



**Massachusetts  
Municipal  
Depository Trust**

**Steven Grossman  
Trustee**

**MMDT**

**Annual Report**  
June 30, 2011







Dear MMDT Participant,

I am pleased to present you with the Massachusetts Municipal Depository Trust (The Trust or MMDT) Annual Report of financial activities for fiscal year ended June 30, 2011. At a time when economic uncertainty still looms over investors, MMDT continues to be an attractive alternative through its two diversified portfolios of funds, designed to balance capital preservation with competitive returns.\*

The success of MMDT is underscored in the financials. For the fiscal year ended June 30, 2011, the MMDT Cash Portfolio's total return was 0.31%, (please refer to the financial highlights section for standard performance), an increase over the total return of 0.08%\*\* during the same period for the "first tier institutional money market funds average," according to iMoneyNet, Inc.

Also, for the fiscal year ended June 30, 2010, the MMDT Cash Portfolio's total return was 0.44% compared to the 0.09%\*\* return of the first tier institutional money market funds average. For the 12-month periods ending June 30, 2011 and June 30, 2010, the Cash Portfolio's investment paid dividends of over \$25 million and \$32 million, respectively. Maturity averages fluctuated from 32 days to 58 days during the current fiscal year compared to 30 days to 69 days during the prior fiscal year.

The MMDT Short Term Bond Fund also performed well in 2011. Established in 2006, the MMDT Short Term Bond Fund's total returns for the fiscal years ended June 30, 2011 and June 30, 2010 were 3.09% and 6.86%, respectively. (Please refer to the financial highlights section for standard performance). For the 12-month periods ending June 30, 2011 and June 30, 2010, the Short Term Bond Fund paid dividends of over \$6 million and \$8 million, respectively, with a dollar-weighted average maturity ranging from 2.8 to 3.1 years and 3 to 3.2 years, respectively.

The Trust continues to be administrated by Pyramis Global Advisors Trust Company, a Fidelity Investments Company. This allows MMDT investors to leverage Fidelity's vast municipal treasury expertise delivered through a dedicated account team. In addition, Fidelity provides a wealth of tools to assist investors, including the quarterly newsletter, *MMDT News*, and convenient online access through MMDTNet.

As we move forward in the new fiscal year, I want to assure you that you can continue to rely on MMDT to be a solid investment option to help you manage your city's or town's treasury funds in these challenging times.

If you have any questions or if you'd like to share your thoughts about MMDT, simply contact the Trust's administrator at 800-392-6095, or James MacDonald, Deputy Treasurer, Cash Management Department, at 617-367-9333, extension 570.

Thank you for entrusting MMDT with your treasury funds.

Sincerely,

Steven Grossman  
Treasurer and Receiver General  
Commonwealth of Massachusetts

\* Diversification does not ensure a profit or guarantee against a loss.

\*\* Source: iMoneyNet, Inc.

Past performance is no guarantee of future results.

**Before investing in a Massachusetts Municipal Depository Trust (MMDT) fund, consider the fund's investment objectives, risks, charges, and expenses. For this and additional information, call Fidelity at 800-392-6095 for a free Cash Portfolio or Short-Term Bond Fund investment circular, or view them online at <https://advisor.fidelity.com/mmdtnet>. Please read it carefully before you invest.**

**An investment in the Massachusetts Municipal Depository Trust Cash Portfolio is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. Although the issuer seeks to preserve the value of the investment at \$1.00 per share, it is possible to lose money by investing in the Trust.**

Units of Participation of the Massachusetts Municipal Depository Trust (MMDT) are offered by the Commonwealth of Massachusetts. MMDT's investments are managed by Pyramis Global Advisors Trust Company (PGATC), a limited purpose trust company and a Fidelity Investments company. Fidelity Investments Institutional Services Company, Inc., an affiliate of PGATC, acts as a servicing agent to MMDT.

Fidelity Investments Institutional Services Company, Inc., 100 Salem St., Smithfield, RI 02917

528154.3.0

**MMDT Cash Portfolio**  
**Investments/June 30, 2011** (Showing Percentage of Net Assets)

	<i>Yield (a)</i>	<i>Principal Amount</i>	<i>Value</i>
<b>Certificates of Deposit – 49.0%</b>			
<b>London Branch, Eurodollar, Foreign Banks – 15.8%</b>			
Credit Agricole SA			
8/1/11 to 10/5/11	0.35 to 0.42%	\$ 248,000,000	\$ 248,000,000
Credit Industriel et Commercial			
9/1/11 to 9/2/11	0.31 to 0.35	200,000,000	200,000,000
HSBC Bank PLC			
8/29/11 to 5/10/12	0.31 to 0.55	170,000,000	170,000,000
ING Bank NV			
7/1/11 to 8/11/11	0.27 to 0.31	362,000,000	362,000,000
National Australia Bank Ltd.			
7/6/11 to 12/1/11	0.30 to 0.40	244,000,000	244,000,000
The Toronto-Dominion Bank			
8/2/11 to 8/3/11	0.17	140,000,000	140,000,000
			<u>1,364,000,000</u>
<b>New York Branch, Yankee Dollar, Foreign Banks – 33.2%</b>			
Bank of Montreal			
11/22/11 to 7/5/12	0.29 to 0.35 (d)	57,000,000	57,000,000
Bank of Nova Scotia			
9/7/11 to 7/10/12	0.18 to 0.33 (d)	241,000,000	241,000,000
Bank of Tokyo-Mitsubishi			
7/7/11 to 8/15/11	0.40 to 0.50	375,000,000	375,000,000
BNP Paribas			
12/12/11	0.37 (d)	69,000,000	69,000,000
BNP Paribas New York Branch			
8/8/11 to 11/7/11	0.33 to 0.45	253,625,000	253,625,265
BNP Paribas SA			
9/26/11	0.45 (d)	150,000,000	150,000,000
Canadian Imperial Bank of Commerce New York Branch			
9/13/11 to 7/16/12	0.28 to 0.50 (d)	240,000,000	240,025,125
Credit Suisse			
7/25/11 to 10/25/11	0.24 to 0.25 (d)	129,000,000	129,000,000
Deutsche Bank			
7/25/11	0.29 (d)	100,000,000	100,000,000
DnB NOR Bank ASA			
8/4/11	0.24 (d)	26,000,000	26,000,000
Mizuho Corporate Bank Ltd.			
7/7/11	0.18	32,000,000	32,000,000

See accompanying notes which are an integral part of the financial statements.



## MMDT Cash Portfolio Investments – continued

	<i>Yield (a)</i>	<i>Principal Amount</i>	<i>Value</i>
<b>Certificates of Deposit – continued</b>			
<b>New York Branch, Yankee Dollar, Foreign Banks – continued</b>			
Natexis Banques Populaires New York Branch 8/1/11 to 9/23/11	0.34 to 0.35%	\$ 243,000,000	\$ 243,000,000
National Bank Canada 11/4/11 to 7/6/12	0.30 to 0.37 (d)	89,000,000	89,000,000
Rabobank Nederland New York Branch 9/12/11 to 6/8/12	0.24 to 0.50 (d)	339,000,000	339,000,000
Royal Bank of Canada 6/29/12	0.64 (d)	50,000,000	50,000,000
Royal Bank of Scotland NV 7/29/11 to 8/8/11	0.31 to 0.32	159,000,000	159,000,000
Skandinaviska Enskilda Banken AB 10/7/11	0.30	50,000,000	49,998,638
Societe Generale 8/1/11	0.29	85,000,000	85,000,000
Svenska Handelsbanken 11/3/11	0.30	55,000,000	55,000,954
Toronto-Dominion Bank New York Branch 1/12/12	0.27 (d)	22,000,000	22,000,000
UBS AG 7/21/11	0.30 (d)	103,000,000	103,000,000
			<u>2,867,649,982</u>
<b>TOTAL CERTIFICATES OF DEPOSIT .....</b>			<b><u>4,231,649,982</u></b>

### Commercial Paper – 15.6%

ASB Finance Ltd. 3/2/12	0.34 (d)	29,000,000	28,999,024
Barclays Bank PLC/Barclays US CCP Funding LLC 7/13/11 to 8/15/11	0.30 to 0.32	27,000,000	26,994,000
Caisse d'Amort de la Dette Societe 10/11/11 to 5/25/12	0.24 to 0.31 (b)(d)	190,000,000	189,832,576
Comcast Corp. 8/1/11	0.38	46,000,000	45,984,948
Commerzbank U.S. Finance, Inc. 8/11/11	0.33	58,000,000	57,978,532

See accompanying notes which are an integral part of the financial statements.



## MMDT Cash Portfolio Investments – continued

	<i>Yield (a)</i>	<i>Principal Amount</i>	<i>Value</i>
<b>Commercial Paper – continued</b>			
Commonwealth Bank of Australia			
8/26/11 to 11/21/11	0.29 to 0.32% (d)	\$ 58,000,000	\$ 57,999,700
Danske Corp.			
7/11/11 to 9/19/11	0.25 to 0.30	199,723,000	199,654,269
Devon Energy Corp.			
7/1/11	0.18 to 0.27	37,000,000	37,000,000
DnB NOR Bank ASA			
7/21/11 to 7/25/11	0.24 (d)	50,000,000	50,000,000
Intesa Funding LLC			
7/5/11 to 7/14/11	0.30	115,000,000	114,993,367
Natexis Banques Populaires U.S. Finance Co. LLC			
7/1/11	0.45	64,000,000	64,000,000
Natixis US Finance Co. LLC			
7/1/11	0.34 (d)	60,000,000	60,000,000
Northern Pines Funding LLC			
7/7/11	0.34 (d)	14,000,000	14,000,000
Royal Bank of Canada			
11/23/11	0.30	50,000,000	49,939,583
Skandinaviska Enskilda Banken AB			
7/6/11 to 10/7/11	0.30 to 0.34	129,000,000	128,950,408
Sumitomo Mitsui Banking Corp.			
7/7/11	0.18	15,000,000	14,999,550
Total Capital Canada Ltd.			
8/9/11 to 12/15/11	0.39 to 0.42	48,000,000	47,953,138
Verizon Communications, Inc.			
8/15/11	0.39 (d)	38,000,000	38,000,000
Virginia Electric & Power Co.			
7/29/11	0.35	13,000,000	12,996,461
Westpac Banking Corp.			
9/12/11 to 10/7/11	0.28 to 0.45 (d)	109,000,000	108,977,188
<b>TOTAL COMMERCIAL PAPER</b> .....			<b><u>1,349,252,744</u></b>
<b>U.S. Government and Government Agency Obligations – 0.3%</b>			
<b>Other Government Related – 0.3%</b>			
Straight-A Funding LLC (Liquidity Facility Federal Financing Bank)			
8/12/11	0.17 (c)	25,000,000	<b><u>24,995,396</u></b>

See accompanying notes which are an integral part of the financial statements.



