

NORTHERN INSTITUTIONAL FUNDS

PRIME OBLIGATIONS PORTFOLIO

ANNUAL REPORT

NOVEMBER 30, 2011

TRUST NORTHERN FOR WHAT REALLY MATTERS



Managed by
Northern Trust



A MESSAGE FROM
BOB BROWNE

CHIEF INVESTMENT OFFICER

While the Funds' 12-month reporting period ended November 30, 2011 began on a relatively normal footing, the performance of the U.S. bond market became increasingly dependent on developments in Europe as the period progressed. Specifically, concerns that Europe's debt crisis was destined to morph into a larger contagion or a possible break-up of the euro led to a sharp decrease in investor risk appetite. Investors' fears that banks need to raise capital because of falling prices on their sovereign bond holdings — along with the realization that many banks are shut off from private markets — fueled doubts regarding the ability of the region's already heavily indebted governments to provide banks with additional equity.

Another factor pushing down U.S. interest rates came from the U.S. Federal Reserve's decision to sell short-term investments on its balance sheet and purchase long-term Treasuries in an attempt to flatten the yield curve. Interestingly, "Operation Twist" has, thus far, been overshadowed by recent reassuring U.S. economic data — implying that investors' economic outlook has trumped the Federal Reserve's ability to control longer-term rates.

At the same time, the Federal Reserve indicated that it intends to keep the federal funds rate at an exceptionally low level for the next two years. Heightened recession concerns, a loss of trust in policy makers and the certainty of low interest rates have pushed investors

further out on the yield curve, bringing 10-year U.S. Treasury yields to record low levels. The 10-year U.S. Treasury yield fell as low as 1.72% in mid-September, after trading at 3.72% just seven months earlier. Remarkably, U.S. Treasuries finished September with a higher 30-year total return than U.S. equities had produced in the same period.

Investors' move to lower-risk assets took a toll on the more volatile segments of the bond market, particularly high-yield issues. However, despite recent underperformance, high-yield bonds' yield spread in excess of U.S. Treasuries, relative to the expected rate of defaults one year out, is at a 30-year high.

Historically, the high-yield spread has tracked the default rate one year in the future, but in October this gap stood at over five percentage points. Because high-yield issuers have cut costs and refinanced near-term maturities, we do not expect the sector's default rate to increase significantly. In our view, this results in an attractive valuation following the recent spread widening for high-yield bonds. Further, high-yield issuers have reduced leverage substantially during the past two years, meaning that they should now be in a better position to withstand any additional periods of economic weakness.

Turning our attention to the economy, the spike in U.S. consumer prices earlier in 2011 appears to have been largely a result of the rally in commodity prices. In more recent

months, the rate of increase in consumer prices moderated as commodity prices began trending lower. In addition to the moderation in actual consumer inflation, market expectations for consumer inflation remain anchored at approximately 2% — a rate thought to be consistent with the Federal Reserve's implicit long-term target. Federal Reserve officials with a "dovish" bent also have been talking about the desirability of the U.S. central bank resuming its securities purchases. Notwithstanding the protests from Republican presidential candidates and some federal legislators that renewed Federal Reserve stimulus would elicit, the Federal Reserve is likely to resume its securities purchases sometime in the first quarter of 2012 if sluggish real Gross Domestic Product (GDP) growth, high unemployment and moderating consumer inflation all persist. We believe that renewed Federal Reserve purchasing activity could spur stronger U.S. economic growth in the second half of 2012.

High-yield fixed-income securities are non-investment grade securities and are subject to greater credit risk, price volatility and risk of loss than investment grade securities. High-yield securities are considered primarily speculative with respect to the issuer's continuing ability to make principal and interest payments.

Bob Browne
Chief Investment Officer
Northern Trust

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The report has been prepared for the general information of Northern Institutional Funds Prime Obligations Portfolio shareholders. It is not authorized for distribution to prospective investors unless accompanied or preceded by a current Northern Institutional Funds Prime Obligations Portfolio prospectus, which contains more complete information about Northern Institutional Funds Prime Obligations 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, performance would be reduced. Performance is based on net change in net asset value assuming reinvestment of all dividends and distributions.

This report contains certain forward-looking statements about factors that may affect the performance of Northern Institutional Funds in the future. These statements are based on Northern Institutional Funds' management 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 Northern Institutional Funds' management strategies from those currently expected to be employed.

Investments in the Portfolio are not insured or guaranteed by the FDIC or any other governmental agency. Although the Portfolio seeks to maintain a value of \$1.00 per share, it is possible to lose money by investing.

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May lose value/No bank guarantee

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PORTFOLIO MANAGEMENT COMMENTARY

During the 12 months ended November 30, 2011, market participants observed noteworthy improvements in the economic outlook and the functioning of the financial markets. However, anxiety lingered due to uncertainty surrounding potential regulatory actions, the rising U.S. budget deficit and concern over possible financial contagion from the Eurozone. Global financial markets continued to deal with the financial impacts of new banking regulations and other requirements from Basel III. The regulatory changes created additional pressure after rating agencies suggested that the global financial system may experience rating actions as a result. Lastly, concern regarding the Eurozone sovereign debt crisis temporarily widened credit spreads and lifted LIBOR rates. During the 12-month period, Greece, Italy and Ireland were granted financial assistance packages from the European Union and the International Monetary Fund. Meanwhile, Portugal and Spain remained under pressure but were better positioned to remain independent of such support. Here in the United States, the Federal Reserve maintained its pledge to keep rates near zero through mid-2013, and later committed to additional large-scale asset purchases of \$400 billion in U.S. Treasuries in a move that became known as “Operation Twist.”

