiary of U.S. Bankcorp. PFM Fund Distributors, Inc., member FINRA (www.finra.org).

Advisory Services.

The Investment Advisor manages the investment of the assets of the STAR Fund, including the placement of orders for the purchase and sale of investments. The Investment Advisor obtains and evaluates such information and advice relating to the economy and the securities market, as it considers necessary or useful to manage continuously the assets of the STAR Fund in a manner consistent with their investment objectives and policies.

Investment Transactions. The Investment Advisor is responsible for decisions to buy and sell securities for the STAR Fund, and arranging for the execution of security transactions on behalf of the STAR Fund with registered brokers or dealers selected by the Investment Advisor and not disapproved by the Agency. Purchases of securities are made from dealers, underwriters and issuers; sales prior to maturity are made to dealers and other persons. Money market instruments bought from dealers are generally traded on a "net" basis with dealers acting as principal for their own accounts without a stated commission, although the price of the security usually includes a profit to the dealer. Thus, the STAR Fund does not normally incur any brokerage commission expense on such transactions. Securities purchased in underwritten offerings include a fixed amount of compensation to the underwriter, generally referred to as the underwriter's commission or discount. When securities are purchased or sold directly from or to an issuer, no commissions or discounts are paid.

The policy of the STAR Fund regarding purchases and sales of securities is that primary consideration will be given to obtaining the most favorable price and efficient execution of transactions. In seeking to implement this policy, the Investment Advisor will effect transactions with those dealers whom the Investment Advisor believes provide the most favorable price and efficient execution. If the Investment Advisor believes such price and execution can be obtained from more than one dealer it may give consideration to placing portfolio transactions with those dealers who also furnish research and other services to the STAR Fund. Such services may include, but are not limited to, any one or more of the following: information as to the availability of securities for purchase or sale; statistical or factual information or opinions pertaining to investments; wire services; and appraisals or evaluations of portfolio securities. The services received by the Investment Advisor from dealers may not benefit the STAR Fund directly. While such services are useful and important in supplementing its own research and facilities, the Investment Advisor believes their value is not determinable and does not significantly reduce its expenses. The STAR Fund does not reduce the management fee paid to the Investment Advisor by any amount that may be attributable to the value of such services.

The Investment Advisor also provides the following services to the STAR Fund:

Participant Service. Services include the operation of an Internet-based account access system and a toll-free telephone facility to be used by Participants or by Institutions interested in becoming Participants in the STAR Fund.

Administration. Maintenance of the books of the STAR Fund; supervision, under the general direction of the Agency, of all administrative aspects of operations; periodic updating and preparation of the STAR Fund's Information Statement; preparation of the STAR Fund's tax returns, financial statements and reports; supervision and coordination of the activities of the Custodian for the assets of the STAR Fund; and the provision of office space, equipment, and personnel to administer the STAR Fund. The Investment Advisor arranges and pays for costs of printing and distributing the STAR Fund's Information Statement, prepares and distributes other explanatory and promotional materials, provides technical assistance and guidance to those considering use of the STAR Fund as an investment vehicle, and its personnel make visits to present the facts about the STAR Fund and to explain its use, advantages

Marketing. Services include the printing and distribution of the Information Statement to Institutions and Participants; and preparation and distribution of other explanatory and promotional materials. Units of the STAR Fund are distributed by the Investment Advisor's wholly owned subsidiary, PFM Fund Distributors, Inc., member FINRA (www.finra.org).

Accounting Reports. Preparation and provision to Participants of confirmation of each Participant's investment and redemption transaction and of monthly statements summarizing transactions, earnings, and assets of each Participant's accounts and sub-accounts; provision of transaction and earnings statements to a rebate calculation agent upon request by Participant.

