

Massachusetts Development Finance Agency Short Term Asset Reserve Fund



The STAR Fund was established in 1991 and provides competitive, comprehensive investment management for the proceeds of bonds issued by the Massachusetts Development Finance Agency.

The STAR Fund is a professionally managed short term investment fund created to provide investors with a convenient method of pooling bond proceeds pending their expenditure. This pooled fund offers investors the following:

- **Daily liquidity, including transactions by wire and/or ACH**
- **Unlimited investments and redemptions**
- **Unlimited sub-accounting to track multiple revenue sources or projects**
- **Online account access**

Investment Objective

The STAR Fund seeks to preserve principal, maintain liquidity and attain a level of current income as high as is consistent with those objectives.

Investment Philosophy

The STAR Fund invokes a dynamic yet disciplined investment philosophy in which the Fund's investment advisor actively responds to changes in market conditions. The Fund's return, therefore, may be enhanced through prudent trading and portfolio restructuring without subjecting the portfolio to unnecessary risk.

The Fund's investment advisor seeks to optimize investment returns through careful analysis of and investment in short-term government securities and other high-quality money market instruments while preserving the safety and liquidity of the underlying principal.

Fund Facts

As of December 31, 2018

Current 7-Day Net Yield¹	2.44%
Weighted Average Maturity²	31 days
Expense Ratio	0.22%
Standard and Poor's Fund Rating	AAAm
Investment Adviser	PFM Asset Management LLC

Performance (30-Day Yield %)

	30-Day Net Yield³
Jan-18	1.36%
Feb-18	1.46%
Mar-18	1.57%
Apr-18	1.81%
May-18	1.93%
Jun-18	2.02%
Jul-18	2.09%
Aug-18	2.08%
Sep-18	2.09%
Oct-18	2.21%
Nov-18	2.27%
Dec-18	2.37%

¹ Current 7-day net yield, also known as the current annualized 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.

² Weighted Average Maturity: Calculated by the final maturity for a security held in the portfolio and the interest rate reset date. This is a way to measure a fund's sensitivity to potential interest rate changes.

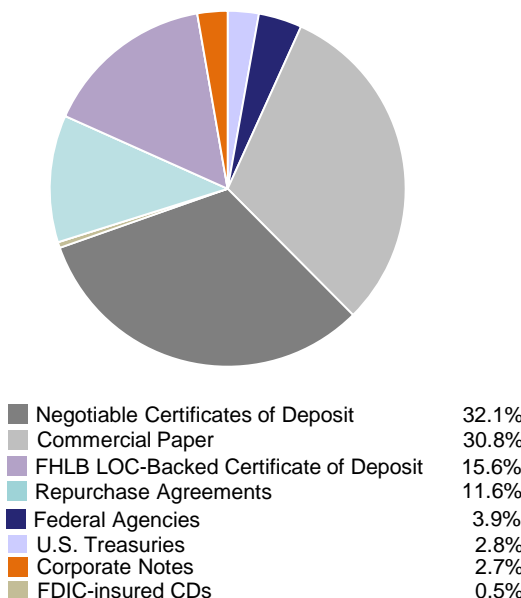
³ As of the last day of the month. The 30-day yield represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally \$1.00 per share) over a thirty-day base period expressed as a percentage of the value of one share at the beginning of the thirty-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 30.

Past performance is no guarantee of future results. Yields will fluctuate as market conditions change. Important disclosure information is provided on the following page.

Fund Diversification

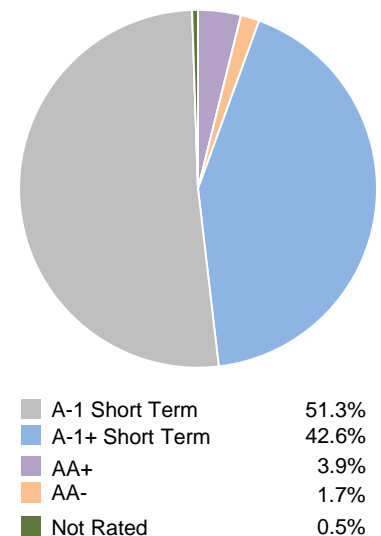
As of December 31, 2018

Sector Composition*



Credit Quality Distribution*

(Standard & Poor's Fund Ratings)