For the 12-month period, the Portfolio posted a 0.09% return (Shares Class) outpacing the 0.05% return of its benchmark, the iMoneyNet Fund Average™ — First Tier Institutional. As of November 30, 2011 the Portfolio's 7-day current yield was 0.01% (Shares Class).

We remain very selective in our purchases and continue to focus on maintaining high credit quality. Our primary objectives remain the preservation of principal and liquidity. Given the “lower for longer” outlook for Federal Reserve policy, we kept a long duration relative to the benchmark, taking advantage of any market sell-offs that created a steeper money market yield curve. In addition, we maintained a strong liquidity profile by committing a large percentage of the Portfolio to overnight maturities in order to accommodate any unexpected redemptions.

INVESTMENT PERFORMANCE

AVERAGE ANNUAL RETURNS for periods ended November 30, 2011

TOTAL RETURN	SHARES	SERVICE SHARES	IMONEYNET FUND AVERAGE™ – FIRST TIER INSTL	CURRENT 7-DAY YIELD
ONE YEAR	0.09%	0.02%	0.05%	
FIVE YEAR	1.68	1.48	1.69	0.01%*
SINCE INCEPTION	2.12	1.90	N/A	

*For Shares Class.

Performance quoted represents past performance and does not guarantee future results. Investment return 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. Current 7-Day Yield refers to income generated over the 7-day period ended November 30, 2011. Current 7-Day Yield more closely reflects the current earnings of the Portfolio than the total return. In the absence of fee waivers, the Current 7-Day Yield for the Portfolio would have been -0.10% for Shares as of November 30, 2011. Performance data current to the most recent month-end is available at northernfunds.com/institutional.

MATURITY ANALYSIS

At November 30, 2011, the maturity analysis for the Prime Obligations Portfolio as a percentage of investments was:

MATURITY	%
OVERNIGHT (1 BUSINESS DAY)	61.4%
2 - 15 DAYS	12.0
16 - 30 DAYS	3.1
31 - 60 DAYS	3.4
61 - 97 DAYS	4.8
98 - 180 DAYS	3.7
181 - 270 DAYS	6.5
271 DAYS - 1 YEAR	5.1

Information about Index Definitions can be found on page 27.

PORTFOLIO MANAGERS

PETER YI

With Northern Trust since 2000

CHRISTI FLETCHER

With Northern Trust since 2010

PORTFOLIO FACTS (as of 11/30/11)

TICKER SYMBOL

SHARES	NPAXX
SERVICE SHARES	NPCXX
PREMIER SHARES*	
GFS SHARES	NPOXX

INCEPTION DATE

SHARES	8/21/03
SERVICE SHARES	9/2/03
PREMIER SHARES*	11/18/05
GFS SHARES	5/10/11

TOTAL NET ASSETS \$3,481,103,668

NET ASSET VALUE

SHARES	\$1.00
SERVICE SHARES	1.00
PREMIER SHARES*	—
GFS SHARES	1.00

GROSS EXPENSE RATIO

SHARES	0.27%
SERVICE SHARES	0.53
PREMIER SHARES*	—
GFS SHARES	0.27

*Currently, Premier Shares are not being offered to Investors.

The table does not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions or the redemption of Portfolio shares.

Investments in the Portfolio are not insured or guaranteed by the FDIC or any other government agency. Although the Portfolio seeks to maintain a value of \$1.00 per share, it is possible to lose money by investing in the Portfolio.

STATEMENT OF ASSETS AND LIABILITIES

NOVEMBER 30, 2011

<i>Amounts in thousands, except per share data</i>	PRIME OBLIGATIONS PORTFOLIO
ASSETS:	
Investments, at amortized cost	\$2,356,853
Repurchase agreements, at cost which approximates fair value	774,166
Cash	361,945
Interest income receivable	3,532
Receivable for fund shares sold	15,023
Receivable from affiliates for expense reimbursements	318
Prepaid and other assets	23
Total Assets	3,511,860
LIABILITIES:	
Payable for securities purchased	23,930
Payable for fund shares redeemed	5,998
Distributions payable to shareholders	58
Payable to affiliates:	
Investment advisory fees	303
Administration fees	303
Custody and accounting fees	42
Shareholder servicing fees	11
Transfer agent fees	3
Trustee fees	29
Accrued other liabilities	79
Total Liabilities	30,756
Net Assets	\$3,481,104
ANALYSIS OF NET ASSETS:	
Capital stock	\$3,480,987
Accumulated undistributed net investment income	117
Net Assets	\$3,481,104
Net Assets:	
Shares	\$3,350,343
Service Shares	52,432
GFS Shares	78,329
Total Shares Outstanding (no par value, unlimited shares authorized):	
Shares	3,350,252
Service Shares	52,408
GFS Shares	78,326
Net Asset Value, Redemption and Offering Price Per Share:	
Shares	\$1.00
Service Shares	1.00
GFS Shares	1.00

See Notes to the Financial Statements.

STATEMENT OF OPERATIONS

FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011

<i>Amounts in thousands</i>	PRIME OBLIGATIONS PORTFOLIO
INVESTMENT INCOME:	
Interest income	\$10,346
Total Investment Income	10,346
EXPENSES:	
Investment advisory fees	6,683
Administration fees	4,456
Custody and accounting fees	513
Transfer agent fees	41
Registration fees	155
Printing fees	32
Professional fees	96
Shareholder servicing fees	146
Trustee fees	73
Other	136
Total Expenses	12,331
Less waivers of investment advisory fees	(2,227)
Less expenses reimbursed by administrator	(3,238)
Less expenses reimbursed by investment adviser	(209)
Less custodian credits	(1)
Net Expenses	6,656
Net Investment Income	3,690
NET REALIZED GAINS:	
Net realized gains on:	
Investments	150
Net Gains	150
Net Increase in Net Assets Resulting from Operations	\$3,840

