

Your MMDT Quarterly Update

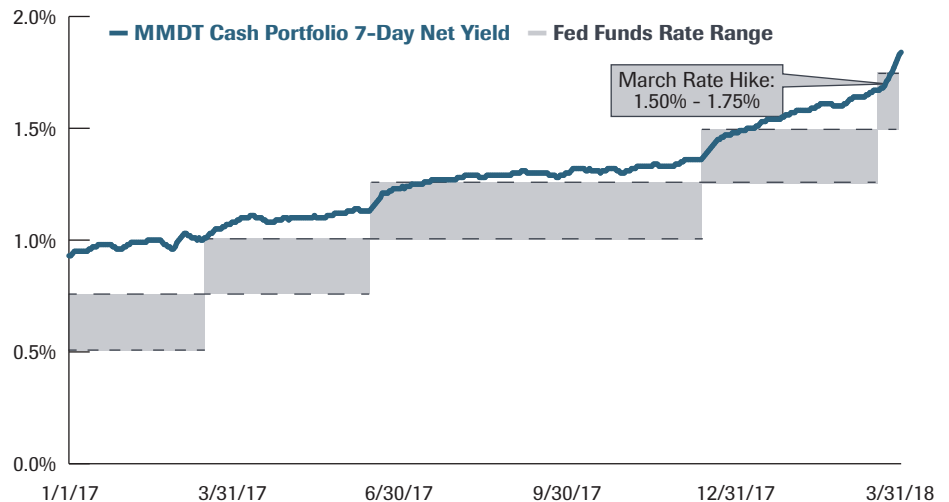
Spring 2018

Rates Climb Higher Again

The announcement that the Federal Reserve increased the target range of the fed funds rate by 0.25% has sparked another rise in yield for the Massachusetts Municipal Depository Trust Cash Portfolio with the 7 day net yield climbing to 1.84% as of March 31st.

In 2017, on average the 7-day net yield for MMDT rose .11% in the 30 days following the Fed announcement.

For more information on how you can seek to take advantage of a rising-rate environment and invest in the MMDT Cash Portfolio call (617) 335-0770.



Performance quoted represents past performance, which is no guarantee of future results. Investment return will vary. The value of an investment when redeemed, may be worth more or less than the original cost.

Sources: Federated Investors, Bloomberg; Chart end date is 3/31/18

7-day net yield as of 3/31/18 is 1.84%. Past performance is no guarantee of future results.

Fed Watch: Smooth transition

March 31, 2018

The Federal Reserve forged ahead with its Federal Open Market Committee (FOMC) meeting on March 21. It was Jerome Powell's first as Fed chair and, all in all, the proceedings were orderly and without fireworks or controversy.

The Fed raised rates by a quarter percentage point, bringing the fed funds target range from 1.25-1.50% to 1.50-1.75%. The statement included an upbeat observation that the economic outlook has strengthened in recent months. Robust job gains and low unemployment rates also were noted. The optimism spilled over to the dot plot and the summary of economic conditions, which overall were more hawkish in tone than the previous version.

The median dot for year-end 2018 remained at 2.1%, implying three moves in total for the year (inclusive of today's action),

rebuffing some market expectation that the dots would reflect four hikes. The median dot for year-end 2019 increased from 2.7% to 2.9%, reflecting three 25-basis-point moves, up from two. The median dot for year-end 2020 came in at 3.4%, up from 3.1%, and the longer-run dot notched up slightly from 2.8% to 2.9%, but remained lower than the 2020 projections. The changes in other forecasts reflected stronger GDP growth, a lower unemployment rate and slightly higher inflation.

During the press conference, Powell generally handled questions comfortably. He indicated, when asked, that he is carefully considering holding more frequent press conferences, but has not made a decision. He attributed the improved economic outlook to, among other factors, fiscal policy, job gains that are fostering confidence and financial conditions that remain accommodative.

Fed Rate Watch

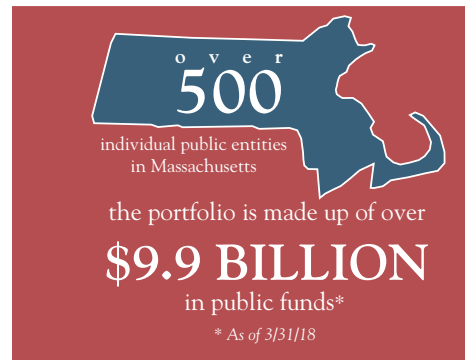
Upcoming Fed meetings:

May	1-2
June	12-13
Jul/Aug	31-1
September	25-26
November	7-8
December	18-19

Outlook:

Anticipating 2 more rate hikes in 2018

Cash Portfolio Overview



Eligibility extends to all Massachusetts public entities including:



- state agencies and quasi corporations
- state universities and colleges
- community colleges
- cities and towns
- regional school districts and chartered schools
- housing authorities
- water, fire, and sewer districts
- planning commissions
- education collaboratives

What are the BENEFITS?

- Daily liquidity
- Competitive yield
- No minimums
- No ACH or wire fees
- Unlimited transactions
- Vendor payment
- Check writing privileges

What types of assets are invested?



OPERATING CASH | BOND PROCEEDS | STATE AID
GENERAL FUNDS | TRUST FUNDS | STABILIZATION FUNDS

Your Federated MMDT Representatives

Brian R. Willer, CIMA®
Vice President
MMDT Senior Sales Representative

bwiller@federatedinv.com
617-335-0770

Brian is responsible for relationship management with MMDT participants.

Luke A. Raffa, CFS®
MMDT Associate Sales Representative

lraffa@federatedinv.com
407-733-5880

Luke is responsible for relationship management with MMDT participants.

Wayne Perry
Unit Manager
MMDT Participant Services

wperry@federatedinv.com
1-888-965-MMDT (6638)

Wayne is responsible for managing the MMDT Participant Services team from the High Street office.

Are you taking advantage of all of the features available from MMDT?

- No fee wire/ACH transactions
- Future date trading
- Vendor payments
- Internal MMDT participant to participant transfers
- Dual authorization trading
- Unlimited number of transactions
- Online tutorials

Upcoming Events

We look forward to meeting with MMDT participants at these events:

- Apr 05, 2018 - Apr 06, 2018, Conf Center at Waltham Woods, Waltham NESGFOA Spring Training Seminar 2018
- Apr 11, 2018, Sterling National Country Club, Sterling 2018 MCTA Annual Spring Meeting
- May 20, 2018 - May 21, 2018, Sea Crest Resort, North Falmouth 2018 Mass NAHRO Annual Conference

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

Investments in the Cash Portfolio and Short Term Bond Portfolio are not deposits of a bank and are 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. The Portfolios' yields will vary from day to day based on changes in interest rates and market changes. 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.

Boston Office: Oliver Street Tower • 125 High Street, 21st Floor • Boston, MA 02110
MMDT Participant Services: P.O. Box 8699 • Boston, MA 02266-8699
1-888-965-MMDT (6638) • MyMMDT.com • Federated Investment Counseling

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