

# NORTHERN INSTITUTIONAL FUNDS

## PRIME OBLIGATIONS PORTFOLIO (NPAXX)

As of 03/31/19

### FUND COMMENTARY

After a tumultuous end to 2018, risk assets rebounded to have their strongest first quarter in a decade. Bond yields, especially on the front end of the yield curve, continued to grind lower, despite the rally in stock markets. While economic data was modestly disappointing during the quarter, a dovish pivot by the Federal Open Market Committee (FOMC) was the biggest driver of price action across global markets. The FOMC's communications throughout the quarter reiterated a patient approach to future changes in monetary policy, and a projection for zero hikes throughout the remainder of 2019 – a significant shift from their projections in December of 2018. The market remained more pessimistic than the FOMC and is pricing in a meaningful likelihood of rate cuts in 2019. We'll continue to monitor market pricing closely and selectively add high quality credits and duration to remain long to our peer group, while maintaining a strong liquidity profile to accommodate any unexpected outflows.

[View investment terms definitions](#)

Not FDIC insured | May lose value | No bank guarantee

*You could lose money by investing in the Portfolio. Because the share price of the Portfolio will fluctuate, when you sell your shares they may be worth more or less than what you originally paid for them. The Portfolio may impose a fee upon sale of your shares or may temporarily suspend your ability to sell shares if the Portfolio's liquidity falls below required minimums because of market conditions or other factors. An investment in the Portfolio is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Portfolio's sponsor has no legal obligation to provide financial support to the Portfolio, and you should not expect that the sponsor will provide financial support to the Portfolio at any time.*

**Please carefully read the summary prospectus or prospectus and consider the investment objectives, risks, charges and expenses of Northern Institutional Funds before investing. Call 800-637-1380 to obtain a summary prospectus or prospectus, which contains this and other information about the Funds.**

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