

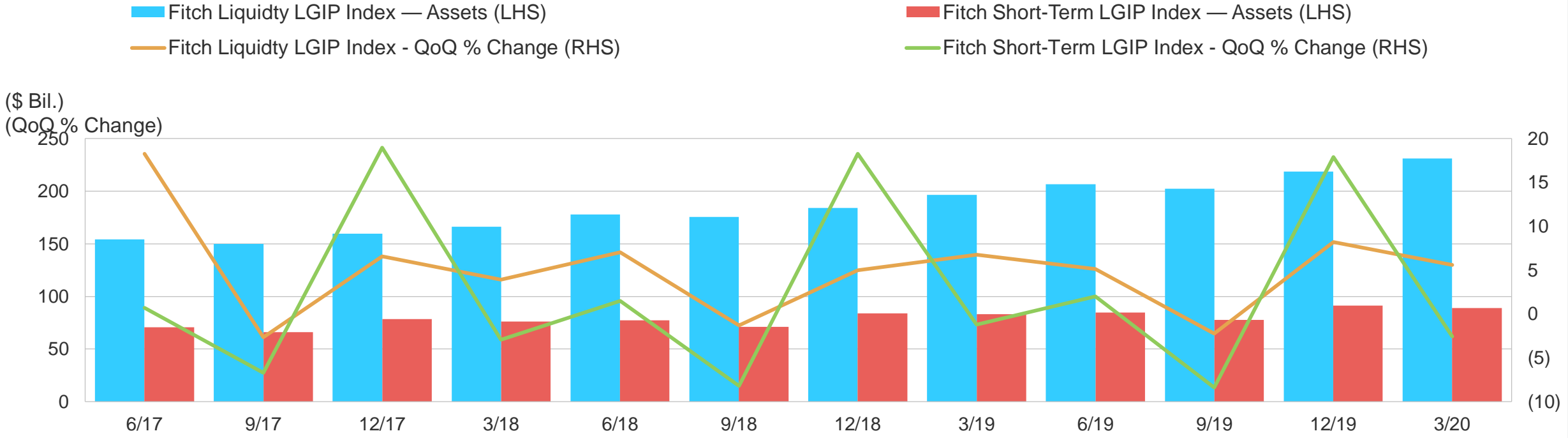
The Fitch Ratings logo, with "Fitch" in red and "Ratings" in black, is positioned in the top left corner of the slide. The background of the slide features a cityscape at sunset, with the Empire State Building prominent, overlaid with large, semi-transparent geometric shapes in shades of yellow, grey, and red.

FitchRatings

LGIP and Short-Term Markets Developments

Greg Fayvilevich
August 14, 2020

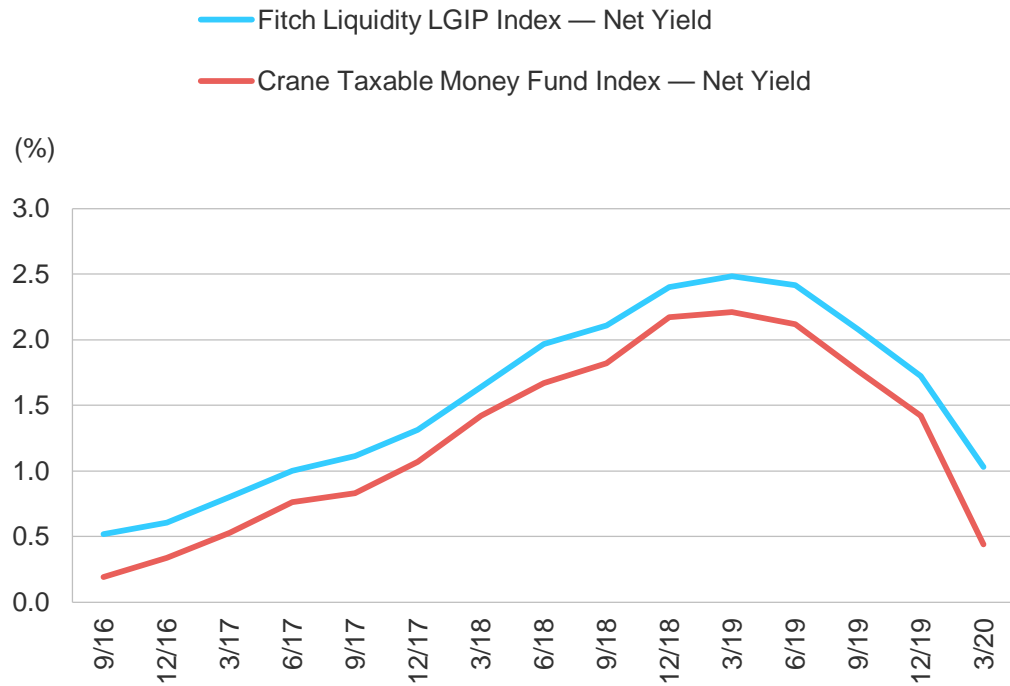
Steady Growth in LGIP Assets



Source: LGIP reports, Fitch Ratings.

