

Local Government Investment Pool Profile

Massachusetts Development Finance Agency Short Term Asset Reserve Fund

Sept. 25, 2025

This report does not constitute a rating action

About the pool	AAAm
Last affirmation date	June 18, 2025
Pool type	Stable NAV Government Investment Pool
Investment advisor	PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc.
Custodian/administrator	U.S. Bank N.A.
Pool inception date	Oct. 1, 1991
Pool rated since	Oct. 8, 1991

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Rationale

S&P Global Ratings rates the Massachusetts Development Finance Agency Short Term Asset Reserve (STAR) Fund 'AAAm' based on its view of the quantitative characteristics of the pool's investments as well as the strong and experienced fixed-income management team at investment advisor PFM Asset Management (PFMAM).

For principal stability funds, we consider the sources of risk in a managed fund's portfolio and investment strategy and assess their potential impact on a fund's ability to maintain a stable or accumulating net asset value (NAV). Risks include credit quality; investment maturity; liquidity; portfolio diversification, index, and spread; management; and security-specific risks.

In our view, the fixed-income management team at PFMAM is supported by a strong investment operations infrastructure, commensurate with its long track record in local government investment pool management, conservative investment practices, and strict internal controls. We monitor the portfolio statistics and investment holdings weekly.

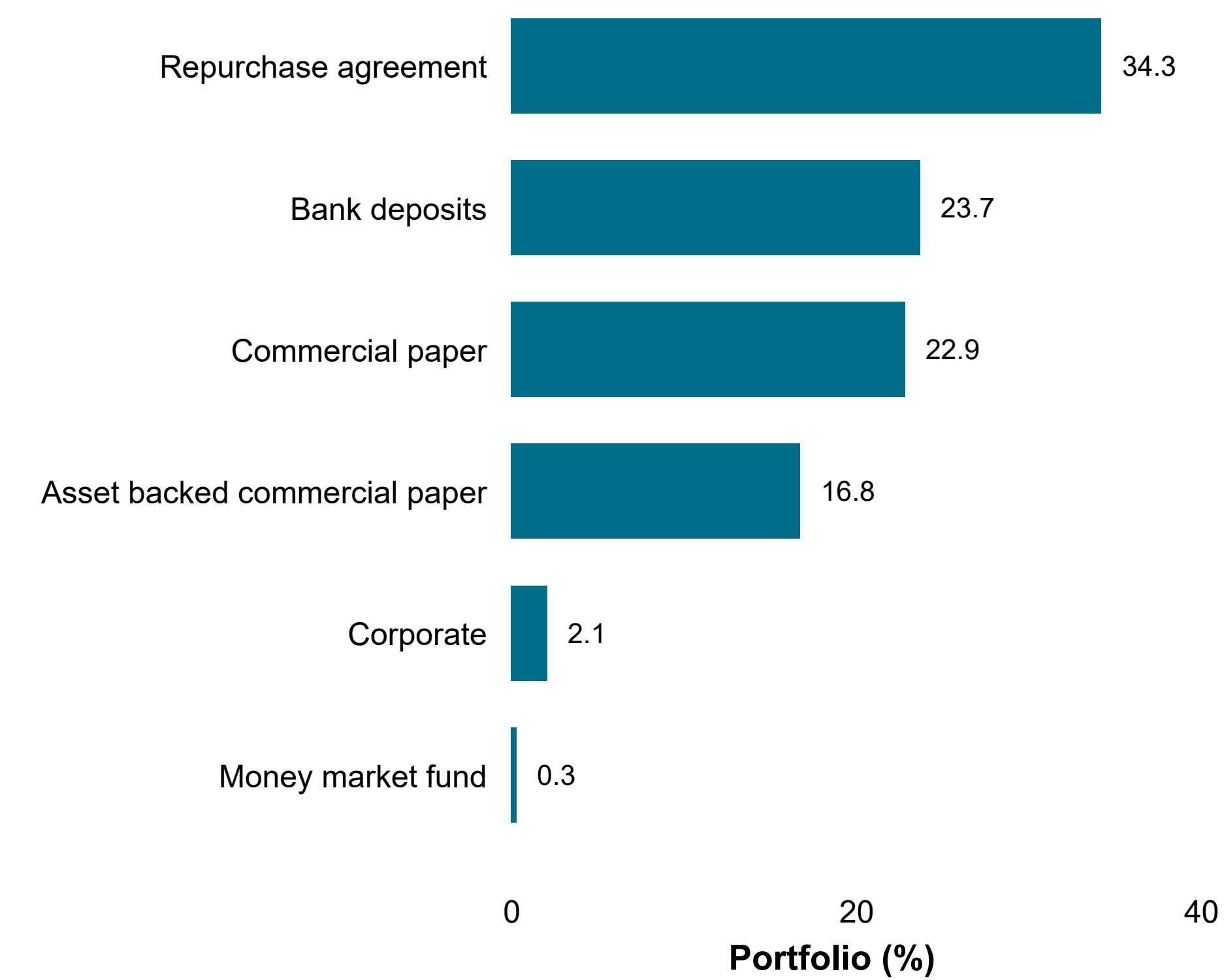
Fund statistics as of Sept. 25, 2025

Net asset value per share (\$)	Net assets (mil. \$)	Weighted average maturity (reset) - (days)	Weighted average maturity (final) - (days)	Seven-day yield (%)	30-day yield (%)
1.0003	325.00	43	79	4.12	4.23

