



NORTHERN INSTITUTIONAL FUNDS

GLOBAL TACTICAL ASSET ALLOCATION PORTFOLIO

ANNUAL REPORT

NOVEMBER 30, 2009

TRUST NORTHERN FOR WHAT REALLY MATTERS



Managed by
Northern Trust



A MESSAGE FROM
BOB BROWNE

CHIEF INVESTMENT OFFICER

The global equity markets generated outstanding returns during the annual period, recording a gain of 28.44% based on the performance of the MSCI World Index. International equities comfortably outperformed the U.S. market due to the combination of robust currency performance and the stronger growth trends in many overseas economies. The emerging markets delivered the strongest performance, as evidenced by the 71.72% return of the MSCI Emerging Markets Index. In general, investors' hearty appetite for risk fueled outsized returns for asset classes that had been hit hardest in the preceding downturn. In the U.S. market, this resulted in significant outperformance for small caps and stocks in the materials, industrials and consumer discretionary sectors.

This rally, which helped stocks recover a large portion of the losses generated during the previous bear market, was founded on both the successful policy actions of world governments and the mounting evidence that a global economic recovery is underway. The monetary policy measures — massive in the United States, smaller but still significant in Europe and Asia — led to a significant improvement in financial conditions worldwide. This improved backdrop helped spark a modest recovery in the global economy. Most notably, there were signs of improvement in both industrial production and housing market data in the United States — two segments of the economy that came under extreme

pressure during the depths of the downturn. Additionally, third quarter growth came in better than expected at 3.5%. These factors led to stabilization in corporate profits, providing a boost to investor sentiment following an extended period of declining earnings estimates.

Overseas, Europe experienced a surprisingly strong economic recovery, with France and Germany exiting their recessions in the second quarter of this year. Germany, which benefits significantly from growth in exports, experienced a 41% annualized sequential gain in industrial orders in the third quarter. Given that Germany is the largest economy in Europe, this helps underpin the view that Europe has solidly moved out of its recession. Perhaps more encouraging was the growing evidence that the emerging markets — which were most successful in weathering the crisis period — remained the primary engine of global growth. Emerging market economies are expected to grow at about 6% in 2010, twice the rate of the developed markets.

In the wake of the outstanding market performance of 2009, prudent investors must be alert for potential headwinds in the year ahead. Our investment policy deliberations currently center on the risks of the global tightening cycle, but the most recent comments from the major central banks indicated that interest rate increases are not an imminent threat. Inflation expectations appear to be increasing, which at some point could force the Federal

Reserve to raise interest rates before it is confident that the real economy has recovered to a sufficient degree. Despite these potential issues, the markets remain supported by the combination of stronger growth, ample liquidity, and the resumption of merger and acquisition activity. With this as the backdrop, we remain cautiously optimistic on the outlook for the global markets as we move into 2010.

Bob Browne
Chief Investment Officer
Northern Trust

TABLE OF CONTENTS

The report has been prepared for the general information of Northern Institutional Funds Global Tactical Asset Allocation Portfolio shareholders. It is not authorized for distribution to prospective investors unless accompanied or preceded by a current Northern Institutional Funds Global Tactical Asset Allocation Portfolio prospectus, which contains more complete information about Northern Institutional Funds Global Tactical Asset Allocation Portfolio's investment policies, management fees and expenses. Investors are reminded to read the prospectus carefully before investing or sending money.

Performance calculations reflect fee waivers and reimbursements in effect. In the absence of fee waivers and reimbursements, total return would have been reduced. Total return is based on net change in NAV assuming reinvestment of all dividends and distributions.

Performance of the Portfolio is compared to various market indices. Unlike a mutual fund, the performance of an index assumes no transaction costs, taxes, management fees or other expenses. A direct investment in an index is not possible.

This report contains certain forward-looking statements about factors that may affect the performance of the Portfolio in the future. These statements are based on Portfolio management's predictions and expectations concerning certain future events, such as performance of the economy as a whole and of specific industry sectors, changes in the levels of interest rates, the impact of developing world events, and other factors. Management believes these forward-looking statements to be reasonable, although they are inherently uncertain and difficult to predict. Actual events may cause adjustments in Portfolio management strategies from those currently expected to be employed.

Northern Funds Distributors, LLC,
not affiliated with Northern Trust

NOT FDIC INSURED

May lose value / No bank guarantee

2	PORTFOLIO MANAGEMENT COMMENTARY
3	STATEMENT OF ASSETS AND LIABILITIES
4	STATEMENT OF OPERATIONS
5	STATEMENT OF CHANGES IN NET ASSETS
6	FINANCIAL HIGHLIGHTS
8	SCHEDULE OF INVESTMENTS
8	GLOBAL TACTICAL ASSET ALLOCATION PORTFOLIO
9	NOTES TO THE FINANCIAL STATEMENTS
14	REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
15	TAX INFORMATION
16	FUND EXPENSES
17	TRUSTEES AND OFFICERS
23	INVESTMENT CONSIDERATIONS
24	FOR MORE INFORMATION

GLOBAL TACTICAL ASSET ALLOCATION PORTFOLIO

PORTFOLIO MANAGEMENT COMMENTARY

Unlike 2008, when risk assets performed poorly amid the global credit crisis and economic dislocations, much of 2009 was a story of repair, rebound and recovery. Prices on most risk assets surged since early March, when stocks hit their lowest levels in more than a decade before pivoting into a blazing rally. Triggering the turnaround was a combination of generous liquidity support from global central banks and aggressive interventions by governments. Downward pressure on market rates was stoked by the Federal Reserve's policy of quantitative easing, which aimed to inflate collateral values and further support the banking system. Despite larger, more frequent auctions to fund the U.S. government's interventions and deficits, Treasury yields trended near record lows throughout the period. Against this backdrop, investor funds first trickled and then surged out of low yielding cash and into riskier assets. Many investors moved into fixed-income products of all types. Others gravitated to overseas investments based mainly on two factors: a rising Asia, led by China, and the weakening dollar.

For the 12-month period ended November 30, 2009, the Portfolio returned 22.77% (Class A shares), compared to 25.75% for the Asset Allocation Blend Index, 27.83% for the Russell 1000 Index and 11.63% for the Barclays Capital U.S. Aggregate Index. From March's inflection point, every asset class rallied in response to the governmental repair programs and on hopes for an eventual economic recovery. The assets that fared best were those most tied to the global reflation narrative and most beaten up in the bear market. Emerging markets equity and U.S. high yield topped the list. All categories of stocks and most types of bonds generated double-digit returns, as did key commodity and real estate indices. Cash, with a flat return, was the worst performer.

The Portfolio began the period defensively positioned versus its static benchmark. A series of stepped increases were made to its risk profile in March and during the summer months. An annual exercise to update the Portfolio's strategic asset allocations resulted in September weighting increases to select fixed-income, non-U.S. and alternative asset classes. This coincided with actions to increase the Portfolio's risk profile to an above-benchmark weighting, which was maintained through the fiscal year close.

INVESTMENT PERFORMANCE

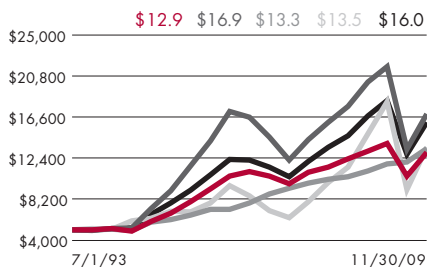
AVERAGE ANNUAL RETURNS for periods ended November 30, 2009

TOTAL RETURN	CLASS A SHARES	CLASS C SHARES	CLASS D SHARES	BLEND INDEX
ONE YEAR	22.77%	22.33%	22.20%	25.75%
FIVE YEAR	2.48	2.21	1.97	3.52
TEN YEAR	2.07	1.82	1.62	2.71
SINCE INCEPTION	5.96	5.75	5.59	7.34

Performance reflects voluntary and contractual fee waivers and reimbursements in effect. In their absence, performance would be reduced. Performance quoted represents past performance and does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown here. Performance data current to the most recent month-end is available at northernfunds.com/institutional.