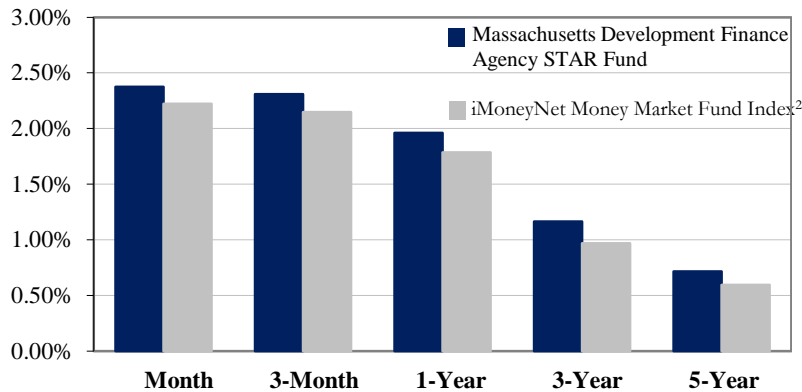
*Percentages may not total to 100% due to rounding.

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Trailing Returns¹

As of December 31, 2018



	Month	3-Month	1-Year	3-Year	5-Year
Massachusetts Development Finance Agency STAR Fund	2.37%	2.31%	1.96%	1.16%	0.72%
iMoneyNet Money Market Fund Index	2.22%	2.15%	1.78%	0.97%	0.60%

Further information on the STAR Fund can be found at <http://www.massdevelopment.com/financing/specialty-loan-programs/star-fund> or by calling the Fund's Investment Advisor at 1-800-937-2736.

¹ Trailing returns calculated using the 30-day net yield as of the last day of the month. The current 7-day net yield more closely reflects the current earnings of the Fund than the trailing returns. Returns for less than a full calendar year are annualized.

² Source: iMoneyNet First Tier Institutional Money Market Fund Index Average. This index is comprised of funds rated in the top grade that invest in high-quality financial instruments with dollar-weighted average maturities of less than 60 days. It is not possible to invest directly in such an index.

Standard & Poor's fund ratings are based on analysis of credit quality, market price exposure, and management. According to Standard & Poor's rating criteria, the AAAM rating signifies excellent safety of investment principal and a superior capacity to maintain a \$1.00 per share net asset value. However, it should be understood that the rating is not a "market" rating nor a recommendation to buy, hold or sell the securities. For a full description on rating methodology, visit Standard & Poor's website (www.standardandpoors.com/ratings/funds-main/en/us).

This information is for institutional investor use only, not for further distribution to retail investors, and does not represent an offer to sell or a solicitation of an offer to buy or sell any fund or other security. Investors should consider the Fund's investment objectives, risks, charges and expenses before investing in the Fund. This and other information about the Fund is available in the Fund's current Information Statement, which should be read carefully before investing. A copy of the Fund's Information Statement may be obtained by calling the Investment Advisor at 1-800-937-2736. While the Fund seeks to maintain a stable net asset value of \$1.00 per unit, it is possible to lose money investing in the Fund. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Units of the Fund are distributed by **PFM Fund Distributors, Inc.**, member Financial Industry Regulatory Authority (FINRA) (www.finra.org) and Securities Investor Protection Corporation (SIPC) (www.sipc.org). PFM Fund Distributors, Inc. is a wholly owned subsidiary of PFM Asset Management LLC.

Service Providers

Administrator

Massachusetts Development Finance Agency
99 High Street
Boston, MA 02110

Investment Advisor and Transfer Agent

PFM Asset Management LLC
213 Market Street
Harrisburg, PA 17101

Custodian

U.S. Bank N.A.
60 Livingston Avenue
St. Paul, MN 55107

Independent Registered Public Accounting Firm

RSM US LLP
30 S. 17th Street, Suite 700
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Special Counsel

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