Custodian U.S. Bank National Association, with offices at 60 Livingston Avenue, St. Paul, Minnesota, 55107 is the Custodian for the STAR Fund. U.S. Bank holds Portfolio securities. In addition to internal governance, numerous federal agencies, including the Office of the Comptroller of the Currency ("OCC"), the Federal Reserve System and the Consumer Financial Protection Bureau ("CFPB"), supervise and inspect U.S. Bank and its parent company, U.S. Bancorp, to ensure sound banking practices and to protect clients. Appropriate information barriers relating to activities and data exist to facilitate fully independent and segregated oversight of client assets as custodian. The Investment Adviser, PFM Asset Management LLC, is a subsidiary of USBAM. USBAM is a subsidiary of U.S. Bank. U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. The Custodian is the recipient of deposits for purchases of Units of the STAR Fund, holds all cash and securities of the STAR Fund, except as noted below with respect to certain repurchase agreements, and acts as disbursing agent for the STAR Fund. The Custodian does not participate in determining the investment policies of the STAR Fund or in investment decisions. The STAR Fund may not invest funds with, nor buy or sell any securities through, any affiliated service provider. The compensation of the Custodian, which is paid by the Agency, is set forth in the agreements between the Agency and the Custodian. Securities purchased under certain repurchase agreements may be held by other custodians agreed to by the Agency and the other parties to the repurchase agreements.

Auditor The financial statements of the STAR Fund are audited annually. RSM US LLP, a firm of independent public accountants with an office at 30 South 17th Street, Philadelphia, PA 19103 currently serves as the STAR Fund's Auditor. The STAR Fund fiscal year ends December 31.

Special Counsel Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Boston, Massachusetts is special counsel to Massachusetts Development Finance Agency with respect to the STAR Fund ("Special Counsel").

Expenses of the STAR Fund

The STAR Fund bears investment management, administrative, legal and audit service expenses. The STAR Fund also bears, as applicable, its organizational and offering expenses, insurance premiums, and other expenses not expressly assumed by the Investment Advisor or Agency.

Under the Contract, the Agency is entitled to an administrative fee of up to 0.10% of the Fund’s average daily assets, payable monthly, so long as the aggregate expenses of the Fund are not greater than 0.25% of the average daily net assets of the Fund (the “Administrative Fee”). Since July 2006 the Administrative Fee has equalled 0.09% of the Fund’s average daily assets. For services provided for Individual Portfolio investments, the Agency is also entitled an administrative fee based upon the Individual Portfolio’s average daily assets, or a flat fee, depending upon the type of Individual Portfolio as separately agreed upon.

The Agency compensates the Custodian for its services out of the Administrative Fee.

For the last three fiscal years of the Fund, the Agency has been paid the following Administrative Fees:

Fiscal Year	Administrative Fees
2019	\$291,789
2018	\$354,381
2017	\$317,061

Pursuant to the Advisory Agreement, the Investment Advisor is paid a management fee each month based on a percentage of the Fund’s average daily assets, as follows:

Assets of STAR Fund	Fee
First \$100 million	0.14%
Next \$200 million	0.12%
Over \$300 million	0.10%

For the last three fiscal years of the Fund, the Investment Advisor has been paid the following:

Fiscal Year	Advisory Fees
2019	\$401,936
2018	\$473,756
2017	\$431,779

The Investment Advisor may, but shall not be obligated to, reduce a portion of its fees to assist the Fund in an attempt to maintain a positive yield. In the event that the Investment Advisor elects to initiate a fee reduction, such fee reduction shall be applicable to the computation of the net asset value (“NAV”) of the Fund on the business day immediately following the date on which the Investment Advisor gives notice to the Fund on the rate of the fee reduction to be applied in calculating the NAV. A fee reduction shall remain in effect until notice is provided to the Fund by the Investment Advisor regarding its intent to terminate its fee reduction or revise, upward or downward, the rate of its fee reduction.

Tax Matters

Pursuant to Section 115(1) of the Internal Revenue Code, federal gross income does not include income derived from the exercise of any essential governmental function that accrues to a state or any political subdivision of a state.

Arbitrage Rebate: The STAR Fund follows certain practices to assure that there is a clear audit trail for purposes of complying with the Internal Revenue Code regulations concerning arbitrage rebate.