GROWTH OF A \$5,000,000 INVESTMENT

CLASS A SHARES (in millions)



■ GLOBAL TACTICAL ASSET ALLOCATION PORTFOLIO
 ■ RUSSELL 1000 INDEX
 ■ BARCLAYS CAPITAL
 ■ MSCI EAFE & EM ND
 ■ BLEND INDEX

This graph shows performance for Class A shares. Performance of other classes will vary based on their higher fees and expenses. The benchmarks for the Global Tactical Asset Allocation Portfolio are the Asset Allocation Blend Index (Blend Index), Russell 1000 Index and Barclay's Capital U.S. Aggregate Index. The Blend Index consists of 55% Russell 1000 Index, 30% Barclay's Capital U.S. Aggregate Index and 15% MSCI EAFE and MSCI Emerging Markets Indices. It is not possible to invest directly in an index.

Information about Investment Considerations can be found on page 23.

PORTFOLIO MANAGER

PETER J. FLOOD

With Northern Trust since 1979

PORTFOLIO FACTS (as of 11/30/09)

TICKER SYMBOL	BBALX
INCEPTION DATE	
CLASS A SHARES	7/1/93
CLASS C SHARES	12/29/95
CLASS D SHARES	2/20/96
TOTAL NET ASSETS	\$24,596,464
NET ASSET VALUE	
CLASS A SHARES	\$9.33
CLASS C SHARES	9.32
CLASS D SHARES	9.20

GROSS EXPENSE RATIO

CLASS A SHARES	0.99%
CLASS C SHARES	1.23
CLASS D SHARES	1.38

The graph and table do not reflect the deduction of taxes that a shareholder would pay on portfolio distributions or the redemption of portfolio shares.

Unlike the Index, the Portfolio's total returns are reduced by operating expenses, such as transaction costs and management fees.

During the fiscal year-ended November 30, 2008, the Portfolio changed its investment strategy from a traditional balanced fund to an asset allocation fund, operating as a fund of funds.

STATEMENT OF ASSETS AND LIABILITIES

NOVEMBER 30, 2009

Amounts in thousands, except per share data	GLOBAL TACTICAL ASSET ALLOCATION PORTFOLIO
ASSETS:	
Investments, at cost ⁽¹⁾	\$21,088
Investments, at value ⁽²⁾	\$24,633
Interest income receivable	6
Receivable for securities sold	53
Receivable for fund shares sold	53
Receivable from affiliated administrator	18
Prepaid and other assets	2
Total Assets	24,765
LIABILITIES:	
Cash overdraft	57
Payable for securities purchased	66
Payable for fund shares redeemed	24
Payable to affiliates:	
Investment advisory fees	3
Administration fees	2
Custody and accounting fees	4
Trustee fees	3
Accrued other liabilities	10
Total Liabilities	169
Net Assets	\$24,596
ANALYSIS OF NET ASSETS:	
Capital stock	\$31,782
Undistributed net investment income	6
Accumulated net realized loss	(10,737)
Net unrealized appreciation	3,545
Net Assets	\$24,596
Net Assets:	
Class A	\$20,708
Class C	3,841
Class D	47
Total Shares Outstanding (no par value), Unlimited Shares Authorized:	
Class A	2,221
Class C	412
Class D	5
Net Asset Value, Redemption and Offering Price Per Share:	
Class A	\$9.33
Class C	9.32
Class D	9.20

(1) Amount includes cost of \$19,142 in affiliated portfolios.

(2) Amount includes value of \$22,412 in affiliated portfolios.

See Notes to the Financial Statements.

STATEMENT OF OPERATIONS

FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2009

Amounts in thousands	GLOBAL TACTICAL ASSET ALLOCATION PORTFOLIO
INVESTMENT INCOME:	
Dividend income ⁽¹⁾	\$1,122
Interest income	3
Total Investment Income	1,125
EXPENSES:	
Investment advisory fees	55
Administration fees	22
Custody and accounting fees	49
Transfer agent fees	5
Blue sky fees	29
SEC fees	4
Printing fees	25
Professional fees	19
Shareholder servicing fees	5
Trustee fees and expenses	7
Other	6
Total Expenses:	226
Less voluntary waivers of investment advisory fees	(22)
Less expenses reimbursed by administrator	(137)
Less custodian credits	(7)
Net Expenses	60
Net Investment Income	1,065
NET REALIZED AND UNREALIZED GAINS (LOSSES):	
Net realized losses on investments ⁽²⁾	(539)
Net change in unrealized appreciation on investments ⁽³⁾	4,014
Net Gains on Investments	3,475
Net Increase in Net Assets Resulting from Operations	\$4,540

(1) Amount includes dividend income from affiliated portfolios of \$1,105.

(2) Amount includes net realized loss from affiliated portfolios of \$(477).

(3) Amount includes net change in unrealized appreciation from affiliated portfolios of \$3,576.

See Notes to the Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS

FOR THE FISCAL YEARS ENDED NOVEMBER 30,

		GLOBAL TACTICAL ASSET ALLOCATION PORTFOLIO ⁽¹⁾	
Amounts in thousands		2009	2008
OPERATIONS:			
Net investment income		\$1,065	\$1,177
Net realized losses		(539)	(9,497)
Net change in unrealized appreciation (depreciation)		4,014	(4,498)
Net Increase (Decrease) in Net Assets Resulting from Operations		4,540	(12,818)
CAPITAL SHARE TRANSACTIONS:			
Net decrease in net assets resulting from Class A share transactions		(64)	(22,283)
Net increase (decrease) in net assets resulting from Class C share transactions		(40)	302
Net decrease in net assets resulting from Class D share transactions		(6)	(27)
Net Decrease in Net Assets Resulting from Capital Share Transactions		(110)	(22,008)
DISTRIBUTIONS TO CLASS A SHAREHOLDERS:			
From net investment income		(507)	(1,107)
From net realized gains		–	(9,491)
Total Distributions to Class A shareholders		(507)	(10,598)
DISTRIBUTIONS TO CLASS C SHAREHOLDERS:			
From net investment income		(84)	(91)
From net realized gains		–	(808)
Total Distributions to Class C shareholders		(84)	(899)
DISTRIBUTIONS TO CLASS D SHAREHOLDERS:			
From net investment income		(1)	(1)
From net realized gains		–	(17)
Total Distributions to Class D shareholders		(1)	(18)
Total Increase (Decrease) in Net Assets		3,838	(46,341)
NET ASSETS:			
Beginning of year		20,758	67,099
End of year		\$24,596	\$20,758
Undistributed Net Investment Income		\$6	\$9

(1) Formerly known as the Balanced Portfolio.

See Notes to the Financial Statements.

FINANCIAL HIGHLIGHTS

GLOBAL TACTICAL ASSET ALLOCATION
PORTFOLIO⁽¹⁾

CLASS A

Selected per share data	2009 ⁽³⁾	2008 ⁽³⁾	2007 ⁽³⁾	2006	2005
Net Asset Value, Beginning of Year	\$7.81	\$12.56	\$12.61	\$12.63	\$12.11
INCOME (LOSS) FROM INVESTMENT OPERATIONS:					
Net investment income	0.41	0.22	0.30	0.28	0.23
Net realized and unrealized gains (losses)	1.34	(2.74)	0.42	0.52	0.62
Total from Investment Operations	1.75	(2.52)	0.72	0.80	0.85
LESS DISTRIBUTIONS PAID:					
From net investment income	(0.23)	(0.22)	(0.34)	(0.27)	(0.23)
From net realized gains	—	(2.01)	(0.43)	(0.55)	(0.10)
Total Distributions Paid	(0.23)	(2.23)	(0.77)	(0.82)	(0.33)
Net Asset Value, End of Year	\$9.33	\$7.81	\$12.56	\$12.61	\$12.63
Total Return⁽²⁾	22.77%	(23.97)%	5.88%	6.74%	7.14%
SUPPLEMENTAL DATA AND RATIOS:					
Net assets, in thousands, end of year	\$20,708	\$17,426	\$61,967	\$125,172	\$130,166
Ratio to average net assets of:					
Expenses, net of waivers, reimbursements and credits	0.24% ⁽⁴⁾	0.37% ⁽⁴⁾⁽⁵⁾	0.61%	0.61%	0.61%
Expenses, before waivers, reimbursements and credits	0.99% ⁽⁴⁾	0.77% ⁽⁴⁾⁽⁵⁾	0.82%	0.79%	0.78%
Net investment income, net of waivers, reimbursements and credits	4.88%	2.25%	2.38%	2.23%	1.90%
Net investment income, before waivers, reimbursements and credits	4.13%	1.85%	2.17%	2.05%	1.73%
Portfolio Turnover Rate	126.86%	398.83%	147.04%	200.30%	119.58%