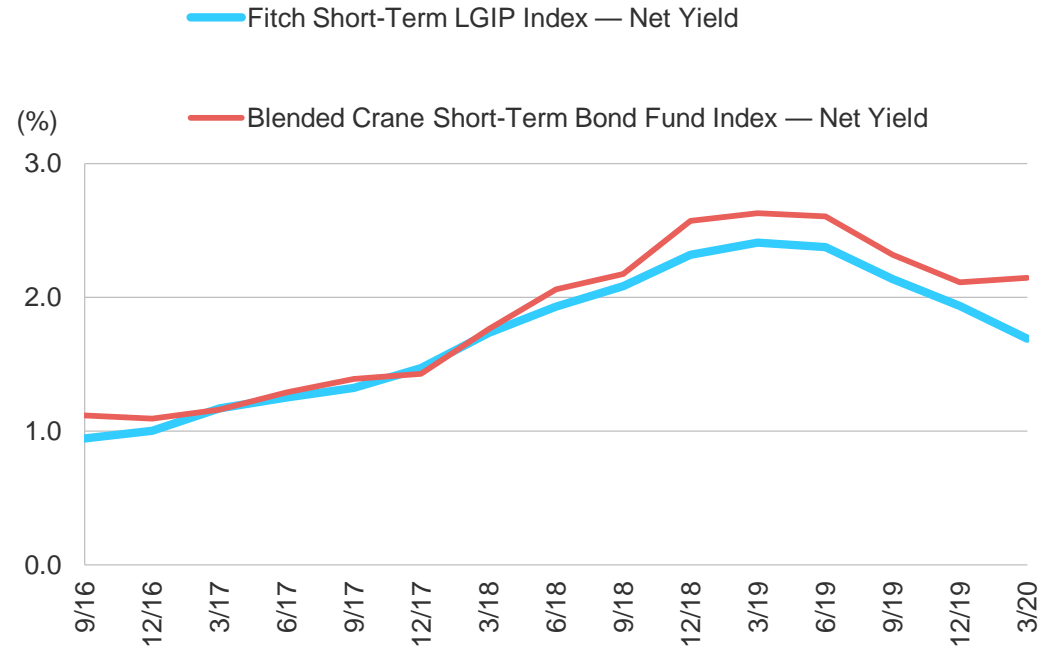
LGIP Yields Expected to Continue Their Decline

Fitch Liquidity LGIP Index — Net Yield



Note: Data reflects average 7-day net yields, or if not available, 30-day yields utilized.
Source: Fitch Ratings, Crane Data.