**MMDT Cash Portfolio  
Investments – continued**

	<i>Yield (a)</i>	<i>Principal Amount</i>	<i>Value</i>
<b>U.S. Treasury Obligations – 6.1%</b>			
<b>U.S. Treasury Bills – 1.1%</b>			
9/29/11	0.17 to 0.18%	\$ 100,000,000	\$ 99,957,313
<b>U.S. Treasury Notes – 5.0%</b>			
7/31/11 to 12/31/11	0.13 to 0.31	426,000,000	428,256,914
<b>TOTAL U.S. TREASURY OBLIGATIONS</b> .....			<b>528,214,227</b>
<b>Medium-Term Notes – 5.1%</b>			
Commonwealth Bank of Australia			
2/10/12	0.35 (b)(d)	26,000,000	26,000,000
Metropolitan Life Global Funding I			
7/1/11	2.30 (b)(d)	14,000,000	14,000,000
Royal Bank of Canada			
6/29/12 to 7/13/12	0.30 to 0.65 (b)(d)	150,000,000	150,000,000
7/5/12	0.27 (d)	77,000,000	76,971,827
Westpac Banking Corp.			
3/23/12 to 6/14/12	0.25 to 0.32 (b)(d)	172,000,000	172,000,000
<b>TOTAL MEDIUM-TERM NOTES</b> .....			<b>438,971,827</b>
<b>Asset-Backed Securities – 0.6%</b>			
John Deere Owner Trust			
5/11/12	0.31	46,050,362	46,050,362
<b>Municipal Securities – 0.7%</b>			
New York Hsg. Fin. Agcy. Rev. (600 West 42nd Street Hsg. Proj.) Series 2007 A, LOC Bank of New York, New York, VRDN			
7/7/11	0.07 (d)(e)	37,240,000	37,240,000
New York Hsg. Fin. Agcy. Rev. (West 33rd Street Hsg. Proj.) Series A, LOC Fannie Mae, VRDN			
7/7/11	0.09 (d)(e)	22,300,000	22,300,000
<b>TOTAL MUNICIPAL SECURITIES</b> .....			<b>59,540,000</b>

See accompanying notes which are an integral part of the financial statements.





## MMDT Cash Portfolio Investments – continued

	<i>Maturity Amount</i>	<i>Value</i>
<b>Repurchase Agreements – 22.6%</b>		
In a joint trading account at 0.05% dated 6/30/11 due 7/1/11:		
(Collateralized by U.S. Government Obligations) # .....	\$ 530,232,746	\$ 530,232,000
(Collateralized by U.S. Government Obligations) # .....	114,648,158	114,648,000
With:		
Barclays Capital, Inc. at:		
0.14%, dated 6/30/11 due 7/1/11 (Collateralized by Corporate Obligations valued at \$26,250,102) .....	25,000,097	25,000,000
0.27%, dated 6/30/11 due 7/1/11 (Collateralized by Commercial Paper Obligations valued at \$103,000,773) .....	100,000,750	100,000,000
0.32%, dated:		
6/24/11 due 7/1/11 (Collateralized by Equity Securities valued at \$28,081,763) .....	26,001,618	26,000,000
6/28/11 due 7/5/11 (Collateralized by Equity Securities valued at \$21,600,581) .....	20,001,244	20,000,000
6/30/11 due 7/1/11 (Collateralized by Corporate Obligations valued at \$127,441,134) .....	118,001,049	118,000,000
0.4%, dated 6/8/11 due 7/7/11 (Collateralized by Mortgage Loan Obligations valued at \$18,905,107) .....	18,006,000	18,000,000
0.47%, dated 6/30/11 due 7/1/11 (Collateralized by Corporate Obligations valued at \$69,121,747) .....	64,000,836	64,000,000
1%, dated:		
8/24/10 due 8/24/11 (Collateralized by Mortgage Loan Obligations valued at \$25,048,488) ..	23,233,194	23,000,000
9/9/10 due 9/8/11 (Collateralized by Mortgage Loan Obligations valued at \$29,397,907) . . .	27,273,000	27,000,000
10/13/10 due 10/3/11 (Collateralized by Corporate Obligations valued at \$17,405,280) . . . .	16,161,333	16,000,000
BNP Paribas Securities Corp. at:		
0.13%, dated 6/30/11 due 7/1/11 (Collateralized by Corporate Obligations valued at \$22,050,080) .....	21,000,076	21,000,000
0.14%, dated:		
6/20/11 due 7/7/11 (Collateralized by U.S. Government Obligations valued at \$51,502,203) .	50,005,833	50,000,000
6/22/11 due 7/7/11 (Collateralized by U.S. Government Obligations valued at \$17,510,613) .	17,001,983	17,000,000
Deutsche Bank Securities, Inc. at 0.37%, dated 5/18/11 due 7/7/11 (Collateralized by Corporate Obligations valued at \$7,563,419) .....	7,005,180	7,000,000
Goldman Sachs & Co. at 0.23%, dated 6/29/11 due 7/6/11 (Collateralized by U.S. Government Obligations valued at \$24,480,313) .....	24,001,073	24,000,000

See accompanying notes which are an integral part of the financial statements.



## MMDT Cash Portfolio Investments – continued

	<i>Maturity Amount</i>	<i>Value</i>
<b>Repurchase Agreements – continued</b>		
With: – continued		
ING Financial Markets LLC at:		
0.12%, dated 5/31/11 due 7/7/11 (Collateralized by U.S. Government Obligations valued at \$6,124,061) .....	\$ 6,000,740	\$ 6,000,000
0.15%, dated:		
5/18/11 due 7/7/11 (Collateralized by U.S. Government Obligations valued at \$13,266,132) .	13,004,983	13,000,000
5/24/11 due 7/7/11 (Collateralized by U.S. Government Obligations valued at \$13,262,151) .	13,004,983	13,000,000
0.29%, dated 6/8/11 due 7/7/11 (Collateralized by Corporate Obligations valued at \$13,752,883) ..	13,003,142	13,000,000
J.P. Morgan Clearing Corp. at:		
0.19%, dated 6/30/11 due 7/1/11 (Collateralized by Equity Securities valued at \$371,741,094) .	342,001,805	342,000,000
0.55%, dated 4/26/11 due 7/25/11 (Collateralized by Equity Securities valued at \$55,490,719) .	51,070,125	51,000,000
0.65%, dated 4/26/11 due 10/24/11 (Collateralized by Equity Securities valued at \$10,882,530)	10,032,681	10,000,000
0.72%, dated 3/7/11 due 9/1/11 (Collateralized by Equity Securities valued at \$39,221,249) . . .	36,128,160	36,000,000
0.75%, dated 1/31/11 due 7/27/11 (Collateralized by Corporate Obligations valued at \$44,705,413) .....	41,151,188	41,000,000
J.P. Morgan Securities, Inc. at:		
0.49%, dated 6/30/11 due 7/1/11 (Collateralized by Corporate Obligations valued at \$2,162,163) .....	2,000,027	2,000,000
0.73%, dated 4/1/11 due 9/28/11 (Collateralized by U.S. Treasury Obligations valued at \$12,984,314) .....	12,043,800	12,000,000
Mizuho Securities USA, Inc. at:		
0.13%, dated 6/1/11 due 7/7/11 (Collateralized by U.S. Government Obligations valued at \$28,563,525) .....	28,003,640	28,000,000
0.4%, dated:		
6/6/11 due 7/7/11 (Collateralized by Corporate Obligations valued at \$8,783,940) .....	8,002,844	8,000,000
6/13/11 due 7/7/11 (Collateralized by Corporate Obligations valued at \$18,889,602) .....	17,005,856	17,000,000
0.65%, dated 3/1/11 due 7/7/11 (Collateralized by Corporate Obligations valued at \$4,272,258) .	4,013,144	4,000,000
Morgan Stanley & Co., Inc. at:		
0.13%, dated 6/1/11 due 7/6/11 (Collateralized by U.S. Government Obligations valued at \$25,502,763) .....	25,003,160	25,000,000
0.15%, dated 6/17/11 due 7/7/11 (Collateralized by U.S. Government Obligations valued at \$19,401,400) .....	19,007,125	19,000,000

See accompanying notes which are an integral part of the financial statements.



## MMDT Cash Portfolio Investments – continued

	<i>Maturity Amount</i>	<i>Value</i>
<b>Repurchase Agreements – continued</b>		
With: – continued		
RBC Capital Markets Co. at 0.29%, dated 6/6/11 due 7/6/11 (Collateralized by Corporate Obligations valued at \$6,500,812) .....	\$ 6,001,450	\$ 6,000,000
RBS Securities, Inc. at:		
0.55%, dated 6/20/11 due 7/7/11 (Collateralized by Corporate Obligations valued at \$35,646,613) .....	33,015,125	33,000,000
0.69%, dated 8/5/10 due 8/5/11 (Collateralized by Corporate Obligations valued at \$23,761,862)(d)(f) .....	22,153,908	22,000,000
Royal Bank of Scotland PLC at 0.55%, dated 6/20/11 due 7/7/11 (Collateralized by Corporate Obligations valued at \$31,662,572) .....	30,013,750	30,000,000
UBS Securities LLC at:		
0.36%, dated 5/26/11 due 7/7/11 (Collateralized by Corporate Obligations valued at \$9,453,402) .....	9,008,100	9,000,000
0.38%, dated 6/14/11 due 7/7/11 (Collateralized by Corporate Obligations valued at \$14,043,420) .....	13,012,350	<u>13,000,000</u>
<b>TOTAL REPURCHASE AGREEMENTS</b> .....		<b><u>1,953,880,000</u></b>
<b>TOTAL INVESTMENT IN SECURITIES – 100.0%</b> .....		<b>8,632,554,538</b>
<b>Other Assets, Less Liabilities – 0.0%</b>		
Other Assets .....		5,783,302
Less Liabilities .....		<u>1,533,536</u>
		4,249,766
<b>NET ASSETS – 100%</b> .....		<b><u>\$ 8,636,804,304</u></b>

### Security Type Abbreviations

VRDN — VARIABLE RATE DEMAND NOTE  
(A debt instrument that is payable upon demand, either daily, weekly or monthly)

See accompanying notes which are an integral part of the financial statements.



## Legend

- (a) Yield represents either the annualized yield at the date of purchase, or the stated coupon rate, or, for floating and adjustable rate securities, the rate at period end.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At the end of the period, the value of these securities amounted to \$551,832,576 or 6.4% of net assets.
- (c) The Federal Financing Bank, an instrumentality of the U.S. Government acting under the supervision of the Secretary of the Treasury (FFB), has entered into a Liquidity Loan Agreement with Straight-A Funding LLC (Issuer), pursuant to which the FFB has committed, subject to certain conditions, to provide financing to the Issuer to cover any payment deficiencies in respect of notes on their legal final maturity dates. At the end of the period, these securities amounted to \$24,995,396, or 0.3% of net assets.
- (d) Coupon rates for floating and adjustable rate securities reflect the rates in effect at period end.
- (e) Private activity obligations whose interest is subject to the federal alternative minimum tax for individuals.
- (f) The maturity amount is based on the rate at period end.