CLASS C

Selected per share data	2009 ⁽³⁾	2008 ⁽³⁾	2007 ⁽³⁾	2006	2005
Net Asset Value, Beginning of Year	\$7.81	\$12.56	\$12.61	\$12.63	\$12.11
INCOME (LOSS) FROM INVESTMENT OPERATIONS:					
Net investment income	0.39	0.19	0.27	0.25	0.21
Net realized and unrealized gains (losses)	1.33	(2.73)	0.42	0.52	0.61
Total from Investment Operations	1.72	(2.54)	0.69	0.77	0.82
LESS DISTRIBUTIONS PAID:					
From net investment income	(0.21)	(0.20)	(0.31)	(0.24)	(0.20)
From net realized gains	—	(2.01)	(0.43)	(0.55)	(0.10)
Total Distributions Paid	(0.21)	(2.21)	(0.74)	(0.79)	(0.30)
Net Asset Value, End of Year	\$9.32	\$7.81	\$12.56	\$12.61	\$12.63
Total Return⁽²⁾	22.33%	(24.14)%	5.63%	6.57%	6.80%
SUPPLEMENTAL DATA AND RATIOS:					
Net assets, in thousands, end of year	\$3,841	\$3,287	\$5,023	\$4,306	\$4,518
Ratio to average net assets of:					
Expenses, net of waivers, reimbursements and credits	0.48% ⁽⁴⁾	0.61% ⁽⁴⁾⁽⁵⁾	0.85%	0.85%	0.85%
Expenses, before waivers, reimbursements and credits	1.23% ⁽⁴⁾	1.01% ⁽⁴⁾⁽⁵⁾	1.06%	1.03%	1.02%
Net investment income, net of waivers, reimbursements and credits	4.64%	2.01%	2.14%	1.99%	1.66%
Net investment income, before waivers, reimbursements and credits	3.89%	1.61%	1.93%	1.81%	1.49%
Portfolio Turnover Rate	126.86%	398.83%	147.04%	200.30%	119.58%

(1) Formerly known as the Balanced Portfolio.

(2) Assumes investment at net asset value at the beginning of the year, reinvestment of all dividends and distributions, and a complete redemption of the investment at net asset value at the end of the year.

(3) Net investment income for the year ended was calculated using the average shares outstanding method.

(4) Expense ratios reflect only the direct expenses of the Portfolio and not any expenses associated with the underlying funds.

(5) Expense ratios decreased from prior year due to the Portfolio changing its investment strategy to an asset allocation fund.

See Notes to the Financial Statements.

GLOBAL TACTICAL ASSET ALLOCATION
PORTFOLIO⁽¹⁾

CLASS D

Selected per share data	2009 ⁽³⁾	2008 ⁽³⁾	2007 ⁽³⁾	2006	2005
Net Asset Value, Beginning of Year	\$7.71	\$12.47	\$12.52	\$12.54	\$12.03
INCOME (LOSS) FROM INVESTMENT OPERATIONS:					
Net investment income	0.38	0.18	0.25	0.23	0.20
Net realized and unrealized gains (losses)	1.31	(2.75)	0.41	0.53	0.59
Total from Investment Operations	1.69	(2.57)	0.66	0.76	0.79
LESS DISTRIBUTIONS PAID:					
From net investment income	(0.20)	(0.18)	(0.28)	(0.23)	(0.18)
From net realized gains	—	(2.01)	(0.43)	(0.55)	(0.10)
Total Distributions Paid	(0.20)	(2.19)	(0.71)	(0.78)	(0.28)
Net Asset Value, End of Year	\$9.20	\$7.71	\$12.47	\$12.52	\$12.54
Total Return⁽²⁾	22.20%	(24.58)%	5.47%	6.38%	6.65%
SUPPLEMENTAL DATA AND RATIOS:					
Net assets, in thousands, end of year	\$47	\$45	\$109	\$254	\$254
Ratio to average net assets of:					
Expenses, net of waivers, reimbursements and credits	0.63% ⁽⁴⁾	0.76% ⁽⁴⁾⁽⁵⁾	1.00%	1.00%	1.00%
Expenses, before waivers, reimbursements and credits	1.38% ⁽⁴⁾	1.16% ⁽⁴⁾⁽⁵⁾	1.21%	1.18%	1.17%
Net investment income, net of waivers, reimbursements and credits	4.49%	1.86%	1.99%	1.84%	1.51%
Net investment income, before waivers, reimbursements and credits	3.74%	1.46%	1.78%	1.66%	1.34%
Portfolio Turnover Rate	126.86%	398.83%	147.04%	200.30%	119.58%

(1) Formerly known as the Balanced Portfolio.

(2) Assumes investment at net asset value at the beginning of the year, reinvestment of all dividends and distributions, and a complete redemption of the investment at net asset value at the end of the year.

(3) Net investment income for the year ended was calculated using the average shares outstanding method.

(4) Expense ratios reflect only the direct expenses of the Portfolio and not any expenses associated with the underlying funds.

(5) Expense ratios decreased from prior year due to the Portfolio changing its investment strategy to an asset allocation fund.

See Notes to the Financial Statements.

GLOBAL TACTICAL ASSET ALLOCATION PORTFOLIO

NOVEMBER 30, 2009

	NUMBER OF SHARES	VALUE (000S)
FUND ALLOCATION - INVESTMENT COMPANIES - 100.1%		
iPath Dow Jones-AIG Commodity Index Total Return ETN	29,928	\$1,237
iShares Barclays U.S. Treasury Inflation Protected Securities Bond Fund ETF	6,925	738
SPDR Gold Trust ETF	2,130	246
Northern Funds - Bond Index Fund ^{(1) (2)}	373,875	3,941
Northern Funds - Emerging Markets Equity Fund ^{(1) (2)}	251,315	2,709
Northern Funds - Global Real Estate Index Fund ^{(1) (2)}	105,855	739
Northern Funds - High Yield Fixed Income Fund ^{(1) (2)}	360,599	2,463
Northern Funds - Mid Cap Index Fund ^{(1) (2)}	26,965	245
Northern Institutional Funds - Equity Index Portfolio ^{(1) (2)}	430,102	4,680
Northern Institutional Funds - International Equity Index Portfolio ^{(1) (2)}	480,023	3,941
Northern Institutional Funds - Short Bond Portfolio ^{(1) (2)}	182,147	3,448
Northern Institutional Funds - Small Company Index Portfolio ^{(1) (2)}	18,929	246
Total Investment Companies		24,633
(Cost \$21,088)		
Total Investments - 100.1%		24,633
(Cost \$21,088)		
Liabilities less Other Assets - (0.1)%		(37)
NET ASSETS - 100.0%		\$24,596

(1) Investment in affiliated portfolio.

(2) Investment in affiliated fund. Northern Trust Investments, N.A. is an investment adviser of the Portfolio and the investment adviser to other Northern Institutional Funds and to the Northern Funds.

ETF - Exchange Traded Fund

ETN - Exchange Traded Note

NF - Northern Funds

NIF - Northern Institutional Funds

Percentages shown are based on Net Assets.

See Notes to the Financial Statements.

