**S&P Global Ratings**

**Principal Stability Fund Ratings Definitions**

**AAm** A fund rated 'AAm' demonstrates very strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. 'AAm' is the highest principal stability fund rating assigned by S&P Global Ratings.

**AA** A fund rated 'AA' demonstrates strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk, but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than funds in higher-rated categories.

**BBBm** A fund rated 'BBBm' demonstrates adequate capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. However, adverse economic conditions or changing circumstances are more likely to lead to a reduced capacity to maintain principal stability.

**BBm** A fund rated 'BBm' demonstrates speculative characteristics and uncertain capacity to maintain principal stability. It is vulnerable to principal losses due to credit risk. While such funds will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

**Dm** A fund rated 'Dm' has failed to maintain principal stability resulting in a realized or unrealized loss of principal.

**Plus (+) or Minus (-)** The ratings may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

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**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 (PFM), 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 pool's investment adviser is PFM Asset Management LLC (PFM). As adviser, PFM manages MASS STAR and is responsible for the purchase and sale of all portfolio assets. PFM and Public Financial Management Inc., which is under common ownership with PFM, have managed pools since 1981. The two firms act as financial advisers and/or investment advisers to cities, townships, boroughs, counties, school districts, authorities, and financial institutions throughout the country, providing their clients with financial, investment advisory, and cash management services.

**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. PFM 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.

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**Participants should consider the investment objectives, risks and charges and expenses of the pool before investing. The investment guidelines which can be obtained from your broker-dealer, contain this and other information about the pool and should be read carefully before investing.**
Massachusetts Development Finance Agency Short Term Asset Reserve Fund

**Data Bank as of March 25, 2021**

<table>
<thead>
<tr>
<th>Net Asset Value per Share</th>
<th>$1.00005</th>
<th>Net Assets (millions)</th>
<th>$268.53</th>
</tr>
</thead>
<tbody>
<tr>
<td>WAM (R) *</td>
<td>55 days</td>
<td>WAM (F) **</td>
<td>81 days</td>
</tr>
</tbody>
</table>

* Weighted Average Maturity (Reset)  
** Weighted Average Maturity (Final)

**Portfolio Maturity Distribution as of March 25, 2021**

**Portfolio Credit Quality as of March 25, 2021**

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S&P Global Ratings' principal stability fund rating, known as a "money market fund rating," is a forward-looking opinion about the fund's ability to maintain stable net asset value (NAV). When assigning a principal stability rating to a fund, S&P Global Ratings analysis focuses on the fund's ability to maintain a stable net asset value. Principal stability fund ratings are assigned to funds that seek to maintain a stable or accumulating NAV.

Generally, when faced with an unexpected level of redemption requests during periods of high market stress, the fund is expected to have sufficient liquidity resources to meet redemptions in cash. A temporary suspension of redemptions or meeting redemption requests with distributions in-kind is not expected to constitute a failure to maintain stable NAV.

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 issuer or issuer credit rating. A traditional issuer or issuer credit rating reflects S&P Global Ratings view of the borrower's ability to meet its financial obligations.

Principal stability fund ratings are not commentsaries on yield levels.

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Pool portfolios are monitored weekly for developments that could cause changes in the ratings. Rating decisions are based on periodic meetings with senior pool executives and public information.

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

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