See Notes to the Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS

FOR THE FISCAL YEARS ENDED NOVEMBER 30,

Amounts in thousands	PRIME OBLIGATIONS PORTFOLIO	
	2011	2010
OPERATIONS:		
Net investment income	\$3,690	\$7,216
Net realized gains on:		
Investments	150	111
Net Increase in Net Assets Resulting from Operations	3,840	7,327
CAPITAL SHARE TRANSACTIONS:⁽¹⁾		
Net increase (decrease) in net assets resulting from Shares transactions	(1,369,758)	235,860
Net decrease in net assets resulting from Service Shares transactions	(9,090)	(29,693)
Net increase in net assets resulting from GFS Shares transactions	78,326	—
Net Increase (Decrease) in Net Assets Resulting from Capital Share Transactions	(1,300,522)	206,167
DISTRIBUTIONS TO SHARES SHAREHOLDERS:		
From net investment income	(3,778)	(7,226)
Total Distributions to Shares Shareholders	(3,778)	(7,226)
DISTRIBUTIONS TO SERVICE SHARES SHAREHOLDERS:		
From net investment income	(8)	(13)
Total Distributions to Service Shares Shareholders	(8)	(13)
DISTRIBUTIONS TO GFS SHARES SHAREHOLDERS:		
From net investment income	(26)	—
Total Distributions to GFS Shares Shareholders	(26)	—
Total Increase (Decrease) in Net Assets	(1,300,494)	206,255
NET ASSETS:		
Beginning of year	4,781,598	4,575,343
End of year	\$3,481,104	\$4,781,598
Accumulated Undistributed Net Investment Income	\$117	\$89

⁽¹⁾ The number of shares approximates the dollar amount of transactions.

See Notes to the Financial Statements.

FINANCIAL HIGHLIGHTS

PRIME OBLIGATIONS PORTFOLIO		SHARES				
Selected per share data	2011 ⁽¹⁾	2010 ⁽¹⁾	2009 ⁽¹⁾	2008	2007	
Net Asset Value, Beginning of Year	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	
INCOME FROM INVESTMENT OPERATIONS:						
Net investment income	—	—	—	0.03	0.05	
Net realized and unrealized gains (losses)	—	—	—	—	—	
Total from Investment Operations	—	—	—	0.03	0.05	
LESS DISTRIBUTIONS PAID:						
From net investment income	—	—	—	(0.03)	(0.05)	
From net realized gains	—	—	—	—	—	
Total Distributions Paid	—	—	—	(0.03)	(0.05)	
Net Asset Value, End of Year	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	
Total Return⁽²⁾	0.09%	0.15%	0.43%⁽³⁾	2.58%⁽³⁾	5.23%	
SUPPLEMENTAL DATA AND RATIOS:						
Net assets, in thousands, end of year	\$3,350,343	\$4,720,135	\$4,484,188	\$1,873,486	\$4,425,630	
Ratio to average net assets of:						
Expenses, net of waivers, reimbursements and credits	0.15%	0.15%	0.18% ⁽⁴⁾	0.16% ⁽⁵⁾	0.20%	
Expenses, before waivers, reimbursements and credits	0.27%	0.27%	0.31%	0.29%	0.26%	
Net investment income, net of waivers, reimbursements and credits	0.08%	0.15%	0.33%	2.73%	5.11%	
Net investment income (loss), before waivers, reimbursements and credits	(0.04)%	0.03%	0.20%	2.60%	5.05%	

		SERVICE				
Selected per share data	2011 ⁽¹⁾	2010 ⁽¹⁾	2009 ⁽¹⁾	2008	2007	
Net Asset Value, Beginning of Year	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	
INCOME FROM INVESTMENT OPERATIONS:						
Net investment income	—	—	—	0.02	0.05	
Net realized and unrealized gains (losses)	—	—	—	—	—	
Total from Investment Operations	—	—	—	0.02	0.05	
LESS DISTRIBUTIONS PAID:						
From net investment income	—	—	—	(0.02)	(0.05)	
From net realized gains	—	—	—	—	—	
Total Distributions Paid	—	—	—	(0.02)	(0.05)	
Net Asset Value, End of Year	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	
Total Return⁽²⁾	0.02%	0.02%	0.20%⁽³⁾	2.32%⁽³⁾	4.96%	
SUPPLEMENTAL DATA AND RATIOS:						
Net assets, in thousands, end of year	\$52,432	\$61,463	\$91,155	\$127,827	\$167,473	
Ratio to average net assets of:						
Expenses, net of waivers, reimbursements and credits	0.22%	0.28%	0.43% ⁽⁴⁾	0.42% ⁽⁵⁾	0.46%	
Expenses, before waivers, reimbursements and credits	0.53%	0.53%	0.57%	0.55%	0.52%	
Net investment income, net of waivers, reimbursements and credits	0.01%	0.02%	0.08%	2.47%	4.85%	
Net investment income (loss), before waivers, reimbursements and credits	(0.30)%	(0.23)%	(0.06)%	2.34%	4.79%	

⁽¹⁾ Per share amounts from net investment income, net realized and unrealized gains (losses) and distributions from net investment income were less than \$0.01 per share.

⁽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⁾ Without the value of the Capital Support Agreement, the total return would have been 0.67% and 0.31% for the Shares and Service Shares, respectively, for the fiscal year ended November 30, 2009 and 2.30% and 2.06%, for Shares and Service Shares, respectively, for the fiscal year ended November 30, 2008.

⁽⁴⁾ The net expense ratio includes the fee for participation in the U.S. Department of the Treasury's Temporary Guaranty Program (the "Participation Fee") of approximately \$974,000 and \$40,000 for Shares and Service Shares, respectively, which represents 0.03% of average net assets for the fiscal year ended November 30, 2009. Absent the Participation Fee, the net expenses would have been decreased by a corresponding amount.