At November 30, 2009, the asset class weightings for the Global Tactical Asset Allocation Portfolio were:

ASSET CLASS	WEIGHT	INVESTMENT VEHICLE
U.S. Equity - Large	19.0%	NIF Equity Index
U.S. Equity - Mid	1.0	NF Mid Cap Index
U.S. Equity - Small	1.0	NIF Small Company Index
Non U.S. Equity - Developed	16.0	NIF International Equity Index
Non U.S. Equity - Emerging Markets	11.0	NF Emerging Markets Equity
Global Real Estate	3.0	NF Global Real Estate Index
U.S. Bonds - High Yield	10.0	NF High Yield Fixed Income
U.S. Bonds - Inflation Protected	16.0	NF Bond Index
U.S. Bonds - Intermediate	3.0	iShares Barclays U.S. Treasury Inflation Protected Securities Bond Fund ETF
U.S. Bonds - Short	14.0	NIF Short Bond
Commodities	5.0	iPath Dow Jones-AIG Commodity Index Total Return ETN
	1.0	SPDR Gold Trust ETF
Total	100.0%	

Various inputs are used in determining the value of the Portfolio's investments. These inputs are summarized in three levels listed below:

Level 1 - Quoted market prices in active markets for identical securities on the measurement date and on an ongoing basis

Level 2 - Other observable inputs (e.g., quoted prices in active markets for similar securities, securities valuations based on commonly quoted benchmark interest rates and yield curves, and/or securities indices)

Level 3 - Significant unobservable inputs (e.g., information about assumptions, including risk, market participants would use in pricing a security)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities or other financial instruments, if any. Following is a summary of the inputs used in valuing the Global Tactical Asset Allocation Portfolio's investments, which are carried at fair value, as of November 30, 2009:

	LEVEL 1 (000S)	LEVEL 2 (000S)	LEVEL 3 (000S)	TOTAL (000S)
Investments held by Global Tactical Asset Allocation Portfolio	\$24,633 ⁽¹⁾	\$—	\$—	\$24,633

(1) Classifications as defined in the Schedule of Investments.

1. ORGANIZATION

Northern Institutional Funds (the “Trust”) is a Delaware statutory trust and is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company. The Trust currently includes 24 portfolios, each with its own investment objective (e.g., long-term capital appreciation, total return or income consistent with preservation of capital). The Global Tactical Asset Allocation Portfolio (the “Portfolio”) is a separate, diversified investment portfolio of the Trust. The Portfolio seeks to provide long-term capital appreciation and current income by investing primarily in shares of a combination of underlying mutual funds to which Northern Trust Investments, N.A. (“NTI”), the Portfolio’s investment adviser, or an affiliate acts as investment adviser. The Portfolio also may invest in other unaffiliated mutual funds and exchange-traded funds (“ETFs”) and other securities and investments not issued by mutual funds.

NTI is a subsidiary of The Northern Trust Company (collectively “Northern Trust”). Northern Trust serves as the custodian and transfer agent for the Portfolio. NTI serves as the Trust’s administrator. Prior to January 1, 2009, NTI and PNC Global Investment Servicing (U.S.) Inc. (“PNC Global Investment Servicing”), served as the Trust’s co-administrators. Northern Funds Distributors, LLC is the Trust’s distributor.

The Portfolio is authorized to issue three classes of shares: Class A, C and D. Each class is distinguished by the level of administrative, liaison and transfer agent services provided. At November 30, 2009, Class A, Class C and Class D shares were outstanding.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Portfolio in the preparation of its financial statements. These policies are in conformity with U.S. generally accepted accounting principles or “GAAP.” The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

A) VALUATION OF SECURITIES Securities are valued at their fair value. Securities traded on U.S. securities exchanges or in the NASDAQ National Market System are principally valued at the regular trading session closing price (generally, 3:00 P.M. Central time) on the exchange or market in which such securities are principally traded. If any such security is not traded on a valuation date, it is valued at the most recent quoted bid price. Over-the-counter securities not reported in the NASDAQ National Market System are also generally valued at the most

recent quoted bid price. Fixed income securities, however, may be valued on the basis of evaluated prices provided by independent pricing services when such prices are believed to reflect the fair market value of such securities. Such prices may be determined taking into account securities prices, yields, maturities, call features, ratings, institutional size trading in similar groups of securities and developments related to specific securities.

The values of securities of foreign issuers are generally based upon market quotations which, depending upon local convention or regulation, may be the last sale price, the last bid price or the mean between the last bid and asked price as of, in each case, the close of the appropriate exchange or other designated time. Foreign fixed income securities, however, may, like domestic fixed income securities, be valued based on prices provided by independent pricing services when such prices are believed to reflect the fair market value of such securities.

Shares of open-end investment companies are valued at net asset value (“NAV”). Spot and forward foreign currency exchange contracts are generally valued using an independent pricing service. Exchange-traded financial futures and options are valued at the settlement price as established by the exchange on which they are traded. Over-the-counter options are valued at broker-provided prices, as are swaps, caps, collars, and floors. The foregoing prices may be obtained from one or more independent pricing services or, as needed or applicable, independent broker-dealers. Short-term investments are valued at amortized cost, which the investment adviser has determined, pursuant to the Board of Trustees’ authorization, approximates fair value.

Any securities for which market quotations are not readily available or are believed to be incorrect are valued at fair value as determined in good faith by the investment adviser under the supervision of the Board of Trustees. The Trust, in its discretion, may make adjustments to the prices of securities held by the Portfolio if an event occurs after the publication of market values normally used by the Portfolio but before the time as of which the Portfolio calculates its NAV, depending on the nature and significance of the event, consistent with applicable regulatory guidance. This may occur particularly with respect to certain foreign securities held by the Portfolio, in which case the Trust may use adjustment factors obtained from an independent evaluation service that are intended to reflect more accurately the fair value of those securities as of the time the Portfolio’s NAV is calculated. The use of fair valuation involves the risk that the values used by the Portfolio to price their investments may be higher or lower than the values used by other unaffiliated investment companies and investors to price the same investments.

B) INVESTMENT TRANSACTIONS AND INCOME Investment transactions are recorded as of the trade date. The Portfolio determines the gain or loss realized from investment transactions

NOTES TO THE FINANCIAL STATEMENTS *continued*

by using an identified cost basis method. Interest income is recognized on an accrual basis and includes amortization of premiums and accretion of discounts using the effective yield method. Dividend income is recognized on the ex-dividend date. Dividends from foreign securities are recorded on the ex-dividend date, or as soon as the information is available.

C) EXPENSES The Portfolio is charged for those expenses that are directly attributable to the Portfolio. Certain expenses arising in connection with a class of shares are charged to that class of shares. Expenses incurred which do not specifically relate to the Portfolio are allocated among all Portfolios in the Trust in proportion to each Portfolio's relative net assets. Expenses included in the accompanying financial statements reflect the expenses of the Portfolio and do not include any expenses associated with the underlying funds.

D) PORTFOLIO SECURITIES LOANED While the Portfolio does not currently participate in Northern Trust's securities lending program and does not loan a portion of its investment portfolio to securities lending borrowers (e.g., brokers approved by Northern Trust), it may participate in the program in the future. If it does, Northern Trust would receive collateral for the Portfolio, generally consisting of cash, government securities and letters of credit, from the borrowers on behalf of the Portfolio in connection with such loans. Pursuant to an Exemptive Order granted by the Securities and Exchange Commission, the Portfolio may invest cash collateral in Northern Institutional Funds – Liquid Assets Portfolio, one of the Trust's money market funds. Non-cash collateral may be held in custody for the Portfolio. The Portfolio may not exercise effective control over the non-cash collateral received and therefore it would not be recognized on the Portfolio's Statement of Assets and Liabilities. The value of the collateral would be monitored daily to ensure the value of such collateral meets or exceeds the value of the securities loaned. However, in the event of default or bankruptcy by the borrowing party under the securities lending agreements, realization and/or retention of the collateral may be subject to legal proceedings.

If the Portfolio participates in the program, it will earn income on portfolio securities loaned, and receive compensation for lending its securities in the form of income earned on invested cash collateral and fees paid on non-cash collateral. Income earned by the Portfolio from securities lending will be based on the amount and type of securities loaned, the length of the borrowing period and other factors. The Portfolio would pay fees to Northern Trust for administering the securities lending program. The fees are typically based on a percentage of the revenue generated from the lending activities. Income (net of fees), if any, is disclosed as investment income in the Portfolio's Statement of Operations.