Portfolio Snapshot

Chart 1

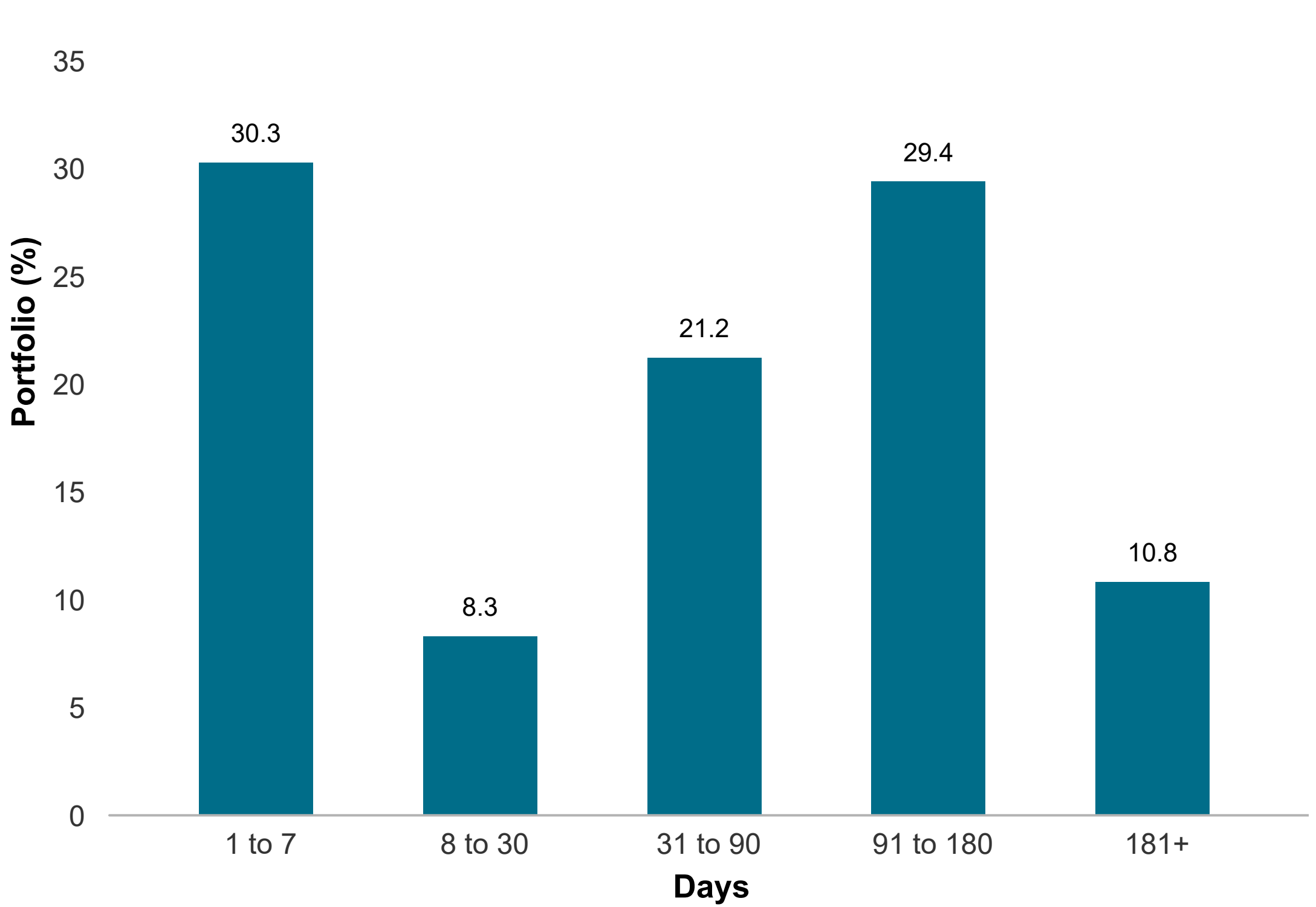
Portfolio composition



As of: September 2025

Chart 2

Average portfolio maturity distribution



As of: September 2025

Portfolio Assets

The STAR Fund, established in 1991, offers comprehensive investment management for the proceeds from bonds issued by the Massachusetts Development Finance Agency. The pool aims to preserve principal, ensure liquidity, and achieve a level of current income that aligns with these objectives while maintaining a NAV of \$1.00 per share.

STAR invests in a range of instruments, including repurchase agreements, fixed- and floating-rate agency securities, agency discount notes, bankers' acceptances, fixed- and floating-rate certificates of deposit, commercial paper, and U.S. Treasury securities.

As of Sept. 25, 2025, the portfolio comprised a diversified selection of high-quality money market instruments including repurchase agreements, bank deposits, commercial paper, asset-backed commercial paper, and money market funds.

History/Trends

To mitigate STAR’s sensitivity to interest rate fluctuations, the pool actively manages its weighted average maturity to reset, or WAM(R), within a 60-day limit. During the review period, the pool maintained an average WAM(R) of 45 days, aligning with its conservative approach. Reflecting its money market-like investment strategy, STAR’s return profile closely tracks the S&P Rated Government Investment Pool Index and generally varies in response to interest rate movements.

As of Sept. 25, 2025, STAR reported assets under management of \$325 million, an increase of approximately \$120 million year over year. Despite seasonal redemption cycles, the pool's assets have grown consistently over the past 12 months. In our view, its strong credit quality supports NAV stability, with an average of 55% of holdings rated 'A-1+' over the same period.

Chart 3
WAM (R) & WAM (F)