Under the Internal Revenue Code, earnings on the proceeds of certain tax-exempt obligations are subject to rebate of arbitrage unless certain exceptions apply. An Institution, if applicable or appropriate, should consult with its bond counsel to determine whether its bond issue may qualify under one of the exceptions to the rebate requirement. The STAR Fund does not provide arbitrage rebate calculations. The Institution should consult with its bond counsel and advisors regarding the preparation of arbitrage rebate calculations.

Treatment of Administrative Costs of the Fund U.S. Treasury Regulations Title 26 Section 1.148-5 limits the ability for the expenses of an external commingled fund, like the Fund, to be treated as qualified administrative costs within the arbitrage rebate and yield restriction liability calculations. The limitations apply to an external commingled fund in which an individual investor owns more than 10% of the beneficial interest of the fund. From time to time, the Fund may contain one or more investors that individually own more than 10% of the beneficial interest of the fund. Therefore, Investors should consider the use of the gross yields of the Fund in all arbitrage rebate and yield restriction liability calculations.

The foregoing summary of federal income tax matters affecting Investors in the Pool does not purport to be complete. Investors should consult their bond counsel for advice as to the application of federal income tax law to their particular investment in the Fund.

Information on the Fund

The STAR Fund seeks as high a level of current income as is consistent with the preservation of principal and maintenance of liquidity and will be managed in accordance with the requirements of Statement No.79 of the Governmental Accounting Standards Board (“GASB 79”), as applicable, for continued use of amortized cost.

The STAR Fund is also designed and operated with the additional goals of purchasing investments, documenting investment transactions, and accounting for all funds to assist Participants and Institutions in complying with the arbitrage rebate provisions of the Internal Revenue Code and applicable rulings, regulations and procedures.

There can be no assurance that the investment objectives of the STAR Fund will be achieved.

Authorized Investments

Subject to guidelines established from time to time by the Agency, the Investment Advisor shall invest the assets of the STAR Fund exclusively in the following investments:

- (1) United States Treasury bills, notes or bonds or other obligations for which the full faith and credit of the United States is pledged for the payment of principal and interest.
- (2) Obligations, participants or other instruments of any Federal Agency, instrumentality, or United States government sponsored enterprise, including those issued or fully guaranteed as to the principal and interest by Federal agencies, instrumentalities or United States government sponsored enterprises.
- (3) Repurchase agreements with respect to securities described in paragraphs (1) or (2) above, provided that the maximum term of any such repurchase agreement shall be one year.
- (4) Bills of exchange or time drafts drawn on and accepted by a commercial bank (otherwise known as bankers acceptances), provided that such bankers acceptances may not exceed 180 days maturity, and is rated in the highest short term ratings category by at least two Nationally Recognized Statistical Rating Organizations (NRSRO)
- (5) Commercial paper denominated in U.S. dollars issued by corporations or other business entities, rated in the highest short term ratings category by at least two NRSRO.
- (6) Debt obligations issued by corporations denominated in U.S. dollars rated in the highest short term ratings category by at least two NRSRO or in the highest three long term ratings categories by at least two NRSRO
- (7) Negotiable certificates of deposit denominated in U.S. dollars rated in the highest short term ratings category by at least two NRSRO or in the highest three long term ratings categories by at least two NRSRO.
- (8) Bank Deposits or Non-negotiable certificates of deposit, of institutions insured by the Federal Deposit Insurance Corporation through the Bank Insurance Fund or the Savings Association Insurance Fund or the National Credit Union Share Insurance Fund to the extent that such accounts are so insured, and for any amounts above the insured maximum, provided that collateral, as described in “Repurchase Agreements” below or an irrevocable Letter of Credit from a Federal Home Loan Bank, is pledged by the depository.
- (9) Obligations of any state of the United States of America or any political subdivision thereof, rated in the highest short term ratings category by at least two NRSRO or in the highest three long term ratings categories by at least two NRSRO
- (10) Shares of an investment company which is registered under the Investment Company Act of 1940 and which holds itself out as a money market fund meeting the conditions of rule 2(a)- 7 of the Investment Company Act of 1940 and is rated in the highest rating category for money market funds by at least one NRSRO

The Agency may, from time to time, adjust the list of authorized investments for the Program to include any other investments in which money market funds may invest. Any such adjustments shall be reflected in a revision or supplement to this Information Statement. Unless otherwise noted, permitted investment limitations or other investment restrictions expressed herein will apply at the time of purchase.