# Additional information on each counterparty to the repurchase agreement is as follows:

Repurchase Agreement / Counterparty	Value
<b>\$530,232,000 due 7/01/11 at 0.05%</b>	
BNP Paribas Securities Corp. ....	\$ 17,133,167
Bank of America NA .....	155,756,067
Barclays Capital, Inc. ....	57,440,512
Citibank NA .....	2,595,934
Citigroup Global Markets, Inc. ....	20,767,476
Credit Agricole Securities (USA), Inc. ....	10,383,738
Deutsche Bank Securities, Inc. ....	38,939,017
HSBC Securities (USA), Inc. ....	69,571,043
ING Financial Markets LLC .....	9,864,551
J.P. Morgan Securities, Inc. ....	36,343,082
Merrill Lynch, Pierce, Fenner & Smith, Inc.	24,733,202
RBC Capital Markets Corp. ....	20,767,476
RBS Securities, Inc. ....	10,383,738
Societe Generale .....	5,191,869
UBS Securities LLC .....	22,844,223
Wells Fargo Securities LLC .....	27,516,905
	<u>\$ 530,232,000</u>
<b>\$114,648,000 due 7/01/11 at 0.05%</b>	
Barclays Capital, Inc. ....	\$ 40,945,714
Merrill Lynch, Pierce, Fenner & Smith, Inc.	19,108,000
UBS Securities LLC .....	54,594,286
	<u>\$ 114,648,000</u>

## Other Information

The date shown for securities represents the date when principal payments must be paid, taking into account any call options exercised by the issuer and any permissible maturity shortening features other than interest rate resets.

All investments are categorized as Level 2 under the Fair Value Hierarchy. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

See accompanying notes which are an integral part of the financial statements.



**MMDT Cash Portfolio  
Financial Statements**

**STATEMENT OF NET ASSETS**

	<i>Years ended June 30,</i>	
	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Investments in securities, at amortized cost, which approximates market value (including repurchase agreements of \$1,953,880,000 and \$1,737,181,000, respectively) – See accompanying schedule .....	\$ 8,632,554,538	\$ 7,252,843,467
Cash .....	72,286	37,169
Receivable for investments sold .....	—	888
Unit transactions in process .....	325,624	355,754
Interest receivable .....	<u>5,385,392</u>	<u>3,916,566</u>
Total assets .....	<u>8,638,337,840</u>	<u>7,257,153,844</u>
<b>Liabilities</b>		
Payable for investments purchased .....	\$ —	\$ 80,000,864
Unit transactions in process .....	228,482	447,171
Distributions payable .....	609,489	529,812
Accrued management fee .....	<u>695,565</u>	<u>597,551</u>
Total Liabilities .....	<u>1,533,536</u>	<u>81,575,398</u>
<b>Net Assets</b> .....	<u>\$ 8,636,804,304</u>	<u>\$ 7,175,578,446</u>
Units outstanding .....	8,636,804,304	7,175,578,446
Net asset value per unit .....	<u>\$ 1.00</u>	<u>\$ 1.00</u>

See accompanying notes which are an integral part of the financial statements.



## STATEMENT OF CHANGES IN NET ASSETS

	<i>Years ended June 30,</i>	
	<u>2011</u>	<u>2010</u>
<b>Additions</b>		
Interest Income .....	\$ 32,266,220	\$ 39,606,101
Net realized and unrealized gain (loss) from securities transactions .....	302,280	177,827
Management fee .....	(7,406,716)	(6,881,534)
Expense reductions .....	—	817
Net Investment Income .....	<u>25,161,784</u>	<u>32,903,211</u>
Proceeds from sales of units and reinvestment of distributions .....	<u>54,335,338,530</u>	<u>39,736,001,267</u>
<b>Total additions</b> .....	<u>54,360,500,314</u>	<u>39,768,904,478</u>
<b>Deductions</b>		
Cost of units redeemed .....	52,874,112,672	40,632,834,684
Distributions to unit holders .....	<u>25,161,784</u>	<u>32,903,211</u>
<b>Total deductions</b> .....	<u>52,899,274,456</u>	<u>40,665,737,895</u>
Net increase (decrease) in net assets .....	1,461,225,858	(896,833,417)
<b>Net Assets</b>		
Beginning of period .....	<u>7,175,578,446</u>	<u>8,072,411,863</u>
End of period .....	<u>\$ 8,636,804,304</u>	<u>\$7,175,578,446</u>

See accompanying notes which are an integral part of the financial statements.



## FINANCIAL HIGHLIGHTS

	Years ended June 30,				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Selected Per-Share Data</b>					
Net asset value, beginning of period .....	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Income from Investment Operations					
Net investment income (loss) <sup>C</sup> .....	.003	.004	.020	.044	.053
Distributions from net investment income .....	(.003)	(.004)	(.020)	(.044)	(.053)
Net asset value, end of period .....	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>
<b>Total Return</b> <sup>A</sup> .....	.31%	.44%	2.05%	4.48%	5.43%
<b>Ratios to Average Net Assets</b> <sup>B</sup>					
Expenses before reductions .....	.09%	.09%	.09%	.09%	.10%
Expenses net of fee waivers, if any .....	.09%	.09%	.09%	.09%	.10%
Expenses net of all reductions .....	.09%	.09%	.09%	.09%	.10%
Net investment income (loss) <sup>C</sup> .....	.30%	.44%	2.01%	4.24%	5.30%
<b>Supplemental Data</b>					
Net assets, end of period (000 omitted) .....	\$8,636,804	\$7,175,578	\$8,072,412	\$8,142,875	\$6,180,435

<sup>A</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>B</sup> Expense ratios reflect operating expenses of the Fund. Expenses before reductions do not reflect amounts reimbursed or waived or reductions from expense offset arrangements and do not represent the amount paid by the Fund during periods when reimbursements, waivers or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement and waivers but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the Fund.

<sup>C</sup> Adjusted to reflect realized gains or losses, if any.

See accompanying notes which are an integral part of the financial statements.



**MMDT Short Term Bond Fund**  
**Investments/June 30, 2011** (Showing Percentage of Net Assets)

	<i>Principal Amount</i>	<i>Value</i>
<b>Nonconvertible Bonds – 25.6%</b>		
<b>CONSUMER DISCRETIONARY – 1.1%</b>		
<b>Auto Components – 0.2%</b>		
DaimlerChrysler NA Holding Corp. 6.5% 11/15/13 .....	\$ 560,000	\$ 622,853
<b>Automobiles – 0.1%</b>		
Daimler Finance North America LLC 1.95% 3/28/14 (a) .....	372,000	374,959
<b>Diversified Consumer Services – 0.1%</b>		
Yale University 2.9% 10/15/14 .....	220,000	231,766
<b>Household Durables – 0.2%</b>		
Fortune Brands, Inc. 3% 6/1/12 .....	550,000	557,711
<b>Media – 0.5%</b>		
NBC Universal, Inc. 3.65% 4/30/15 (a) .....	270,000	283,366
Time Warner Cable, Inc. 6.2% 7/1/13 .....	500,000	548,351
Time Warner, Inc. 3.15% 7/15/15 .....	408,000	421,768
		<u>1,253,485</u>
<b>TOTAL CONSUMER DISCRETIONARY .....</b>		<b><u>3,040,774</u></b>
<b>CONSUMER STAPLES – 2.1%</b>		
<b>Beverages – 1.2%</b>		
Anheuser-Busch InBev Worldwide, Inc. 2.5% 3/26/13 .....	1,000,000	1,024,576
Bottling Group LLC 6.95% 3/15/14 .....	1,030,000	1,180,430
Coca-Cola Enterprises, Inc. 1.125% 11/12/13 .....	298,000	297,649
Diageo Capital PLC 5.2% 1/30/13 .....	410,000	437,197
The Coca-Cola Co. 1.5% 11/15/15 .....	430,000	421,967
		<u>3,361,819</u>
<b>Food &amp; Staples Retailing – 0.1%</b>		
Wal-Mart Stores, Inc. 2.25% 7/8/15 .....	341,000	345,503
<b>Food Products – 0.3%</b>		
General Mills, Inc. 1.55% 5/16/14 .....	300,000	301,970
Kraft Foods, Inc. 2.625% 5/8/13 .....	550,000	565,736
		<u>867,706</u>
<b>Household Products – 0.1%</b>		
Procter & Gamble Co. 1.8% 11/15/15 .....	280,000	278,632
<b>Tobacco – 0.4%</b>		
Altria Group, Inc. 8.5% 11/10/13 .....	680,000	787,957
Philip Morris International, Inc. 2.5% 5/16/16 .....	420,000	420,414
		<u>1,208,371</u>
<b>TOTAL CONSUMER STAPLES .....</b>		<b><u>6,062,031</u></b>

See accompanying notes which are an integral part of the financial statements.





## MMDT Short Term Bond Fund Investments – continued

	<i>Principal Amount</i>	<i>Value</i>
<b>Nonconvertible Bonds – continued</b>		
<b>ENERGY – 0.5%</b>		
<b>Oil, Gas &amp; Consumable Fuels – 0.5%</b>		
Rockies Express Pipeline LLC 6.25% 7/15/13 (a) .....	\$ 586,000	\$ 628,715
Shell International Finance BV 1.875% 3/25/13 .....	540,000	551,524
Total Capital Canada Ltd. 1.625% 1/28/14 .....	290,000	294,121
		<u>1,474,360</u>
<b>FINANCIALS – 15.3%</b>		
<b>Capital Markets – 2.5%</b>		
Goldman Sachs Group, Inc.:		
3.625% 2/7/16 .....	420,000	424,364
3.7% 8/1/15 .....	230,000	234,105
5.25% 10/15/13 .....	1,300,000	1,394,519
HSBC Bank PLC 3.1% 5/24/16 (a) .....	570,000	565,952
JPMorgan Chase & Co. 2.05% 1/24/14 .....	300,000	302,152
Merrill Lynch & Co., Inc.:		
5.45% 2/5/13 .....	270,000	284,985
5.45% 7/15/14 .....	512,000	551,071
Morgan Stanley:		
2.875% 1/24/14 .....	280,000	283,262
6% 5/13/14 .....	1,400,000	1,524,326
Royal Bank of Scotland PLC 4.875% 8/25/14 (a) .....	480,000	499,408
State Street Corp. 2.875% 3/7/16 .....	280,000	283,915
The Bank of New York, Inc. 4.3% 5/15/14 .....	340,000	367,418
UBS AG Stamford Branch 2.25% 1/28/14 .....	280,000	282,851
		<u>6,998,328</u>
<b>Commercial Banks – 5.1%</b>		
Abbey National Treasury Services PLC 3.875% 11/10/14 (a) .....	550,000	559,901
ANZ Banking Group Ltd. 2.125% 1/10/14 (a) .....	280,000	282,217
Bank of Montreal 2.125% 6/28/13 .....	560,000	573,139
Bank of Nova Scotia 2.25% 1/22/13 .....	450,000	460,590
Barclays Bank PLC 2.375% 1/13/14 .....	700,000	708,124
BB&T Corp. 6.5% 8/1/11 .....	235,000	235,993
Canadian Imperial Bank of Commerce 2.35% 12/11/15 .....	280,000	279,202
Comerica, Inc. 3% 9/16/15 .....	32,000	32,241
Commonwealth Bank of Australia 2.125% 3/17/14 (a) .....	280,000	282,375
Credit Suisse New York Branch 2.2% 1/14/14 .....	856,000	866,924
Fifth Third Bancorp 3.625% 1/25/16 .....	158,000	159,299
ING Bank NV 2.65% 1/14/13 (a) .....	560,000	567,494
PNC Funding Corp.:		
3% 5/19/14 .....	570,000	590,742

See accompanying notes which are an integral part of the financial statements.