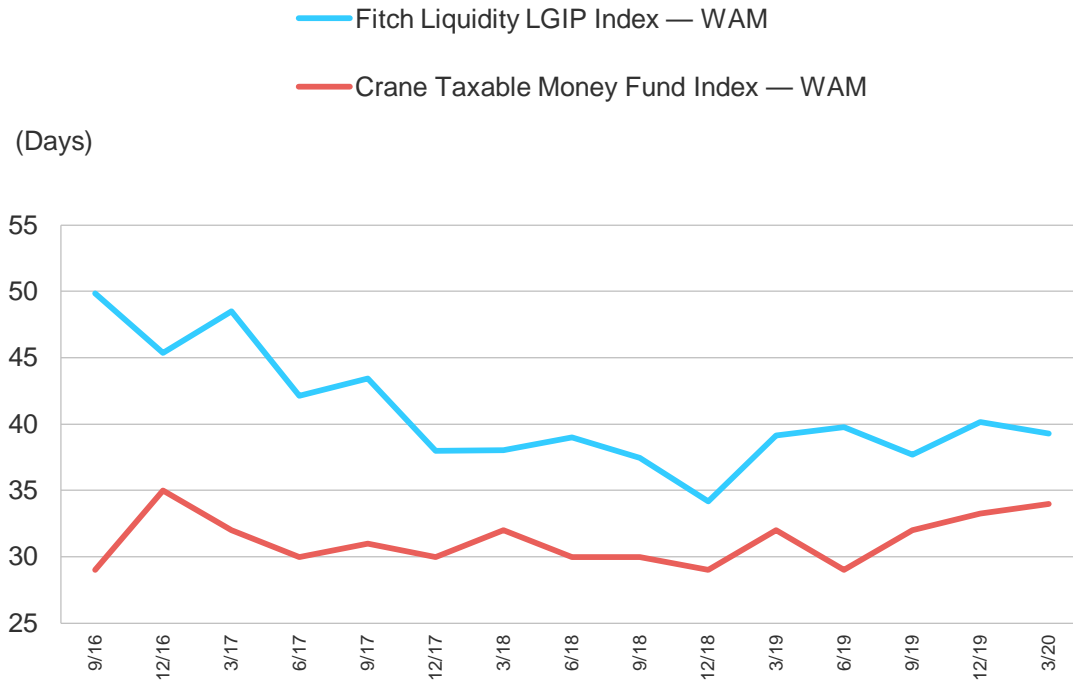
Fitch Short-Term LGIP Index — Net Yield



Note: Data reflects average 30-day net yields, or if not available, 7-day yields utilized.
Source: Fitch Ratings, Crane Data.

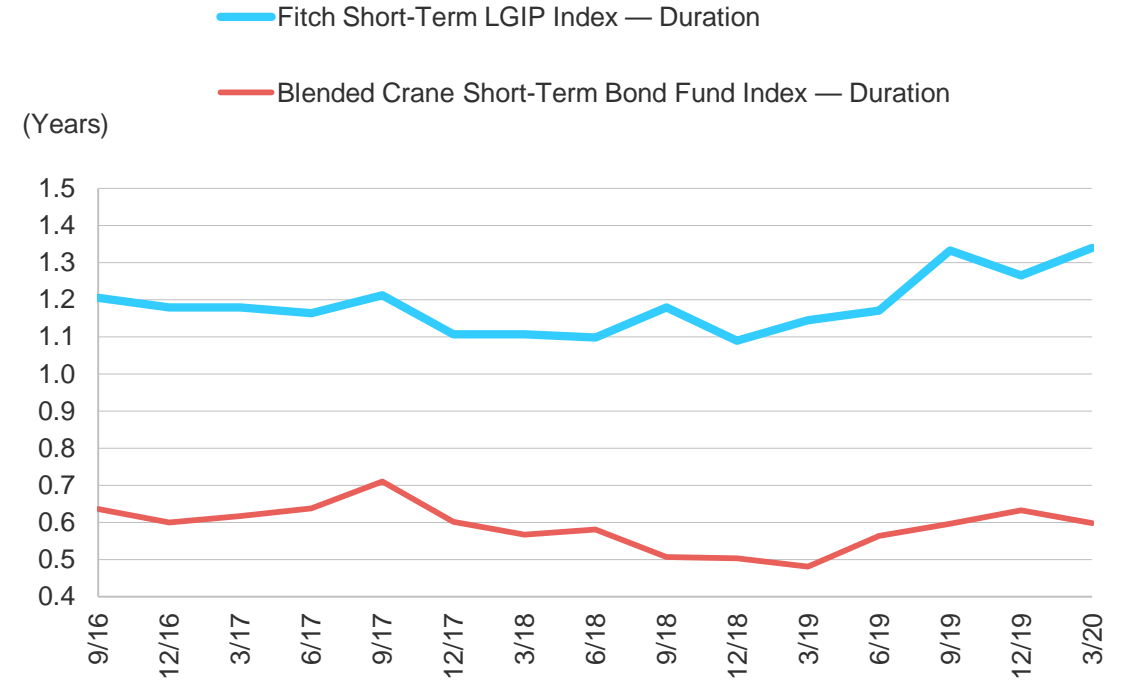
Durations Extending

Fitch Liquidity LGIP Index — WAM



WAM – Weighted Average Maturity.
Source: Fitch Ratings, Crane Data.

