

# Northern Trust Corp - Announces Liquidation of 'Prime Obligations Portfolio' Money-Market Fund - ~US\$1.8 B

- Northern Trust announced that it is liquidating one of its main money-market funds after intense volatility caused by the COVID-19 crisis
- Northern Trust Institutional Funds said in a regulatory filing that its board had decided to liquidate US\$ 1.8 B prime money market fund and terminate the Prime Obligations Portfolio fund as of July 10, 2020
- It also added that the company is planning to return money to shareholders, with the action being in their best interests
- According to Crane Data, by the end of March 2020, the fund had assets under management of US\$1.8 B, down from US\$3.8 B
- It is said that Federal Reserve stepped in to support money markets and reversed the outflows
- However, Prime Obligations had not joined in the rebound
- On asked about the incident, Northern Trust declined to comment

## Source(s)

<https://www.treasuryandrisk.com/2020/05/20/northern-trust-shutters-money-market-fund/?slreturn=20200421022438>

<https://www.ft.com/content/a3569d0b-a8c3-4506-90a7-52faa47b5ccb>

<https://in.reuters.com/article/northern-trust-moneyfund/update-1-northern-trust-shutting-fund-an-outlier-or-sign-of-future-risk-idINL1N2D21DY>

## Targets Affected:

Northern Trust Corp

### Guidance

#### *Actions to consider:*

- SW Subscribers are advised to include current and situational financial health as part of any significant governance status assessments as the uncertainties might stress declining growth rates and put additional pressure on profitability for the company
- Request Northern Trust Corp to communicate updates regarding the ongoing situation and share its contingency plans and further strategies to offset the impact on its revenues

# Impact level Definitions

Impact Level	Definitions
Immediate	<b>Certain</b> - Supply Wisdom recommends considering prompt action. Examples of Immediate level alert events may include bankruptcy filings, data breaches, unexpected curfews, strikes, power black-outs, major geo-political events etc.
High	<b>Highly likely to occur in the near term (within 3 months)</b> - Supply Wisdom recommends being in a state of readiness to take quick action. Examples of High level alert events may include withdrawal of rating by ratings agencies, hostile takeover, multiple cyber-attacks, new business policies causing significant hardship etc.
Medium	<b>Likely to occur in the mid-term (within 3 to 6 months)</b> - Supply Wisdom recommends reviewing current mitigation steps and being ready to take proactive actions if and when situation deteriorates further. Examples of Medium level alert events may include unplanned C-level exits, suppliers caught in bribery cases, economy slipping into recession.
Low	<b>Possible in the long-term (after 6 months)</b> - Supply Wisdom recommends taking proactive action if situation does not resolve. Examples of Low level alert events may include lawsuits filed against suppliers, client losses, air pollution alerts issued by country's local authorities, unexpected holidays announced for the location etc.
Informational	The event is pertinent information but does not have a risk element associated with it. Examples of Info level alert events may include launch of new solutions, partnerships signed, industry outlook, positive changes in government policies, announcements regarding launch of software parks/ free trade zones/special economic zones etc.