**MMDT Short Term Bond Fund  
Investments – continued**

	<i>Principal Amount</i>	<i>Value</i>
<b>Nonconvertible Bonds – continued</b>		
<b>FINANCIALS – continued</b>		
<b>Commercial Banks – continued</b>		
PNC Funding Corp.: – continued		
3.625% 2/8/15 .....	\$ 308,000	\$ 324,283
Rabobank (Netherlands) NV 1.85% 1/10/14 .....	1,668,000	1,685,589
Royal Bank of Canada:		
1.125% 1/15/14 .....	280,000	279,832
2.625% 12/15/15 .....	500,000	507,710
Royal Bank of Scotland PLC 1.5% 3/30/12 (a) .....	700,000	706,258
Santander US Debt SA Unipersonal 2.485% 1/18/13 (a) .....	490,000	485,121
Sumitomo Mitsui Banking Corp. 1.95% 1/14/14 (a) .....	560,000	564,119
U.S. Bancorp:		
1.375% 9/13/13 .....	750,000	753,233
2.45% 7/27/15 .....	280,000	282,506
3.15% 3/4/15 .....	132,000	137,794
Union Bank NA 3% 6/6/16 .....	690,000	687,239
Wachovia Bank NA 0.6533% 11/3/14 (c) .....	420,000	412,955
Wells Fargo & Co.:		
3.625% 4/15/15 .....	248,000	259,159
3.676% 6/15/16 .....	180,000	184,829
3.75% 10/1/14 .....	158,000	166,462
4.375% 1/31/13 .....	858,000	900,353
Westpac Banking Corp.:		
1.85% 12/9/13 .....	528,000	533,606
2.1% 8/2/13 .....	162,000	163,992
		<u>14,633,281</u>
<b>Consumer Finance – 2.4%</b>		
American Express Credit Corp. 2.75% 9/15/15 .....	570,000	569,584
American Honda Finance Corp.:		
2.375% 3/18/13 (a) .....	150,000	152,822
2.5% 9/21/15 (a) .....	275,000	276,311
Capital One Financial Corp. 5.7% 9/15/11 .....	550,000	555,522
Caterpillar Financial Services Corp.:		
1.375% 5/20/14 .....	420,000	421,581
2% 4/5/13 .....	205,000	209,421
2.75% 6/24/15 .....	148,000	152,640
General Electric Capital Corp.:		
1.875% 9/16/13 .....	925,000	935,358
2.1% 1/7/14 .....	1,040,000	1,054,476
2.8% 1/8/13 .....	256,000	262,461
5.4% 9/20/13 .....	1,615,000	1,749,775

See accompanying notes which are an integral part of the financial statements.



**MMDT Short Term Bond Fund  
Investments – continued**

	<i>Principal Amount</i>	<i>Value</i>
<b>Nonconvertible Bonds – continued</b>		
<b>FINANCIALS – continued</b>		
<b>Consumer Finance – continued</b>		
John Deere Capital Corp.:		
1.875% 6/17/13 .....	\$ 455,000	\$ 463,943
2.95% 3/9/15 .....	129,000	134,260
		<u>6,938,154</u>
<b>Diversified Financial Services – 3.1%</b>		
BB&T Corp. 2.05% 4/28/14 .....	500,000	505,432
BNP Paribas:		
2.125% 12/21/12 .....	170,000	171,711
3.25% 3/11/15 .....	280,000	284,783
BP Capital Markets PLC 3.2% 3/11/16 .....	560,000	569,304
Citigroup, Inc.:		
3.953% 6/15/16 .....	280,000	286,497
4.75% 5/19/15 .....	1,100,000	1,162,866
5.5% 4/11/13 .....	500,000	530,748
6.5% 8/19/13 .....	710,000	772,012
Deutsche Bank AG London Branch 2.375% 1/11/13 .....	550,000	557,880
Export Development Canada 1.5% 5/15/14 .....	185,000	187,804
GlaxoSmithKline Capital, Inc. 4.85% 5/15/13 .....	228,000	245,114
JPMorgan Chase & Co. 3.4% 6/24/15 .....	1,780,000	1,826,695
MassMutual Global Funding II 3.125% 4/14/16 (a) .....	700,000	718,809
ORIX Corp. 5.48% 11/22/11 .....	80,000	81,223
Volkswagen International Finance NV 1.875% 4/1/14 (a) .....	510,000	513,039
Whirlpool Corp. 8% 5/1/12 .....	280,000	295,818
		<u>8,709,735</u>
<b>Insurance – 0.9%</b>		
Berkshire Hathaway Finance Corp. 1.5% 1/10/14 .....	280,000	282,412
Berkshire Hathaway, Inc. 3.2% 2/11/15 .....	500,000	520,932
MetLife, Inc. 2.375% 2/6/14 .....	500,000	509,370
Metropolitan Life Global Funding I 2.5% 1/11/13 (a) .....	630,000	641,310
New York Life Global Funding 4.65% 5/9/13 (a) .....	640,000	684,547
		<u>2,638,571</u>
<b>Real Estate Investment Trusts – 0.4%</b>		
AvalonBay Communities, Inc. 5.5% 1/15/12 .....	1,054,000	1,080,578
<b>Real Estate Management &amp; Development – 0.3%</b>		
AMB Property LP 5.9% 8/15/13 .....	340,000	364,708
Duke Realty LP 5.625% 8/15/11 .....	106,000	106,501

See accompanying notes which are an integral part of the financial statements.



**MMDT Short Term Bond Fund  
Investments – continued**

	<i>Principal Amount</i>	<i>Value</i>
<b>Nonconvertible Bonds – continued</b>		
<b>FINANCIALS – continued</b>		
<b>Real Estate Management &amp; Development – continued</b>		
Liberty Property LP 6.375% 8/15/12 .....	\$ 152,000	\$ 159,757
Simon Property Group LP 5.3% 5/30/13 .....	320,000	344,084
		<u>975,050</u>
<b>Thriffs &amp; Mortgage Finance – 0.6%</b>		
Bank of America Corp.:		
3.7% 9/1/15 .....	400,000	403,084
4.5% 4/1/15 .....	780,000	815,182
U.S. Central Federal Credit Union 1.9% 10/19/12 .....	460,000	468,110
		<u>1,686,376</u>
<b>TOTAL FINANCIALS</b> .....		<b><u>43,660,073</u></b>
<b>HEALTH CARE – 0.5%</b>		
<b>Pharmaceuticals – 0.5%</b>		
Merck & Co., Inc. 2.25% 1/15/16 .....	280,000	280,872
Novartis Capital Corp. 1.9% 4/24/13 .....	1,000,000	1,023,145
		<u>1,304,017</u>
<b>INDUSTRIALS – 0.2%</b>		
<b>Industrial Conglomerates – 0.2%</b>		
Covidien International Finance SA 2.8% 6/15/15 .....	590,000	604,685
<b>INFORMATION TECHNOLOGY – 0.6%</b>		
<b>Computers &amp; Peripherals – 0.1%</b>		
Hewlett-Packard Co. 1.55% 5/30/14 .....	234,000	235,186
<b>Office Electronics – 0.5%</b>		
Xerox Corp.:		
1.0805% 5/16/14 (c) .....	471,000	473,270
5.5% 5/15/12 .....	1,000,000	1,039,627
		<u>1,512,897</u>
<b>TOTAL INFORMATION TECHNOLOGY</b> .....		<b><u>1,748,083</u></b>
<b>MATERIALS – 0.5%</b>		
<b>Chemicals – 0.4%</b>		
Dow Chemical Co. 7.6% 5/15/14 .....	1,000,000	1,159,302

See accompanying notes which are an integral part of the financial statements.



**MMDT Short Term Bond Fund  
Investments – continued**

	<i>Principal Amount</i>	<i>Value</i>
<b>Nonconvertible Bonds – continued</b>		
<b>MATERIALS – continued</b>		
<b>Metals &amp; Mining – 0.1%</b>		
BHP Billiton Financial (USA) Ltd. 5.125% 3/29/12 .....	\$ 285,000	\$ 295,170
<b>TOTAL MATERIALS</b> .....		<b><u>1,454,472</u></b>
<b>TELECOMMUNICATION SERVICES – 2.3%</b>		
<b>Diversified Telecommunication Services – 1.7%</b>		
AT&T, Inc.:		
2.5% 8/15/15 .....	710,000	718,930
2.95% 5/15/16 .....	280,000	283,439
4.85% 2/15/14 .....	1,000,000	1,085,872
France Telecom SA:		
2.125% 9/16/15 .....	92,000	91,804
4.375% 7/8/14 .....	280,000	303,132
Qwest Corp. 3.497% 6/15/13 (c) .....	500,000	511,250
Telefonica Emisiones SAU 2.582% 4/26/13 .....	670,000	676,811
Verizon Communications, Inc.:		
1.95% 3/28/14 .....	280,000	284,475
5.25% 4/15/13 .....	730,000	783,697
Verizon New York, Inc. 6.875% 4/1/12 .....	90,000	94,000
		<u>4,833,410</u>
<b>Wireless Telecommunication Services – 0.6%</b>		
DIRECTV Holdings LLC/DIRECTV Financing, Inc. 4.75% 10/1/14 .....	550,000	601,842
Verizon Wireless Capital LLC:		
5.25% 2/1/12 .....	480,000	492,596
5.55% 2/1/14 .....	510,000	561,988
Vodafone Group PLC 4.15% 6/10/14 .....	141,000	151,238
		<u>1,807,664</u>
<b>TOTAL TELECOMMUNICATION SERVICES</b> .....		<b><u>6,641,074</u></b>
<b>UTILITIES – 2.5%</b>		
<b>Electric Utilities – 1.9%</b>		
Alabama Power Co. 4.85% 12/15/12 .....	445,000	470,416
Baltimore Gas & Electric Co. 6.125% 7/1/13 .....	310,000	338,881
Commonwealth Edison Co. 1.625% 1/15/14 .....	441,000	443,989
Duke Energy Corp. 5.65% 6/15/13 .....	1,000,000	1,084,238
EDP Finance BV 5.375% 11/2/12 (a) .....	297,000	297,351
LG&E and KU Energy LLC 2.125% 11/15/15 (a) .....	195,000	190,196
Mid-American Energy Co. 5.65% 7/15/12 .....	665,000	698,876

See accompanying notes which are an integral part of the financial statements.



