



**Massachusetts
Municipal
Depository Trust**

**Timothy P. Cahill
Trustee**

MMDT

**Annual Report
June 30, 2010**





Dear MMDT Participant,

As Trustee of the Massachusetts Municipal Depository Trust (the Trust or MMDT), I am pleased to present the Annual Report of the Trust's financial activities for the fiscal year ended June 30, 2010.

As an investor, you have been charged with the important task of seeking to safeguard the public funds that have been entrusted to you, and there's no doubt you've been operating in challenging economic conditions the last few years. Cities and towns looking to invest their treasury dollars must carefully balance return potential with the preservation of funds. Through all of this economic uncertainty, MMDT has continued to offer you a solid investment alternative through two diversified portfolios of funds.*

Demonstrating this fact, for the fiscal year ended June 30, 2010, the MMDT's Cash Portfolio's total return was 0.44% (please refer to the financial highlights section for standard performance), outperforming the total return of 0.09%** during the same period for the "first tier institutional money market funds average" according to iMoneyNet, Inc.

Additionally, for the fiscal year ended June 30, 2009, the Cash Portfolio's total return was 2.05% compared to the 1.36% return of the first tier institutional money market funds average. For the 12-month periods ending June 30, 2010 and June 30, 2009, the Cash Portfolio's investment paid dividends of over \$32 million and \$160 million, respectively. Maturity averages have fluctuated from 69 days to 30 days during the current fiscal year compared to 34 days to 80 days during the prior fiscal year.

The MMDT Short Term Bond Fund also continued to provide solid results. Introduced on April 25, 2006, the MMDT's Short Term Bond's total return for the fiscal years ended June 30, 2010 and June 30, 2009 was 6.86% and 4.24%, respectively. (Please refer to the financial highlights section for standard performance.) For the 12-month periods ending June 30, 2010 and June 30, 2009, the Short Term Bond Fund investment paid dividends of over \$8 million and \$16 million, respectively, with a dollar-weighted average maturity ranging from 3.2 to 3 years and 3.1 to 3.6 years, respectively.

Pyramis Global Advisors Trust Company, a Fidelity Investments Company, serves as the Trust's investment adviser. Fidelity has continued to deliver an exceptional level of personal service and municipal treasury expertise through a dedicated account team, a range of educational materials, including the quarterly newsletter, *MMDT News*, and tools, such as MMDTNet, which provides you with convenient online access.

As we move forward in the new fiscal year, I want to assure you that you can continue to rely on MMDT to help you manage your investments.

If you have any questions or if you'd like to provide feedback on 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,

Timothy P. Cahill
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., 155 Seaport Blvd., Boston, MA 02210

528154.2.0



MMDT Cash Portfolio
Investments/June 30, 2010 (Showing Percentage of Net Assets)

<i>Due Date</i>	<i>Yield (a)</i>	<i>Principal Amount</i>	<i>Value</i>
Certificates of Deposit – 39.4%			
Domestic Certificates Of Deposit – 0.1%			
State Street Bank & Trust Co., Boston			
8/11/10	0.40%	\$ 5,000,000	\$ <u>5,000,000</u>
London Branch, Eurodollar, Foreign Banks – 9.9%			
Bank of Montreal			
9/7/10	0.50	24,000,000	24,000,226
Commonwealth Bank of Australia			
8/23/10 to 9/24/10	0.33 to 0.50	46,000,000	46,000,000
Credit Agricole SA			
7/1/10 to 8/2/10	0.40 to 0.51 (e)	147,000,000	147,000,000
Credit Industriel et Commercial			
7/6/10 to 8/9/10	0.50 to 0.54	128,000,000	128,000,000
Danske Bank AS			
9/13/10	0.58	36,000,000	36,000,000
HSBC Bank PLC			
8/31/10 to 12/21/10	0.53 to 0.72	79,000,000	79,000,000
HSBC Bank PLC London Branch			
9/7/10 to 12/6/10	0.50 to 0.70	12,000,000	12,000,000
ING Bank NV			
7/30/10	0.45	52,000,000	52,000,000
Landesbank Hessen-Thuringen			
7/8/10 to 10/6/10	0.45 to 0.68	112,000,000	112,000,000
National Australia Bank Ltd.			
7/7/10 to 8/13/10	0.30 to 0.41	72,000,000	<u>72,000,311</u>
			<u>708,000,537</u>
New York Branch, Yankee Dollar, Foreign Banks – 29.4%			
Banco Bilbao Vizcaya Argentaria SA New York Branch			
7/7/10	0.35 (e)	53,000,000	53,000,000
Banco Santander SA			
7/21/10	0.77	47,000,000	47,000,000
Bank of Montreal			
7/19/10 to 7/26/10	0.37 to 0.50 (e)	38,000,000	38,000,000
Bank of Nova Scotia			
7/6/10 to 10/28/10	0.30 to 0.45 (e)	244,000,000	244,000,000
Bank of Tokyo-Mitsubishi			
7/2/10 to 7/14/10	0.32	122,000,000	122,000,000

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



MMDT Cash Portfolio Investments – continued

<i>Due Date</i>	<i>Yield (a)</i>	<i>Principal Amount</i>	<i>Value</i>
Certificates of Deposit – continued			
New York Branch, Yankee Dollar, Foreign Banks – continued			
Barclays Bank PLC New York Branch 7/8/10	0.51% (e)	\$ 31,000,000	\$ 31,000,000
BNP Paribas New York Branch 8/3/10 to 9/20/10	0.33 to 0.45	204,000,000	204,000,000
BNP Paribas SA 8/5/10 to 8/12/10	0.40	52,000,000	52,000,000
Calyon New York Branch 7/6/10	0.40	64,000,000	64,000,000
Canadian Imperial Bank of Commerce New York Branch 7/9/10 to 8/2/10	0.35 to 0.50 (e)	133,000,000	133,000,864
Commerzbank AG New York Branch 7/1/10 to 8/10/10	0.40 to 0.57 (e)	145,000,000	145,000,000
Deutsche Bank AG New York Branch 8/3/10	0.46	24,000,000	24,000,000
Dnb Nor Bank ASA New York Branch 8/20/10	0.45	27,000,000	27,000,000
Intesa Sanpaolo SpA 9/9/10	0.35	32,000,000	32,000,000
Intesa Sanpaolo SpA New York Branch 7/23/10	0.40 (e)	13,000,000	13,000,000
Natixis New York Branch 7/7/10 to 9/22/10	0.40 to 2.04 (e)	141,000,000	141,000,000
Nordea Bank Finland PLC 9/7/10	0.51	26,000,000	26,000,000
Rabobank Nederland 7/6/10 to 9/8/10	0.35 to 0.50 (e)	200,000,000	200,000,000
Rabobank Nederland New York Branch 7/6/10 to 8/30/10	0.28 to 0.35 (e)	180,000,000	180,000,000
Royal Bank of Canada 7/1/10	0.61 (e)	50,000,000	50,000,000
Royal Bank of Canada New York Branch 7/12/10 to 7/29/10	0.35 (e)	19,000,000	19,000,000
Societe Generale 8/5/10	0.65 (e)	13,000,000	13,000,000

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



MMDT Cash Portfolio Investments – continued

<i>Due Date</i>	<i>Yield (a)</i>	<i>Principal Amount</i>	<i>Value</i>
Certificates of Deposit – continued			
New York Branch, Yankee Dollar, Foreign Banks – continued			
Societe Generale Institutional CD Program			
7/7/10	0.39% (e)	\$ 43,000,000	\$ 43,000,000
Sumitomo Mitsui Banking Corp.			
8/3/10	0.41	53,000,000	53,000,000
Svenska Handelsbanken AB			
8/19/10	0.44	12,000,000	12,000,000
Svenska Handelsbanken New York			
9/15/10	0.54	50,000,000	50,000,527
Toronto-Dominion Bank			
7/6/10 to 7/29/10	0.35 to 0.35 (e)	17,000,000	17,000,000
Toronto-Dominion Bank New York Branch			
7/6/10 to 12/20/10	0.30 to 0.50 (e)	80,000,000	80,000,000
			<u>2,113,001,391</u>
TOTAL CERTIFICATES OF DEPOSIT			<u>2,826,001,928</u>
Commercial Paper – 20.8%			
Abbott Laboratories			
7/26/10	0.39 (e)	33,000,000	33,000,000
Australia & New Zealand Banking Group Ltd.			
8/24/10 to 8/31/10	0.44 to 0.45	25,000,000	24,982,270
Commerzbank U.S. Finance, Inc.			
7/22/10 to 8/10/10	0.40 to 0.45	56,000,000	55,984,089
Commonwealth Bank of Australia			
8/12/10 to 9/7/10	0.41 to 0.58 (e)	59,000,000	58,969,968
Credit Suisse New York Branch			
7/6/10 to 9/3/10	0.30 to 0.50	68,000,000	67,954,806
CVS Caremark Corp.			
7/1/10 to 7/29/10	0.50 to 0.52 (e)	30,000,000	29,997,978
Dakota Notes (Citibank Credit Card Issuance Trust)			
7/12/10	0.40	14,430,000	14,428,236
Danske Corp.			
7/6/10 to 8/31/10	0.35 to 0.55	134,000,000	133,959,474
Deutsche Bank Financial LLC			
8/3/10	0.46	24,000,000	23,989,880

