POOL PROFILE
Massachusetts Development Finance Agency Short Term Asset Reserve Fund

About the Pool
Pool Rating \( \text{AAAm} \)
Pool Type Stable NAV Government
Investment Adviser PFM Asset Management LLC
Phone 1-800-937-2736
Portfolio Manager Jeffrey Rowe, CFA
Pool Rated Since October 1991
Custodian U.S. Bank N.A.
Distributor PFM Fund Distributors, Inc.

Rationale
Massachusetts Development Finance Agency Short Term Asset Reserve Fund (MASS STAR) is rated ‘AAAm’ by S&P Global Ratings. The rating is based on S&P Global Ratings’ analysis of the portfolio’s credit quality, investment policies, market price exposure, and management. The rating signifies our forward-looking opinion about a fixed-income fund’s ability to maintain principal value (i.e., stable net asset value, or ‘NAV’).

Overview
MASS STAR is one of several pools managed by PFM Asset Management LLC (PFMAM), based in Harrisburg, Pennsylvania. MASS STAR’s investment objectives are to provide as high a level of current income as is consistent with maintaining liquidity and stability of principal and to maintain a stable net asset value (NAV) of $1.00 per share. The pool is designed as an investment vehicle for bond proceeds of organizations that borrow through the Massachusetts Development Finance Agency, such as health and higher education institutions, and for funds of the agency.

Management
The MASS STAR Portfolio is managed by PFM Asset Management LLC (PFMAM), a subsidiary of U.S. Bancorp Asset Management, Inc. through acquisition as of December 7, 2021. As the fund’s investment adviser and administrator, PFMAM is responsible for the purchase and sale of all portfolio assets. PFMAM is registered with the SEC under the Investment Advisers Act of 1940 and specializes in creating investment strategies and managing funds for public sector, not-for-profit and other institutional clients.

Portfolio Assets
The pool invests primarily in banker’s acceptances, commercial paper and other obligations guaranteed by the U.S. government or its agencies or instrumentalities. In addition, the pool may invest in certificates of deposit, corporate notes, and both corporate floating rate and corporate fixed-rate securities. Repurchase agreements are entered into with highly creditworthy counterparties and generally make up no more than 30% of pool assets. The fund manager intends to comply with guidelines similar to those mandated for money-market funds that comply with Rule 2a-7 of the Investment Company Act of 1940. These guidelines are consistent with Massachusetts regulations governing the investment of public funds. PFMAM uses drawdown schedules prepared by MASS STAR participants to help anticipate liquidity needs. The fund maintains a weighted average maturity to reset (WAM(R)) of 60 days or less.
Principal Stability Rating Approach and Criteria

A S&P Global Ratings principal stability fund rating, also known as a “money market fund rating”, is a forward-looking opinion about a fixed income fund’s capacity to maintain stable principal (net asset value). When assigning a principal stability rating to a fund, S&P Global Ratings analysis focuses primarily on the creditworthiness of the fund’s investments and counterparties, and also its investments’ maturity structure and management’s ability and policies to maintain the fund’s stable net asset value. Principal stability fund ratings are assigned to funds that seek to maintain a stable or an accumulating net asset value.

Generally, when faced with an unanticipated level of redemption requests during periods of high market stress, the manager of any fund may suspend redemptions for up to five business days or meet redemption requests with payments in-kind in lieu of cash. A temporary suspension of redemptions or meeting redemption requests with distributions in-kind does not constitute a failure to maintain stable net asset values. However, higher rated funds are expected to have stronger capacities to pay investor redemptions in cash during times of high market stress because they generally comprise shorter maturity and higher quality investments.

Principal stability fund ratings, or money market fund ratings, are identified by the ‘m’ suffix (e.g., ‘AAAm’) to distinguish the principal stability rating from a S&P Global Ratings traditional issue or issuer credit rating. A traditional issue or issuer credit rating reflects S&P Global Ratings view of a borrower’s ability to meet its financial obligations. Principal stability fund ratings are not commentaries on yield levels.

S&P Global Ratings is neither associated nor affiliated with the fund.