Floating-Rate and Variable-Rate Obligations Debt obligations purchased by the Fund may have interest rates that are periodically adjusted at specified intervals or whenever a benchmark rate or index changes. These floating-rate and variable-rate instruments may include certificates of participation in such instruments. These securities may have demand

features which give the Fund the right to demand repayment of principal on specified dates or after giving a specified notice.

Commercial Paper Commercial Paper is an unsecured, short-term debt instrument issued by a corporation, typically for the financing of accounts receivable, inventories and meeting short-term liabilities. Maturities on commercial paper are within 270 days. The debt may be issued at a discount, reflecting prevailing market interest rates. The creditworthiness of such obligations relates only to the credit of the issuing company. Although the Fund uses certain criteria when determining what companies' commercial paper will be purchased, no assurance can be given that such companies will not become insolvent during the life of any investment in it. In the event of the insolvency of a company issuing commercial paper in which the Fund has invested or in the event of any other default with respect to commercial paper, if appropriate, a claim will be filed by the Fund against the company. However, there is no assurance that the Fund will receive any recovery as a result of filing a claim.

Asset-backed Commercial Paper Asset-backed commercial paper represents a participation in, or is secured by, assets that may include such items as motor vehicle installment sales or installment loan contracts, leases of various types of real and personal property and receivables from credit card agreements.

Asset-backed commercial paper has yield and maturity characteristics corresponding to the underlying assets. Unlike traditional commercial paper, which may pay a fixed rate of interest until maturity, when the entire principal amount comes due, payments on certain asset-backed commercial paper include both interest and a partial repayment of principal. Besides the scheduled repayment of principal, repayments of principal may result from the voluntary prepayment, refinancing or foreclosure of the underlying loans. In that event the Fund may be unable to invest the proceeds from the early payment in an investment that provides as high a yield as the asset-backed commercial paper.

At times, some asset-backed commercial paper will have higher than market interest rates and therefore will be purchased at a premium above their par value. Prepayments may cause losses on securities purchased at a premium.

The ability of an issuer of asset-backed commercial paper to enforce its security interest in the underlying assets may be limited. For example, revolving credit receivables are generally unsecured and the debtors on such receivables are entitled to the protection of a number of state and federal consumer credit laws, many of which give debtors the right to set-off certain amounts owed, thereby reducing the balance due. Automobile receivables generally are secured, but by automobiles, rather than by real property.

Repurchase Agreements A repurchase agreement involves the sale of securities to the STAR Fund and the concurrent agreement by the seller to repurchase the securities within a specified period of time at an agreed-upon price, thereby establishing the yield during the holding period. The yield established for the repurchase agreement is determined by current short-term rates and may be more or less than the interest rate on the underlying securities. The securities underlying a repurchase agreement are, in effect, collateral under the agreement. It is the STAR Fund's policy to enter into repurchase agreements only with primary dealers in U.S. Government securities or with other counterparties whose credit has been approved by the Investment Advisor. Securities purchased by the STAR Fund subject to repurchase agreements will be limited to obligations of the United States Government, including agencies of the United States described in paragraphs (1) and (2) under Authorized Investments above, provided that the market value of such obligations is at the time of entering into the repurchase agreement at least equal to 102% of the amount of the purchase price. If an agreement is in effect for more than one day, the Investment Advisor will monitor the value of the underlying securities and, in the event their market value drops below the value required by the agreement, the counter party is required to provide additional securities or money within one business day so that the value of the collateral is not less than 102% of the repurchase price, plus the accrued interest. All securities underlying repurchase agreements are required to be delivered to the Custodian or to another custodian agreed to by the Fund and the counter party. At the expiration of each agreement, the custodian will receive payment of the repurchase price as a condition for the transfer of the underlying securities to the counter party. If the counter party fails to pay the agreed-upon resale price on the delivery date, the risks in such event may include any decline in the value of the underlying securities to an amount which is less than the repurchase price, any costs of disposing of such securities, and any loss from any delay in foreclosing on such securities.