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



MMDT Cash Portfolio Investments – continued

<i>Due Date</i>	<i>Yield (a)</i>	<i>Principal Amount</i>	<i>Value</i>
Commercial Paper – continued			
DnB NOR Bank ASA 7/1/10 to 7/19/10	0.34 to 0.35% (e)	\$ 62,000,000	\$ 62,000,000
Hannover Funding Co. LLC 7/26/10	0.55	27,000,000	26,989,687
Intesa Funding LLC 7/2/10 to 9/16/10	0.29 to 0.41	95,100,000	95,070,220
Landesbank Hessen-Thuringen 7/6/10 to 8/9/10	0.63 to 0.63	28,000,000	27,991,005
Natexis Banques Populaires U.S. Finance Co. LLC 7/19/10	0.52	50,000,000	49,987,000
Nordea North America, Inc. 7/6/10 to 11/3/10	0.30 to 0.53	187,000,000	186,876,873
Santander Finance, Inc. 7/21/10	0.77	17,000,000	16,992,728
Skandinaviska Enskilda Banken AB 7/6/10 to 7/13/10	0.27 to 0.33	61,000,000	60,995,537
Svenska Handelsbanken, Inc. 7/7/10	0.30	22,000,000	21,998,900
Toyota Credit Canada, Inc. 7/21/10	0.52	50,000,000	49,985,556
Toyota Motor Credit Corp. 7/19/10 to 8/25/10	0.40 to 0.58	51,000,000	50,974,821
UBS Finance, Inc. 7/13/10	0.44	200,000,000	199,970,667
UniCredito Italiano Bank (Ireland) PLC 7/6/10 to 7/29/10	0.50 to 0.55	103,000,000	102,972,486
Westpac Banking Corp. 7/13/10 to 7/16/10	0.38 to 0.40 (e)	97,000,000	97,000,000
TOTAL COMMERCIAL PAPER			<u>1,493,072,181</u>

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



MMDT Cash Portfolio Investments – continued

<i>Due Date</i>	<i>Yield (a)</i>	<i>Principal Amount</i>	<i>Value</i>
U.S. Government and Government Agency Obligations – 2.4%			
Other Government Related – 2.4%			
Bank of America NA (FDIC Guaranteed)			
9/13/10	0.57% (d)(e)	\$ 33,000,000	\$ 33,000,000
General Electric Capital Corp. (FDIC Guaranteed)			
7/8/10 to 3/11/11	0.34 to 0.46 (d)(e)	72,585,000	72,672,578
Straight-A Funding LLC (Liquidity Facility Federal Financing Bank)			
8/6/10 to 9/17/10	0.39 (c)	69,078,000	69,030,519
TOTAL U.S. GOVERNMENT AND GOVERNMENT AGENCY OBLIGATIONS			<u>174,703,097</u>
Federal Agencies – 3.2%			
Federal Home Loan Bank – 3.2%			
7/9/10 to 11/24/10	0.26 to 0.60 (e)	230,000,000	<u>229,905,226</u>
U.S. Treasury Obligations – 3.5%			
U.S. Treasury Bills – 3.5%			
7/15/10 to 12/16/10	0.27 to 0.46	247,000,000	<u>246,732,035</u>
Medium-Term Notes – 7.3%			
Banque Federative du Credit Mutuel			
8/27/10	1.04 (b)(e)	33,000,000	33,000,000
Berkshire Hathaway, Inc.			
8/10/10	0.35 (e)	17,000,000	17,000,000
BNP Paribas SA			
8/13/10	0.67 (e)	36,000,000	36,000,000
BP Capital Markets PLC			
9/11/10	0.67 (e)	21,948,000	21,948,000
Commonwealth Bank of Australia			
7/6/10 to 7/14/10	0.40 (b)(e)	96,000,000	96,000,000
Metropolitan Life Global Funding I			
7/1/10	1.29 (b)(e)	14,000,000	14,000,000
Royal Bank of Canada			
7/1/10 to 7/15/10	0.34 to 0.79 (b)(e)	150,000,000	150,000,000
Verizon Communications, Inc.			
9/15/10	1.04 (e)	33,000,000	33,000,000

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



**MMDT Cash Portfolio
Investments – continued**

<i>Due Date</i>	<i>Yield (a)</i>	<i>Principal Amount</i>	<i>Value</i>
Medium-Term Notes – continued			
Westpac Banking Corp.			
7/15/10 to 8/11/10	0.31 to 0.44% (b)(e)	\$ 122,000,000	<u>\$ 122,000,000</u>
TOTAL MEDIUM-TERM NOTES			<u>522,948,000</u>
Municipal Securites – 0.3%			
New York Hsg. Fin. Agcy. Rev. Series A, 0.23%, VRDN			
7/7/10	0.23 (e)(f)	22,300,000	<u>22,300,000</u>
		<i>Maturity Amount</i>	
Repurchase Agreements – 24.2%			
In a joint trading account at:			
0.06% dated 6/30/10 due 7/1/10 (Collateralized by U.S. Government Obligations) #		\$ 391,141,706	391,141,000
0.12% dated 6/30/10 due 7/1/10 (Collateralized by U.S. Government Obligations) #		121,040,390	121,040,000
With:			
Barclays Capital, Inc. at:			
0.23%, dated 6/30/10 due 7/1/10 (Collateralized by U.S. Government Obligations valued at \$12,360,079)		12,000,077	12,000,000
0.36%, dated 6/30/10 due 7/1/10 (Collateralized by Commercial Paper Obligations valued at \$5,150,052)		5,000,050	5,000,000
0.45%, dated 6/25/10 due 7/9/10 (Collateralized by Corporate Obligations valued at \$7,560,567)		7,001,225	7,000,000
0.5%, dated:			
6/17/10 due 7/16/10 (Collateralized by Equity Securities valued at \$20,523,996)		19,007,653	19,000,000
6/25/10 due 8/24/10 (Collateralized by Corporate Obligations valued at \$5,400,450)		5,004,167	5,000,000
0.55%, dated 6/17/10 due 7/16/10 (Collateralized by Corporate Obligations valued at \$5,251,979)		5,002,215	5,000,000
0.56%, dated 6/30/10 due 7/1/10 (Collateralized by Corporate Obligations valued at \$235,837,783)		219,003,407	219,000,000
0.75%, dated 6/9/10 due 8/10/10 (Collateralized by Mortgage Loan Obligations valued at \$12,965,940)		12,015,500	12,000,000
0.8%, dated 6/24/10 due 8/24/10 (Collateralized by Mortgage Loan Obligations valued at \$15,122,352)		14,018,978	14,000,000
BNP Paribas Securities Corp. at 0.22%, dated:			
4/15/10 due 7/14/10 (Collateralized by U.S. Government Obligations valued at \$11,335,332) .		11,006,050	11,000,000
4/16/10 due 7/15/10 (Collateralized by U.S. Government Obligations valued at \$11,335,262) .		11,006,050	11,000,000

