



RATING ACTION COMMENTARY

Fitch Affirms 'AAAmmf' Ratings on 61 US Money Market Funds; \$751 Billion in Assets Affected

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[Link to Fitch Ratings' Report\(s\): Fitch Affirms 'AAAmmf' Ratings on 61 US Money Market Funds; \\$751 Billion in Assets Affected](#)

Fitch Ratings-New York-15 July 2019: Fitch Ratings has affirmed the ratings on 61 U.S. taxable and tax-exempt money market funds (MMFs) at 'AAAmmf' following a regularly scheduled review of the sector. Collectively, the funds comprised about \$751 billion of assets under management (AUM) as of the end of June 2019.

A complete list of the funds and the associated ratings is included at the end of this press release.

KEY RATING DRIVERS

The main rating drivers for the affirmations are:

- The MMF portfolios' overall credit quality and diversification;
- Low exposure to interest rate and spread risks;
- Holdings of daily and weekly liquid assets consistent with shareholder profiles;

- Asset maturity profiles meeting Fitch's rating criteria;
- The capabilities and resources of the respective investment advisors.

PORTFOLIO CREDIT QUALITY/DIVERSIFICATION

Consistent with Fitch's criteria for rating MMFs at 'AAAmmf', the reviewed funds maintain high credit quality portfolios by investing exclusively in short-term securities rated at least 'F1' by Fitch or the equivalent.

Those MMFs rated at 'AAAmmf' manage their portfolios to limit their exposures to individual issuers at 10% of the fund's assets, with no more than 5% of assets for those exposures above seven days in tenor. Minor and temporary deviations from these parameters may occur from time to time, mainly due to cash outflows. The funds also seek to limit their individual repurchase agreement (repo) exposures to individual counterparties to 25% of a fund's total assets, provided the counterparties are rated 'F1' or higher and that such repos are fully collateralized by high credit quality and liquid government securities. In the case of repo with counterparties rated 'F2', funds seek to limit their exposure to individual counterparties to 10% of assets, as long as the repo is collateralized by high quality government securities and matures in one week or less. MMFs also seek to limit their exposure to government agencies, with exposures above 35% of assets limited to short-dated securities.

The reviewed prime MMFs' Portfolio Credit Factors (PCF), which is a risk-weighted measure that considers the credit quality and maturity profile of the portfolio securities, generally met Fitch's 'AAAmmf' rating criterion of 1.50 or less. PCFs outside of 1.50 were viewed as temporary in nature or otherwise sufficiently mitigated.

MATURITY PROFILES

The reviewed MMFs seek to limit interest rate and spread risk by maintaining their weighted average maturities (WAM) and weighted average lives (WAL) below 60 days and 120 days, respectively. These funds also seek to limit the maturity date of any single investment to 397 days with the exception of floating rate securities issued by highly rated sovereigns, supranationals, or government agencies benefiting from strong market liquidity, which could have maturities as long as 762 days. Portfolios and/or individual securities maturity limits may be lower, in line with the funds' or asset managers' investment policy and depending on issuers' creditworthiness.

LIQUIDITY PROFILES

The funds seek to maintain sufficient levels of daily and weekly liquidity to meet investors' redemption requests. Specifically, taxable MMFs rated 'AAAmf' invest at least 10% of total assets in securities offering daily liquidity and at least 30% of total assets in securities providing weekly liquidity in line with Fitch's rating criteria. Tax-exempt MMFs invest at least 30% of their assets in securities offering weekly liquidity, consistent with Fitch's MMF rating criteria.

INVESTMENT ADVISORS

Fitch views the investment advisory capabilities, resource commitments, operational controls, corporate governance, and compliance procedures of the respective funds' investment advisors as consistent with the ratings assigned to the funds.

SURVEILLANCE

Fitch receives regular holdings information and other pertinent fund data from the funds' administrators and managers to conduct surveillance against ratings guidelines and maintain its MMF ratings.

For additional information about Fitch's MMF ratings guidelines, please review the criteria referenced below.

RATING SENSITIVITIES

The ratings may be sensitive to material changes in the credit quality, market risk, and/or liquidity profiles of the funds, or large changes in shareholder asset flows. Temporary deviations from Fitch's criteria need not automatically result in rating changes, provided the fund manager is able to address them with credible near-term remedial actions. However, material adverse and continued deviations from Fitch's criteria for any key rating driver may lead to the rating being placed on Rating Watch Negative or downgraded.

Fitch has affirmed the following ratings:

- AB Fixed-Income Shares, Inc.- AB Government Money Market Portfolio, affirmed at 'AAAmf';
- BMO Government Money Market Fund, affirmed at 'AAAmf';
- BMO Prime Money Market Fund, affirmed at 'AAAmf';
- Dreyfus Cash Management, affirmed at 'AAAmf';