Tax-exempt Securities As used herein, the term "tax-exempt securities" includes debt obligations issued by a state, its political subdivisions (for example, counties, cities, towns, villages, districts and authorities) and their agencies, instrumentalities or other governmental units, the interest from which is, in the opinion of bond counsel, exempt from federal income tax and (if applicable) the corresponding state's personal income tax. Such obligations are issued to obtain funds for various public purposes. Short-term tax-exempt securities are generally issued by state and local governments and public authorities as interim financing in anticipation of tax collections, revenue receipts or bond sales to finance such public purposes. The amount of information about the financial condition of an issuer of tax-exempt securities may not be

as extensive as that which is made available by corporations whose securities are publicly traded. As a result, the achievement of the Fund' goals is more dependent on the Investment Advisor's investment analysis.

Investments held by the STAR Fund will have a remaining maturity of 397 days or less, or be subject to repurchase agreements with a termination date of one year or less, and the dollar weighted average maturity of STAR Fund assets will not exceed 60 days. Instruments issued by or guaranteed by the United States government or any agency thereof which have a variable or floating rate of interest readjusted no less frequently than every 365 days shall be deemed to have a maturity equal to the period remaining until the next readjustment. Variable rate instruments that are subject to an unconditional put or demand feature shall be deemed to have a maturity equal to the period remaining until the principal can be recovered through demand.

It is the STAR Fund's policy to enter into repurchase agreements only with primary dealers in U.S. Government securities or with other counterparties whose credit has been approved by the Investment Advisor.

The Fund is not registered as an investment company under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) and, accordingly, is not subject to the provisions of the Investment Company Act of 1940 and the rules and regulations promulgated thereunder including rules relating to registered money market mutual funds.

Since the yield on the Fund may fluctuate daily, Participants should consult with their counsel or financial adviser as to the appropriateness of investing proceeds of tax-exempt bonds in the Fund in the event that covenants with bondholders or provisions of the Internal Revenue Code restrict the yield on investment of the bond proceeds.

The authorizing statute, charter, or bylaws of a Participant or the trust indenture or ordinance or resolution under which the debt obligations of a Participant are issued or its funds are invested, may contain investment restrictions which prohibit or otherwise limit investment in one or more of the above-described investments. Accordingly, the Participant should consult with their legal counsel or financial adviser regarding the legality of investing bond proceeds in the Fund prior to participating in the Fund or investing in the Units issued by the Fund.

Documentation of Market Price

The Investment Advisor will follow certain procedures to document that investments are purchased at a "market price" in accordance with requirements of the Internal Revenue Code and related rulings and regulations. These procedures include obtaining three bids or offers for all securities transactions on the secondary market, documenting transaction prices using independent pricing services, and following practices to avoid making "prohibited payments" (as the term is defined in the applicable U.S. Treasury regulations) to banks or securities dealers that improperly reduce the yield on investments.

Investment Restrictions

The STAR Fund has adopted the following investment restrictions and fundamental policies (the "Fundamental Policies"). Investment restrictions apply at the time of purchase. The STAR Fund will not:

- (1) Purchase any securities other than those described under "Investment Objectives and Policies—Authorized Investments", as the same may be adjusted by the Agency from time to time;
- (2) Invest in securities of any issuer in which an employee, agent, or advisor of the STAR Fund is an officer, director, or 10% shareholder unless such investment is authorized by guidelines which have been adopted by the Agency;
- (3) Borrow money or pledge, hypothecate, or mortgage its assets;
- (4) Purchase any security or enter into a repurchase agreement if, as a result, more than 10% of the STAR Fund's total assets would be invested in securities subject to restrictions on resale, securities for which there is no readily available market, and repurchase agreements with maturities exceeding seven days.
- (5) Purchase the securities of any issuer (other than obligations issued and guaranteed as to principal and interest by the government of the United States, its agencies or instrumentalities) if, as a result, immediately after purchase:
 - a) more than 5% of the STAR Fund's total assets would be invested in the securities of any one issuer, or
 - b) The STAR Fund owns more than 10% of the outstanding securities of such issuer.
- (6) May not invest more than 5% of net assets in the following illiquid investments, measured in aggregate:
 - a) Restricted investments (those that, for legal reasons, cannot be freely sold).