E) DISTRIBUTIONS TO SHAREHOLDERS Distributions of dividends from net investment income, if any, are declared and paid quarterly.

The Portfolio's net realized capital gains, if any, are declared and paid at least annually. Income dividends and capital gain distributions are determined in accordance with federal income tax regulations. Such amounts may differ from income and capital gains recorded in accordance with GAAP. The Portfolio may periodically make reclassifications among certain capital accounts to reflect differences between financial reporting and federal income tax basis distributions. The reclassifications are reported in order to reflect the tax treatment for certain permanent differences that exist between income tax regulations and GAAP. The reclassifications relate to net operating losses, Section 988 currency gains, PFICs gains and losses, recharacterization of dividends received from investments in REITs, expired capital loss carryforwards, and gain or loss on in-kind transactions. These reclassifications have no impact on the total net assets or the net asset values of the Portfolio. At November 30, 2009 the Portfolio reclassified approximately \$476 of undistributed net investment income to accumulated net realized gains (losses).

F) FEDERAL INCOME TAXES No provision for federal income taxes has been made since the Portfolio's policy is to comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and to distribute, each year, substantially all of its taxable income and capital gains to its shareholders.

At November 30, 2009, the capital loss carryforward for U.S. federal income tax purposes and its respective year of expiration is as follows:

<i>Amounts in thousands</i>	NOVEMBER 30, 2016	NOVEMBER 30, 2017
	Global Tactical Asset Allocation	\$2,189

The Portfolio may offset future capital gains with this capital loss carryforward.

At November 30, 2009, the tax components of undistributed net investment income and realized gains were as follows:

<i>Amounts in thousands</i>	UNDISTRIBUTED	
	ORDINARY INCOME*	LONG-TERM CAPITAL GAINS
Global Tactical Asset Allocation	\$8	\$ –

* *Ordinary income includes taxable market discount income and short-term capital gains, if any.*

The taxable character of distributions paid during the fiscal year ended November 30, 2009, was as follows:

Amounts in thousands	DISTRIBUTIONS FROM	
	ORDINARY INCOME*	LONG-TERM CAPITAL GAINS
Global Tactical Asset Allocation	\$592	\$ –

* Ordinary income includes taxable market discount income and short-term capital gains, if any.

The taxable character of distributions paid during the fiscal year ended November 30, 2008, was as follows:

Amounts in thousands	DISTRIBUTIONS FROM	
	ORDINARY INCOME*	LONG-TERM CAPITAL GAINS
Global Tactical Asset Allocation	\$4,194	\$7,321

* Ordinary income includes taxable market discount income and short-term capital gains, if any.

As of November 30, 2009, the Portfolio had no uncertain tax positions that would require financial statement recognition or disclosure. The Portfolio's federal tax returns filed for the fiscal years ended November 30, 2006 through November 30, 2009 remain subject to examination by the Internal Revenue Service.

3. ADVISORY, TRANSFER AGENCY AND CUSTODIAN AGREEMENTS

As compensation for advisory services and assumption of related expenses, the investment adviser is entitled to receive a fee, computed daily and payable monthly, at annual rates set forth in the following table (expressed as a percentage of the Portfolio's respective average daily net assets). The investment adviser voluntarily agreed to waive a portion of the advisory fees as shown in the accompanying Statement of Operations. The annual advisory fees and waiver rates expressed as a percentage of average daily net assets for the fiscal year ended November 30, 2009, were as follows:

	ANNUAL ADVISORY FEE	LESS WAIVER	ADVISORY FEE AFTER WAIVER
Global Tactical Asset Allocation	0.25%	0.10%	0.15%

The waivers described above are voluntary and may be modified or terminated at any time.

As compensation for the services rendered as transfer agent, including the assumption by Northern Trust of the expenses related thereto, Northern Trust receives a fee, accrued daily and payable monthly, at an annual rate of 0.01 percent, 0.10 percent and 0.15

percent of the average daily net assets of the outstanding Class A, C and D shares, respectively, for the Portfolio.

Class-specific transfer agent fees for the fiscal year ended November 30, 2009, were as follows:

Amounts in thousands	CLASS A	CLASS C	CLASS D
Global Tactical Asset Allocation	\$2	\$3	\$ –

For compensation as custodian, Northern Trust receives an amount based on a pre-determined schedule of charges approved by the Board of Trustees. The Portfolio has entered into an expense off-set arrangement with the custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Portfolio's custodian expenses. Custodian credits, if any, are reflected in the Portfolio's Statement of Operations.

4. ADMINISTRATION, DISTRIBUTION AND OTHER AGREEMENTS

Prior to January 1, 2009, the Portfolio had a co-administration agreement with NTI and PNC Global Investment Servicing for certain administrative services. Pursuant to their co-administration agreement with the Portfolio, the co-administrators were entitled to receive a fee, computed daily and payable monthly, at the annual rate of 0.10 percent of the Portfolio's average daily net assets. The co-administrators were also entitled to additional fees for special legal services. The Portfolio paid the co-administration fees to NTI, which in turn paid a portion of these fees to PNC Global Investment Servicing for its services.

As of January 1, 2009, PNC Global Investment Servicing is no longer a co-administrator of the Portfolio. NTI, as the sole administrator, provides the administrative services formerly provided to the Portfolio by PNC Global Investment Servicing. The administration fee rate payable by the Portfolio is unchanged. NTI is entitled to a monthly administration fee at an annual rate of 0.10 percent of the average daily net assets of the Portfolio. Prior to January 1, 2009, NTI paid a portion of the administration fees received to PNC Global Investment Servicing.

NTI also has a sub-administration agreement with Northern Trust, pursuant to which Northern Trust performs certain administrative services for the Portfolio. NTI pays Northern Trust for its sub-administration services out of NTI's administration fees.

In addition, if in any fiscal year the sum of the Portfolio's expenses, including the administration fee, but excluding the fees payable to NTI for its duties as investment adviser and Northern Trust for its duties as transfer agent, shareholder servicing fees and extraordinary expenses (such as taxes, interest and other

NOTES TO THE FINANCIAL STATEMENTS *continued*

extraordinary expenses), exceed on an annualized basis 0.10 percent of the Portfolio's average daily net assets, NTI as administrator has agreed to reimburse the Portfolio for the amount of the excess pursuant to the terms of the administration agreement. In addition, NTI as administrator has voluntarily agreed to reimburse an additional 0.01 percent of the Portfolio's other operating expenses.

The expenses reimbursed during the fiscal year ended November 30, 2009, under such arrangements, are shown in the accompanying Statement of Operations.

Northern Funds Distributors, LLC, the distributor for the Portfolio, received no compensation from the Portfolio under its distribution agreement. However, it received compensation from NTI for its services as distributor pursuant to a separate letter agreement between it and NTI.

Certain officers of the Trust are also officers of Northern Trust and NTI. All officers serve without compensation from the Portfolio, although the Trust's secretary also serves as legal counsel to the Trust and the Independent Trustees and receives legal fees from the Portfolio for those services. The Trust provides a deferred compensation plan for its Trustees who are not officers of Northern Trust or NTI. Under the deferred compensation plan, Trustees may elect to defer all or a portion of their compensation. Amounts deferred are included in "Trustee fees" on the Statement of Assets and Liabilities. Each Trustee's account shall be deemed to be invested in a money market fund selected by the Trust that complies with the provisions of Rule 2a-7 under the 1940 Act. The net investment income, gains and losses achieved by such deemed investment shall be credited to the Trustee's account as provided in the plan.

5. SHAREHOLDER SERVICING PLAN

The Trust has adopted a Shareholder Servicing Plan pursuant to which the Trust may enter into agreements with institutions or other financial intermediaries under which they will render certain shareholder administrative support services for their customers or other investors who beneficially own Class C and D shares. As compensation under the Shareholder Servicing Plan, the institution or other financial intermediary receives a fee at an annual rate of up to 0.15 percent and 0.25 percent of the average daily net assets of the outstanding Class C and D shares, respectively.