⁽⁵⁾ The net expense ratio includes the Participation Fee of approximately \$228,000 and \$12,000 for Shares and Service Shares, respectively, which represents 0.01% of average net assets for the fiscal year ended November 30, 2008. Absent the Participation Fee, the net expenses would have been decreased by a corresponding amount.

See Notes to the Financial Statements.

PRIME OBLIGATIONS PORTFOLIO	GFS
Selected per share data	2011 ⁽¹⁾
Net Asset Value, Beginning of Period	\$1.00
INCOME FROM INVESTMENT OPERATIONS:	
Net investment income	—
Net realized gains	—
Total from Investment Operations	—
LESS DISTRIBUTIONS PAID:	
From net investment income	—
From net realized gains	—
Total Distributions Paid	—
Net Asset Value, End of Period	\$1.00
Total Return⁽²⁾	0.03%
SUPPLEMENTAL DATA AND RATIOS:	
Net assets, in thousands, end of period	\$78,329
Ratio to average net assets of: ⁽³⁾	
Expenses, net of waivers and reimbursements	0.15%
Expenses, before waivers and reimbursements	0.27%
Net investment income, net of waivers and reimbursements	0.04%
Net investment loss, before waivers and reimbursements	(0.08)%

⁽¹⁾ For the period May 10, 2011 (commencement of operations) through November 30, 2011. Per share amounts from net investment income, net realized gains and distributions from net investment income were less than \$0.01 per share.

⁽²⁾ Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at net asset value at the end of the period. Total return is not annualized for period less than one year.

⁽³⁾ Annualized for period less than one year.

See Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS

PRIME OBLIGATIONS PORTFOLIO

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
ASSET-BACKED SECURITIES - 0.1%		
Auto Receivables - 0.1%		
Honda Auto Receivables Owner Trust, Series 2011-2, Class A1, 0.25%, 1/25/12	\$2,679	\$2,679
Total Asset-Backed Securities		2,679
(Cost \$2,679)		2,679

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CERTIFICATES OF DEPOSIT - 3.1%		
Non-U.S. Depository Institutions - 3.1%		
National Australia Bank, 0.42%, 1/17/12, FRCD	21,430	21,430
National Bank of Canada, New York Branch, 0.15%, 12/16/11	15,000	15,000
Rabobank Nederland N.V., New York, 0.35%, 12/2/11, FRCD	15,000	15,000
	25,000	25,000
Royal Bank of Canada, New York, 0.40%, 1/9/12, FRCD	17,675	17,675
Westpac Banking Corp., New York, 0.33%, 12/13/11, FRCD	15,000	15,000
	109,105	
Total Certificates of Deposit		109,105
(Cost \$109,105)		109,105

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
COMMERCIAL PAPER - 8.0%		
Foreign Agency and Regional Governments - 2.2%		
Caisse Damortissement De La Dette, 0.34%, 12/5/11	5,000	5,000
	10,000	10,000
KFW, 0.20%, 1/12/12	40,000	39,991
	10,000	9,997
	10,000	9,996
	74,984	
Multi-Seller Conduits - 0.2%		
Fairway Finance Co. LLC, 0.26%, 12/15/11	7,505	7,505
Non-Depository Personal Credit - 2.3%		
General Electric Co., 0.04%, 12/1/11	80,000	80,000
Non-U.S. Depository Institutions - 2.1%		
Commonwealth Bank of Australia, 0.34%, 12/5/11	20,000	20,000

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
COMMERCIAL PAPER - 8.0% continued		
Non-U.S. Depository Institutions - 2.1% continued		
0.35%, 12/5/11	\$10,000	\$10,000
0.36%, 12/5/11	15,000	15,000
0.46%, 2/6/12	10,000	10,000
Oversea-Chinese Banking Corp., 0.25%, 12/21/11	15,000	14,998
0.27%, 12/21/11	3,475	3,474
		73,472

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
Supranational - 0.2%		
European Investment Bank, 0.61%, 5/11/12	5,000	4,986
Technology - 1.0%		
Automatic Data Processing, Inc., 0.06%, 12/14/11	36,130	36,129
Total Commercial Paper		277,076
(Cost \$277,076)		277,076

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CORPORATE NOTES/BONDS - 3.4%		
Foreign Agency and Regional Governments - 1.6%		
Bank of Nederlandse Gemeenten, 0.66%, 2/27/12, FRN ^{(1) (2)}	10,000	10,000
Network Rail Infrastructure Finance PLC, 0.54%, 3/16/12 ⁽²⁾	8,030	8,030
Network Rail Infrastructure Finance PLC, Government Gtd., 0.52%, 10/12/12 ⁽²⁾	10,000	10,000
Royal Bank of Scotland PLC, Government Gtd., 3.00%, 12/9/11 ⁽²⁾	5,000	5,003
	6,855	6,879
	14,410	14,554
	54,466	

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
Non-U.S. Bank - Non-U.S. Government - 0.1%		
Lloyds TSB Bank PLC, Government Gtd., 1.37%, 1/3/12, FRN ⁽²⁾	5,000	5,016
Non-U.S. Depository Institutions - 0.3%		
Australia and New Zealand Bank, 0.64%, 1/23/12, FRN ⁽²⁾	10,000	10,003
Pharmaceuticals - 0.7%		
Pfizer, Inc., 4.45%, 3/15/12	9,760	9,872

See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CORPORATE NOTES/BONDS - 3.4% continued		
Pharmaceuticals - 0.7% continued		
Sanofi-Aventis S.A., 0.41%, 12/28/11, FRN	\$13,375	\$13,375
		23,247
Supranational - 0.7%		
International Bank for Reconstruction & Development, 0.23%, 12/1/11, FRN	25,000	25,000
Total Corporate Notes/Bonds		
(Cost \$117,732)		117,732