- b) Fixed time deposits with a maturity of more than seven days that are subject to early withdrawal penalties.
- c) Repurchase agreements maturing in more than seven days and not terminable before that time.
- d) Other investments that are not readily marketable.

If the 5% limitation on investing in illiquid securities is adhered to at the time of investment, but later increased beyond 5% resulting from a change in the values of the Fund's portfolio securities or total assets, the Fund shall then bring the percentage of illiquid investments back into conformity as soon as practicably possible. The Trust believes that these liquidity requirements are reasonable and appropriate to assure that the securities in which the Fund invests are sufficiently liquid to meet reasonably foreseeable redemptions of shares.

Each month, the Agency displays a summary of holdings of the STAR Fund Portfolio (as of 60 days prior) online at www.massdevelopment.com.

Procedures for Participating in the STAR Fund

If funds of an Institution are to be invested in the STAR Fund through the Agency or a Trustee, then such Institution should consult with the Agency or the Trustee about its policies and procedures with regard to the STAR Fund. The Agency or the Trustee may have additional or more restrictive requirements regarding timing of transactions or necessary documentation.

Participation in the STAR Fund requires a Certificate of Authorization to be signed by an official of the Institution. A model Certificate of Authorization is included as Attachment A.

An Institution that wishes to invest bond proceeds and related funds in the STAR Fund should ensure that the terms of the trust agreement or indenture respecting the bonds permit participation in the STAR Fund.

Once these actions have been taken, the respective Participant will complete the appropriate STAR Fund Program Registration Form and STAR Fund Account Application (available by calling the Investment Advisor (800) 937-2736) and forward them to:

STAR Fund
c/o PFM Asset Management LLC
213 Market Street
Harrisburg, PA 17101-2044

Additionally, forms may be returned by fax to (800) 252-9551.

There is no limit to the number of accounts that can be opened by a Participant. The Investment Advisor will notify the Participant of its approval of the Account Application and the account number(s) assigned. The Investment Advisor reserves the right to reject any application in its sole discretion.

Instructions provided by the Participant in the Account Application will remain in effect until the Investment Advisor receives written notification from the Participant to change them. Any changes to addresses, account registrations, names or signatures of authorized officials, or other critical information will require appropriate written documentation. Instructions or forms may be obtained by calling the Investment Advisor at the toll free number (1-800-937-2736).

Daily Income and Dividends

As of 2:00 p.m. Eastern Time each Business Day, the daily net income (as defined below) of the Fund is determined and declared as a dividend to Participants of record as of the close of business on that day. Units purchased as of 2:00 p.m. begin earning income dividends on the date of purchase. Units redeemed as of 2:00 p.m. each day do not earn income for that day. Earnings for Saturdays, Sundays and holidays are declared on the previous Business Day. Dividends declared are paid monthly on the last Business Day of each month, and are reinvested automatically in additional shares of the Fund.

For the purpose of calculating dividends, net income of the Fund consists of interest earned, plus any discount ratably amortized to the date of maturity plus or minus all realized gains and losses on the sale of securities prior to maturity, less ratable amortization of any premium and all accrued expenses of the Fund, including the fees payable to the Investment Advisor, the Agency and others who provide services to the STAR Fund. The Agency currently pays, from its fee, the fees of the Custodian. (See "Expenses of the STAR Fund".)

The investments made for the Fund are in instruments of generally short maturities. The Investment Advisor may attempt to maximize yields through trading to take advantage of short-term market variations. These strategies may result in high

portfolio turnover. However, since the costs of transactions of the type in which the Fund engages are small, high turnover rate is not expected to adversely affect net asset value or yields.