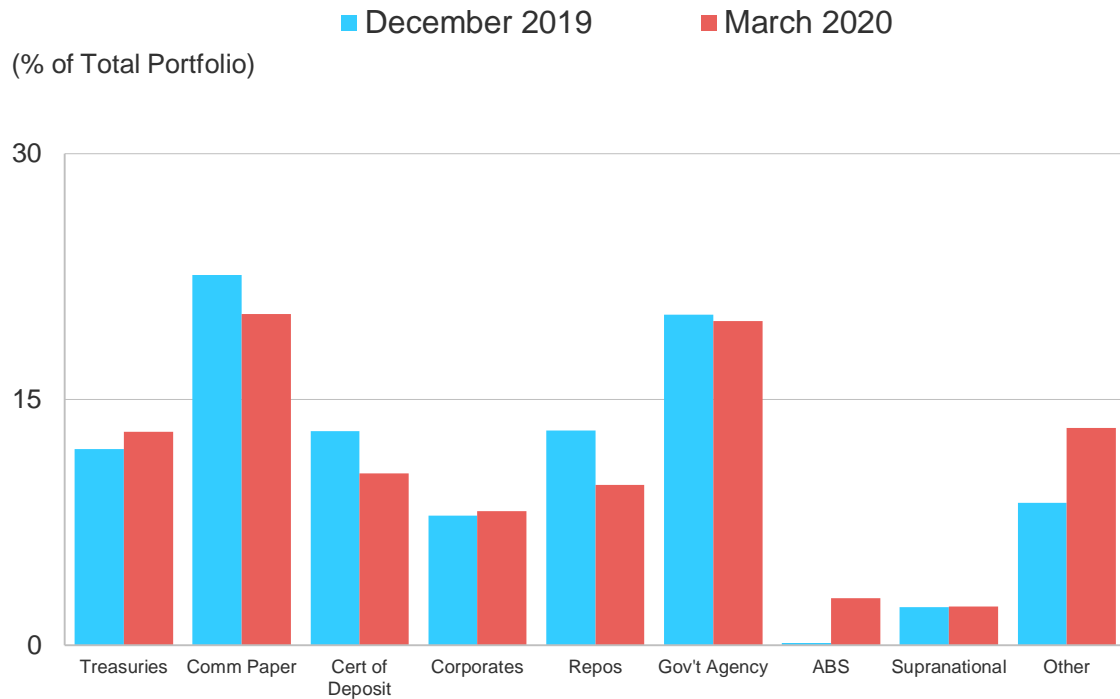
Fitch Short-Term LGIP Index — Duration



Source: Fitch Ratings, Crane Data.

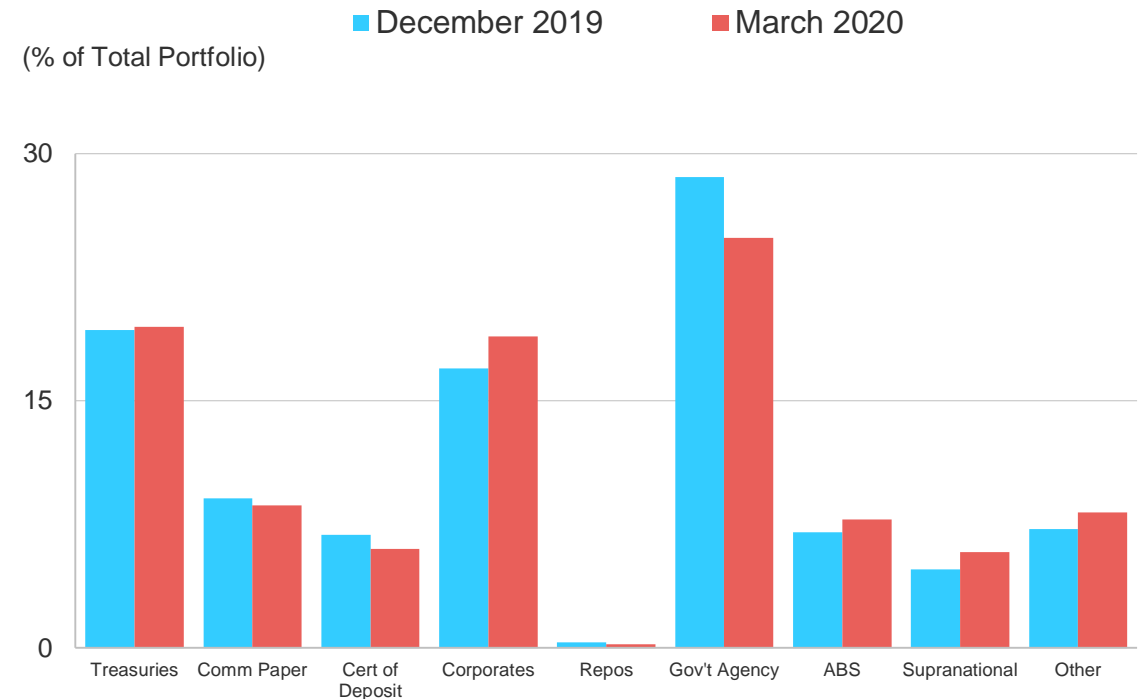
Sector Allocations

Fitch Liquidity LGIP Index



Note: "Other" category includes bank deposits, money market funds, municipal securities, etc.
Source: Fitch Ratings.