EURODOLLAR TIME DEPOSITS - 26.7%		
Non-U.S. Depository Institutions - 22.4%		
Australia and New Zealand Bank, 0.15%, 12/1/11	15,395	15,395
Bank of Nova Scotia, Toronto Branch, 0.08%, 12/1/11	125,000	125,000
Barclays Bank PLC, London Branch, 0.12%, 12/1/11	150,000	150,000
Den Norske Bank, Grand Cayman Branch, 0.08%, 12/1/11	150,000	150,000
HSBC Holdings PLC, London Branch, 0.15%, 12/1/11	15,000	15,000
Lloyds TSB Bank PLC, London Branch, 0.10%, 12/1/11	50,000	50,000
Royal Bank of Scotland PLC, London Branch, 0.12%, 12/1/11	150,000	150,000
Svenska Handelsbanken, Cayman Islands, 0.08%, 12/1/11	125,000	125,000
		780,395
U.S. Depository Institutions - 4.3%		
Chase Bank USA, Grand Cayman, 0.01%, 12/1/11	150,000	150,000
Total Eurodollar Time Deposits		
(Cost \$930,395)		930,395

U.S. GOVERNMENT AGENCIES - 9.0% ⁽³⁾		
Federal Farm Credit Bank - 0.9%		
FFCB FRN, 0.30%, 12/1/11	15,000	14,997
0.19%, 12/20/11	15,000	14,991
		29,988

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
U.S. GOVERNMENT AGENCIES - 9.0% ⁽³⁾ continued		
Federal Home Loan Bank - 5.5%		
FHLB Bonds,		
0.30%, 9/10/12	\$15,000	\$15,000
0.33%, 9/11/12	10,000	10,000
0.35%, 9/18/12	15,000	15,000
0.35%, 10/3/12	10,000	10,000
0.38%, 10/3/12	9,110	9,110
0.35%, 10/5/12	10,000	10,000
0.35%, 11/13/12	10,000	10,000
0.35%, 11/16/12	10,000	10,000
0.30%, 12/7/12	10,000	10,000
0.30%, 12/11/12	10,000	10,000
0.37%, 12/14/12	3,930	3,930
FHLB FRN,		
0.24%, 12/1/11	15,000	15,000
0.25%, 12/1/11	10,000	10,000
0.26%, 12/1/11	30,000	30,000
0.22%, 12/3/11	25,000	25,002
		193,042

Federal Home Loan Mortgage Corporation - 2.0%		
FHLMC Discount Notes,		
0.07%, 2/23/12	25,000	24,996
FHLMC FRN,		
0.22%, 12/1/11	25,000	25,011
0.20%, 12/3/11	10,000	9,995
0.21%, 12/21/11	10,000	9,994
		69,996

Federal National Mortgage Association - 0.6%		
FNMA FRN,		
0.32%, 12/1/11	10,000	9,996
0.24%, 12/12/11	10,000	9,995
		19,991

Total U.S. Government Agencies		
(Cost \$313,017)		313,017

U.S. GOVERNMENT OBLIGATIONS - 17.4%		
U.S. Treasury Bills - 5.7%		
0.01%, 12/1/11	39,155	39,155
0.01%, 12/8/11	100,000	100,000
0.01%, 12/15/11	60,000	60,000
		199,155

U.S. Treasury Notes - 11.7%		
1.13%, 12/15/11	7,000	7,002

See Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS

PRIME OBLIGATIONS PORTFOLIO *continued*

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
U.S. GOVERNMENT OBLIGATIONS - 17.4% <i>continued</i>		
U.S. Treasury Notes - 11.7% <i>continued</i>		
0.88%, 1/31/12	\$30,000	\$30,028
0.88%, 2/29/12	5,000	5,006
4.63%, 2/29/12	50,000	50,550
1.38%, 3/15/12	20,800	20,878
1.00%, 4/30/12	25,000	25,073
1.38%, 5/15/12	25,000	25,148
1.88%, 6/15/12	16,500	16,657
1.50%, 7/15/12	18,000	18,155
0.63%, 7/31/12	29,500	29,594
4.63%, 7/31/12	89,625	92,294
1.75%, 8/15/12	50,700	51,269
4.13%, 8/31/12	35,000	36,040
	407,694	
Total U.S. Government Obligations		
(Cost \$606,849)		606,849
Investments, at Amortized Cost		
		(\$2,356,853)
		2,356,853

REPURCHASE AGREEMENTS - 22.2%		
Joint Repurchase Agreements - 0.7%⁽⁴⁾		
Bank of America Securities LLC, dated 11/30/11, repurchase price \$5,370 (secured by collateral in the amount of \$5,528)		
0.06%, 12/1/11	5,370	5,370
Morgan Stanley & Co., Inc., dated 11/30/11, repurchase price \$5,370 (secured by collateral in the amount of \$5,528)		
0.10%, 12/1/11	5,370	5,370
Societe Generale, New York Branch, dated 11/30/11, repurchase price \$5,370 (secured by collateral in the amount of \$5,528)		
0.10%, 12/1/11	5,370	5,370
UBS Securities LLC, dated 11/30/11, repurchase price \$8,055 (secured by collateral in the amount of \$8,293)		
0.08%, 12/1/11	8,056	8,056
	24,166	
Repurchase Agreements - 21.5%⁽⁵⁾		
Barclays Capital, Inc., dated 11/30/11, repurchase price \$150,000 (secured by collateral in the amount of \$153,000)		
0.10%, 12/1/11	150,000	150,000

