MASSACHUSETTS MUNICIPAL DEPOSITORY TRUST

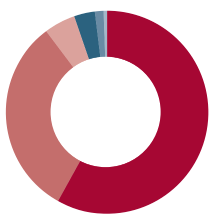
MMDT Short Term Bond Portfolio

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 Barclays 1-5 Year Government/Credit Bond Index.
- Presents a fixed-income alternative with a longer time horizon than the cash portfolio.
- Offers participants an investment option for operating capital and bond proceeds consistent with their investment time horizons.

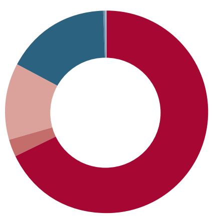
Portfolio Overview as of 6/30/20

Portfolio Composition (%)



- U.S. Treasury **58.2**
- Credit **31.8**
- Asset Backed Securities **4.8**
- MBS **3.4**
- CMBS **1.4**
- Cash and Other **0.4**

Credit Quality Composition (%)



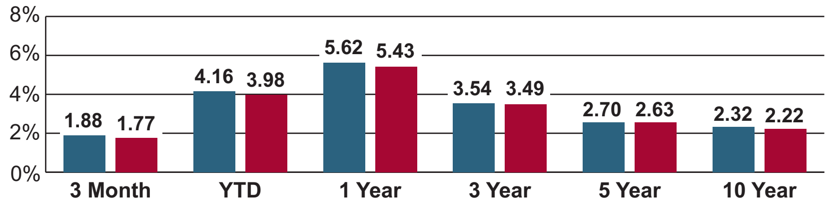
- AAA **68.0**
- AA **2.8**
- A **12.0**
- BBB **16.8**
- BB **0.3**
- Cash Equivalents **0.1**

30-Day Distribution Yield	1.84%
Weighted Average Effective Duration	2.67 Yrs.
Weighted Average Effective Maturity	2.84 Yrs.
Portfolio Manager	John T. Gentry, CFA
Portfolio Assets	$822.6 million

Performance* as of 6/30/20

Average Annual Total Returns at NAV (%)

■ MMDT Short Term Bond Portfolio ■ Bloomberg Barclays 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

Markets climbed a wall of worry in the second quarter to post strong financial results. The sharp, unexpected shutdown of the U.S. economy in late March caused untold economic hardship, but the aggressive and fast response by the Federal Reserve and Congress helped to mitigate some of the economic impact. However, the medical impact of the coronavirus has been great and its future path unpredictable, as cases spiked in many states, even as pharmaceutical companies work feverishly toward treatments and vaccines.

Thanks to aggressive action taken by the Federal Reserve especially during late March and April, financial markets regained orderly functioning. Expanding on its efforts from the 2008 recession, the Fed reduced bank regulations, implemented new facilities to purchase securities and broadened capital access for businesses and governmental entities. Congress also moved quickly to pass stimulus bills to fund Fed programs and extend unemployment benefits. After bottoming in late March, equity indices gained nearly 40%, and investment grade credit spreads recaptured nearly 80% of their widening.

Economic data reflected the sudden shock: from a multi-decade low of 3.5% in February, unemployment reached 14.7% in April, and over 47 million first-time unemployment claims have been filed since late March. With businesses shut, consumers retreated during April, sending retail, home, and auto sales plummeting. Mid-May brought some relief on the virus case count and improving economic data, helping the market's tone and consumers' outlook, but by the end of the quarter, as more states had relaxed guidelines, case counts began to rise across the South and West.

Financial assets rebounded from first quarter lows, led by the S&P 500, which gained over 20% in the quarter, as high yield and emerging market debt gained over 10% and 13%, respectively, according to Bloomberg Barclays. Crude oil prices nearly doubled on the increase in optimism and production cuts that seemed to be holding, and industrial metals like copper and nickel posted double-digit gains, as did gold and silver. The yield on the 10-year U.S. Treasury ranged between 0.57% and 0.90% during the quarter, averaging 0.68%, near where it both began and ended the quarter.

Portfolio composition is subject to change.

**The portfolio is the successor to the MMDT Short Term Bond Fund pursuant to a reorganization that occurred on March 4, 2013. Prior to that date, the portfolio had no investment operations. Accordingly, for periods prior to that date, the performance information is that of the MMDT Short Term Bond Fund which was managed by Fidelity Investments.*

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 Standard & Poor's, 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 www.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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G44885-52 (7/20)