Class-specific shareholder servicing fees for the fiscal year ended November 30, 2009, were as follows:

<i>Amounts in thousands</i>	CLASS C	CLASS D
Global Tactical Asset Allocation	\$5	\$ -

6. INVESTMENT TRANSACTIONS

For the fiscal year ended November 30, 2009, the aggregate costs of purchases and proceeds from sales of securities (excluding short-term investments) for the Portfolio were as follows:

<i>Amounts in thousands</i>	PURCHASES		SALES	
	U.S. GOVERNMENT	OTHER	U.S. GOVERNMENT	OTHER
Global Tactical Asset Allocation	\$ -	\$28,862	\$ -	\$25,367

At November 30, 2009, for federal tax purposes, gross unrealized appreciation, gross unrealized depreciation, net unrealized appreciation on investments (including the effects of foreign currency translation) and the cost basis of securities were as follows:

<i>Amounts in thousands</i>	UNREALIZED APPRECIATION	UNREALIZED DEPRECIATION	NET APPRECIATION	COST BASIS OF SECURITIES
Global Tactical Asset Allocation	\$2,363	\$ -	\$2,363	\$22,271

7. BANK LOANS

The Trust has entered into a \$100,000,000 revolving bank credit agreement administered by Deutsche Bank AG for liquidity and other purposes. The interest rate charged under the agreement depends on the type of loan. For base rate loans, the interest rate is the sum of the applicable margin (either 0.75 percent or zero) and the highest of (i) 0.50 percent in excess of the Federal Funds Rate, (ii) 1.00 percent in excess of the Adjusted London Interbank Offered Rate ("LIBOR") and (iii) the prime lending rate. For LIBOR loans, the interest rate is the sum of the applicable margin (0.75 percent) and the LIBOR rate then in effect. For an Interbank Offered Rate ("IBOR") loan, the interest rate is the sum of the applicable margin (0.75 percent) and the IBOR rate then in effect. In addition, there is an annual commitment fee of 12 basis points on the unused portion of the credit line under the agreement, payable quarterly in arrears, which is included in Other expense on the Statement of Operations. The agreement will expire on December 10, 2009, unless renewed.

At November 30, 2009, the Portfolio did not have any outstanding loans.

The Portfolio did not incur any interest expense during the fiscal year ended November 30, 2009.

NOVEMBER 30, 2009

8. CAPITAL SHARE TRANSACTIONS

Transactions in capital shares for the fiscal year ended November 30, 2009, were as follows:

<i>Amounts in thousands</i>	SHARES SOLD	PROCEEDS FROM SHARES SOLD	SHARES FROM REINVESTED DIVIDENDS	REINVESTMENT OF DIVIDENDS	SHARES REDEEMED	PAYMENTS FOR SHARES REDEEMED	NET INCREASE (DECREASE) IN SHARES	NET INCREASE (DECREASE) IN NET ASSETS
Class A	180	\$1,449	61	\$506	(250)	\$(2,019)	(9)	\$(64)
Class C	79	677	10	84	(98)	(801)	(9)	(40)
Class D	–	–	–	–	(1)	(6)	(1)	(6)

Transactions in capital shares for the fiscal year ended November 30, 2008, were as follows:

<i>Amounts in thousands</i>	SHARES SOLD	PROCEEDS FROM SHARES SOLD	SHARES FROM REINVESTED DIVIDENDS	REINVESTMENT OF DIVIDENDS	SHARES REDEEMED	PAYMENTS FOR SHARES REDEEMED	NET INCREASE (DECREASE) IN SHARES	NET INCREASE (DECREASE) IN NET ASSETS
Class A	400	\$3,906	1,034	\$10,595	(4,136)	\$(36,784)	(2,702)	\$(22,283)
Class C	60	573	87	898	(126)	(1,169)	21	302
Class D	–	1	2	17	(5)	(45)	(3)	(27)

9. AFFILIATED PORTFOLIOS

Transactions in affiliated portfolios for the fiscal year ended November 30, 2009, were as follows:

<i>Amounts in thousands</i>	VALUE, BEGINNING OF PERIOD	PURCHASES	SALES PROCEEDS	REALIZED GAINS (LOSSES)	DIVIDEND INCOME	VALUE, END OF PERIOD
Northern Funds – Bond Index Fund	\$3,509	\$3,646	\$3,442	\$54	\$137	\$3,941
Northern Funds – Emerging Markets Equity Fund	310	3,085	1,338	146	14	2,709
Northern Funds – Global Real Estate Index Fund	619	1,279	1,338	(69)	27	739
Northern Funds – High Yield Fixed Income Fund	723	3,361	1,988	19	157	2,463
Northern Funds – Mid Cap Index Fund	619	772	1,331	98	43	245
Northern Institutional Funds – Diversified Assets Portfolio	6,553	7,984	14,537	–	7	–
Northern Institutional Funds – Equity Index Portfolio	4,954	5,286	6,470	(476)	445	4,680
Northern Institutional Funds – International Equity Index Portfolio	2,116	4,440	2,987	(284)	193	3,941
Northern Institutional Funds – Short Bond Portfolio	3,097	3,204	2,987	33	77	3,448
Northern Institutional Funds – Small Company Index Portfolio	258	412	497	2	5	246
	\$22,758	\$33,469	\$36,915	\$(477)	\$1,105	\$22,412

10. SUBSEQUENT EVENTS

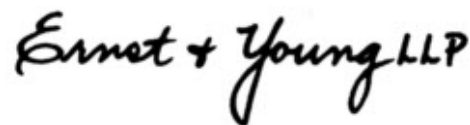
Management has evaluated subsequent events for the Portfolio through January 26, 2010, the date the financial statements were issued. On December 10, 2009, the Trust renewed its revolving bank credit agreement administered by Deutsche Bank AG. Please refer to Note 7 for further details.

To the Northern Institutional Funds' Shareholders and Board of Trustees

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of the Global Tactical Asset Allocation Portfolio (the "Portfolio"), formerly known as the Balanced Portfolio, of the Northern Institutional Funds as of November 30, 2009, and the related statement of operations for the year then ended, statements of changes in net assets for each of the two years in the period then ended, and financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Portfolio's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Portfolio's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Portfolio's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures include a confirmation of securities owned at November 30, 2009 by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Global Tactical Asset Allocation Portfolio at November 30, 2009, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

The signature of Ernst & Young LLP is written in a black, cursive script. The words "Ernst & Young" are written in a larger, more prominent font, with "LLP" in a smaller font to the right.

Chicago, Illinois
January 26, 2010

TAX INFORMATION

NOVEMBER 30, 2009 (UNAUDITED)

CORPORATE DIVIDENDS-RECEIVED DEDUCTION – A percentage of the dividends distributed during the fiscal year for the Portfolio qualifies for the dividends-received deduction for corporate shareholders:

PORTFOLIO	CORPORATE DRD PERCENTAGE
Global Tactical Asset Allocation Portfolio	36.49%

QUALIFIED DIVIDEND INCOME – Under the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the “Act”), the following percentages of ordinary dividends paid during the fiscal year ended November 30, 2009 are designated as “qualified dividend income,” as defined in the Act, subject to reduced tax rates in 2009:

PORTFOLIO	QUALIFIED DIVIDEND PERCENTAGE
Global Tactical Asset Allocation Portfolio	48.81%

FUND EXPENSES

NOVEMBER 30, 2009 (UNAUDITED)

As a shareholder of the Portfolio, you incur two types of costs: (1) transaction costs, if any, and (2) ongoing costs, including advisory fees; distribution (12b-1) fees, if any; and other fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period, June 1, 2009, through November 30, 2009.

ACTUAL EXPENSES

The first line of the tables below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid 6/1/09 - 11/30/09" to estimate the expenses you paid on your account during this period.

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

The second line in the tables below provides information about hypothetical account values and hypothetical expenses based on the Portfolio's actual expense ratios and an assumed rate of return of 5 percent per year before expenses, which is not the Portfolio's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Portfolio and other funds. To do so, compare this 5 percent hypothetical example with the 5 percent hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs, such as sales charges (loads), redemption fees, or exchange fees, but shareholders of other funds may incur such costs. Therefore, the hypothetical information is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds.