REPURCHASE AGREEMENTS - 22.2% <i>continued</i>		
Repurchase Agreements - 21.5%⁽⁵⁾ <i>continued</i>		
Merrill Lynch, Inc., dated 11/30/11, repurchase price \$235,001 (secured by collateral in the amount of \$242,050)		
0.13%, 12/1/11	\$235,000	\$235,000
UBS Securities LLC, dated 11/30/11, repurchase price \$365,001 (secured by collateral in the amount of \$375,950)		
0.14%, 12/1/11	365,000	365,000
		750,000
Total Repurchase Agreements		
(Cost \$774,166)		774,166
Total Investments - 89.9%		
(Cost \$3,131,019)⁽⁶⁾		3,131,019
Other Assets less Liabilities - 10.1%		350,085
NET ASSETS - 100.0%		\$3,481,104

⁽¹⁾ Restricted security has been deemed illiquid. At November 30, 2011, the value of the restricted illiquid security amounted to approximately \$10,000,000 or 0.3% of net assets. Additional information on the restricted illiquid security is as follows:

SECURITY	ACQUISITION AND ENFORCEABLE DATE	ACQUISITION COST (000S)
Bank of Nederlandse Gemeenten, 0.66%, 2/27/12	8/18/11	\$10,000

⁽²⁾ Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. The value of these securities is determined by valuations supplied by a pricing service or brokers, or, if not available, in accordance with procedures established by the Trustees of Northern Institutional Funds.

⁽³⁾ The obligations of certain U.S. Government-sponsored entities are neither issued nor guaranteed by the United States Treasury. On September 7, 2008, the Federal Housing Finance Agency ("FHFA") placed FNMA and FHLMC in conservatorship. The United States Treasury has put in place a set of financing agreements to ensure that these entities continue to meet their obligations to holders of bonds that they have issued or guaranteed.

⁽⁴⁾ The nature and terms of the collateral received for the joint repurchase agreements are as follows:

NAME	FAIR MARKET VALUE (000S)	COUPON RATES	MATURITY DATES
U.S. Treasury Bonds	\$ 5,776	5.00% — 6.25%	8/15/23 — 5/15/37
U.S. Treasury Notes	\$19,101	0.50% — 4.25%	1/15/12 — 11/15/20

⁽⁵⁾ The nature and terms of the collateral received for the repurchase agreements are as follows:

See Notes to the Financial Statements.

NAME	FAIR MARKET VALUE (000S)	COUPON RATES	MATURITY DATES
FNMA	\$446,260	3.50% — 6.00%	4/1/26 — 8/1/41
FHLB	\$ 42,848	1.75% — 4.13%	8/22/12 — 12/13/19
FHLMC	\$281,892	0.00% — 5.00%	4/4/12 — 1/1/41

⁽⁶⁾ The cost for federal income tax purposes was \$3,131,019.

Percentages shown are based on Net Assets.

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

Level 1 - Unadjusted quoted market prices in active markets for identical securities on the measurement date.

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, maturities, ratings 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 and other financial instruments, if any. Following is a summary of the inputs used in valuing the Prime Obligations Portfolio's investments, which are carried at amortized cost, which approximates fair value, as of November 30, 2011:

	LEVEL 1 (000S)	LEVEL 2 (000S)	LEVEL 3 (000S)	TOTAL (000S)
Investments held by Prime Obligations Portfolio	\$ —	\$3,131,019 ⁽¹⁾	\$ —	\$3,131,019

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

The Portfolio discloses significant transfers between levels based on valuations at the end of each reporting period. At November 30, 2011, there were no significant transfers between Level 1 and Level 2 based on levels assigned to the securities on November 30, 2010. GAAP provides additional guidance for estimating fair value when the volume and level of activity for the asset or liability have significantly decreased as well as guidance on identifying circumstances that indicate when a transaction is not orderly.

See Notes to the Financial Statements.

EXPLANATION OF ABBREVIATIONS USED THROUGHOUT THE SCHEDULE OF INVESTMENTS

FFCB Federal Farm Credit Bank

FHLB Federal Home Loan Bank

FHLMC Federal Home Loan Mortgage Corporation

FNMA Federal National Mortgage Association

FRCD Floating Rate Certificates of Deposit

FRN Floating Rate Notes

Gtd. Guaranteed

Interest rates represent either the stated coupon rate, annualized yield on date of purchase for discounted notes, or, for floating rate securities, the current reset rate.

Maturity dates represent either the stated date on the security or the next interest reset/puttable date for floating and variable rate securities.

Interest rates are reset daily and interest is payable monthly with respect to all joint repurchase agreements.

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 includes 20 portfolios as of November 30, 2011, each with its own investment objective (e.g., long-term capital appreciation, total return or income consistent with preservation of capital). The Prime Obligations Portfolio (the “Portfolio”) seeks to maximize current income to the extent consistent with the preservation of capital and maintenance of liquidity by investing exclusively in high-quality money market instruments. Northern Trust Investments, Inc. (“NTI”, formerly known as and conducting business as Northern Trust Investments, N.A.), a subsidiary of The Northern Trust Company (“Northern Trust”), serves as the investment adviser for the Portfolio. Northern Trust serves as the custodian and transfer agent for the Trust. NTI serves as the Trust’s administrator. Northern Funds Distributors, LLC is the Trust’s distributor.

The Portfolio is authorized to offer four classes of shares: Shares, Service Shares, Premier Shares and GFS Shares. Each class is distinguished by the level of administrative, liaison and transfer agent services provided. At November 30, 2011, Shares, Service Shares and GFS Shares were outstanding. Premier Shares are not currently offered to investors.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Portfolio in the preparation of the financial statements. These policies are in conformity with accounting principles generally accepted in the United States of America 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.

The net asset value (“NAV”) of the Portfolio is determined daily as of the close of regular trading on the New York Stock Exchange (“NYSE”), generally 3:00 P.M. Central time, on each day the NYSE is open for trading.