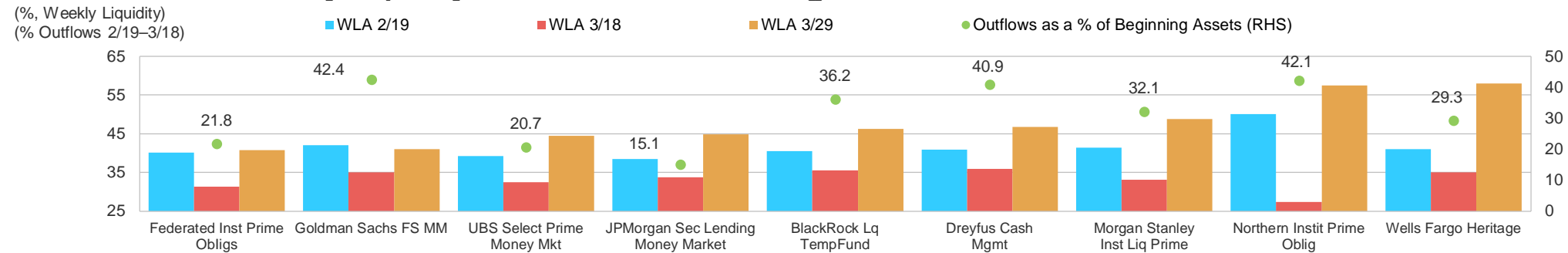
Fitch Short-Term LGIP Index



Note: "Other" category includes bank deposits, money market funds, municipal securities, etc.
Source: Fitch Ratings.

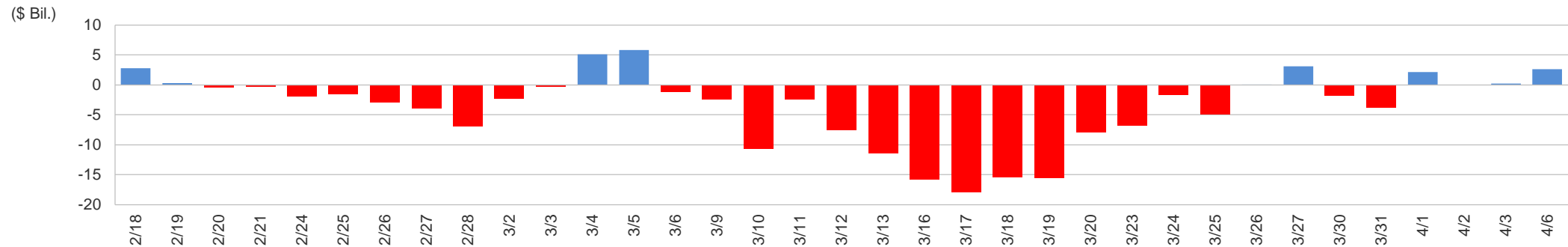
Fed's Intervention Stems Prime MMF Liquidity Strains

MMLF Enhances Weekly Liquidity in Prime Funds Following Outflows



WLA – Weekly liquid assets.
Source: Fitch Ratings, Crane Data.

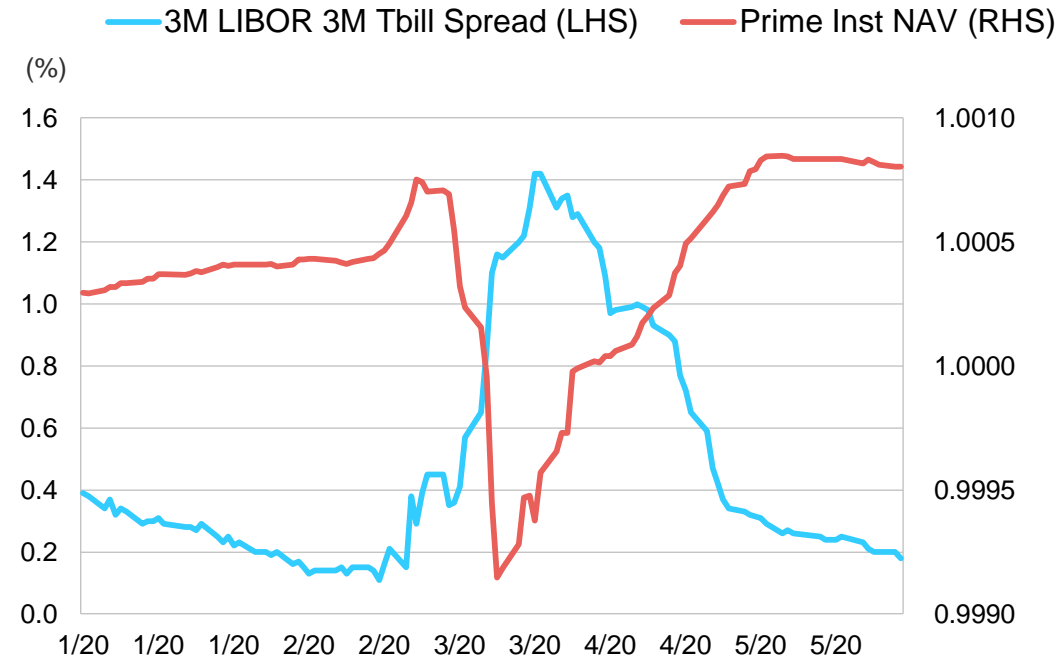
Prime Institutional Flows Slow as Investor Confidence Improves with MMLF