GLOBAL TACTICAL ASSET ALLOCATION

	EXPENSE RATIO	BEGINNING ACCOUNT VALUE 6/1/09	ENDING ACCOUNT VALUE 11/30/09	EXPENSES PAID* 6/1/09 - 11/30/09
CLASS A				
Actual	0.24%	\$1,000.00	\$1,132.90	\$1.28
Hypothetical	0.24%	\$1,000.00	\$1,023.87	\$1.22**
CLASS C				
Actual	0.48%	\$1,000.00	\$1,130.40	\$2.56
Hypothetical	0.48%	\$1,000.00	\$1,022.66	\$2.43**
CLASS D				
Actual	0.63%	\$1,000.00	\$1,130.10	\$3.36
Hypothetical	0.63%	\$1,000.00	\$1,021.91	\$3.19**

* Expenses are calculated using the Portfolio's annualized expense ratios, which represent ongoing expenses as a percentage of net assets for the period ended November 30, 2009. Expenses are calculated by multiplying the annualized expense ratio by the average account value of the period; then multiplying the result by the number of days in the most recent fiscal half year (183); and then dividing that result by the number of days in the current fiscal year (365). Expense ratios for the most recent fiscal half year may differ from expense ratios based on one-year data in the Financial Highlights.

** Hypothetical expenses are based on the Portfolio's actual annualized expense ratios and an assumed rate of return of 5 percent per year before expenses.

TRUSTEES AND OFFICERS

NOVEMBER 30, 2009 (UNAUDITED)

Set forth below is information about the Trustees and Officers of Northern Institutional Funds. Each Trustee has served in that capacity since he or she was originally elected or appointed to the Board of Trustees. Each Trustee oversees a total of 69 portfolios in the Northern Funds Complex—Northern Funds offers 45 portfolios and Northern Institutional Funds offers 24 portfolios.* The Northern Institutional Funds' Statement of Additional Information contains additional information about the Trustees and is available upon request and without charge by calling 800-637-1380.

NON-INTERESTED TRUSTEES

NAME, ADDRESS ⁽¹⁾ , AGE, POSITIONS HELD WITH FUNDS AND LENGTH OF SERVICE AS NORTHERN INSTITUTIONAL FUNDS TRUSTEE ⁽²⁾	PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS	OTHER DIRECTORSHIPS HELD BY TRUSTEE ⁽³⁾
William L. Bax Age: 66 Trustee since 2005	<ul style="list-style-type: none"> • Managing Partner of PricewaterhouseCoopers, Chicago (an accounting firm) from 1997 to 2003; • Director of Big Shoulders Fund since 1997; • Director of Children's Memorial Hospital since 1997; • Trustee of DePaul University since 1998; • Director of Sears Roebuck & Co. (a retail company) from 2003 to 2005; • Director of Andrew Corporation (a communications product company) from 2006 to 2007. 	<ul style="list-style-type: none"> • Arthur J. Gallagher & Co. (an insurance brokerage company).
Edward J. Condon, Jr. Age: 69 Trustee since 1994	<ul style="list-style-type: none"> • Chairman and CEO of The Paradigm Group, Ltd. (a financial adviser) since 1993; • Principal and Co-Founder of Paradigm Capital, Ltd. since 1996 and Senior Partner of NewEllis Ventures since 2001; • Director of Financial Pacific Company (a small business leasing company) from 1998 to 2004; • Member and Director of the Illinois Venture Capital Association since 2001; • Trustee at Dominican University from 1996 to 2005; • Member of the Board of Directors of the Chicago Children's Museum from 2001 to 2007; • Member of the Board of Governors of The Metropolitan Club since 2003; • Member of the Advisory Board of AAVIN Equity Partners since 2005; • Chairman of the Nominating Committee of Girl Scouts of Chicago from 1993 to 2003; • Member of the National Advisory Board of National Domestic Violence Hotline since 2005; • Member of the Board of Directors at LightBridge Healthcare Research Inc. since 2006. 	<ul style="list-style-type: none"> • None
Sharon Gist Gilliam Age: 66 Trustee since 2001	<ul style="list-style-type: none"> • Principal Officer, UCG Associates, Inc. (an aviation consulting firm) from 2005 to 2006 and Director from 2005 to 2008; • CEO of Chicago Housing Authority from 2006 to 2007; • Executive Vice President of Unison-Maximus, Inc. (an aviation and governmental consulting company) from 1989 to 2005. 	<ul style="list-style-type: none"> • None
Sandra Polk Guthman Age: 65 Trustee since 1997	<ul style="list-style-type: none"> • CEO of Polk Bros. Foundation (an Illinois not-for-profit corporation) since 1993; • Director of MBIA Insurance Corp. of Illinois (a municipal bond insurance company) since 1994. 	<ul style="list-style-type: none"> • None
Michael H. Moskow Age: 71 Trustee since 2008	<ul style="list-style-type: none"> • Vice Chairman and Senior Fellow on the Global Economy at the Chicago Council on Global Affairs since 2007; • Director of Commonwealth Edison since 2007; • President and Chief Executive Officer of the Federal Reserve Bank of Chicago from 1994 to 2007. 	<ul style="list-style-type: none"> • Discover Financial Services; • Diamond Management and Technology Consultants, Inc. (a management and technology consulting firm); • Taylor Capital Group, Inc. (financial services).

* Ms. Skinner and Mr. Potter each oversee a total of 62 portfolios in the Northern Funds Complex—38 portfolios offered by Northern Funds and 24 offered by Northern Institutional Funds.

TRUSTEES AND OFFICERS *continued*

NAME, ADDRESS ⁽¹⁾ , AGE, POSITIONS HELD WITH FUNDS AND LENGTH OF SERVICE AS NORTHERN INSTITUTIONAL FUNDS TRUSTEE ⁽²⁾	PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS	OTHER DIRECTORSHIPS HELD BY TRUSTEE ⁽³⁾
Mary Jacobs Skinner, Esq. Age: 52 Trustee since 2000	<ul style="list-style-type: none"> Partner in the law firm of Sidley Austin LLP. 	<ul style="list-style-type: none"> None
Richard P. Strubel Age: 70 Trustee since 1982 and Chairman since 2008	<ul style="list-style-type: none"> Vice Chairman and Director of Cardean Learning Group (formerly UNext, Inc.) (a provider of educational services via the Internet) from 2004 to 2007; President, Chief Operating Officer and Director of UNext, Inc. from 1999 to 2004. 	<ul style="list-style-type: none"> Gildan Activewear, Inc. (an athletic clothing marketing and manufacturing company); Goldman Sachs Mutual Fund Complex (94 portfolios); Goldman Sachs Closed-End Funds (2 portfolios).
Casey J. Sylla Age: 66 Trustee since 2008	<ul style="list-style-type: none"> Chief Investment Officer, The Allstate Corporation from January to July, 2002; Acting Chief Financial Officer, The Allstate Corporation from May to September, 2002; Chairman and President of the Allstate Financial Group from 2002 to 2007; Chairman of the Investment Committee, Legal and General Investment Management—America, 2007; Board member, University of Wisconsin—Eau Claire Foundation from 2006 to present. 	<ul style="list-style-type: none"> GATX Corporation (nuclear leasing and financial services).

INTERESTED TRUSTEE

NAME, ADDRESS ⁽¹⁾ , AGE, POSITIONS HELD WITH FUNDS AND LENGTH OF SERVICE AS NORTHERN INSTITUTIONAL FUNDS TRUSTEE ⁽²⁾	PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS	OTHER DIRECTORSHIPS HELD BY TRUSTEE ⁽³⁾
Stephen N. Potter ⁽⁴⁾ Age: 52 Trustee since 2008	<ul style="list-style-type: none"> Director of Northern Trust Global Advisors, Inc. since May 2008; Chairman of Northern Trust Investments, N.A. since March 2008; President of Northern Trust Global Investments, Ltd. from March 2008 to February 2009; Director of Northern Trust Global Investments, Ltd. from February 2000 to February 2009; Chairman and Chief Executive Officer of Northern Trust Global Services, Ltd. from 2003 to 2008; Executive Vice President of Northern Trust Corporation since October 2003; Chief Executive Officer of Europe, the Middle East and Africa at The Northern Trust Company from 2001 to March 2008; Managing Director, Institutional Group, Northern Trust Global Investments, Ltd. from 1995 to 2001. 	<ul style="list-style-type: none"> None

(1) Each Trustee may be contacted by writing to the Trustee, c/o Diana E. McCarthy, Drinker Biddle & Reath LLP, One Logan Square, 18th and Cherry Streets, Philadelphia, PA 19103-6996.