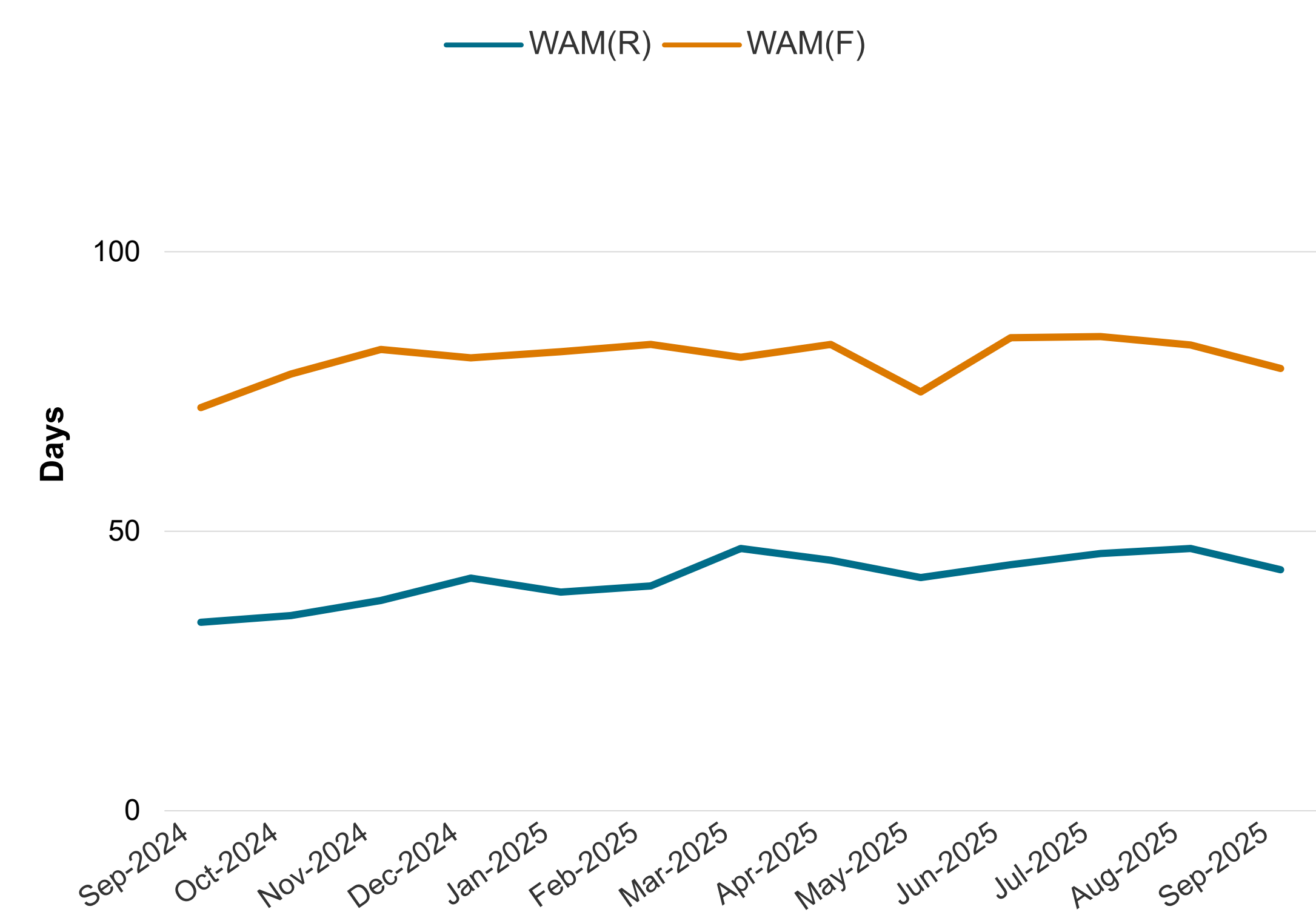


Chart 4
Portfolio seven-day net yield comparison

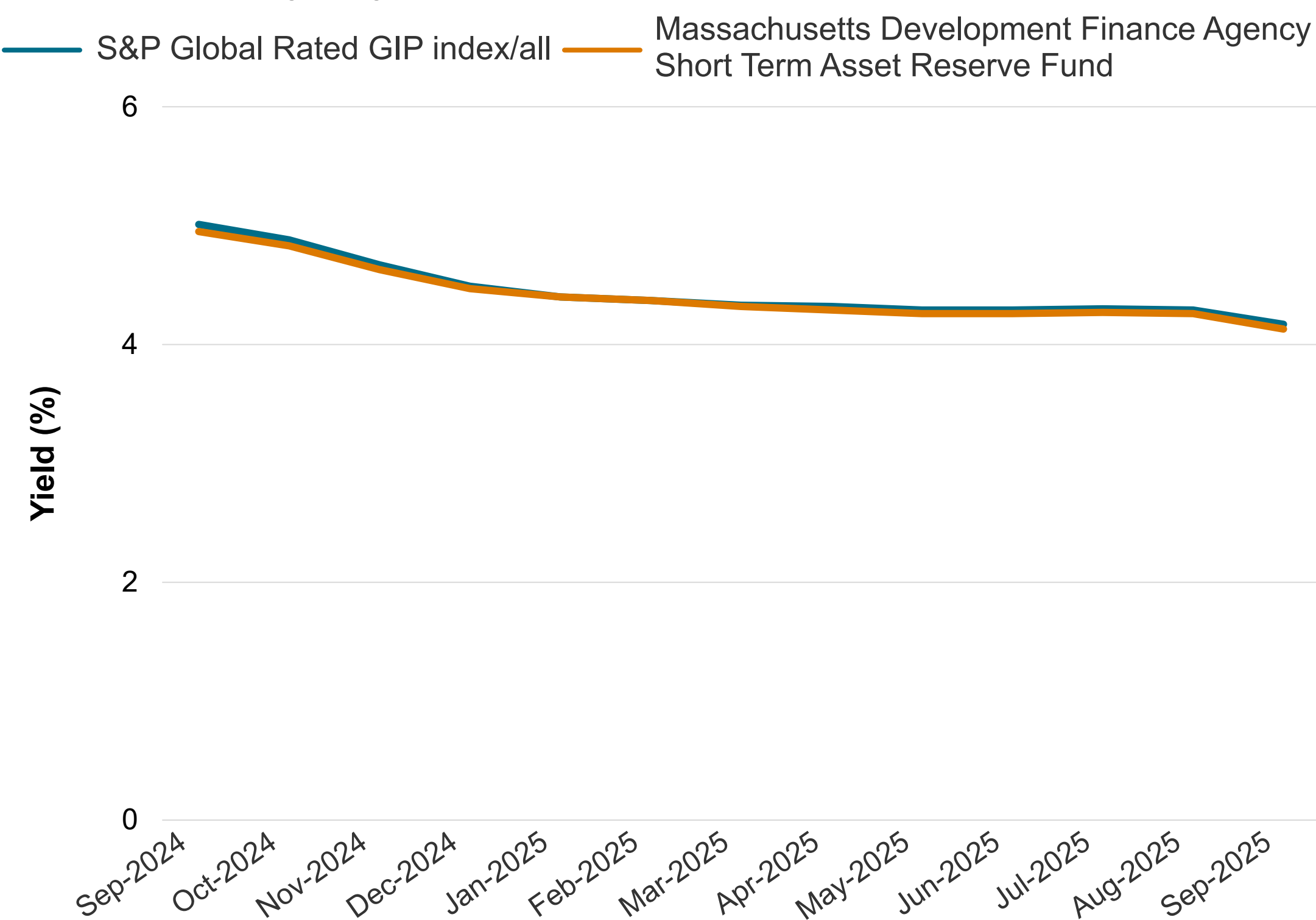


