

MMDT Highlights

Do you know what a Local Government Investment Pool or LGIP is and how it can help meet your investment objectives? Are you interested in learning more about the history of MMDT?

History of the MMDT and Federated's role

In 1975, the General Court of the Commonwealth enacted legislation permitting the Massachusetts State Treasurer, with the advice of an Investment Advisory Council, to establish one or more investment funds or "pools" and to offer participation units in such funds to cities/towns, counties, housing and redevelopment authorities, public retirement systems, regional transit authorities, regional school districts, state and community colleges, and other public entities. These combined investment funds allow eligible entities to pool their money together, creating economies of scale, in an effort to receive professional investment management at a competitive cost. The MMDT has grown over the years offering two investment pools: the Cash Portfolio and the Short Term Bond Portfolio.

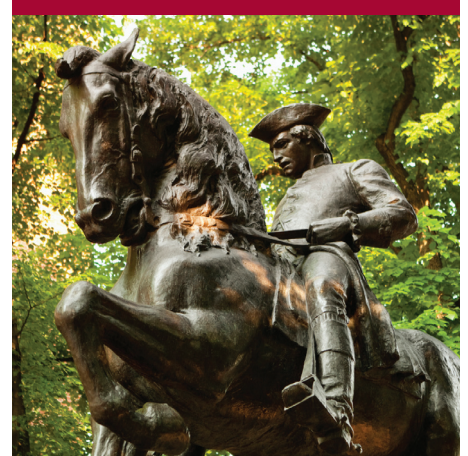
On March 4, 2013, a subsidiary of Federated Investors, Inc. began management of the assets of the MMDT portfolios to the exact specifications of its investment policies. The portfolios are run by an experienced team of professional portfolio managers and credit research analysts supported by Federated's proprietary trading and portfolio-management systems.

One of the nation's largest investment managers, Federated serves all 50 states in many types of mandates, at the state, county or local levels of government. Thirty-seven states rely on us for some form of liquidity management. We count 5,000 participants across the local government investment pools (LGIPs) that we serve. Federated seeks to offer competitive investment performance and personalized service supported by an easy-to-use suite of technology—all achieved with total transparency and serviced in our Boston, Mass., office with extensive reach across the Commonwealth.

Investment options the MMDT offers

Cash Portfolio: The Cash Portfolio offers participation in a diversified portfolio of high-quality money-market instruments that seek the highest possible level of current income consistent with preservation of capital and liquidity. Seeking to preserve capital investment through prudent management and sound investment policies and restrictions, it aims to maintain sufficient liquidity to meet reasonably foreseeable participant redemption activity. The investment objectives of the Cash Portfolio are preservation of capital, liquidity, and yield. The Cash Portfolio offers participants an investment option for operating capital and bond proceeds consistent with their investment time horizons.

Short Term Bond Portfolio: The Short Term Bond Portfolio offers participation in a diversified portfolio of investment-grade, short-term, fixed-income securities that seeks to generate performance exceeding the Bloomberg Barclays 1-5 Year Government/Credit Bond Index. Presenting a fixed-income alternative with a longer time horizon than the cash portfolio, the Short Term Bond Portfolio offers participants an investment option for operating capital and bond proceeds consistent with their investment time horizons and investment policies.



What are Local Government Investment Pools?

Local government investment pools are established by state or local governments to serve as investment vehicles for qualified public entities. The assets from these entities are pooled together and invested directly either by the state, a local government or an investment manager within the guidelines of the participant's investment policy.

Benefits of the MMDT

Access to the MMDT Portfolios provides the benefits of diversification, active and professional portfolio management and a competitive fee structure. Federated's experience and commitment to the public sector assists you with your liquidity and income needs.

Diversification: The MMDT Cash Portfolio and Short Term Bond Portfolio do not require a minimum investment. This allows entities, no matter the size, to invest assets in the MMDT to manage cash or low-duration bond-investment needs while offering exposure to hundreds of securities to help diversify their asset mix.

Active Portfolio Management: The MMDT is actively managed by portfolio managers Paige Wilhelm (Cash Portfolio) and John Gentry (Short Term Bond Portfolio). Understanding the needs and goals of MMDT participants, Paige and John manage the day-to-day activities by working with analysts and traders to prudently invest the assets of the MMDT and manage the participant's liquidity needs. Monthly conversations with the State Treasurer's office and regularly updated holding reports on the MMDT website create an added layer of transparency to the MMDT portfolio and participants.

Fee Structure: The MMDT creates efficiencies and economies of scale, resulting in a competitive fee structure.

| Cash Portfolio | | Short Term Bond Portfolio | |
|---|---------------------|---|---------------------|
| Average Net Assets | Annualized Fee Rate | Average Net Assets | Annualized Fee Rate |
| Assets up to \$3 billion | 0.050% | Assets up to \$200 million | 0.090% |
| Assets from \$3 billion to \$6 billion | 0.045% | Assets from \$200 million to \$500 million | 0.080% |
| Assets equal to or in excess of \$6 billion | 0.040% | Assets from \$500 million to \$800 million | 0.070% |
| | | Assets equal to or in excess of \$800 million | 0.060% |

Available Features

No Transaction Settlement Fees

- MMDT does not charge a fee for transaction settlement to your bank whether by wire or ACH.
- ACH transactions settle next day for the Cash Portfolio.

Future Dated Trading

Place a purchase, redemption or transfer/exchange up to 90 business days in advance.

Vendor Payment

Pay your bills online today or at a future date using MyMMDT Account Access settling by wire or ACH to a pre-established vendor (Cash Portfolio ONLY).

Internal MMDT Participant to Participant Transfers

Simply complete the MMDT Participant to Participant Transfer Form and fax to MMDT Participant Services at 617-235-7171 or call 888-965-6638, Option 1 to place the transfer by phone.

Dual Authorization Trading (Optional)

Establish additional transaction security controls by allowing certain individuals to place trades and others to approve them for entry.

Tutorials

On-line resources to learn about MMDT's services at your own pace.

An investment in the Cash Portfolio is not a deposit of a bank and is neither insured nor guaranteed by the Commonwealth of Massachusetts or the U.S. government, the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although the Cash Portfolio seeks to preserve the value of your investment at \$1.00 per unit, it is possible to lose money by investing in the Portfolio. The Portfolio's yield will vary from day to day based on changes in interest rates and market changes.

Bond prices are sensitive to changes in interest rates, and a rise in interest rates can cause a decline in their prices.

Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. Information about these and other important subjects is in the Investment Circular, which you should read carefully before investing.

Not FDIC Insured May Lose Value No Bank Guarantee

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