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



MMDT Cash Portfolio Investments – continued

	<i>Maturity Amount</i>	<i>Value</i>
Repurchase Agreements – continued		
With: – continued		
Deutsche Bank Securities, Inc. at:		
0.26%, dated 5/20/10 due 7/19/10 (Collateralized by U.S. Government Obligations valued at \$48,974,852)	\$ 48,020,800	\$ 48,000,000
0.42%, dated 5/4/10 due 8/4/10 (Collateralized by Corporate Obligations valued at \$11,915,368)	11,011,807	11,000,000
0.45%, dated:		
4/8/10 due 7/7/10 (Collateralized by Corporate Obligations valued at \$12,100,267)	11,012,375	11,000,000
4/13/10 due 7/12/10 (Collateralized by Mortgage Loan Obligations valued at \$11,889,555) .	11,012,375	11,000,000
4/20/10 due:		
7/20/10 (Collateralized by Corporate Obligations valued at \$6,477,649)	6,006,825	6,000,000
7/22/10 (Collateralized by Corporate Obligations valued at \$11,915,430)	11,012,788	11,000,000
4/28/10 due 7/27/10 (Collateralized by Mortgage Loan Obligations valued at \$12,668,607) .	12,013,500	12,000,000
4/30/10 due 7/29/10 (Collateralized by Corporate Obligations valued at \$12,903,445)	12,013,500	12,000,000
0.47%, dated 5/10/10 due:		
8/9/10 (Collateralized by Corporate Obligations valued at \$6,440,955)	6,007,128	6,000,000
8/12/10 (Collateralized by Corporate Obligations valued at \$6,316,270)	6,007,363	6,000,000
0.55%, dated:		
6/23/10 due 9/21/10 (Collateralized by Corporate Obligations valued at \$7,568,289)	7,009,625	7,000,000
6/28/10 due 9/27/10 (Collateralized by Corporate Obligations valued at \$14,040,644)	13,018,074	13,000,000
6/30/10 due 10/1/10 (Collateralized by Mortgage Loan Obligations valued at \$7,560,116) ..	7,009,946	7,000,000
Goldman Sachs & Co. at 0.21%, dated 6/24/10 due 7/1/10 (Collateralized by Certificates of Deposit valued at \$25,751,424) (e)(g)	25,001,382	25,000,000
ING Financial Markets LLC at:		
0.23%, dated:		
4/15/10 due 7/14/10 (Collateralized by U.S. Government Obligations valued at \$22,671,159)	22,012,650	22,000,000
4/26/10 due 7/26/10 (Collateralized by U.S. Government Obligations valued at \$24,731,832)	24,013,953	24,000,000
0.45%, dated 6/7/10 due 7/8/10 (Collateralized by Corporate Obligations valued at \$3,151,848)	3,001,163	3,000,000

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



**MMDT Cash Portfolio
Investments – continued**

	<i>Maturity Amount</i>	<i>Value</i>
Repurchase Agreements – continued		
With: – continued		
ING Financial Markets LLC at:		
0.56%, dated 5/24/10 due 8/23/10 (Collateralized by Corporate Obligations valued at \$14,713,526)	\$ 14,019,818	\$ 14,000,000
J.P. Morgan Securities, Inc. at:		
0.13%, dated 6/30/10 due 7/1/10 (Collateralized by U.S. Government Obligations valued at \$152,440,450)	148,000,534	148,000,000
0.31%, dated 6/30/10 due 7/1/10:		
(Collateralized by Corporate Obligations valued at \$242,554,035)	231,001,989	231,000,000
(Collateralized by Equity Securities valued at \$10,000,106)	9,000,078	9,000,000
0.61%, dated 6/30/10 due 7/1/10 (Collateralized by Corporate Obligations valued at \$25,924,132)	24,000,407	24,000,000
0.68%, dated 5/25/10 due 7/26/10 (Collateralized by Corporate Obligations valued at \$7,566,472)	7,008,198	7,000,000
Morgan Stanley & Co., Inc. at:		
0.25%, dated 4/8/10 due 8/20/10 (Collateralized by U.S. Government Obligations valued at \$20,501,318)	20,018,611	20,000,000
0.45%, dated 6/18/10 due 7/19/10 (Collateralized by Corporate Obligations valued at \$9,451,536)	9,003,488	9,000,000
0.55%, dated:		
6/4/10 due 8/3/10 (Collateralized by Corporate Obligations valued at \$19,448,019)	18,016,500	18,000,000
6/21/10 due 7/21/10 (Collateralized by Mortgage Loan Obligations valued at \$5,250,802) ..	5,002,292	5,000,000
0.7%, dated 4/14/10 due 7/13/10 (Collateralized by Corporate Obligations valued at \$46,510,434)	43,075,250	43,000,000
RBC Capital Markets Co. at:		
0.55%, dated:		
5/21/10 due 8/20/10 (Collateralized by Corporate Obligations valued at \$7,521,770)	7,009,732	7,000,000
6/7/10 due 7/7/10 (Collateralized by Mortgage Loan Obligations valued at \$20,363,484) ...	17,007,792	17,000,000
0.86%, dated 5/25/10 due 11/24/10 (Collateralized by Corporate Obligations valued at \$19,359,336)	7,030,602	7,000,000
RBS Securities, Inc. at 0.67%, dated 6/18/10 due 7/19/10 (Collateralized by Corporate Obligations valued at \$44,723,072)	42,024,232	42,000,000
UBS Securities LLC at:		
0.23%, dated 4/28/10 due 7/15/10 (Collateralized by U.S. Government Obligations valued at \$24,491,531)	24,011,960	24,000,000
0.45%, dated:		
4/29/10 due 7/29/10 (Collateralized by Corporate Obligations valued at \$10,809,364)	10,011,375	10,000,000

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



MMDT Cash Portfolio Investments – continued

	<i>Maturity Amount</i>	<i>Value</i>
Repurchase Agreements – continued		
With: – continued		
UBS Securities LLC at 0.45% dated:		
5/6/10 due 8/4/10 (Collateralized by Corporate Obligations valued at \$5,406,795) . . .	\$ 5,005,625	\$ 5,000,000
5/10/10 due 8/9/10 (Collateralized by Corporate Obligations valued at \$13,104,123) . . .	12,013,650	12,000,000
0.5%, dated 5/18/10 due 8/16/10 (Collateralized by Corporate Obligations valued at \$9,846,529)	9,011,250	9,000,000
0.55%, dated 5/12/10 due 8/10/10 (Collateralized by Corporate Obligations valued at \$4,330,921)	4,005,500	4,000,000
0.58%, dated 5/18/10 due 8/19/10 (Collateralized by Corporate Obligations valued at \$5,406,680)	5,007,492	5,000,000
TOTAL REPURCHASE AGREEMENTS		<u>1,737,181,000</u>
TOTAL INVESTMENT IN SECURITIES – 101.1%		<u>7,252,843,467</u>
Other Assets, Less Liabilities – (1.1)%		
Other Assets		4,310,377
Less Liabilities		<u>81,575,398</u>
		<u>(77,265,021)</u>
Net Assets – 100%		<u><u>\$ 7,175,578,446</u></u>

Security Type Abbreviations

VRDN — VARIABLE RATE DEMAND NOTE

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 \$415,000,000 or 5.8% 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 \$69,030,519, or 1.0% of net assets.
- (d) 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 \$105,672,578 or 1.5% of net assets.

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



MMDT Cash Portfolio Investments – continued

(e) Coupon rates for floating and adjustable rate securities reflect the rates in effect at period end. Due dates for these security types are the next interest rate reset date or, when applicable, the final maturity date.

(f) Private activity obligations whose interest is subject to the federal alternative minimum tax for individuals.

(g) 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
\$391,141,000 due 7/01/10 at 0.06%	
Banc of America Securities LLC	\$ 18,625,387
Bank of America, NA	153,301,260
Barclays Capital, Inc.	23,281,733
Citibank Na	3,581,805
Citigroup Global Markets, Inc.	21,490,831
Credit Suisse Securities (USA) LLC	7,163,610
Deutsche Bank Securities, Inc.	28,654,441
ING Financial Markets LLC	3,581,805
J.P. Morgan Securities, Inc.	21,490,831
Merrill Lynch Government Securities, Inc.	12,894,498
Morgan Stanley & Co., Inc.	24,364,155
RBC Capital Markets Corp.	3,939,986
RBS Securities, Inc.	10,745,415
UBS Securities LLC	20,058,109
Wells Fargo Securities LLC.	37,967,134
	<u>\$ 391,141,000</u>
\$121,040,000 due 7/01/10 at 0.12%	
Banc of America Securities LLC	\$ 62,201,111
Barclays Capital, Inc.	25,216,667
UBS Securities LLC	33,622,222
	<u>\$ 121,040,000</u>

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.