--Dreyfus Institutional Preferred Government Money Market Fund, affirmed at 'AAAmf';
--Dreyfus Institutional Treasury & Agency Cash Advantage Fund, affirmed at 'AAAmf';
--Dreyfus Institutional Treasury Securities Cash Advantage Fund, affirmed at 'AAAmf';
--Federated Government Obligations Fund, affirmed at 'AAAmf';
--Federated Institutional Money Market Management, affirmed at 'AAAmf';
--Federated Institutional Prime Obligations Fund, affirmed at 'AAAmf';
--Federated Institutional Prime Value Obligations Fund, affirmed at 'AAAmf';
--Federated Institutional Tax-Free Cash Trust, affirmed at 'AAAmf';
--Federated Prime Cash Obligations Fund, affirmed at 'AAAmf';
--Federated Prime Private Liquidity Fund, affirmed at 'AAAmf';
--Federated Tax-Free Obligations Fund, affirmed at 'AAAmf';
--First American Government Obligations Fund, affirmed at 'AAAmf';
--First American Treasury Obligations Fund, affirmed at 'AAAmf';
--Florida Trust Day to Day Fund, affirmed at 'AAAmf';
--Goldman Sachs Financial Square Prime Obligations Fund, affirmed at 'AAAmf';
--JPMorgan Prime Money Market Fund, affirmed at 'AAAmf';
--JPMorgan U.S. Government Money Market Fund, affirmed at 'AAAmf';
--Milestone Treasury Obligations Fund, affirmed at 'AAAmf';
--Morgan Stanley Institutional Fund Trust- Liquid Assets Prime Portfolio, affirmed at 'AAAmf';
--Morgan Stanley Institutional Liquidity Fund - Prime Portfolio, affirmed at 'AAAmf';
--Morgan Stanley Institutional Liquidity Funds - Government Portfolio, affirmed at 'AAAmf';
--Morgan Stanley Institutional Liquidity Fund - Tax Exempt Portfolio, affirmed at 'AAAmf';
--Morgan Stanley Institutional Liquidity Funds - Money Market Portfolio, affirmed at 'AAAmf';
--PFM Funds Government Select Series, affirmed at 'AAAmf';
--Short-Term Investments Trust - Invesco Government & Agency Portfolio, affirmed at 'AAAmf';
--Short-Term Investments Trust - Invesco Liquid Assets Portfolio, affirmed at 'AAAmf';
--Short-Term Investments Trust - Invesco STIC Prime Portfolio, affirmed at 'AAAmf';
--Short-Term Investments Trust - Invesco Treasury Portfolio, affirmed at 'AAAmf';
--State Street Institutional Liquid Reserves Fund, affirmed at 'AAAmf';
--State Street Institutional Treasury Money Market Fund, affirmed at 'AAAmf';
--State Street Institutional Treasury Plus Money Market Fund, affirmed at 'AAAmf';
--State Street Institutional U.S. Government Money Market Fund, affirmed at 'AAAmf';
--State Street Treasury Obligations Money Market Fund, affirmed at 'AAAmf';
--The Gabelli U.S. Treasury Money Market Fund, affirmed at 'AAAmf';
--UBS Select Government Institutional Fund, affirmed at 'AAAmf';

--UBS Select Government Investor Fund, affirmed at 'AAAmmf';
--UBS Select Government Preferred Fund, affirmed at 'AAAmmf';
--UBS Select Prime Institutional Fund, affirmed at 'AAAmmf';
--UBS Select Prime Investor Fund, affirmed at 'AAAmmf';
--UBS Select Prime Preferred Fund, affirmed at 'AAAmmf';
--UBS Select Treasury Institutional Fund, affirmed at 'AAAmmf';
--UBS Select Treasury Investor Fund, affirmed at 'AAAmmf';
--UBS Select Treasury Preferred Fund, affirmed at 'AAAmmf';
--Wells Fargo Municipal Cash Management Money Market Fund, affirmed at 'AAAmmf';
--Wells Fargo National Tax-Free Money Market Fund, affirmed at 'AAAmmf';
--Western Asset Government Money Market Fund, Ltd., affirmed at 'AAAmmf';
--Western Asset Government Reserves, affirmed at 'AAAmmf';
--Western Asset Institutional Cash Reserves, Ltd., affirmed at 'AAAmmf';
--Western Asset Institutional Government Reserves, affirmed at 'AAAmmf';
--Western Asset Institutional Liquid Reserves, affirmed at 'AAAmmf';
--Western Asset Institutional Liquid Reserves, Ltd., affirmed at 'AAAmmf';
--Western Asset Institutional U.S. Treasury Obligations Money Market Fund, affirmed at 'AAAmmf';
--Western Asset Institutional U.S. Treasury Reserves, affirmed at 'AAAmmf';
--Western Asset Premium U.S. Treasury Reserves, affirmed at 'AAAmmf';
--Western Asset U.S. Treasury Obligations Money Market Fund, Ltd., affirmed at 'AAAmmf';
--Western Asset U.S. Treasury Reserves, affirmed at 'AAAmmf';
--Western Asset U.S. Treasury Reserves, Ltd., affirmed at 'AAAmmf'.

Contact:

Primary Analyst

Alexandra Kelly

Associate Director

+1-646-582-4814

Fitch Ratings, Inc.

33 Whitehall Street

New York, NY 10004]

Committee Chairperson

Greg Fayvilevich

Senior Director

+1-212-908-9151

The sources of information used to assess these ratings were the funds' asset managers and/or fund administrators and the public domain.

Media Relations: Sandro Scenga, New York, Tel: +1 212 908 0278, Email: sandro.scenga@thefitchgroup.com

Additional information is available on www.fitchratings.com

Applicable Criteria

[Money Market Fund Rating Criteria \(pub. 06 May 2019\)](#)

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