**MMDT Short Term Bond Fund  
Investments – continued**

	<i>Principal Amount</i>	<i>Value</i>
<b>Nonconvertible Bonds – continued</b>		
<b>UTILITIES – continued</b>		
<b>Electric Utilities – continued</b>		
Pacific Gas & Electric Co. 6.25% 12/1/13 .....	\$ 390,000	\$ 435,172
PECO Energy Co. 5.6% 10/15/13 .....	420,000	460,297
Sierra Pacific Power Co. 5.45% 9/1/13 .....	704,000	763,381
Southern Co. 2.375% 9/15/15 .....	218,000	217,970
		<u>5,400,767</u>
<b>Independent Power Producers &amp; Energy Traders – 0.4%</b>		
PPL Energy Supply LLC 6.3% 7/15/13 .....	1,000,000	1,088,980
<b>Multi-Utilities – 0.2%</b>		
Consolidated Edison Co. of New York, Inc. 5.55% 4/1/14 .....	268,000	297,510
Dominion Resources, Inc.:		
1.8% 3/15/14 .....	105,000	105,963
2.25% 9/1/15 .....	183,000	182,436
6.3% 9/30/66 (c) .....	167,000	163,034
		<u>748,943</u>
<b>TOTAL UTILITIES .....</b>		<b><u>7,238,690</u></b>
<b>TOTAL NONCONVERTIBLE BONDS</b>		
(Cost \$71,235,666) .....		<b><u>73,228,259</u></b>
<b>U.S. Government and Government Agency Obligations – 57.1%</b>		
<b>U.S. Government Agency Obligations – 8.3%</b>		
Fannie Mae:		
0.375% 12/28/12 .....	210,000	210,017
0.5% 8/9/13 .....	1,412,000	1,409,905
1.125% 6/27/14 .....	3,562,000	3,580,722
2.5% 5/15/14 .....	1,431,000	1,493,386
2.75% 3/13/14 .....	3,583,000	3,768,134
4.625% 10/15/13 .....	1,100,000	1,199,293
Federal Home Loan Bank 1.875% 6/21/13 .....	600,000	615,992
Freddie Mac:		
1% 7/30/14 .....	2,863,000	2,858,671
1% 8/27/14 .....	6,354,000	6,345,613
1.75% 9/10/15 .....	2,335,000	2,343,763
<b>TOTAL U.S. GOVERNMENT AGENCY OBLIGATIONS .....</b>		<b><u>23,825,496</u></b>

See accompanying notes which are an integral part of the financial statements.



**MMDT Short Term Bond Fund  
Investments – continued**

	<i>Principal Amount</i>	<i>Value</i>
<b>U.S. Government and Government Agency Obligations – continued</b>		
<b>U.S. Treasury Obligations – 44.9%</b>		
U.S. Treasury Notes:		
0.375% 6/30/13 .....	\$ 5,374,000	\$ 5,363,951
0.5% 5/31/13 .....	1,115,000	1,115,958
0.75% 6/15/14 .....	28,557,000	28,514,619
1% 5/15/14 .....	15,239,000	15,335,463
1.375% 2/15/13 .....	6,076,000	6,172,122
1.5% 6/30/16 .....	25,047,000	24,726,148
1.75% 4/15/13 .....	16,212,000	16,591,361
1.75% 7/31/15 .....	2,542,000	2,583,714
1.875% 6/30/15 .....	880,000	900,144
2.125% 5/31/15 .....	2,238,000	2,312,660
2.375% 9/30/14 .....	1,139,000	1,191,679
2.375% 10/31/14 .....	12,356,000	12,919,743
2.5% 4/30/15 .....	2,790,000	2,924,922
3.125% 10/31/16 .....	7,260,000	<u>7,711,485</u>
<b>TOTAL U.S. TREASURY OBLIGATIONS .....</b>		<b><u>128,363,969</u></b>
<b>Other Government Related – 3.9%</b>		
Citibank NA 1.875% 6/4/12 (FDIC Guaranteed) (b) .....	810,000	821,950
Citigroup Funding, Inc. 1.875% 11/15/12 (FDIC Guaranteed) (b) .....	800,000	814,651
Citigroup, Inc. 2.875% 12/9/11 (FDIC Guaranteed) (b) .....	2,038,000	2,062,036
General Electric Capital Corp. 3% 12/9/11 (FDIC Guaranteed) (b) .....	3,396,000	3,437,553
Goldman Sachs Group, Inc. 2.15% 3/15/12 (FDIC Guaranteed) (b) .....	200,000	202,742
HSBC USA, Inc. 3.125% 12/16/11 (FDIC Guaranteed) (b) .....	200,000	202,691
NCUA Guaranteed Notes Master Trust 1.4% 6/12/15 (NCUA Guaranteed) .....	400,000	400,564
Wells Fargo & Co. 3% 12/9/11 (FDIC Guaranteed) (b) .....	3,190,000	<u>3,229,741</u>
<b>TOTAL OTHER GOVERNMENT RELATED .....</b>		<b><u>11,171,928</u></b>
<b>TOTAL U.S. GOVERNMENT AND GOVERNMENT AGENCY OBLIGATIONS</b>		
(Cost \$162,184,676) .....		<b><u>163,361,393</u></b>

See accompanying notes which are an integral part of the financial statements.



**MMDT Short Term Bond Fund  
Investments – continued**

	<i>Principal Amount</i>	<i>Value</i>
<b>U.S. Government Agency – Mortgage Securities – 5.1%</b>		
<b>Fannie Mae – 4.7%</b>		
1.92% 5/1/33 (c) .....	\$ 1,560,071	\$ 1,617,368
1.969% 8/1/33 (c) .....	228,930	234,998
2.245% 5/1/35 (c) .....	175,842	185,143
2.479% 10/1/35 (c) .....	28,557	29,494
2.51% 5/1/35 (c) .....	849,629	889,133
2.57% 12/1/33 (c) .....	76,049	79,679
2.584% 6/1/36 (c) .....	12,941	13,505
2.59% 10/1/35 (c) .....	743,077	780,295
2.723% 6/1/35 (c) .....	35,177	36,941
2.907% 4/1/35 (c) .....	625,514	655,954
3.473% 3/1/40 (c) .....	243,283	254,102
3.5% 12/1/25 .....	5,391,167	5,492,593
3.54% 12/1/39 (c) .....	76,494	79,952
3.66% 3/1/40 (c) .....	144,228	151,046
3.691% 5/1/40 (c) .....	135,299	141,803
3.697% 5/1/40 (c) .....	161,073	168,861
3.741% 1/1/40 (c) .....	126,935	133,284
3.789% 6/1/40 (c) .....	140,826	147,733
3.972% 11/1/39 (c) .....	120,608	127,060
4.5% 8/1/18 to 7/1/20 .....	462,966	494,019
4.78% 8/1/35 (c) .....	1,738,523	1,853,700
<b>TOTAL FANNIE MAE .....</b>		<b><u>13,566,663</u></b>
<b>Freddie Mac – 0.4%</b>		
2.791% 1/1/36 (c) .....	40,741	42,870
3.08% 8/1/35 (c) .....	36,193	38,101
3.156% 8/1/36 (c) .....	67,070	70,386
3.281% 10/1/35 (c) .....	18,310	19,523
3.514% 12/1/39 (c) .....	176,693	183,729
3.801% 4/1/40 (c) .....	132,958	139,322
3.981% 3/1/40 (c) .....	135,646	142,683
4.5% 8/1/18 .....	439,084	467,970
<b>TOTAL FREDDIE MAC .....</b>		<b><u>1,104,584</u></b>
<b>TOTAL U.S. GOVERNMENT AGENCY – MORTGAGE SECURITIES</b>		
(Cost \$14,292,662) .....		<b><u>14,671,247</u></b>

See accompanying notes which are an integral part of the financial statements.





## MMDT Short Term Bond Fund Investments – continued

	<i>Principal Amount</i>	<i>Value</i>
<b>Asset-Backed Securities – 6.6%</b>		
Ally Auto Receivables Trust:		
Series 2010-1 Class A3, 1.45% 5/15/14 .....	\$ 360,000	\$ 362,150
Series 2010-4 Class A3, 0.91% 11/17/14 .....	390,000	389,999
Series 2010-5 Class A3, 1.11% 1/15/15 .....	340,000	340,954
Series 2011-1 Class A3, 1.38% 1/15/15 .....	330,000	332,192
Series 2011-2 Class A3, 1.18% 4/15/15 .....	280,000	281,383
Ally Master Owner Trust:		
Series 2010-3 Class A, 2.88% 4/15/15 (a) .....	100,000	102,869
Series 2011-1 Class A2, 2.15% 1/15/16 .....	240,000	243,139
AmeriCredit Automobile Receivable Trust Series 2011-3 Class A3, 1.17% 1/8/16 .....	150,000	149,688
AmeriCredit Prime Automobile Receivables Trust Series 2007-1:		
Class C, 5.43% 2/10/14 .....	95,000	96,571
Class D, 5.62% 9/8/14 .....	640,000	650,443
Bank of America Auto Trust Series 2010-2 Class A3, 1.31% 7/15/14 .....	480,000	483,121
Bank One Issuance Trust Series 2003-A8, 0.4371% 5/16/16 (c) .....	250,000	250,560
BMW Vehicle Lease Trust:		
Series 2010-1 Class A3, 0.82% 4/15/13 .....	370,000	370,531
Series 2011-1 Class A3, 1.06% 2/20/14 .....	410,000	411,537
Capital Auto Receivables Asset Trust:		
Series 2006-2 Class C, 5.31% 6/15/12 .....	739,684	745,128
Series 2007-1 Class B, 5.15% 9/17/12 .....	290,000	294,876
Chase Issuance Trust:		
Series 2007-A17 Class A, 5.12% 10/15/14 .....	580,000	614,060
Series 2008-A4 Class A4, 4.65% 3/15/15 .....	660,000	704,275
Series 2011-A2 Class A2, 0.2753% 5/15/15 (c) .....	1,080,000	1,080,000
Chrysler Financial Auto Securitization Trust Series 2010-A Class A3, 0.91% 8/8/13 .....	280,000	280,391
Citibank Credit Card Issuance Trust:		
Series 2008-A5 Class A5, 4.85% 4/22/15 .....	970,000	1,041,227
Series 2009-A5 Class A5, 2.25% 12/23/14 .....	320,000	327,619
Discover Card Master Trust Series 2011-A2 Class A2, 0.3998% 11/16/15 (c) .....	510,000	510,000
Ford Credit Auto Lease Trust Series 2010-B Class A3, 0.91% 7/15/13 (a) .....	380,000	380,300
Ford Credit Auto Lease Trust 2011-A Series 2011-A Class A3, 1.03% 7/15/14 .....	510,000	509,983
Ford Credit Auto Owner Trust:		
Series 2006-C:		
Class B, 5.3% 6/15/12 .....	143,815	144,441

See accompanying notes which are an integral part of the financial statements.