Valuation of Units

The Investment Advisor, on behalf of the Fund, determines the net asset value of Units as of 2:00 p.m. Eastern Time on each Business Day. The net asset value per Unit is computed by dividing the total value of the securities and other assets of the Fund, less any liabilities, by the total outstanding Units. Liabilities include all accrued expenses and fees of the STAR Fund, including fees of the Investment Advisor, the Agency and others who provide services to the STAR Fund, which are accrued daily. (See “Expenses of the STAR Fund”.)

For the purpose of calculating the net asset value per Unit, investments held by the STAR Fund are valued at original cost, plus or minus any amortized discount or premium. As a result, the price at which the Units are sold or redeemed will not reflect unrealized gains or losses on portfolio securities.

The STAR Fund seeks to maintain a net asset value of \$1.00 per Unit, but there can be no assurance that the net asset value of Units will not vary from \$1.00. The market value basis net asset value per Unit may be affected by general changes in interest rates resulting in increases or decreases in the value of securities held by the STAR Fund. The market value of such securities will tend to vary inversely to changes in prevailing interest rates. Thus, if interest rates rise after a security is purchased, such a security, if sold, might be sold at a price less than its amortized cost. Similarly, if interest rates decline, such a security, if sold, might be sold at a price greater than its amortized cost. If a security is held to maturity, no loss or gain is normally realized as a result of these price fluctuations; however, withdrawals by Participants could require the sale of portfolio securities prior to maturity. The Investment Advisor will periodically monitor, as it deems appropriate and at such intervals as are reasonable in light of current market conditions, the relationship between the amortized cost value per Unit and a net asset value per Unit based upon available indications of market value.

In the event that the difference between the amortized cost and market value per Unit exceeds $\frac{1}{2}$ of 1 percent, the Investment Advisor and the Agency will consider what, if any, corrective action should be taken to minimize any material dilution or other unfair results which might arise from differences between the two. This action may include the reduction of the number of outstanding Units by having each Participant proportionately contribute Units to the STAR Fund’s capital, suspension or rescission of dividends, declaration of a special capital distribution, sales of portfolio securities prior to maturity to reduce the average maturity or to realize capital gains or losses, transfers of portfolio securities to a separate account, or redemption of Units in kind in an effort to maintain the net asset value at \$1.00 per Unit. If the number of outstanding Units is reduced in order to maintain a constant net asset value of \$1.00 per Unit, Participants will contribute proportionately to the STAR Fund’s capital the number of Units which represent the difference between the amortized cost valuation and market valuation of the STAR Fund. Each Participant will be deemed to have agreed to such contribution by its investment in the STAR Fund.

Yield Information

Current yield information for the STAR Fund may, from time to time, be quoted in reports, literature and advertisements published by the STAR Fund. The current yield, which is also known as the current annualized yield or the current seven-day yield, represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally \$1.00 per share) over a seven-day base period expressed as a percentage of the value of one share at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7.

The STAR Fund may also quote a current effective yield from time to time. The current effective yield represents the current yield compounded to assume reinvestment of dividends. The current effective yield is computed by determining the net change (exclusive of capital changes and income other than investment income), over a seven day period in the value of a hypothetical account with a balance of one share at the beginning of the period, dividing the difference by the value of the account at the beginning of the period to obtain the base period return, then compounding the base period return by adding 1, raising the sum to a power equal to 365 divided by 7, and subtracting 1 from the result. The current effective yield will normally be slightly higher than the current yield because of the compounding effect of the assumed reinvestment.

The STAR Fund also may publish a “monthly distribution yield” on each Participant’s month-end account statement. The monthly distribution yield represents the net change in the value of a hypothetical account with a balance of one share (normally \$1.00 per share) resulting from all dividends declared during a month by the STAR Fund expressed as a percentage of the value of one share at the beginning of the month. This resulting net change is then annualized by multiplying it by 365 and dividing it by the number of calendar days in the month.

At the request of the Agency, the STAR Fund may also quote the current yield of the STAR Fund from time to time on bases other than seven days for the information of its Participants or Institutions.

The yields quoted by the STAR Fund or any of its representatives should not be considered a representation of the yield of the STAR Fund in the future, since the yield is not fixed. Actual yields will depend on the type, quality, yield and maturities of securities held by the STAR Fund, changes in interest rates, market conditions and other factors.