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>2010</u>	<u>2009</u>
Assets		
Investment in securities, at amortized cost, which approximates market value (including repurchase agreements of \$1,737,181,000 and \$653,887,000, respectively) — See accompanying schedule:	\$ 7,252,843,467	\$ 8,163,259,059
Cash	37,169	957,946
Receivable for investments sold	888	18,915,071
Unit transactions in process	355,754	—
Interest receivable	<u>3,916,566</u>	<u>11,353,087</u>
Total assets	7,257,153,844	8,194,485,163
Liabilities		
Payable for investments purchased	\$ 80,000,864	\$ 111,903,385
Unit transactions in process	447,171	8,022,084
Distributions payable	529,812	1,502,348
Accrued management fee	<u>597,551</u>	<u>645,483</u>
Total liabilities	<u>81,575,398</u>	<u>122,073,300</u>
Net Assets	<u>\$ 7,175,578,446</u>	<u>\$ 8,072,411,863</u>
Units outstanding	7,175,578,446	8,072,411,863
Net asset per unit	1.00	1.00


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



STATEMENT OF CHANGES IN NET ASSETS

	<i>Years ended June 30,</i>	
	<i>2010</i>	<i>2009</i>
Additions		
Interest Income	\$ 39,606,101	\$ 166,320,236
Net realized and unrealized gain (loss) from securities transactions	177,827	1,212,291
Management fee	(6,881,534)	(7,167,198)
Expense reductions	817	7,251
Net investment income	32,903,211	160,372,580
Proceeds from sales of units and reinvestment of distributions	<u>39,736,001,267</u>	<u>37,782,913,732</u>
Total Additions	<u>39,768,904,478</u>	<u>37,943,286,312</u>
Deductions		
Cost of units redeemed	40,632,834,684	37,853,377,310
Distributions to unit holders	<u>32,903,211</u>	<u>160,372,580</u>
Total Deductions	<u>40,665,737,895</u>	<u>38,013,749,890</u>
Net increase (decrease) in net assets	(896,833,417)	(70,463,578)
Net Assets		
Beginning of period	<u>8,072,411,863</u>	<u>8,142,875,441</u>
End of period	<u>\$ 7,175,578,446</u>	<u>\$ 8,072,411,863</u>

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



FINANCIAL HIGHLIGHTS

	<u>Years ended June 30,</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Selected Per-Share Data					
Net asset value, beginning of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Income from Investment Operations					
Net investment income ^C	.004	.020	.044	.053	.042
Distributions from net investment income	(.004)	(.020)	(.044)	(.053)	(.042)
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>
Total Return^A	<u>.44%</u>	<u>2.05%</u>	<u>4.48%</u>	<u>5.43%</u>	<u>4.26%</u>
Ratios to Average Net Assets^B					
Expenses before reductions	.09%	.09%	.09%	.10%	.11%
Expenses net of fee waivers, if any	.09%	.09%	.09%	.10%	.11%
Expenses net of all reductions	.09%	.09%	.09%	.10%	.11%
Net investment income ^C	.44%	2.01%	4.24%	5.30%	4.20%
Supplemental Data					
Net assets, end of period (000 omitted)	\$7,175,578	\$8,072,412	\$8,142,875	\$6,180,435	\$5,746,530

^A Total returns would have been lower had certain expenses not been reduced during the periods shown.

^B 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.

^C 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, 2010 (Showing Percentage of Net Assets)

	<i>Principal Amount</i>	<i>Value</i>
Nonconvertible Bonds – 22.3%		
CONSUMER DISCRETIONARY – 2.2%		
Auto Components – 0.3%		
DaimlerChrysler NA Holding Corp.:		
5.75% 9/8/11	\$ 545,000	\$ 567,556
6.5% 11/15/13	370,000	414,148
		<u>981,704</u>
Diversified Consumer Services – 0.1%		
Yale University 2.9% 10/15/14	220,000	228,299
Household Durables – 0.3%		
Fortune Brands, Inc. 3% 6/1/12	550,000	556,729
Whirlpool Corp. 6.125% 6/15/11	300,000	310,667
		<u>867,396</u>
Media – 1.5%		
Comcast Corp. 5.5% 3/15/11	1,283,000	1,321,561
NBC Universal, Inc. 3.65% 4/30/15 (b)	270,000	276,224
Time Warner Cable, Inc. 6.2% 7/1/13	500,000	559,388
Time Warner, Inc. 5.5% 11/15/11	2,000,000	2,108,158
		<u>4,265,331</u>
TOTAL CONSUMER DISCRETIONARY		<u>6,342,730</u>
CONSUMER STAPLES – 1.7%		
Beverages – 1.0%		
Anheuser-Busch InBev Worldwide, Inc. 2.5% 3/26/13 (b)	1,000,000	1,012,121
Bottling Group LLC 6.95% 3/15/14	1,030,000	1,215,762
Diageo Capital PLC 5.2% 1/30/13	410,000	446,071
		<u>2,673,954</u>
Food & Staples Retailing – 0.1%		
Wal-Mart Stores, Inc. 2.25% 7/8/15	341,000	339,960
Food Products – 0.2%		
Kraft Foods, Inc. 2.625% 5/8/13	550,000	560,578
Personal Products – 0.1%		
Avon Products, Inc. 4.8% 3/1/13	350,000	377,755
Tobacco – 0.3%		
Altria Group, Inc. 8.5% 11/10/13	680,000	793,860
TOTAL CONSUMER STAPLES		<u>4,746,107</u>

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>
Nonconvertible Bonds – continued		
ENERGY – 0.4%		
Oil, Gas & Consumable Fuels – 0.4%		
Rockies Express Pipeline LLC 6.25% 7/15/13 (b)	\$ 586,000	\$ 623,752
Shell International Finance BV 1.875% 3/25/13	540,000	544,694
TransCanada PipeLines Ltd. 3.4% 6/1/15	71,000	73,681
		<u>1,242,127</u>
FINANCIALS – 10.5%		
Capital Markets – 1.7%		
Bear Stearns Companies, Inc. 5.35% 2/1/12	190,000	200,903
Goldman Sachs Group, Inc. 3.625% 8/1/12	1,300,000	1,324,582
Merrill Lynch & Co., Inc.:		
5.45% 2/5/13	270,000	283,308
6.15% 4/25/13	512,000	547,541
Morgan Stanley:		
4.1% 1/26/15	540,000	526,488
5.25% 11/2/12	1,400,000	1,455,906
The Bank of New York, Inc. 4.95% 11/1/12	340,000	368,266
		<u>4,706,994</u>
Commercial Banks – 4.2%		
Abbey National Treasury Services PLC 3.875% 11/10/14 (b)	550,000	543,268
ANZ National International Ltd. 2.375% 12/21/12 (b)	342,000	346,492
Bank of Montreal 2.125% 6/28/13	560,000	564,977
Bank of Nova Scotia 2.25% 1/22/13	900,000	912,790
Bank of Tokyo-Mitsubishi UFJ Ltd. 2.6% 1/22/13 (b)	690,000	701,473
Barclays Bank PLC 2.5% 1/23/13	700,000	697,337
BB&T Corp. 6.5% 8/1/11	235,000	246,682
ING Bank NV 2.65% 1/14/13 (b)	560,000	560,582
National Australia Bank Ltd. 5.35% 6/12/13 (b)	500,000	541,870
PNC Funding Corp.:		
3% 5/19/14	570,000	575,625
3.625% 2/8/15	308,000	317,175
Rabobank Nederland NV 2.65% 8/17/12 (b)	2,390,000	2,437,274
Royal Bank of Scotland PLC 1.5% 3/30/12 (b)	700,000	701,394
Santander US Debt SA Unipersonal 2.485% 1/18/13 (b)	590,000	571,745
US Bancorp:		
2% 6/14/13	500,000	505,192
3.15% 3/4/15	132,000	135,223
Wells Fargo & Co.:		
3.625% 4/15/15	287,000	293,377

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>
Nonconvertible Bonds – continued		
FINANCIALS – continued		
Commercial Banks – continued		
Wells Fargo & Co.: – continued		
4.375% 1/31/13	\$ 461,000	\$ 487,475
Westpac Banking Corp. 2.25% 11/19/12	690,000	695,995
		<u>11,835,946</u>
Consumer Finance – 1.3%		
American Honda Finance Corp. 2.375% 3/18/13 (b)	150,000	152,126
Capital One Financial Corp. 5.7% 9/15/11	219,000	227,834
Caterpillar Financial Services Corp.:		
2% 4/5/13	205,000	207,432
2.75% 6/24/15	148,000	149,373
General Electric Capital Corp.:		
2.8% 1/8/13	256,000	258,905
3.5% 8/13/12	2,000,000	2,064,804
John Deere Capital Corp.:		
1.875% 6/17/13	455,000	457,597
2.95% 3/9/15	129,000	132,513
ORIX Corp. 5.48% 11/22/11	80,000	82,784
		<u>3,733,368</u>
Diversified Financial Services – 1.5%		
BB&T Corp. 3.375% 9/25/13	500,000	515,757
BNP Paribas US Medium-Term Note Program LLC 2.125% 12/21/12	450,000	448,885
Citigroup, Inc.:		
4.75% 5/19/15	540,000	539,946
5.5% 4/11/13	500,000	519,885
Deutsche Bank AG London Branch 2.375% 1/11/13	550,000	553,062
GlaxoSmithKline Capital, Inc. 4.85% 5/15/13	228,000	249,339
JPMorgan Chase & Co.:		
3.4% 6/24/15	1,100,000	1,102,996
4.891% 9/1/15 (d)	190,000	192,717
		<u>4,122,587</u>
Insurance – 0.6%		
Berkshire Hathaway, Inc. 3.2% 2/11/15	500,000	515,126
Metropolitan Life Global Funding I 2.5% 1/11/13 (b)	630,000	637,299
New York Life Global Funding 4.65% 5/9/13 (b)	640,000	686,676
		<u>1,839,101</u>