Source: Fitch Ratings, Crane Data

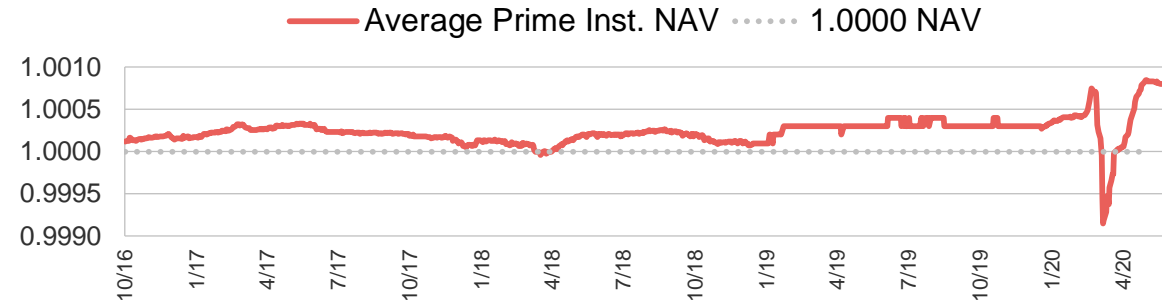
Prime MMF NAVs Decline Sharply, then Rebound

Prime Inst. MMF NAVs Decline as TED Spread Widens



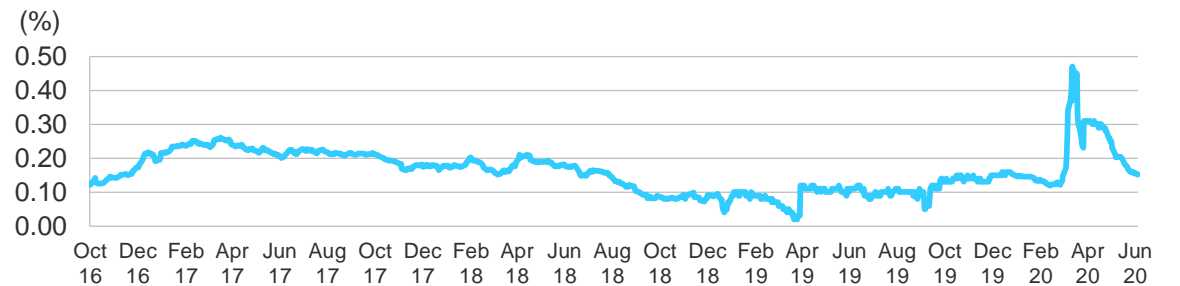
Source: Federal Reserve Bank of St. Louis, Crane Data.

NAV Stable Since MMF Reform Until Recent Volatility



Source: Fitch Ratings, Crane Data.

Inst. Prime to Govt. Average Net Yield Spread Since MMF Reform



Source: Fitch Ratings, Crane Data.