(2) Each Trustee will hold office for an indefinite term until the earliest of: (i) the next meeting of shareholders, if any, called for the purpose of considering the election or re-election of such Trustee and until the election and qualification of his or her successor, if any, elected at

such meeting; (ii) the date a Trustee resigns or retires, or a Trustee is removed by the Board of Trustees or shareholders, in accordance with the Trust's Agreement and Declaration of Trust; or (iii) in accordance with the current resolutions of the Board of Trustees (which may be changed without shareholder vote) on the last day of the calendar year of the Trust in which he or she attains the age of seventy-two years, except that (a) a Trustee who also serves as an audit committee financial expert for the Trust shall cease to serve as a Trustee as of the last day of the calendar year in which the Trustee attains the age of seventy-three years; and (b) a Trustee who becomes a Trustee at age sixty-eight years or older shall cease to serve as a Trustee as of the last day of the calendar year in which the Trustee attains the age of seventy-five years.

- (3) This column includes only directorships of companies required to report to the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (i.e., public companies) or other investment companies registered under the Investment Company Act of 1940, as amended (the "1940 Act").
- (4) An "interested person," as defined by the 1940 Act. Mr. Potter is deemed to be an "interested" Trustee because he is an officer, director, employee, and a shareholder of Northern Trust Corporation and/or its affiliates.

OFFICERS OF THE TRUST ⁽¹⁾

NAME, ADDRESS, AGE,
POSITIONS HELD WITH FUNDS
AND LENGTH OF SERVICE AS
NORTHERN INSTITUTIONAL
FUNDS OFFICER

PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS

Lloyd A. Wennlund
Age: 52
50 South LaSalle Street
Chicago, IL 60603
President since 2000

- Executive Vice President since 2003 and Director since 2001 of Northern Trust Investments, N.A.; Executive Vice President and other positions at The Northern Trust Company and Managing Executive, Mutual Funds for Northern Trust Global Investments since 1994; Director, NT Global Advisors, Inc. since August 2006; President and Director of Northern Trust Securities, Inc. from 1989 to 2009.

Eric K. Schweitzer
Age: 48
50 South LaSalle Street
Chicago, IL 60603
Vice President since 2000

- Senior Vice President at Northern Trust Investments, N.A. since 2001; Senior Vice President at The Northern Trust Company and the Director of Distribution, Product Management and Client Services in the Mutual Fund Group of Northern Trust Global Investments since 2000.

Susan J. Hill
Age: 53
50 South LaSalle Street
Chicago, IL 60603
Chief Compliance Officer
since 2004

- Chief Compliance Officer of Northern Trust Global Advisors, Inc. since 2007; Chief Compliance Officer of Northern Trust Investments, N.A. since 2005; Senior Vice President of Northern Trust Investments, N.A. since 2005; Vice President of Northern Trust Investments, N.A. and The Northern Trust Company from 2000 to 2004.

Darlene Chappell
Age: 46
50 South LaSalle Street
Chicago, IL 60603
Anti-Money Laundering
Compliance Officer since
May 2009

- Anti-Money Laundering Compliance Officer for Northern Trust Investments, N.A., Northern Trust Securities, Inc., Northern Trust Global Advisors, Inc. and The Northern Trust Company of Connecticut since 2009; Vice President and Compliance Consultant for The Northern Trust Company since 2006; Audit Manager — Compliance Department of National Futures Association from 2000 to 2006.

Randal Rein
Age: 39
50 South LaSalle Street
Chicago, IL 60603
Treasurer since 2008

- Vice President of Fund Administration of The Northern Trust Company since 2007; Second Vice President of Fund Administration of The Northern Trust Company from 2002 to 2007; Manager of Fund Administration at The Northern Trust Company from 2001 to 2002.

NAME, ADDRESS, AGE, POSITIONS HELD WITH FUNDS AND LENGTH OF SERVICE AS NORTHERN INSTITUTIONAL FUNDS OFFICER	PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS
<p>Michael Prysycz Age: 42 50 South LaSalle Street Chicago, IL 60603 Assistant Treasurer since 2008</p>	<ul style="list-style-type: none"> • Vice President of Fund Accounting of The Northern Trust Company since 2005; Second Vice President of Fund Accounting of The Northern Trust Company from 2000 to 2005.
<p>Richard Crabill Age: 41 50 South LaSalle Street Chicago, IL 60603 Assistant Treasurer since 2008</p>	<ul style="list-style-type: none"> • Vice President of Fund Administration of The Northern Trust Company since 2005; Second Vice President of Fund Administration of The Northern Trust Company from 2002 to 2005.
<p>Diana E. McCarthy, Esq. Age: 58 One Logan Square 18th and Cherry Streets Philadelphia, PA 19103-6996 Secretary since 2006</p>	<ul style="list-style-type: none"> • Partner in the law firm of Drinker Biddle & Reath LLP since 2002.
<p>Owen T. Meacham, Esq. Age: 38 50 South LaSalle Street Chicago, IL 60603 Assistant Secretary since 2008</p>	<ul style="list-style-type: none"> • Vice President and Senior Regulatory Administration Attorney of The Northern Trust Company since 2007; Product Strategy and Development Manager of ABN AMRO Asset Management from 2005 to 2007; Securities Law Consultant with Deutsche Asset Management from 2003 to 2004; Assistant Counsel of BISYS Fund Services from 2002 to 2003.
<p>Shanna Palmersheim, Esq. Age: 32 50 South LaSalle Street Chicago, IL 60603 Assistant Secretary since 2008</p>	<ul style="list-style-type: none"> • Second Vice President and Regulatory Administration Attorney of The Northern Trust Company since 2008; Associate Counsel of Peregrine Financial Group from 2007 to 2008; Senior Treasury Analyst at Harley-Davidson Financial Services from 2005 to 2007; Law Clerk at Paul McAndrew Law Firm from 2004 to 2005; Senior Accountant at State Street Corporation from 1999 to 2002.

(1) Each Officer serves until his or her resignation, removal, or retirement, or election of his or her successor.

THIS PAGE INTENTIONALLY LEFT BLANK

THIS PAGE INTENTIONALLY LEFT BLANK

INVESTMENT CONSIDERATIONS

GLOBAL TACTICAL ASSET ALLOCATION PORTFOLIO^{1,2,3}

¹ **Asset Allocation Risk:** An asset allocation strategy does not guarantee any specific result or profit nor protect against a loss.

² **Equity Risk:** Equity securities (stocks) are more volatile and carry more risk than other forms of investments, including investments in high-grade fixed income securities. The net asset value per share of the Portfolio will fluctuate as the value of the securities in the portfolio changes.

³ **International Risk:** International investing involves increased risk and volatility.

FOR MORE INFORMATION**PORTFOLIO HOLDINGS**

Northern Institutional Funds files its complete schedule of portfolio holdings with the Securities and Exchange Commission (“SEC”) for the first and third quarters of each fiscal year on Form N-Q. The Portfolio’s Forms N-Q are available on the SEC’s Web site at sec.gov. You may also review and obtain copies at the SEC’s Public Reference Room in Washington, D.C. Information about the Public Reference Room may be obtained by calling 800-SEC-0330.

PROXY VOTING

Northern Institutional Funds’ Proxy Voting Policies and Procedures and the Fund’s portfolio securities voting record for the 12-month period ended June 30 are available upon request and without charge by visiting Northern Institutional Funds’ Web site at northernfunds.com/institutional or the SEC’s Web site at sec.gov or by calling the Northern Institutional Funds Center at 800-637-1380.

50 SOUTH LASALLE STREET
P.O. BOX 75986
CHICAGO, ILLINOIS 60675-5986
800-637-1380
NORTHERNFUNDS.COM/INSTITUTIONAL



Managed by
Northern Trust