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>
Nonconvertible Bonds – continued		
FINANCIALS – continued		
Real Estate Investment Trusts – 0.5%		
AvalonBay Communities, Inc. 5.5% 1/15/12	\$ 1,054,000	\$ 1,105,497
Washington (REIT) 5.95% 6/15/11	397,000	409,379
		<u>1,514,876</u>
Real Estate Management & Development – 0.3%		
AMB Property LP 5.9% 8/15/13	340,000	359,516
Duke Realty LP 5.625% 8/15/11	106,000	108,520
Liberty Property LP 6.375% 8/15/12	152,000	162,782
Simon Property Group LP 5.3% 5/30/13	320,000	344,353
		<u>975,171</u>
Thriffs & Mortgage Finance – 0.4%		
Bank of America Corp. 4.5% 4/1/15	780,000	788,696
US Central Federal Credit Union 1.9% 10/19/12	460,000	469,595
		<u>1,258,291</u>
TOTAL FINANCIALS		<u>29,986,334</u>
HEALTH CARE – 0.4%		
Pharmaceuticals – 0.4%		
Novartis Capital Corp. 1.9% 4/24/13	1,000,000	1,015,414
INDUSTRIALS – 0.2%		
Industrial Conglomerates – 0.2%		
Covidien International Finance SA 2.8% 6/15/15	590,000	596,118
INFORMATION TECHNOLOGY – 0.4%		
Office Electronics – 0.4%		
Xerox Corp. 5.5% 5/15/12	1,000,000	1,066,103
MATERIALS – 0.9%		
Chemicals – 0.4%		
Dow Chemical Co. 7.6% 5/15/14	1,000,000	1,155,156
Metals & Mining – 0.5%		
BHP Billiton Financial (USA) Ltd. 5.125% 3/29/12	285,000	303,520
Rio Tinto Finance (USA) Ltd. 5.875% 7/15/13	907,000	994,061
		<u>1,297,581</u>
TOTAL MATERIALS		<u>2,452,737</u>

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>
Nonconvertible Bonds – continued		
TELECOMMUNICATION SERVICES – 2.9%		
Diversified Telecommunication Services – 2.0%		
AT&T, Inc. 4.85% 2/15/14	\$ 1,000,000	\$ 1,095,609
British Telecommunications PLC 9.375% 12/15/10 (a)	1,500,000	1,551,336
Deutsche Telekom International Financial BV 5.375% 3/23/11	1,500,000	1,543,154
Telefonica Emisiones SAU 2.582% 4/26/13	670,000	665,588
Verizon Communications, Inc. 5.25% 4/15/13	480,000	526,299
Verizon New England, Inc. 6.5% 9/15/11	390,000	411,916
Verizon New York, Inc. 6.875% 4/1/12	90,000	97,264
		<u>5,891,166</u>
Wireless Telecommunication Services – 0.9%		
DIRECTV Holdings LLC/DIRECTV Financing, Inc. 4.75% 10/1/14	550,000	582,713
Verizon Wireless Capital LLC:		
3.75% 5/20/11	1,188,000	1,216,879
5.25% 2/1/12	480,000	508,869
Vodafone Group PLC 5.5% 6/15/11	195,000	202,521
		<u>2,510,982</u>
TOTAL TELECOMMUNICATION SERVICES		<u>8,402,148</u>
UTILITIES – 2.7%		
Electric Utilities – 2.0%		
Alabama Power Co. 4.85% 12/15/12	445,000	482,136
Baltimore Gas & Electric Co. 6.125% 7/1/13	310,000	346,151
Commonwealth Edison Co. 5.4% 12/15/11	283,000	299,462
Duke Energy Corp. 5.65% 6/15/13	1,000,000	1,102,941
EDP Finance BV 5.375% 11/2/12 (b)	455,000	467,566
Mid-American Energy Co. 5.65% 7/15/12	665,000	719,936
Oncor Electric Delivery Co. 6.375% 5/1/12	600,000	648,190
Pacific Gas & Electric Co. 6.25% 12/1/13	390,000	443,191
PECO Energy Co. 5.6% 10/15/13	420,000	468,011
Sierra Pacific Power Co. 5.45% 9/1/13	704,000	763,732
		<u>5,741,316</u>
Independent Power Producers & Energy Traders – 0.4%		
PPL Energy Supply LLC 6.3% 7/15/13	1,000,000	1,109,208
Multi-Utilities – 0.3%		
Dominion Resources, Inc. 6.3% 9/30/66 (d)	167,000	153,640

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>
Nonconvertible Bonds – continued		
UTILITIES – continued		
Multi-Utilities – continued		
DTE Energy Co. 7.05% 6/1/11	\$ 435,000	\$ 456,507
KeySpan Corp. 7.625% 11/15/10	210,000	215,083
		<u>825,230</u>
TOTAL UTILITIES		<u>7,675,754</u>
TOTAL NONCONVERTIBLE BONDS		
(Cost \$61,134,732)		<u>63,525,572</u>
 U.S. Government and Government Agency Obligations — 56.7%		
U.S. Government Agency Obligations – 10.3%		
Fannie Mae:		
1.125% 7/30/12	380,000	382,595
1.5% 6/26/13	1,215,000	1,228,653
1.75% 5/7/13	9,180,000	9,350,298
2.5% 5/15/14	5,146,000	5,314,367
2.75% 3/13/14	1,630,000	1,700,362
Federal Home Loan Bank:		
1.125% 5/18/12	810,000	816,108
1.625% 11/21/12	665,000	676,078
1.875% 6/21/13	600,000	612,001
Freddie Mac:		
1.125% 7/27/12	1,000,000	1,007,275
1.625% 4/15/13	4,962,000	5,038,390
1.75% 6/15/12	1,288,000	1,313,529
2.5% 4/23/14	1,840,000	1,905,767
TOTAL U.S. GOVERNMENT AGENCY OBLIGATIONS		<u>29,345,423</u>
U.S. Treasury Obligations – 39.9%		
U.S. Treasury Notes:		
1.125% 6/15/13	1,194,000	1,199,134
1.375% 2/15/13	11,676,000	11,831,980
1.75% 4/15/13	19,072,000	19,508,558
1.75% 3/31/14	7,983,000	8,095,257
1.875% 2/28/14	3,566,000	3,635,091
1.875% 4/30/14	32,746,000	33,347,182
1.875% 6/30/15	880,000	883,781
2% 11/30/13	7,251,000	7,445,305

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>
U.S. Government and Government Agency Obligations – continued		
U.S. Treasury Obligations – continued		
U.S. Treasury Notes: – continued		
2.375% 9/30/14	\$ 5,009,000	\$ 5,175,314
2.375% 10/31/14	1,560,000	1,610,090
2.5% 4/30/15	3,110,000	3,221,521
2.625% 6/30/14	1,880,000	1,965,922
2.75% 10/31/13	2,427,000	2,553,850
3.125% 9/30/13	5,231,000	5,570,607
3.125% 10/31/16	7,260,000	<u>7,620,735</u>
TOTAL U.S. TREASURY OBLIGATIONS		<u>113,664,327</u>
Other Government Related – 6.5%		
Citibank NA 1.875% 6/4/12 (FDIC Guaranteed) (c)	810,000	826,472
Citigroup Funding, Inc. 1.875% 11/15/12 (FDIC Guaranteed) (c)	800,000	817,058
Citigroup, Inc. 2.875% 12/9/11 (FDIC Guaranteed) (c)	2,038,000	2,101,618
General Electric Capital Corp. 3% 12/9/11 (FDIC Guaranteed) (c)	3,396,000	3,508,513
Goldman Sachs Group, Inc. 2.15% 3/15/12 (FDIC Guaranteed) (c)	200,000	204,805
HSBC USA, Inc. 3.125% 12/16/11 (FDIC Guaranteed) (c)	200,000	207,183
JPMorgan Chase & Co. 3.125% 12/1/11 (FDIC Guaranteed) (c)	400,000	413,854
Wells Fargo & Co. 3% 12/9/11 (FDIC Guaranteed) (c)	10,190,000	<u>10,533,505</u>
TOTAL OTHER GOVERNMENT RELATED		<u>18,613,008</u>
TOTAL U.S. GOVERNMENT AND GOVERNMENT AGENCY OBLIGATIONS		
(Cost \$158,153,038)		<u>161,622,758</u>
 U.S. Government Agency – Mortgage Securities — 5.1%		
Fannie Mae – 4.2%		
1.985% 4/1/36 (d)	51,706	53,254
1.991% 1/1/35 (d)	83,179	85,706
2.045% 5/1/33 (d)	1,612,101	1,652,059
2.09% 7/1/35 (d)	434,172	451,068
2.094% 8/1/33 (d)	270,736	277,153
2.12% 5/1/35 (d)	436,588	451,856
2.628% 5/1/35 (d)	1,021,881	1,063,627