**MMDT Short Term Bond Fund  
Investments – continued**

	<i>Principal Amount</i>	<i>Value</i>
<b>Asset-Backed Securities – continued</b>		
Ford Credit Auto Owner Trust: – continued		
Series 2006-C:		
Class C, 5.47% 9/15/12 .....	\$ 335,000	\$ 336,893
Series 2007-A:		
Class B, 5.6% 10/15/12 .....	125,000	127,562
Class C, 5.8% 2/15/13 .....	205,000	209,647
Series 2009-C Class A4, 4.43% 11/15/14 .....	210,000	221,890
Series 2009-E Class A3, 1.51% 1/15/14 .....	258,584	260,128
Series 2010-B Class A3, 0.98% 10/15/14 .....	260,000	261,062
Franklin Auto Trust:		
Series 2006-1 Class B, 5.14% 7/21/14 .....	32,941	33,005
Series 2007-1 Class B, 5.13% 2/16/15 .....	300,000	304,109
GS Auto Loan Trust Series 2007-1 Class B, 5.53% 12/15/14 .....	14,083	14,357
Honda Auto Receivables Owner Trust:		
Series 2010-1 Class A4, 1.98% 5/23/16 .....	100,000	101,918
Series 2010-2 Class A3, 1.34% 3/18/14 .....	300,000	302,014
Series 2010-3 Class A3, 0.7% 4/21/14 .....	580,000	580,382
Series 2011-1 Class A4, 1.8% 4/17/17 .....	150,000	152,011
Series 2011-2 Class A3, 0.94% 3/18/15 .....	340,000	340,135
Hyundai Auto Receivables Trust:		
Series 2009-A Class A4, 3.15% 3/15/16 .....	50,000	51,902
Series 2011-A Class A3, 1.16% 4/15/15 .....	190,000	190,923
John Deere Owner Trust Series 2011-A Class A3, 1.29% 1/15/16 .....	400,000	402,754
National Collegiate Student Loan Trust:		
Series 2006-2 Class AIO, 6% 8/25/11 (d) .....	2,638,324	26,383
Series 2006-3 Class AIO, 7.1% 1/25/12 (d) .....	1,235,906	33,987
Series 2006-4 Class AIO, 6.35% 2/27/12 (d) .....	1,055,000	34,664
Series 2007-1 Class AIO, 7.27% 4/25/12 (d) .....	1,290,000	65,790
Nissan Auto Lease Trust Series 2010-B:		
Class A3, 1.12% 12/15/13 .....	300,000	301,412
Class A4, 1.27% 10/15/16 .....	130,000	130,534
Nissan Auto Receivables Owner Trust Series 2011-A Class A3, 1.18% 2/16/15 .....	220,000	221,252
Toyota Auto Receivables Owner Trust Series 2010-B Class M3, 1.04% 2/18/14 .....	170,000	170,777
USAA Auto Owner Trust Series 2009-2 Class A3, 1.54% 2/18/14 .....	241,448	242,741

See accompanying notes which are an integral part of the financial statements.



**MMDT Short Term Bond Fund  
Investments – continued**

	<i>Principal Amount</i>	<i>Value</i>
<b>Asset-Backed Securities – continued</b>		
Volkswagen Auto Lease Trust Series 2010-A Class A3, 0.99% 11/20/13 .....	\$ 570,000	\$ 571,282
Volkswagen Auto Loan Enhanced Trust Series 2011-1 Class A3, 1.22% 6/22/15 .....	580,000	583,307
Wachovia Auto Loan Owner Trust Series 2007-1:		
Class C, 5.45% 10/22/12 .....	321,066	321,878
Class D, 5.65% 2/20/13 .....	695,000	696,758
World Omni Auto Receivables Trust Series 2010-A Class A3, 1.34% 12/16/13 .....	190,000	190,770
World Omni Automobile Lease Securitization Trust Series 2011-A, Class A3, 1.49% 10/15/14 .....	240,000	<u>241,011</u>
<b>TOTAL ASSET-BACKED SECURITIES</b>		
(Cost \$18,772,280) .....		<u><b>18,820,675</b></u>
 <b>Collateralized Mortgage Obligations – 1.1%</b>		
<b>Private Sponsor – 0.3%</b>		
Ally Auto Receivables Trust sequential payer Series 2011-3 Class A3, 0.97% 8/17/15 .....	360,000	358,948
Granite Master Issuer PLC floater Series 2007-1:		
Class 1C1, 0.7858% 12/20/54 (c) .....	265,000	152,375
Class 2C1, 1.1458% 12/20/54 (c) .....	140,000	80,500
JPMorgan Chase Commercial Mortgage Securities Trust Series 2007-CB18 Class A1, 5.32% 6/12/47 (c) .....	23,146	23,304
Merrill Lynch-CFC Commercial Mortgage Trust Series 2006-3 Class XP, 0.6593% 7/12/46 (c)(d) .....	6,067,076	<u>121,588</u>
<b>TOTAL PRIVATE SPONSOR</b> .....		<u><b>736,715</b></u>
<b>U.S. Government Agency – 0.8%</b>		
Fannie Mae Series 2010-123 Class DL, 3.5% 11/25/25 .....	225,739	235,230
Fannie Mae subordinate REMIC pass-thru certificates:		
sequential payer Series 2002-56 Class MC, 5.5% 9/25/17 .....	64,857	70,125
Series 2010-143 Class B, 3.5% 12/25/25 .....	353,436	367,889
Freddie Mac sequential payer Series 2508 Class UL, 5% 12/15/16 .....	4,071	4,066
Freddie Mac Multi-class participation certificates guaranteed:		
planned amortization class:		
Series 2382 Class MB, 6% 11/15/16 .....	127,234	137,776
Series 2394 Class KD, 6% 12/15/16 .....	72,787	78,723
Series 2417 Class EH, 6% 2/15/17 .....	39,358	42,727
Series 2866 Class XE, 4% 12/15/18 .....	304,198	317,903

See accompanying notes which are an integral part of the financial statements.



## MMDT Short Term Bond Fund Investments – continued

	<i>Principal Amount</i>	<i>Value</i>
<b>Collateralized Mortgage Obligations – continued</b>		
<b>U.S. Government Agency – continued</b>		
Freddie Mac Multi-class participation certificates guaranteed: – continued		
sequential payer:		
Series 2910 Class BD, 4.5% 11/15/18 .....	\$ 608,444	\$ 630,935
Series 2970 Class YA, 5% 9/15/18 .....	48,177	49,187
Series 3560 Class LA, 2% 8/15/14 .....	189,802	192,110
Series 3573 Class LC, 1.85% 8/15/14 .....	312,524	<u>316,453</u>
<b>TOTAL U.S. GOVERNMENT AGENCY .....</b>		<b><u>2,443,124</u></b>
<b>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</b>		
(Cost \$3,290,573) .....		<b><u>3,179,839</u></b>
<b>Commercial Mortgage Securities – 2.6%</b>		
Bear Stearns Commercial Mortgage Securities Trust:		
sequential payer Series 2006-PW12 Class A2, 5.688% 9/11/38 .....	2,916	2,915
Series 2006-PW13 Class A2, 5.426% 9/11/41 .....	2,000,000	2,005,412
COMM pass-thru certificates sequential payer Series 2006-C8 Class A3, 5.31% 12/10/46 . . . .	1,000,000	1,040,266
Credit Suisse Commercial Mortgage Trust sequential payer:		
Series 2006-C4 Class A2, 5.361% 9/15/39 .....	1,690,612	1,689,173
Series 2007-C3 Class A2, 5.7159% 6/15/39 (c) .....	153,437	156,598
Credit Suisse First Boston Mortgage Securities Corp. sequential payer:		
Series 2002-CP5 Class A1, 4.106% 12/15/35 .....	78,749	79,297
Series 2004-C1 Class A3, 4.321% 1/15/37 .....	704,584	711,727
GE Capital Commercial Mortgage Corp. Series 2007-C1 Class XP, 0.1992% 12/10/49 (c)(d) .	11,169,861	54,408
GMAC Commercial Mortgage Securities, Inc. sequential payer Series 2004-C2 Class A2, 4.76% 8/10/38 (c) .....	114,931	114,915
GS Mortgage Securities Corp. II sequential payer Series 2005-GG4 Class A3, 4.607% 7/10/39 .....	170,000	172,656
GS Mortgage Securities Trust sequential payer Series 2006-GG8 Class A2, 5.479% 11/10/39 .	327,743	329,088
JP Morgan Chase Commercial Mortgage Securities Trust sequential payer:		
Series 2005-LDP5 Class A2, 5.198% 12/15/44 .....	260,000	264,699
Series 2007-LDPX Class A2 S, 5.305% 1/15/49 .....	110,000	111,727
LB-UBS Commercial Mortgage Trust sequential payer:		
Series 2007-C1 Class A1, 5.391% 2/15/40 (c) .....	21,345	21,472
Series 2007-C6 Class A2, 5.845% 7/15/40 .....	168,300	173,858

See accompanying notes which are an integral part of the financial statements.