COVID Impacts Corporate Exposures

| Issuer | Sector | March Exposure (\$ Mil.) | % of Funds' Assets | Average WAL | Change Since February (\$ Mil.) | Change Since February (%) | Fitch Rating | Last Rating Action |
|--|-----------------------|--------------------------|--------------------|-------------|---------------------------------|---------------------------|--------------|---|
| Toyota Motor Corporation | Auto | 6,000 | 0.63 | 114 | (1,357) | (18.44) | F1/A+ | Affirmed, LT IDR Outlook Negative 4/15/20 |
| Total SA | Energy (Oil and Gas) | 5,618 | 0.59 | 39 | 934 | 19.94 | AA- | Affirmed 10/31/19 |
| ExxonMobil Corporation | Energy (Oil and Gas) | 4,476 | 0.47 | 83 | 1,507 | 50.76 | NR | — |
| Chevron Corporation | Auto | 3,136 | 0.33 | 80 | 1,391 | 79.69 | NR | — |
| Honda Motor Co., Ltd. | Auto | 715 | 0.07 | 35 | 349 | 95.52 | F1/A | Affirmed, LT IDR Outlook Negative 4/15/20 |
| LVMH Moët Hennessy — Louis Vuitton | Consumer | 578 | 0.06 | 51 | (76) | (11.63) | NR | — |
| Bayerische Motoren Werke AG (BMW) | Auto | 551 | 0.06 | 36 | 320 | 138.18 | NR | — |
| Shell International Finance BV | Energy (Oil and Gas) | 477 | 0.05 | 156 | 24 | 5.25 | NR | — |
| The Walt Disney Company | Media | 0 | 0.05 | 53 | (128) | (100.00) | F1/A | Affirmed, LT IDR Outlook Negative 3/18/20 |
| Hyundai Motor Company | Auto | 311 | 0.03 | 98 | (33) | (9.62) | F2/BBB+ | Affirmed, LT IDR Outlook Negative 4/9/20 |
| Nissan Motor Co., Ltd. | Auto | 305 | 0.03 | 123 | (62) | (16.97) | NR | — |
| Simon Property Group, Inc. | Real Estate | 253 | 0.03 | 14 | (402) | (61.41) | F1/A | Affirmed, LT IDR Outlook Negative 2/13/20 |
| Volkswagen AG | Auto | 214 | 0.02 | 137 | (8) | (3.81) | F1/BBB+ | Affirmed 6/5/19 |
| Airbus SE | Aerospace and Defense | 45 | 0.00 | 27 | 0 | 0.16 | F1/A- | Affirmed, LT IDR Outlook Negative 3/26/20 |
| Ford Motor Company | Auto | 2 | 0.00 | 321 | (7) | (76.58) | F3/BBB- | ST/LT IDR Downgraded and Outlook Negative 3/23/20 |
| Tesla, Inc. | Auto | 1 | 0.00 | 262 | (0) | (22.18) | NR | — |
| Suncor Energy Inc. | Energy (Oil and Gas) | 0 | — | 0 | (2) | (100.00) | NR | — |
| Ventas Realty, Limited Partnership | Real Estate | 0 | — | 0 | (239) | (100.00) | F2/BBB+ | Affirmed, LT IDR Outlook Negative 3/27/20 |
| Enbridge Inc. | Energy (Oil and Gas) | 0 | — | 0 | (252) | (100.00) | F2/BBB+ | Affirmed 4/13/20 |
| China Petroleum & Chemical Corporation (Sinopec) | Energy (Oil and Gas) | 0 | — | 0 | (383) | (100.00) | F1+/A+ | Affirmed 11/22/19 |
| China National Petroleum Corporation | Energy (Oil and Gas) | 0 | — | 0 | (972) | (100.00) | F1+/A+ | Affirmed 8/8/19 |

IDR – Issuer Default Rating. WAL – Weighted-average life.

Source: Fitch Ratings, Crane Data.