A) VALUATION OF SECURITIES The investments held by the Portfolio are valued at amortized cost, which the investment adviser has determined, pursuant to Board of Trustees’ authorization, approximates fair market value. Under this method, investments purchased at a discount or premium are valued by accreting or amortizing the difference between the original purchase price and maturity value of the issue over the period to maturity.

B) REPURCHASE AGREEMENTS The Portfolio may enter into repurchase agreements under which it purchases securities for cash from a seller and agrees to resell those securities to the same seller within a specified time at a specified price. During the term of a repurchase agreement, the market value of the underlying collateral, including accrued interest, is required to equal or exceed the market value of the repurchase agreement. The underlying collateral for tri-party repurchase agreements is held in accounts for Northern Trust, as agent of the Portfolio, at the Bank of New York or JPMorgan Chase which, in turn, holds securities through the book-entry system at the Federal Reserve Bank of New York. The underlying collateral for other repurchase agreements is held in a customer-only account for Northern Trust, as custodian for the Portfolio, at the Federal Reserve Bank of Chicago. The Portfolio is subject to credit risk on repurchase agreements to the extent that the counterparty fails to perform under the agreement and the value of the collateral received falls below the agreed repurchase price.

Pursuant to exemptive relief granted by the Securities and Exchange Commission (“SEC”), the Portfolio and other portfolios of the Trust may enter into joint repurchase agreements with non-affiliated counterparties through a master repurchase agreement with Northern Trust. NTI administers and manages these repurchase agreements in accordance with and as part of its duties under its investment advisory agreement with the Portfolio and does not collect any additional fees from the Portfolio for such services. The Portfolio has entered into such joint repurchase agreements at November 30, 2011, as reflected in its accompanying Schedule of Investments.

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

D) 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 the portfolios in the Trust in proportion to each portfolio’s relative net assets.

E) DISTRIBUTIONS TO SHAREHOLDERS The Portfolio’s net investment income is declared daily and paid monthly. Net realized short-term capital gains, if any, in excess of net capital loss carryforwards, are declared and paid at least annually.

Distributions of net investment income with respect to a calendar month (including with respect to shares redeemed at any time during the month) are made as soon as practicable

following the end of the month. Distributions are made by the Portfolio to Northern Trust in cash or automatically reinvested in additional shares of the Portfolio. Northern Trust has undertaken to credit or arrange for the crediting of such distributions to each shareholder's account with Northern Trust, its affiliates or its correspondents. The Portfolio may periodically make reclassifications among certain of its capital accounts to reflect differences between financial reporting and federal income tax basis distributions. These reclassifications were reported in order to reflect the tax treatment for certain permanent differences that exist between income tax regulations and GAAP. These reclassifications may relate to net operating losses, expired capital loss carryforwards, and gain or loss on in-kind transactions. These reclassifications have no impact on the net assets or the net asset value of the Portfolio. At November 30, 2011, the Portfolio reclassified approximately \$150,000 of undistributed net investment income and \$(150,000) of accumulated undistributed net realized 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 of 1986, as amended, applicable to regulated investment companies and to distribute, each year, substantially all of its taxable income and tax-exempt income to its shareholders.

The Regulated Investment Company Modernization Act of 2010 (the "Act") was enacted on December 22, 2010. The Act makes changes to several tax rules affecting the Portfolio. In general, the provisions of the Act will be effective for the Portfolio's fiscal year ending November 30, 2012. Although the Act provides several benefits, including the unlimited carryover of future capital losses, there may be a greater likelihood that all or a portion of a Portfolio's pre-enactment capital loss carryovers may expire without being utilized due to the fact that post-enactment capital losses are utilized before pre-enactment capital loss carryovers. Relevant information regarding the impact of the Act on the Portfolio, if any, will be contained within the "Federal Income Taxes" section of the financial statement notes for the fiscal year ending November 30, 2012.

At November 30, 2011, the tax component of undistributed net investment income and realized gains, including amounts declared but not yet paid for federal income tax purposes, was as follows:

<i>Amount in thousands</i>	UNDISTRIBUTED ORDINARY INCOME*
Prime Obligations	\$203

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

The tax character of distributions paid during the fiscal years ended November 30, 2011 and 2010 was as follows:

<i>Amounts in thousands</i>	DISTRIBUTED FROM ORDINARY INCOME*	
	2011	2010
Prime Obligations	\$4,313	\$7,264

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

As of November 30, 2011, 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, 2007 through November 30, 2010 remain subject to examination by the Internal Revenue Service. Any interest or penalties incurred on future unknown, uncertain tax positions taken by the Portfolio will be recorded as interest expense on the Statement of Operations.

3. ADVISORY, TRANSFER AGENCY AND CUSTODIAN AGREEMENTS

As compensation for advisory services and assumption of related expenses, the investment adviser is entitled to receive an advisory fee, computed daily and payable monthly, at an annual rate of 0.15 percent of the Portfolio's average daily net assets. The investment adviser has contractually agreed to waive 0.05 percent of the advisory fees charged to the Portfolio. The contractual waiver arrangement is expected to continue until at least April 1, 2012. After this date, the investment adviser or the Portfolio may terminate the contractual arrangement. The Board of Trustees may terminate the contractual arrangement at any time with respect to the Portfolio if it determines that it is in the best interest of the Portfolio and its shareholders. The effect of this waiver by the investment adviser for the fiscal year ended November 30, 2011, is reflected as "Less waivers of investment advisory fees" in the accompanying Statement of Operations.

