MMDT Short Term Bond Portfolio

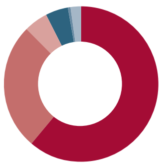
MASSACHUSETTS MUNICIPAL DEPOSITORY TRUST

Highlights

- Offers participation in a diversified portfolio of investment-grade short-term fixed-income securities that seeks to generate long-term performance exceeding the Bloomberg 1-5 Year Government/Credit Bond Index.
- Presents a fixed-income option for assets with a longer time horizon and risk tolerance than the cash portfolio.
- Offers participants an investment option for operating capital and bond proceeds consistent with their time horizons.

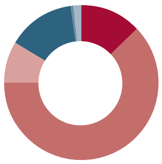
Portfolio Overview as of 12/31/24

Portfolio Composition (%)



- U.S. Treasury **61.2**
- Credit **26.3**
- MBS **5.0**
- Asset Backed Securities **4.8**
- CMBS **0.5**
- Cash and Other **2.2**

Credit Quality Composition* (%)



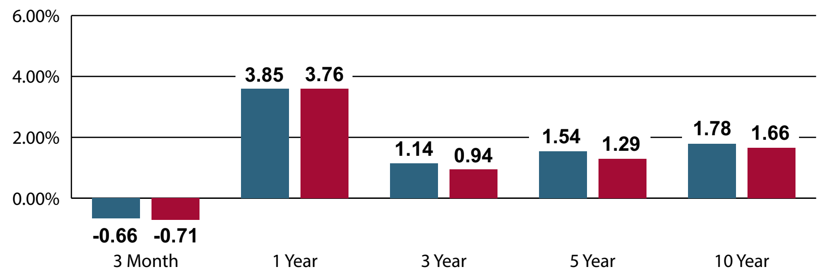
- AAA **12.9**
- AA **62.0**
- A **8.5**
- BBB **14.5**
- BB **0.6**
- Cash Equivalents **1.5**

30-Day Distribution Yield	3.58%
Weighted Average Effective Duration	2.53 Yrs.
Weighted Average Effective Maturity	2.90 Yrs
Portfolio Manager	John T. Gentry, CFA
Portfolio Total Assets	$791.5 million

Performance as of 12/31/24

Average Annual Total Returns at NAV (%)

■ MMDT Short Term Bond Portfolio ■ Bloomberg 1-5 Government/Credit Index



Performance data quoted represents past performance which is no guarantee of future results. Current performance may be lower or higher than what is stated. Investment return and principal value will fluctuate so that an investor's shares, when redeemed may be worth more or less than their original cost.

Portfolio Manager Commentary

Resiliency and uncertainty were key words to watch during the fourth quarter. From low weekly jobless claims to improving consumer confidence and manufacturing surveys, solid economic data underpinned growth prospects. Election uncertainty was decisively resolved, but that in turn led to rising uncertainty over potential pro-growth fiscal policies from the new administration and what impact, if any, they would have on Federal Reserve policies. In addition, inflation has proved to be stubborn. After slow and steady gains in the Fed's preferred inflation measure, core personal consumption expenditures, it reaccelerated during the fourth quarter, hitting 2.82% in November, well above the Fed's 2% target. While the Fed made it clear that it wanted to continue to cut its federal funds rate to normalize policy, Fed Chair Powell commented after the December meeting that the Fed needed to see further progress on inflation to cut rates, and he indicated that several policy makers had factored into their thinking potential changes from the new administration. The Fed's own economic projections from its December meeting call for above longer-run trends in economic growth, unemployment, and inflation in 2025. Market expectations for future Fed rate cuts fell during the quarter, as the implied year-end 2025 rate rose nearly 100bp, to end just below 4.0%, more in-line with the Fed's own projection.

Treasury yields zig-zagged higher in the fourth quarter, rising sharply in October, falling slightly in November, but then rising again in December. The benchmark 10-year note yield ranged from 3.73% in early October to 4.63% late in the quarter, before closing at 4.57%. Led by the belly of the curve, front-end Treasury yield curves steepened, while the 10/30 year curve flattened, as 30-year yields rose less than 10-year yields. The Bloomberg Aggregate index posted a total return of (3.06%), and all sectors except high yield and leveraged loans were also negative. All sectors except mortgage-backed securities outperformed comparable-duration Treasuries in the quarter, and all sectors outperformed Treasuries for the full year. Commodities prices were mixed, as crude oil, gasoline, and natural gas all gained, while metals lost value. After hitting its all-time high of $2,800/ounce in October, gold eased lower, but finished slightly higher for the quarter.

Portfolio composition is subject to change.

**Quality breakdown does not apply to Cash/Cash Equivalents.*

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

The 30-day distribution yield is calculated by taking an average of the past 30 days' daily yields at NAV.

Weighted average effective maturity is the average time to maturity of debt securities held in the fund.

Weighted average effective duration is a measure of security's price sensitivity to changes in interest rates. Securities with longer durations are more sensitive to changes in interest rates than securities of shorter durations.

An investment in the Short Term Bond 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. The Portfolio's yield will vary from day to day based on changes in interest rates and market changes.

The rating agencies that provided the ratings are S&P Global Ratings, Moody's, and Fitch. When ratings vary, the highest rating is used. Credit ratings of A or better are considered to be high credit quality; credit ratings of BBB are good credit quality and the lowest category of investment grade; credit ratings BB and below are lower-rated securities ("junk bonds"); and credit ratings of CCC or below have high default risk.

For more complete information, visit mymmdt.com. You should consider the investment's objectives, risks, charges and expenses carefully before you invest. Information about these and other important subjects is in the Investment Circular, which you should read carefully before investing.

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