Top 30 Exposure in Prime Money Market Funds

| Issuer | March Exposure (\$ Mil.) | % of Funds' Assets | Average WAL | Change Since February (\$ Mil.) | Change Since February (%) | Fitch Rating | Last Rating Action |
|---|--------------------------|--------------------|-------------|---------------------------------|---------------------------|--------------|---|
| U.S. Treasury | 106,580 | 11.11 | 152 | 7,212 | 7.3 | F1+/AAA | Affirmed 3/26/20 |
| Federal Reserve Bank of New York | 48,954 | 5.10 | 1 | 48,954 | 0.0 | NR | — |
| Federal Home Loan Bank | 48,875 | 5.09 | 115 | 15,724 | 47.4 | F1+/AAA | Affirmed 3/27/20 |
| Royal Bank of Canada | 36,249 | 3.78 | 115 | (13,577) | (27.2) | F1+/AA | Affirmed, LT IDR Outlook Negative 4/3/20 |
| Bank of Nova Scotia | 27,577 | 2.87 | 121 | (3,252) | (10.5) | F1+/AA- | Affirmed, LT IDR Outlook Negative 4/3/20 |
| Toronto-Dominion Bank | 26,526 | 2.76 | 138 | (5,501) | (17.2) | F1+/AA- | Affirmed, LT IDR Outlook Negative 4/3/20 |
| Mitsubishi UFJ Financial Group Inc. | 24,768 | 2.58 | 43 | (2,629) | (9.6) | F1/A- | Affirmed, LT IDR Downgraded 4/8/20 |
| Sumitomo Mitsui Banking Corp. | 23,199 | 2.42 | 55 | (10,797) | (31.8) | F1/A | Affirmed, LT IDR Outlook Negative 4/8/20 |
| Barclays plc | 23,034 | 2.40 | 32 | (4,476) | (16.3) | F1/A | LT IDR RWN 4/1/20 |
| JPMorgan Chase & Co. | 22,269 | 2.32 | 65 | (5,427) | (19.6) | F1+/AA- | Affirmed, LT IDR Outlook Negative 4/22/20 |
| Svenska Handelsbanken AB | 22,148 | 2.31 | 118 | 4,589 | 26.1 | F1+/AA | LT IDR RWN 3/31/20 |
| Societe Generale S.A. | 21,144 | 2.20 | 27 | 2,320 | 12.3 | F1/A | LT IDR RWN 3/30/20 |
| Mizuho Financial Group, Inc. | 21,120 | 2.20 | 41 | (3,353) | (13.7) | F1/A | Affirmed 4/8/20 |
| Canadian Imperial Bank of Commerce (CIBC) | 20,670 | 2.15 | 117 | 2,268 | 12.3 | F1+/AA- | Affirmed, LT IDR Outlook Negative 4/3/20 |
| Credit Suisse Group AG | 20,612 | 2.15 | 82 | (6,161) | (23.0) | F2/A- | Affirmed, LT IDR Outlook Negative 3/31/20 |
| BNP Paribas S.A. | 20,043 | 2.09 | 43 | (2,704) | (11.9) | F1/A+ | LT IDR RWN 3/30 |
| Bank of Montreal | 19,506 | 2.03 | 112 | (2,396) | (10.9) | F1+/AA- | Affirmed, LT IDR Outlook Negative 4/3/20 |
| Wells Fargo & Company | 19,069 | 1.99 | 93 | (11,968) | (38.6) | F1/A+ | Affirmed, LT IDR Outlook Negative 4/22/20 |
| Credit Agricole | 15,948 | 1.66 | 43 | (17,317) | (52.1) | F1/A+ | Affirmed, LT IDR Outlook Negative 3/30/20 |
| Bank of America Corporation | 14,156 | 1.48 | 54 | (6,215) | (30.5) | F1/A+ | Affirmed 4/22/20 |
| Citigroup Inc. | 13,611 | 1.42 | 55 | (3,938) | (22.4) | F1+/AA- | Affirmed, LT IDR Outlook Negative 4/22/20 |
| Australia & New Zealand Banking Group Limited | 12,990 | 1.35 | 87 | (880) | (6.3) | F1/A+ | ST/LT IDR Downgraded and LT IDR Outlook Negative 4/7/20 |
| ING Bank N.V. | 11,615 | 1.21 | 79 | (2,986) | (20.5) | F1+/AA- | ST/LT IDR RWN 4/1/20 |
| DZ Bank AG | 11,412 | 1.19 | 47 | (1,753) | (13.3) | F1+/AA- | Affirmed, LT IDR Outlook Negative 3/27/20 |
| Cooperatieve Rabobank U.A. | 10,914 | 1.14 | 77 | (1,321) | (10.8) | F1+/AA- | ST/LT IDR RWN 4/1/20 |
| Sumitomo Mitsui Trust Bank, Limited | 10,849 | 1.13 | 39 | (2,223) | (17.0) | F1/A- | Affirmed 4/8/20 |
| National Australia Bank Limited | 10,102 | 1.05 | 116 | (2,553) | (20.2) | F1/A+ | ST/LT IDR Downgraded and LT IDR Outlook Negative 4/7/20 |
| Skandinaviska Enskilda Banken AB | 9,443 | 0.98 | 127 | (2,337) | (19.8) | F1+/AA- | ST/LT IDR RWN 3/31/20 |
| HSBC Holdings plc | 9,313 | 0.97 | 91 | (3,456) | (27.1) | F1+/A+ | Affirmed, LT IDR Outlook Negative 4/3/20 |
| Westpac Banking Corporation | 8,717 | 0.91 | 176 | (134) | (1.5) | F1/A+ | ST/LT IDR Downgraded and LT IDR Outlook Negative 4/7/20 |

IDR – Issuer Default Rating. RWN – Rating Watch Negative. WAL – Weighted-average life.

Source: Fitch Ratings, Crane Data.

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTPS://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](https://fitchratings.com/understandingcreditratings). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEB SITE AT WWW.FITCHRATINGS.COM. PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE. FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.

Copyright © 2020 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004.

Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts.

As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.

DC-XXXX

FitchRatings

Contacts

www.fitchratings.com

New York
33 Whitehall Street
New York, NY 1004



Greg Fayvilevich
Senior Director
Analytical

greg.fayvilevich@fitchratings.com

London
30 North Colonnade
Canary Wharf
London, E14 5GN



Constantine Schidlovsky
Director
Business and Relationship

constantine.schidlovsky@fitchratings.com