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>
U.S. Government Agency – Mortgage Securities – continued		
Fannie Mae – continued		
2.639% 5/1/35 (d)	\$ 365,739	\$ 382,081
2.687% 5/1/35 (d)	36,818	38,561
2.989% 10/1/35 (d)	42,794	44,313
3.044% 10/1/35 (d)	921,909	964,154
3.058% 6/1/35 (d)	39,516	41,548
3.111% 12/1/33 (d)	89,370	93,150
3.391% 4/1/35 (d)	762,168	797,002
3.503% 6/1/35 (d)	97,046	101,683
3.564% 11/1/36 (d)	139,616	146,041
3.588% 12/1/39 (d)	97,452	101,573
3.697% 6/1/36 (d)	19,989	20,891
3.95% 10/1/37 (d)	30,881	32,251
4.5% 8/1/18 to 7/1/20	639,025	681,285
4.741% 2/1/36 (d)	56,944	59,255
4.817% 8/1/35 (d)	2,734,525	2,886,526
5.1% 12/1/35 (d)	1,440,398	<u>1,513,455</u>
TOTAL FANNIE MAE		<u>11,938,492</u>
Freddie Mac – 0.9%		
2.105% 12/1/35 (d)	172,744	177,080
2.627% 4/1/35 (d)	556,135	580,552
3.008% 2/1/35 (d)	162,013	169,562
3.196% 3/1/35 (d)	106,235	111,334
3.364% 1/1/36 (d)	46,630	48,837
3.52% 12/1/39 (d)	259,030	268,950
3.837% 8/1/36 (d)	84,909	88,175
4.341% 11/1/35 (d)	165,948	173,642
4.5% 8/1/18	613,857	654,065
4.919% 9/1/35 (d)	143,434	149,792
5.07% 8/1/35 (d)	48,074	50,529
5.554% 10/1/35 (d)	20,275	<u>21,343</u>
TOTAL FREDDIE MAC		<u>2,493,861</u>
TOTAL U.S. GOVERNMENT AGENCY – MORTGAGE SECURITIES		
(Cost \$13,806,862)		<u>14,432,353</u>

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>
Asset-Backed Securities – 6.2%		
Ally Auto Receivables Trust Series 2010-1 Class A3, 1.45% 5/15/14	\$ 360,000	\$ 360,799
Ally Master Owner Trust Series 2010-3 Class A, 2.88% 4/15/15 (b)	240,000	243,376
AmeriCredit Automobile Receivables Trust:		
Series 2006-BD Class A4, 5.21% 9/6/13	278,171	287,572
Series 2006-RM Class A2, 5.42% 8/8/11	193,756	194,982
AmeriCredit Prime Automobile Receivables Trust Series 2007-1:		
Class C, 5.43% 2/28/14	95,000	97,818
Class D, 5.62% 9/30/14	640,000	641,566
Bank of America Auto Trust Series 2010-2 Class A3, 1.31% 7/15/14	480,000	481,424
Brazos Higher Education Authority, Inc. Student Loan Rev. Series 2006 A2R, 1.2883% 12/1/41 (d)	310,454	309,948
Capital Auto Receivables Asset Trust:		
Series 2006-2:		
Class B, 5.07% 12/15/11	550,000	554,892
Class C, 5.31% 6/15/12	1,450,000	1,473,607
Series 2007-1 Class B, 5.15% 9/17/12	290,000	301,151
Capital One Multi-Asset Execution Trust:		
Series 2006-A6 Class A6, 5.3% 2/18/14	470,000	485,880
Series 2007-B5 Class B5, 5.4% 5/15/13	890,000	890,891
Series 2009-A2 Class A2, 3.2% 4/15/14	1,189,000	1,213,955
Capital One Prime Auto Receivables Trust Series 2007-1 Class B1, 5.76% 12/15/13	275,000	284,509
CarMax Auto Owner Trust Series 2006-2 Class C, 5.53% 3/15/13	295,000	297,584
Chase Auto Owner Trust Series 2006-B Class B, 5.24% 4/15/14	35,893	36,050
Chase Issuance Trust Series 2007-A17 Class A, 5.12% 10/15/14	100,000	108,623
Citibank Credit Card Issuance Trust Series 2008-A5 Class A5, 4.85% 4/22/15	300,000	326,914
CNH Equipment Trust Series 2006-B Class B, 5.36% 6/17/13	295,000	295,297
DaimlerChrysler Auto Trust Series 2006-C Class B, 5.11% 4/8/13	495,000	495,244
Ford Credit Auto Owner Trust:		
Series 2006-B:		
Class B, 5.43% 2/15/12	450,000	461,722
Class C, 5.68% 6/15/12	560,000	577,226
Series 2006-C:		
Class B, 5.3% 6/15/12	205,000	213,080

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>
Asset-Backed Securities – continued		
Ford Credit Auto Owner Trust: – continued		
Class C, 5.47% 9/15/12	\$ 335,000	\$ 349,035
Series 2007-A:		
Class B, 5.6% 10/15/12	125,000	132,278
Class C, 5.8% 2/15/13	205,000	217,059
Series 2009-C Class A4, 4.43% 11/15/14	210,000	224,837
Series 2009-E Class A3, 1.51% 1/15/14	300,000	301,744
Franklin Auto Trust:		
Series 2006-1 Class B, 5.14% 7/21/14	80,000	80,897
Series 2007-1 Class B, 5.13% 2/16/15	300,000	306,175
GS Auto Loan Trust Series 2007-1 Class B, 5.53% 12/15/14	41,143	42,180
Honda Auto Receivables Owner Trust:		
Series 2010-1 Class A4, 1.98% 5/23/16	100,000	101,543
Series 2010-2 Class A3, 1.35% 5/20/13	300,000	301,193
Hyundai Auto Receivables Trust:		
Series 2006-B Class C, 5.25% 5/15/13	66,837	67,519
Series 2007-A Class A3A, 5.04% 1/17/12	90,571	91,309
National Collegiate Student Loan Trust:		
Series 2006-1 Class AIO, 5.5% 4/25/11 (e)	371,157	12,398
Series 2006-2 Class AIO, 6% 8/25/11 (e)	3,245,000	190,348
Series 2006-3 Class AIO, 7.1% 1/25/12 (e)	1,405,000	133,146
Series 2006-4 Class AIO, 6.35% 2/27/12 (e)	1,055,000	99,020
Series 2007-1 Class AIO, 7.27% 4/25/12 (e)	1,290,000	155,707
Triad Auto Receivables Owner Trust Series 2006-B Class A4, 5.52% 11/12/12	1,212,963	1,232,764
USAA Auto Owner Trust Series 2009-2 Class A3, 1.54% 10/15/12	380,000	382,996
Wachovia Auto Loan Owner Trust:		
Series 2006-1 Class B, 5.15% 7/20/12 (b)	255,000	259,062
Series 2007-1:		
Class B, 5.38% 7/20/12	640,000	652,097
Class C, 5.45% 10/22/12	445,000	455,827
Class D, 5.65% 2/20/13	695,000	704,903
WaMu Master Note Trust Series 2007-A4A Class A4, 5.2% 10/15/14 (b)	400,000	404,848
World Omni Auto Receivables Trust Series 2010-A Class A3, 1.34% 8/15/12	190,000	190,777
TOTAL ASSET-BACKED SECURITIES		
(Cost \$17,504,435)		<u>17,723,772</u>