**MMDT Short Term Bond Fund  
Investments – continued**

	<i>Principal Amount</i>	<i>Value</i>
<b>Commercial Mortgage Securities – continued</b>		
Merrill Lynch-CFC Commercial Mortgage Trust sequential payer Series 2007-6 Class A1, 5.175% 3/12/51 .....	\$ 22,044	\$ 22,166
Morgan Stanley Capital I Trust sequential payer:		
Series 2007-HQ11 Class A1, 5.246% 2/12/44 .....	16,453	16,483
Series 2007-IQ13 Class A1, 5.05% 3/15/44 .....	80,537	81,026
Structured Asset Securities Corp. Series 1997-LLI Class D, 7.15% 10/12/34 .....	100,381	101,391
Wachovia Bank Commercial Mortgage Trust Series 2007-C31A Class A2, 5.421% 4/15/47 ...	299,328	<u>312,280</u>
<b>TOTAL COMMERCIAL MORTGAGE SECURITIES</b>		
(Cost \$7,399,050) .....		<u><b>7,461,557</b></u>
<b>Foreign Government and Government Agency Obligations – 1.2%</b>		
Bank of Nova Scotia 2.05% 10/7/15 .....	950,000	943,162
Ontario Province 2.3% 5/10/16 .....	2,400,000	<u>2,411,160</u>
<b>TOTAL FOREIGN GOVERNMENT AND GOVERNMENT AGENCY OBLIGATIONS</b>		
(Cost \$3,344,370) .....		<u><b>3,354,322</b></u>
<b>Cash Equivalents – 1.4%</b>		
	<i>Maturity Amount</i>	
Investments in repurchase agreements in a joint trading account at 0.06%, dated 6/30/11 due 7/1/11 (Collateralized by U.S. Government Obligations) #		
(Cost \$4,155,000) .....	\$ 4,155,006	<u><b>4,155,000</b></u>
<b>TOTAL INVESTMENT IN SECURITIES – 100.7%</b>		
(Cost \$284,674,277) .....		<b>288,232,292</b>
<b>Other Assets, Less Liabilities – (0.7)%</b>		
Other Assets .....		5,492,123
Less Liabilities .....		<u>7,611,794</u>
		(2,119,671)
<b>NET ASSETS – 100%</b> .....		<u><u><b>\$ 286,112,621</b></u></u>

See accompanying notes which are an integral part of the financial statements.



**Legend**

- (a) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At the end of the period, the value of these securities amounted to \$9,757,439 or 3.4% of net assets.
- (b) Under the Temporary Liquidity Guarantee Program, the Federal Deposit Insurance Corporation guarantees principal and interest in the event of payment default or bankruptcy until the earlier of maturity date of the debt or until June 30, 2012. At the end of the period these securities amounted to \$10,771,364 or 3.8% of net assets.
- (c) Coupon rates for floating and adjustable rate securities reflect the rates in effect at period end.
- (d) Security represents right to receive monthly interest payments on an underlying pool of mortgages or assets. Principal shown is the outstanding par amount of the pool held as of the end of the period.

**Other Information**

All investments are categorized as Level 2 under the Fair Value Hierarchy. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

# Additional information on each counterparty to the repurchase agreement is as follows:

Repurchase Agreement / Counterparty	Value
<b>\$4,155,000 due 7/01/11 at 0.06%</b>	
BNP Paribas Securities Corp. ....	\$ 670,895
Barclays Capital, Inc. ....	129,633
Mizuho Securities USA, Inc. ....	2,012,683
UBS Securities LLC .....	1,341,789
	<u>\$ 4,155,000</u>

See accompanying notes which are an integral part of the financial statements.



**MMDT Short Term Bond Fund**  
**Financial Statements**

**STATEMENT OF NET ASSETS**

	<i>Years ended June 30,</i>	
	<i>2011</i>	<i>2010</i>
<b>Assets</b>		
Investments in securities, at value (including repurchase agreements of \$4,155,000 and \$13,115,000, respectively) – See accompanying schedule:		
Unaffiliated issuers (cost \$284,674,277 and \$280,467,012, respectively) . . . . .	\$ 288,232,292	\$ 287,357,676
Cash . . . . .	789	167
Receivable for investments sold . . . . .	4,345,329	3,596,869
Interest receivable . . . . .	<u>1,146,005</u>	<u>1,418,779</u>
Total assets . . . . .	293,724,415	292,373,491
<b>Liabilities</b>		
Payable for investments purchased . . . . .	\$ 7,153,087	\$ 339,960
Unit transactions in process . . . . .	—	6,336,666
Distributions payable . . . . .	422,375	561,948
Accrued management fee . . . . .	<u>36,332</u>	<u>36,099</u>
Total Liabilities . . . . .	<u>7,611,794</u>	<u>7,274,673</u>
<b>Net Assets</b> . . . . .	<u>\$ 286,112,621</u>	<u>\$ 285,098,818</u>
Units outstanding . . . . .	27,236,452	27,363,904
Net asset value per unit . . . . .	<u>\$ 10.50</u>	<u>\$ 10.42</u>

See accompanying notes which are an integral part of the financial statements.




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## STATEMENT OF CHANGES IN NET ASSETS

	<i>Years ended June 30,</i>	
	<u>2011</u>	<u>2010</u>
<b>Additions</b>		
Interest Income .....	\$ 7,036,424	\$ 9,590,401
Net realized and unrealized gain (loss) from securities transactions .....	2,276,913	12,017,857
Management fee .....	(435,661)	(451,869)
Expense reductions .....	—	21
Net Investment Income .....	<u>8,877,676</u>	<u>21,156,410</u>
Proceeds from sales of units and reinvestment of distributions .....	<u>814,553</u>	<u>17,971,465</u>
<b>Total additions</b> .....	<u>9,692,229</u>	<u>39,127,875</u>
<b>Deductions</b>		
Cost of units redeemed .....	2,159,045	117,032,577
Distributions to unit holders .....	<u>6,519,381</u>	<u>8,917,122</u>
<b>Total deductions</b> .....	<u>8,678,426</u>	<u>125,949,699</u>
Net increase (decrease) in net assets .....	1,013,803	(86,821,824)
<b>Net Assets</b>		
Beginning of period .....	<u>285,098,818</u>	<u>371,920,642</u>
End of period .....	<u>\$ 286,112,621</u>	<u>\$ 285,098,818</u>

See accompanying notes which are an integral part of the financial statements.





## FINANCIAL HIGHLIGHTS

	Years ended June 30,				
	2011	2010	2009	2008	2007
<b>Selected Per-Share Data</b>					
Net asset value, beginning of period	\$ 10.42	\$ 10.04	\$ 10.01	\$ 10.04	\$ 9.97
Income from Investment Operations					
Net investment income (loss) <sup>B, D</sup>	.242	.310	.386	.489	.513
Net realized and unrealized gain (loss)	.077	.371	.027	(.044)	.041
Total from investment operations	.319	.681	.413	.445	.554
Distributions from net investment income	(.239)	(.301)	(.383)	(.475)	(.484)
Net asset value, end of period	\$ 10.50	\$ 10.42	\$ 10.04	\$ 10.01	\$ 10.04
<b>Total Return<sup>A</sup></b>	3.09%	6.86%	4.24%	4.48%	5.64%
<b>Ratios to Average Net Assets<sup>C</sup></b>					
Expenses before reductions	.15%	.15%	.14%	.14%	.14%
Expenses net of fee waivers, if any	.15%	.15%	.14%	.14%	.14%
Expenses net of all reductions	.15%	.15%	.13%	.14%	.14%
Net investment income (loss) <sup>D</sup>	2.31%	3.02%	3.89%	4.83%	5.09%
<b>Supplemental Data</b>					
Net assets, end of period (000 omitted)	\$ 286,113	\$ 285,099	\$ 371,921	\$ 397,710	\$ 373,520
Portfolio turnover rate	154%	142%	164%	52%	94%

<sup>A</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>B</sup> Calculated based on average shares outstanding during the period.

<sup>C</sup> Expense ratios reflect operating expenses of the Fund. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the Fund during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the Fund.

<sup>D</sup> Amounts presented are not adjusted to include realized and unrealized gains/losses.

See accompanying notes which are an integral part of the financial statements.



## Notes to Financial Statements

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For the period ended June 30, 2011.

**1. Significant Accounting Policies.** MMDT Cash Portfolio and MMDT Short Term Bond Fund (the Funds) are portfolios of the Massachusetts Municipal Depository Trust (the Trust) and are investment pools for political subdivisions in the Commonwealth of Massachusetts established by the Treasurer of the Commonwealth of Massachusetts as Trustee under Declaration of Trust, dated June 8, 1977, for the purpose of investing funds of, and funds under custody of, agencies, authorities, boards, commissions, political subdivisions, and other public units within the Commonwealth (M.G.L. Ch. 29, sec. 38A) and state and local retirement boards (M.G.L. Ch. 32, sec. 23 (2)(b)). The Cash Portfolio is not registered with the Securities and Exchange Commission (SEC) as an investment company, but maintains a policy to operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940 (Rule 2a-7). Governmental Accounting Standards Board Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," establishes standards for accounting for investments held by government entities. The Cash Portfolio operates as a 2a-7-like pool and thus, reports all investments at amortized cost rather than fair value. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America which require management to make certain estimates and assumptions at the date of the financial statements. All applicable pronouncements required by the Governmental Accounting Standards Board (GASB) are presented in the financial statements.

The following is a summary of the Funds' significant accounting policies:

- (A) *Security Valuation.* Investments are valued and net asset value per share is calculated (NAV calculation) as of 4:00 p.m. Eastern time on the last calendar day of the period. Short Term Bond Fund uses independent pricing services approved by the Treasurer of the Commonwealth to value its investments. When current market prices or quotations are not readily available or reliable, valuations may be determined in good faith in accordance with procedures adopted by the Treasurer of the Commonwealth. Factors used in determining value may include market or security specific events, changes in interest rates and credit quality. The frequency with which these procedures are used cannot be predicted and may be utilized to a significant extent. The value used for NAV calculation under these procedures may differ from published prices for the same securities.

Each Fund categorizes the inputs to valuation techniques used to value its investments into a disclosure hierarchy consisting of three levels as shown below.

Level 1 – quoted prices in active markets for identical investments

Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, etc.)

Level 3 – unobservable inputs (including the fund's own assumptions based on the best information available)

For the Short Term Bond Fund, changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. Valuation techniques used to value Short Term Bond Fund's investments by major category are as follows.

Debt securities, including restricted securities, are valued based on evaluated prices received from independent pricing services or from dealers who make markets in such securities. For corporate bonds, foreign government and government agency obligations, U.S. government and government agency obligations, pricing services utilize matrix pricing which considers yield or price of bonds of comparable quality, coupon, maturity and type as well as dealer supplied prices and are generally categorized as Level 2 in the



## Notes to Financial Statements – continued

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### 1. Significant Accounting Policies – continued

hierarchy. For asset-backed securities, collateralized mortgage obligations, commercial mortgage securities, and U.S. government agency mortgage securities, pricing services utilize matrix pricing which considers prepayment speed assumptions, attributes of the collateral, yield or price of bonds of comparable quality, coupon, maturity and type as well as dealer supplied prices and, accordingly, such securities are generally categorized as Level 2 in the hierarchy. Short-term securities with remaining maturities of sixty days or less for which quotations are not readily available are valued at amortized cost, which approximates value, and are categorized as Level 2 in the hierarchy. When independent prices are unavailable or unreliable, debt securities may be valued utilizing pricing matrices which consider similar factors that would be used by independent pricing services. These are generally categorized as Level 2 in the hierarchy but may be Level 3 depending on the circumstances.

The securities owned by the Cash Portfolio are valued at amortized cost, which approximates value. This method involves valuing a portfolio security initially at its cost and thereafter assuming a constant amortization to maturity of any discount or premium and is categorized as Level 2 in the hierarchy.