Chart 5
Net assets

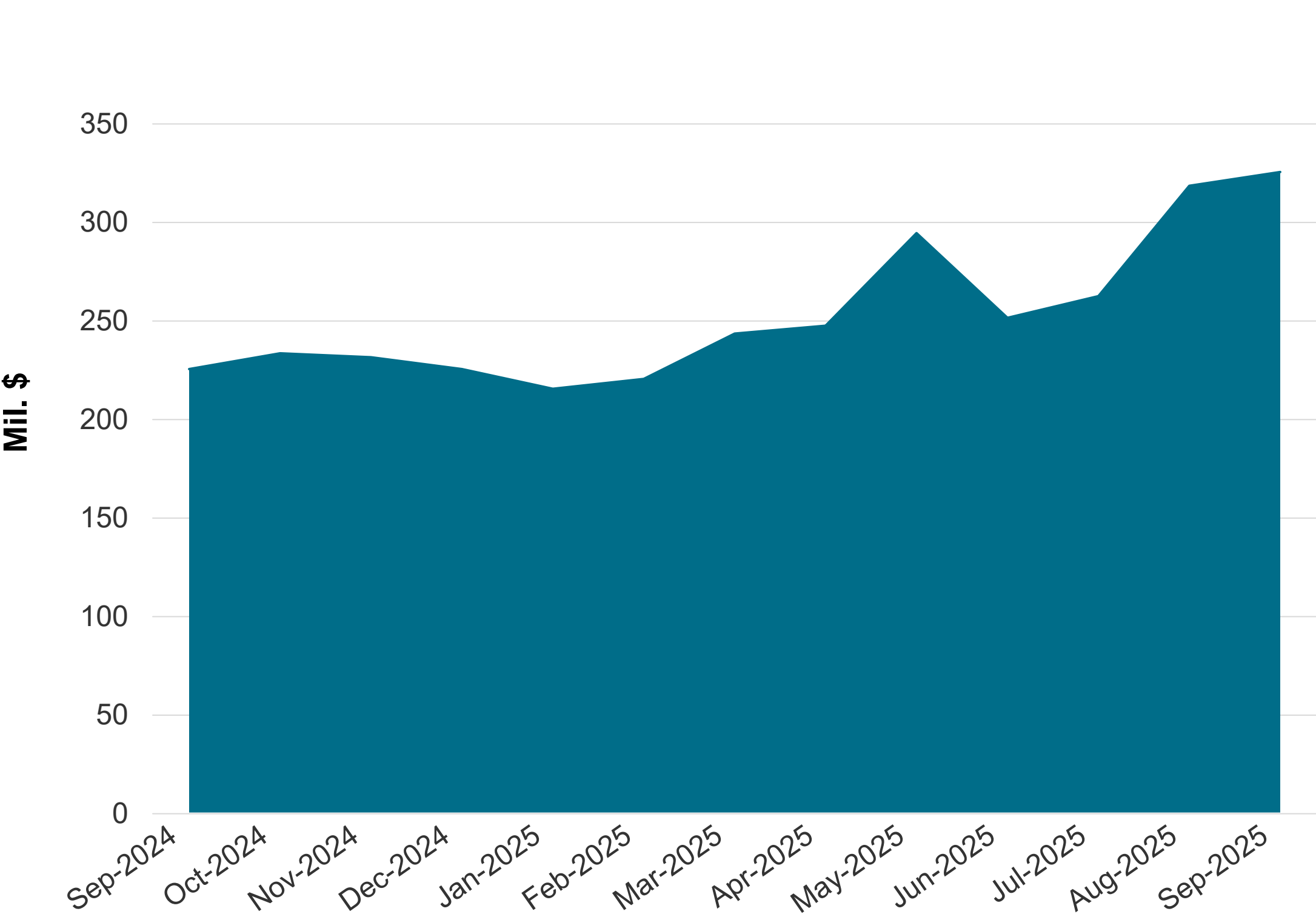
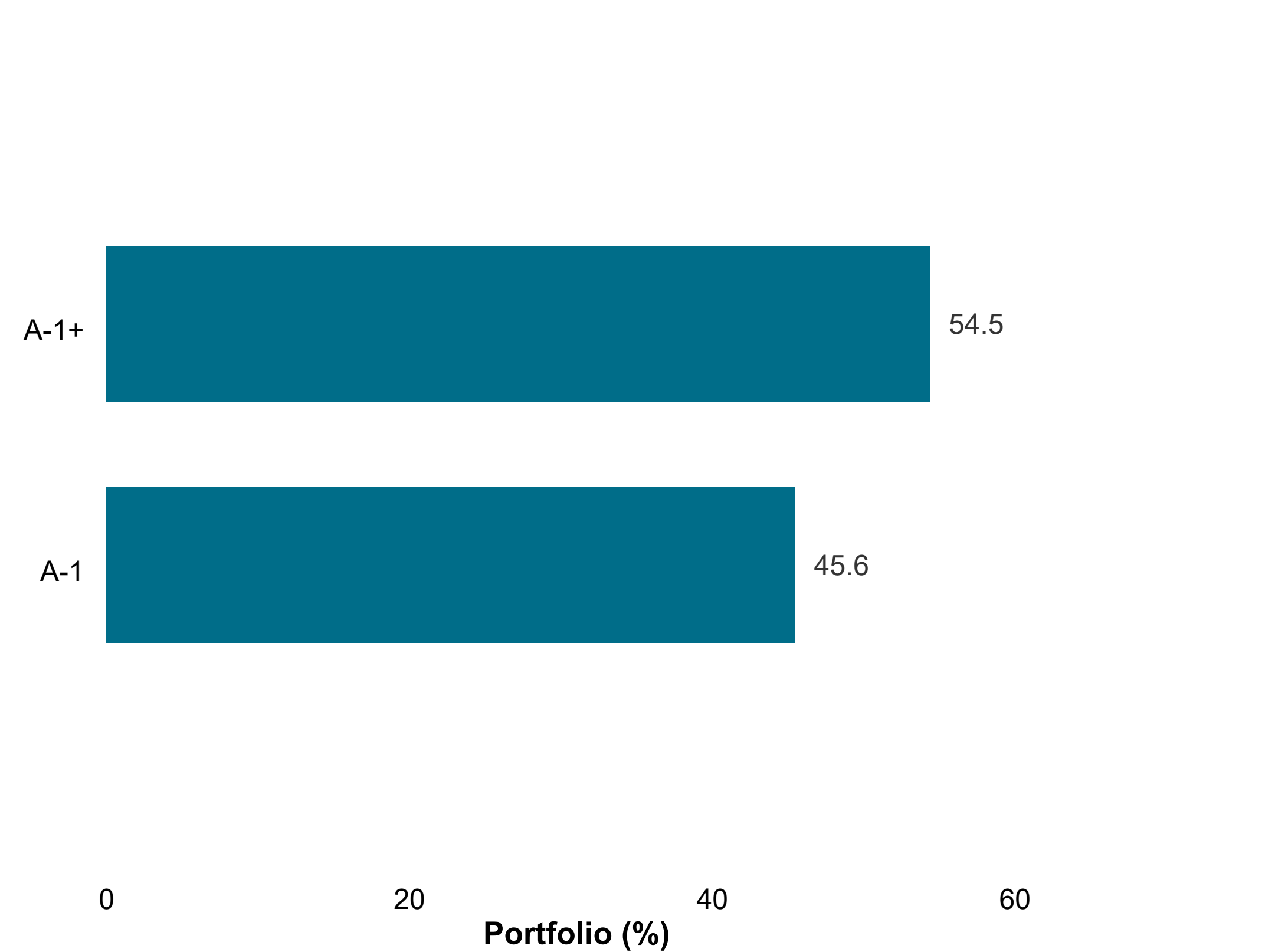


Chart 6
Credit quality



Related Criteria

- Criteria | Financial Institutions | Fixed-Income Funds: Principal Stability Fund Rating Methodology,July 26, 2024

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