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>
Collateralized Mortgage Obligations — 0.8%		
Private Sponsor – 0.1%		
Granite Master Issuer PLC floater Series 2007-1:		
Class 1C1, 0.6475% 12/20/54 (d)	\$ 265,000	\$ 111,300
Class 2C1, 0.7775% 12/20/54 (d)	140,000	58,800
JPMorgan Chase Commercial Mortgage Securities Trust Series 2007-CB18 Class A1, 5.32% 6/12/47 (d)	79,491	81,190
Merrill Lynch-CFC Commercial Mortgage Trust Series 2006-3 Class XP, 0.8607% 7/12/46 (d)(e)	7,119,196	<u>159,765</u>
TOTAL PRIVATE SPONSOR		<u>411,055</u>
U.S. Government Agency – 0.7%		
Fannie Mae subordinate REMIC pass-thru certificates sequential payer Series 2002-56 Class MC, 5.5% 9/25/17		
	92,894	100,707
Freddie Mac sequential payer Series 2508 Class UL, 5% 12/15/16	58,242	59,617
Freddie Mac Multi-class participation certificates guaranteed: planned amortization class:		
Series 2382 Class MB, 6% 11/15/16	188,949	204,425
Series 2394 Class KD, 6% 12/15/16	111,311	121,327
Series 2417 Class EH, 6% 2/15/17	57,653	62,366
Series 2617 Class TH, 4.5% 5/15/15	18,060	18,032
sequential payer:		
Series 2867 Class EA, 4.5% 11/15/18	177,223	186,074
Series 2910 Class BD, 4.5% 11/15/18	1,020,617	1,068,813
Series 2970 Class YA, 5% 9/15/18	127,730	<u>132,271</u>
TOTAL U.S. GOVERNMENT AGENCY		<u>1,953,632</u>
TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS		
(Cost \$2,475,100)		<u>2,364,687</u>
Commercial Mortgage Securities — 4.3%		
Banc of America Commercial Mortgage Trust sequential payer:		
Series 2006-4 Class A1, 5.363% 7/10/46 (d)	31,571	31,889
Series 2006-5 Class A1, 5.185% 9/10/47	76,489	77,254
Bear Stearns Commercial Mortgage Securities Trust: sequential payer:		
Series 2006-PW12 Class A2, 5.688% 9/11/38	380,000	387,220
Series 2006-T24 Class A1, 4.905% 10/12/41 (d)	280,835	286,008

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>
Commercial Mortgage Securities – continued		
Bear Stearns Commercial Mortgage Securities Trust: – continued		
Series 2006-PW13 Class A2, 5.426% 9/11/41	\$ 2,000,000	\$ 2,061,191
Series 2007-PW15 Class A1, 5.016% 2/11/44	19,547	19,986
COMM pass-thru certificates:		
sequential payer Series 2006-C8 Class A3, 5.31% 12/10/46	1,000,000	1,032,569
Series 2006-C8 Class XP, 0.6736% 12/10/46 (d)(e)	17,513,809	275,618
Credit Suisse Commercial Mortgage Trust:		
sequential payer:		
Series 2006-C4 Class A2, 5.361% 9/15/39	2,000,000	2,044,260
Series 2007-C2 Class A1, 5.269% 1/15/49	29,048	29,219
Series 2007-C3 Class A1, 5.664% 6/15/39 (d)	65,008	65,874
Series 2006-C5 Class ASP, 0.8719% 12/15/39 (d)(e)	11,795,781	185,459
Credit Suisse First Boston Mortgage Securities Corp.:		
sequential payer:		
Series 2002-CP5 Class A1, 4.106% 12/15/35	161,486	165,126
Series 2004-C1 Class A3, 4.321% 1/15/37	1,604,442	1,625,935
Series 1998-C1 Class D, 7.17% 5/17/40	17,387	17,562
Series 1999-C1 Class E, 8.1586% 9/15/41 (d)	141,468	141,141
Credit Suisse Mortgage Capital Certificates:		
sequential payer Series 2007-C1 Class A1, 5.227% 2/15/40	74,738	75,607
Series 2007-C1 Class ASP, 0.6106% 2/15/40 (d)(e)	20,760,946	257,610
GE Capital Commercial Mortgage Corp.:		
sequential payer Series 2004-C2 Class A2, 4.119% 3/10/40	72,955	73,335
Series 2007-C1 Class XP, 0.3812% 12/10/49 (d)(e)	12,743,413	85,786
GMAC Commercial Mortgage Securities, Inc. sequential payer Series 2004-C2 Class A2, 4.76% 8/10/38 (d)	217,330	220,841
Greenwich Capital Commercial Funding Corp. sequential payer Series 2003-C1 Class A2, 3.285% 7/5/35	102,638	102,622
JPMorgan Chase Commercial Mortgage Securities Trust sequential payer:		
Series 2006-CB15 Class A3, 5.819% 6/12/43 (d)	775,000	812,352
Series 2006-LDP9 Class A1, 5.17% 5/15/47 (d)	158,857	161,583
LB-UBS Commercial Mortgage Trust sequential payer:		
Series 2006-C3 Class A1, 5.478% 3/15/32	40,338	40,646
Series 2006-C6 Class A1, 5.23% 9/15/39	135,909	136,742
Series 2007-C1 Class A1, 5.391% 2/15/40 (d)	79,247	80,728
Series 2007-C2 Class A1, 5.226% 2/15/40	49,863	50,472

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>
Commercial Mortgage Securities – continued		
Merrill Lynch-CFC Commercial Mortgage Trust sequential payer Series 2007-6 Class A1, 5.175% 3/12/51	\$ 65,597	\$ 66,599
Morgan Stanley Capital I Trust sequential payer:		
Series 2006-HQ10 Class A1, 5.131% 11/12/41	245,826	249,165
Series 2006-HQ9 Class A1, 5.49% 7/20/44	274,656	279,763
Series 2006-IQ11 Class A1, 5.609% 10/15/42	305,082	306,260
Series 2006-T23 Class A1, 5.682% 8/12/41	85,374	87,177
Series 2007-HQ11 Class A1, 5.246% 2/12/44	137,467	140,072
Series 2007-IQ13 Class A1, 5.05% 3/15/44	138,298	140,119
Morgan Stanley Dean Witter Capital I Trust sequential payer Series 2001-PPM Class A2, 6.4% 2/15/31	5,864	5,996
Structured Asset Securities Corp. Series 1997-LLI Class D, 7.15% 10/12/34	154,400	160,859
Wachovia Bank Commercial Mortgage Trust sequential payer:		
Series 2006-C27 Class A1, 5.405% 7/15/45	64,974	65,330
Series 2007-C30 Class A1, 5.031% 12/15/43	104,627	105,942
TOTAL COMMERCIAL MORTGAGE SECURITIES		
(Cost \$11,878,949)		12,151,917
Foreign Government and Government Agency Obligations – 0.8%		
Ontario Province 2.7% 6/16/15 (Cost \$2,398,896)	2,400,000	2,421,617
	<i>Maturity Amount</i>	
Cash Equivalents – 4.6%		
Investments in repurchase agreements in a joint trading account at 0.06%, dated 6/30/10 due 7/1/10 (Collateralized by U.S. Government Obligations) # (Cost \$13,115,000)	\$13,115,023	13,115,000
TOTAL INVESTMENT IN SECURITIES – 100.8%		
(Cost \$280,467,012)		287,357,676
Other Assets, Less Liabilities – (0.8)%		
Other Assets		5,015,815
Less Liabilities		7,274,673
		<u>(2,258,858)</u>
NET ASSETS – 100%	\$	285,098,818

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



Legend

- (a) Security initially issued at one coupon which converts to a higher coupon at a specified date. The rate shown is 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 \$11,167,148 or 3.9% of net assets.
- (c) 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 \$18,613,008 or 6.5% of net assets.
- (d) The coupon rate shown on floating or adjustable rate securities represents the rate at period end.
- (e) 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.

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

Repurchase Agreement / Counterparty	Value
\$13,115,000 due 7/01/10 at 0.06%	
BNP Paribas Securities Corp.	\$ 955,008
Banc of America Securities LLC	636,579
Bank of America, NA	3,056,026
Credit Agricole Securities (USA) Inc.	1,273,344
Goldman, Sachs & Co.	955,008
J.P. Morgan Securities, Inc.	636,672
Mizuho Securities USA, Inc.	3,183,360
Morgan Stanley & Co., Inc.	1,463,995
Societe Generale, New York Branch	955,008
	<u>\$ 13,115,000</u>

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.

The following is a reconciliation of Investments in Securities for which Level 3 inputs were used in determining value:

Investments in Securities:

Beginning Balance	\$ 455,840
Total Realized Gain (Loss)	—
Total Unrealized Gain (Loss)	—
Cost of Purchases	—
Proceeds of Sales	—
Amortization/Accretion	—
Transfers in to Level 3	—
Transfers out of Level 3	(455,840)
Ending Balance	<u>\$ —</u>
The change in unrealized gain (loss) for the period attributable to Level 3 securities held at June 30, 2010	\$ —

The information used in the above reconciliation represents fiscal year to date activity for any Investments in Securities identified as using Level 3 inputs at either the beginning or the end of the current fiscal period. Transfers in or out of Level 3 represent the beginning value of any Security or Instrument where a change in the pricing level occurred from the beginning to the end of the period. The cost of purchases and the proceeds of sales may include securities received or delivered through corporate actions or exchanges. Realized and unrealized gains (losses) disclosed in the reconciliation are included in Net Gain (Loss) on the Fund's Statement of Operations.