- (B) *Repurchase Agreements.* Under the investing guidelines of the Trust, the Funds may invest in repurchase agreements through joint trading accounts. Pyramis Global Advisors Trust Company (Pyramis), an affiliate of Fidelity Management and Research Company (FMR), has received an Exemptive Order from the Securities and Exchange Commission which permits Pyramis and other affiliated entities of Pyramis to transfer uninvested cash balances into joint trading accounts. These accounts are then invested in repurchase agreements that are collateralized by U.S. Treasury or Government obligations. The Funds may also invest directly with institutions in repurchase agreements. These direct repurchase agreements are collateralized by government and non-government securities. Upon settlement date, collateral is held in segregated accounts with custodian banks and may be obtained in the event of a default of the counterparty. Collateral is marked-to-market daily and maintained at a value at least equal to the principal amount of the repurchase agreement (including accrued interest). In the event of a default by the counterparty, realization of the collateral proceeds could be delayed, during which time the value of the collateral may decline.
- (C) *Federal Income Taxes.* Pursuant to Internal Revenue Code Section 115, Funds in the Trust are not subject to federal income tax.
- (D) *Distribution of Net Investment Income and Capital Gains.* The net investment income is determined at the close of business each day, and consists of (i) interest accrued or discount earned (including both original issue and market discount); (ii) plus or minus accumulated gains or losses realized on the sale of portfolio assets (for the Cash Portfolio only); (iii) less amortization of premium and the estimated expenses of the Trust applicable to the dividend period. All net investment income so determined is declared as a dividend to participants each day and paid monthly. Capital gains, if any, will be paid by the Short Term Bond Fund in June and December.
- (E) *Security Transactions.* Security transactions are accounted for as of trade date. Gains and losses on securities sold are determined on the basis of identified cost.



## Notes to Financial Statements – continued

### 2. Investment Risk Disclosure

(A) **Interest Rate Risk.** Risk associated with changes in interest rates that could adversely affect the fair value of an investment. Each fund uses the Segmented Time Distribution (Investment Maturities) as the method of disclosure.

Investment Type	Cash Portfolio			
	Investment Maturities (in days) (As a percentage of net assets)			
	0–30	31–90	91–180	181–397
Certificates of Deposit	10.7%	19.5%	8.8%	10.0%
Commercial Paper	5.8%	5.2%	3.9%	0.7%
U.S. Gov't and Gov't Agency Obligations	—	0.3%	—	—
U.S. Treasury Obligations	—	0.7%	4.2%	1.2%
Medium-Term Notes	0.2%	—	—	4.9%
Asset-Backed Securities	—	—	—	0.6%
Municipal Securities	0.7%	—	—	—
Repurchase Agreements	20.9%	1.4%	0.3%	—

Investment Type	Short Term Bond Fund			
	Investment Maturities (in years) (As a percentage of net assets)			
	Less than 1	1–5	6–10	More than 10
Corporate Bonds	1.9%	23.6%	—	0.1%
U.S. Gov't and Gov't Agency Obligations	3.5%	50.9%	2.7%	—
U.S. Gov't Agency–Mortgage Securities	—	—	0.3%	4.8%
Asset-Backed Securities	0.4%	6.1%	0.1%	—
CMOs	—	0.3%	0.5%	0.3%
Commercial Mortgage Securities	—	—	—	2.6%
Foreign Gov't and Gov't Agency Obligations	—	1.2%	—	—
Repurchase Agreements	1.4%	—	—	—



## Notes to Financial Statements – continued

### 2. Investment Risk Disclosure – continued

(B) **Credit Risk.** Risk that the issuer or counterparty to an investment may default. The Cash Portfolio's investments are required to be invested only the "highest quality securities" defined as being rated in one of the highest categories by at least two Nationally Recognized Statistical Rating Organizations. Credit quality for the Cash Portfolio represents ratings assigned at the security level or ratings assigned to the entities that issue the securities. Repurchase Agreements in a joint trading account have been classified by Pyramis and approved by the Treasurer of the Commonwealth as P1. Both Funds use ratings from Moody's Investors Services, Inc. Where Moody's ratings are not available, S&P ratings have been used. Credit ratings for the securities in each Fund are shown in the table below.

	<b>Cash Portfolio Quality Diversification (As a percentage of net assets)</b>					
<b>Rated Investments</b>	<b>P1</b>	<b>P2</b>				
Certificates of Deposit	49.0%	—				
Commercial Paper	14.0%	1.6%				
U.S. Gov't and Gov't Agency Obligations	0.3%	—				
U.S. Treasury Obligations	6.1%	—				
Medium-Term Notes	5.1%	—				
Asset-Backed Securities	0.6%	—				
Municipal Securities	0.7%	—				
Repurchase Agreements	22.6%	—				

	<b>Short Term Bond Fund Quality Diversification (As a percentage of net assets)</b>					
<b>Rated Investments</b>	<b>US Gov't and US Gov't Agency Obligations</b>	<b>AAA</b>	<b>AA</b>	<b>A</b>	<b>BBB</b>	<b>Unrated</b>
Corporate Bonds	—	1.4%	8.3%	9.6%	6.3%	—
U.S. Gov't and Gov't Agency Obligations	57.1%	—	—	—	—	—
U.S. Gov't Agency-Mortgage Securities	5.1%	—	—	—	—	—
Asset-Backed Securities	—	6.0%	0.1%	0.2%	0.1%	0.2%
CMOs	—	0.2%	—	—	—	0.9%
Commercial Mortgage Securities	—	2.6%	—	—	—	—
Foreign Gov't and Gov't Agency Obligations	—	—	1.2%	—	—	—
Repurchase Agreements	—	—	—	—	—	1.4%



## Notes to Financial Statements – continued

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### 2. Investment Risk Disclosure – continued

(C) **Custodial Credit Risk.** Risk that in the event of the failure of the counterparty the Funds will not be able to recover the value of their investments. The Federal Deposit Insurance Corporation (FDIC), provides insurance protection up to \$250,000 for deposits in each Fund's custodian bank account. The FDIC has temporarily removed the dollar limit until 2012. As of June 30, 2011 and June 30, 2010, there were no cash balances subject to custodial credit risk.

(D) **Concentration of Credit Risk.** Risk associated with losses that may occur due to lack of diversification. Concentration of credit risk is mitigated by limiting the percentage invested with any one issuer. The Funds' Investment Circular limits the maximum investment, at the time of purchase, in the securities of any single issuer to 5% of the portfolio. Obligations issued or guaranteed by the U.S. government, U.S. government agencies, U.S. government-sponsored enterprises or in repurchase agreements collateralized fully by such obligations are exempt from this limitation. As of June 30, 2011, neither the Cash Portfolio nor the Short Term Bond Fund exceeded this limitation.

**3. Units of Participation.** The beneficial interest for each Fund shall at all times be divided into an unlimited number of units.

**4. Management Fee.** Each Fund pays one all-inclusive management fee for the investment management, custody, administrative and other participant services. These fees are paid to Pyramis pursuant to a contract dated January 1, 2006. Pyramis is responsible for paying all operating expenses of each Fund (excluding expenses of the Trustee, brokerage fees, commissions, taxes and extraordinary non-recurring expenses); no direct fees are charged to participants. Under its contract, Pyramis provides each Fund with advice and assistance in the selection of portfolio investments; provides all necessary office space, facilities, and personnel; assists in providing participant communications; pays all operating expenses of each Fund; and generally maintains each Fund's organization.

For these services and the assumption of all operating expenses of the Cash Portfolio, the Cash Portfolio pays Pyramis a fee that is calculated daily and paid monthly. The fee for the Cash Portfolio is based on a graduated series of rates ranging from .07% to .13% of average net assets. The rates decrease as assets under management increase and increase as assets under management decrease. For the fiscal years ended June 30, 2011 and June 30, 2010, the fees for the Cash Portfolio amounted to \$7,406,716 and \$6,881,534, respectively, and were equivalent to an annual rate of .09% and .09%, respectively, of average net assets for each period.

For these services and the assumption of all operating expenses of the Short Term Bond Fund, the Short Term Bond Fund pays Pyramis a fee that is computed daily and paid monthly. The fee for the Short Term Bond Fund is based on a graduated series of rates ranging from .10% to .25% of average net assets. The rates decrease as assets under management increase and increase as assets under management decrease. For the fiscal years ended June 30, 2011 and June 30, 2010, the fees for the Short Term Bond Fund amounted to \$435,661 and \$451,869, respectively, and were equivalent to an annual rate of .15% and .15%, respectively, of average net assets for each period.

Fidelity Investments Institutional Operations Company, Inc., an affiliate of Pyramis, performs the processing activities associated with the transfer agent and participant servicing functions for each Fund. Fidelity Service Company, Inc., an affiliate of Pyramis, determines the net asset value per unit and income distributions of each Fund's assets and maintains each Fund's portfolio and general accounting records. The Funds do not pay any fees for these services.

**5. Expense Reductions.** Pyramis has entered into an arrangement on behalf of the Funds with each Fund's custodian whereby credits realized as a result of uninvested cash balances were used to reduce a portion of each Fund's expenses. For the fiscal years ended June 30, 2011 and June 30, 2010, the Cash Portfolio's expenses were reduced by \$0 and \$817, respectively, under this arrangement. For the fiscal years ended June 30, 2011 and June 30, 2010, the Short Term Bond Fund's expenses were reduced by \$0 and \$21, respectively, under this arrangement.



## Report of Independent Auditors

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### **To the Unitholders and the Trustee of Massachusetts Municipal Depository Trust:**

In our opinion, the accompanying statements of net assets and the related statements of changes in net assets present fairly, in all material respects, the financial position of MMDT Cash Portfolio and MMDT Short-Term Bond Fund (funds of Massachusetts Municipal Depository Trust) at June 30, 2011 and 2010 and the changes in each of their net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Massachusetts Municipal Depository Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 1, the financial statements present only the Funds of Massachusetts Municipal Depository Trust and do not purport to, and do not, present fairly the net assets of the Commonwealth of Massachusetts at June 30, 2011 and 2010, and the changes in its net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis included on the letter from Commonwealth of Massachusetts is not a required part of the financial statements as of and for the year ended June 30, 2011 but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming opinion on the Funds' financial statements. The schedule of investments, financial highlights and computation of net asset value on the statements of net assets are presented for purposes of additional analysis and are not a required part of the Funds' financial statements. Such information has been subjected to the auditing procedures applied in the audit of the Funds' financial statements and, in our opinion, is fairly stated in all material respects in relation to the Funds' financial statements taken as a whole.

PricewaterhouseCoopers LLP  
September 22, 2011





**Trustee**

Steven Grossman

**Investment Adviser**

Pyramis Global Advisors Trust Company

**Custodian**

State Street Bank & Trust Company

**Independent Auditors**

PricewaterhouseCoopers LLP