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>	
	<u>2010</u>	<u>2009</u>
Assets		
Investment in securities, at value (including repurchase agreements of \$13,115,000 and \$5,372,000, respectively) — See accompanying schedule:		
Unaffiliated issuers (cost \$280,467,012 and \$367,659,241, respectively)	\$ 287,357,676	\$ 369,769,527
Cash	167	555
Receivable for investments sold	3,596,869	1,051,065
Interest receivable	<u>1,418,779</u>	<u>2,201,072</u>
Total assets	292,373,491	373,022,219
Liabilities		
Payable for investments purchased	\$ 339,960	\$ —
Unit transactions in process	6,336,666	—
Distributions payable	561,948	1,056,581
Accrued management fee	<u>36,099</u>	<u>44,996</u>
Total liabilities	<u>7,274,673</u>	<u>1,101,577</u>
Net Assets	<u>\$ 285,098,818</u>	<u>\$ 371,920,642</u>
Units outstanding	27,363,904	\$ 37,061,997
Net asset per unit	10.42	10.04


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



STATEMENT OF CHANGES IN NET ASSETS

	<i>Years ended June 30,</i>	
	<i>2010</i>	<i>2009</i>
Additions		
Interest Income	\$ 9,590,401	\$ 17,116,563
Net realized and unrealized gain (loss) from securities transactions	12,017,857	1,572,488
Management fee	(451,869)	(575,436)
Expense reductions	21	1,609
Net investment income	21,156,410	18,115,224
Proceeds from sales of units and reinvestment of distributions	17,971,465	85,669,451
Total Additions	<u>39,127,875</u>	<u>103,784,675</u>
Deductions		
Cost of units redeemed	117,032,577	113,183,768
Distributions to unit holders	8,917,122	16,389,941
Total Deductions	<u>125,949,699</u>	<u>129,573,709</u>
Net increase (decrease) in net assets	(86,821,824)	(25,789,034)
Net Assets		
Beginning of period	371,920,642	397,709,676
End of period	<u>\$ 285,098,818</u>	<u>\$ 371,920,642</u>

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



FINANCIAL HIGHLIGHTS

	<u>Years ended June 30,</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006^E</u>
Selected Per-Share Data					
Net asset value, beginning of period	\$ 10.04	\$ 10.01	\$ 10.04	\$ 9.97	\$ 10.00
Income from Investment Operations					
Net investment income ^{D, G}	.310	.386	.489	.513	.090
Net realized and unrealized gain (loss)	.371	.027	(.044)	.041	(.044)
Total from investment operations	.681	.413	.445	.554	.046
Distributions from net investment income ^G	(.301)	(.383)	(.475)	(.484)	(.076)
Net asset value, end of period	\$ 10.42	\$ 10.04	\$ 10.01	\$ 10.04	\$ 9.97
Total Return^{B, C}	6.86%	4.24%	4.48%	5.64%	.46%
Ratios to Average Net Assets^F					
Expenses before reductions	.15%	.14%	.14%	.14%	.14% ^A
Expenses net of fee waivers, if any	.15%	.14%	.14%	.14%	.14% ^A
Expenses net of all reductions	.15%	.13%	.14%	.14%	.14% ^A
Net investment income ^G	3.02%	3.89%	4.83%	5.09%	4.89% ^A
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 285,099	\$ 371,921	\$ 397,710	\$ 373,520	\$ 351,448
Portfolio turnover rate	142%	164%	52%	94%	54%

A Annualized

B Total returns for periods of less than one year are not annualized.

C Total returns would have been lower had certain expenses not been reduced during the periods shown.

D Calculated based on average shares outstanding during the period.

E For the period April 25, 2006 (commencement of operations) to June 30, 2006.

F 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.

G 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

For the period ended June 30, 2010

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 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 and 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)

A roll forward of Level 3 securities, is included at the end of the Short-Term Bond Fund's Schedule of Investments.

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 and 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

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 types 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. Long term 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	21.1%	15.6%	2.7%	—
Commercial Paper	14.7%	5.8%	0.3%	—
US Gov't and Gov't Agency Obligations	0.9%	1.4%	—	0.1%
US Treasury Obligations	0.3%	1.4%	1.8%	—
Federal Agencies	2.5%	—	0.7%	—
Medium Term Notes	5.0%	2.3%	—	—
Municipal Securities	0.3%	—	—	—
Repurchase Agreements	23.8%	0.4%	—	—

Investment Type	Short Term Bond			
	Investment Maturities (in years) (As a percentage of net assets)			
	Less than 1	1–5	6–10	More than 10
Corporate Bonds	2.5%	19.5%	0.2%	0.1%
US Gov't and Gov't Agency Obligations	—	54.0%	2.7%	—
US Gov't Agency–Mortgage Securities	—	—	0.4%	4.7%
Asset Backed Securities	—	6.1%	—	0.1%
CMOs	—	—	0.7%	0.1%
Commercial Mortgage Securities	—	—	—	4.3%
Foreign Government and Government Agency Obligations	—	0.8%	—	—
Repurchase Agreements	4.6%	—	—	—



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 and US Treasury Obligations 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.

**Cash Portfolio
Quality Diversification
(As a percentage of net assets)**

Rated Investments	P1	P2
Certificates of Deposit	39.4%	—
Commercial Paper	20.4%	0.4%
US Gov't and Gov't Agency Obligations	2.4%	—
US Treasury Obligations	3.5%	—
Federal Agencies	3.2%	—
Medium Term Notes	6.8%	0.5%
Municipal Securities	0.3%	—
Repurchase Agreements	24.2%	—

**Short Term Bond
Quality Diversification
(As a percentage of net assets)**

Rated Investments	US Gov't and US Gov't Agency Obligations	AAA	AA	A	BBB	BB and below	Unrated
Corporate Bonds	—	1.6%	5.3%	6.7%	8.6%	—	0.1%
US Gov't and Gov't Agency Obligations	56.7%	—	—	—	—	—	—
US Gov't Agency—Mortgage Securities	5.1%	—	—	—	—	—	—
Asset Backed Securities	—	3.6%	0.9%	0.9%	0.6%	0.2%	—
CMOs	—	0.1%	—	—	0.1%	—	0.6%
Commercial Mortgage Securities	—	4.2%	0.1%	—	—	—	—
Foreign Government and Government Agency Obligations	—	—	0.8%	—	—	—	—
Repurchase Agreements	—	—	—	—	—	—	4.6%



Notes to Financial Statements – 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 provides insurance protection up to \$250,000 for deposits in each Fund's custodian bank account. As of June 30, 2010 and June 30, 2009, the Cash Portfolio had \$0 and \$707,946, respectively, of cash balances that were subject to custodial credit risk.

(D) **Concentration of Credit Risk.** Risk associated with losses that may occur due to lack of diversification. As of June 30, 2010, neither the Cash Portfolio nor the Short Term Bond Fund had concentrations of credit risk exposure.

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, 2010 and June 30, 2009, the fees for the Cash Portfolio amounted to \$6,881,534 and \$7,167,198, 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, 2010 and June 30, 2009, the fees for the Short Term Bond Fund amounted to \$451,869 and \$575,436, respectively, and were equivalent to an annual rate of .15% and an annual rate of .14%, 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, 2010, and June 30, 2009, the Cash Portfolio's expenses were reduced by \$817 and \$7,251, respectively, under this arrangement. For the fiscal years ended June 30, 2010, and June 30, 2009, the Short Term Bond Fund's expenses were reduced by \$21 and \$1,609, respectively, under this arrangement.



Report of Independent Auditors

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

In our opinion, the accompanying statements of net assets, including the schedules of investments, and the related statements of changes in net assets and the financial highlights 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, 2010, the changes in each of their net assets for each of the two years in the period then ended and the financial highlights for each of periods indicated, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as “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 financial statements in accordance with the 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, which included confirmation of securities at June 30, 2010 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
Boston, Massachusetts
September 21, 2010





Trustee

Timothy P. Cahill

Investment Adviser

Pyramis Global Advisors Trust Company

Custodian

State Street Bank & Trust Company

Independent Auditors

PricewaterhouseCoopers LLP