As compensation for the services rendered as the transfer agent, including the assumption of the expenses related thereto, Northern Trust receives a fee, accrued daily and payable monthly, at the following annual rates: (a) \$18 for each subaccount relating to the Shares Class and GFS Shares Class of the Portfolio; (b) 0.01 percent of the average daily net asset value of the outstanding Service Shares Class of the Portfolio; and (c) 0.02 percent of the average daily net asset value of the outstanding Premier Shares Class of the Portfolio.

Class-specific transfer agent fees for the fiscal year ended November 30, 2011, were as follows:

<i>Amounts in thousands</i>	SHARES	SERVICE SHARES	GFS SHARES
Prime Obligations	\$35	\$6	\$-

Certain amounts of transfer agent fees were reimbursed to the Portfolio by the investment adviser. For further information, please refer to Note 5.

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 offset 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 are shown as "Less custodian credits" in the Statement of Operations.

4. ADMINISTRATION, DISTRIBUTION AND OTHER AGREEMENTS

NTI, as Administrator, is entitled to an administration fee from the Portfolio at the annual rate of 0.10 percent of the average daily net assets of the Portfolio. Under the Administration Agreement with the Trust, which may be amended by the Trust's Board of Trustees without shareholder approval, NTI, as Administrator, has agreed to reimburse expenses (including fees payable to NTI for its services as Administrator, but excluding investment advisory fees and related waivers, transfer agency fees, service agent fees, taxes, interest and other extraordinary expenses) ("Expenses") that exceed on an annualized basis 0.10 percent of the Portfolio's average daily net assets. In addition, NTI as Administrator has contractually agreed through at least April 1, 2012 to reimburse an additional portion of the Portfolio's Expenses so that the Portfolio's Expenses do not exceed 0.05 percent of its average daily net assets.

The expenses reimbursed during the fiscal year ended November 30, 2011, under such agreements are shown as "Less expenses reimbursed by administrator" in the accompanying Statement of Operations. The expense reimbursement receivable at November 30, 2011, is \$277,000 and is shown as part of "Receivable from affiliates for expense reimbursements" on the accompanying Statement of Assets and Liabilities. The expense reimbursement is payable monthly by NTI as Administrator.

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.

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. 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 shares of the Diversified Assets Portfolio of the Trust and/or Global Tactical Asset Allocation Fund of Northern Funds and/or at the discretion of the Trust, another money market fund selected by the Trust that complies with the provisions of Rule 2a-7 under the 1940 Act or one or more short-term fixed-income instruments selected by the Trust that are "eligible securities" as defined by that rule. 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. ADDITIONAL EXPENSE REIMBURSEMENT

In order to avoid a negative yield, the investment adviser may reimburse class-specific and portfolio level expenses of the Portfolio, as necessary. Any such expense reimbursement would be voluntary and could be implemented, increased or decreased or discontinued at any time. During the fiscal year ended November 30, 2011, the investment adviser reimbursed class-specific and portfolio level expenses, including certain amounts of advisory, administrative, transfer agent, shareholder servicing fees and other expenses in order to avoid a negative yield, for the Portfolio. Portfolio level expenses reimbursed by the investment adviser were allocated among the share classes in proportion to the relative net assets of each class. The amounts reimbursed by the investment adviser are shown as "Less expenses reimbursed by investment adviser" in the Statement of Operations. The amounts outstanding at November 30, 2011, were \$41,000 and are included as part of "Receivable from affiliates for expense reimbursements" in the Statement of Assets and Liabilities. Any such reimbursement is paid monthly to the Portfolio by the investment adviser.

6. SERVICE PLAN

The Trust has adopted a Service Plan pursuant to which the Trust may enter into agreements with Northern Trust, its affiliates or other institutions under which they will render certain administrative support services and in some cases, personal and account maintenance services for their customers or investors who beneficially own Service Shares and Premier Shares. As

compensation under the Service Plan, the institution or other financial intermediary receives a fee at an annual rate of up to 0.25 percent and 0.50 percent of the average daily net asset value of the outstanding Service Shares and Premier Shares, respectively. The shareholder servicing fees are included in the Statement of Operations.

Certain amounts of shareholder servicing fees were reimbursed to the portfolio by the investment adviser. For further information, please refer to Note 5.

7. BANK BORROWINGS

Prior to December 9, 2010, the Trust had 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 was dependant on the type of loan. For base rate loans, the interest rate was 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 was the sum of the applicable margin (0.75 percent) and the LIBOR then in effect. For an Interbank Offered Rate (“IBOR”) loan, the interest rate was the sum of the applicable margin (0.75 percent) and the IBOR then in effect. In addition, there was 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 expenses on the Statement of Operations.

Effective December 9, 2010, the Trust entered into a \$150,000,000 senior unsecured revolving credit facility administered by JPMorgan Chase Bank, N.A., for liquidity and other purposes (the “Credit Facility”). The interest rate charged under the New Credit Facility is equal to the sum of (i) the Federal Funds Rate plus (ii) if the one month LIBOR on the date of borrowing exceeds the Federal Funds Rate, the amount by which it so exceeds, plus (iii) 1.25 percent. In addition there is an annual commitment fee of 10 basis points on the unused portion of the credit line under the Credit Facility, payable quarterly in arrears, which is included in Other expenses on the Statement of Operations.

At a meeting held on November 4, 2011, the Board of Trustees of Northern Institutional Funds approved an agreement that modified the Credit Facility (as so modified, the “New Credit Facility”). The interest rate charged under the New Credit Facility will be equal to the sum of (i) the Federal Funds Rate plus (ii) if the one month LIBOR on the date of borrowing exceeds such Federal Funds Rate, the amount by which it so exceeds, plus (iii) 1.00 percent. In addition, there will be an annual commitment fee of 8 basis points on the unused portion of the credit line under the New Credit Facility, payable quarterly

in arrears. The New Credit Facility is anticipated to go into effect on December 1, 2011 and will expire on November 29, 2012, unless renewed.

At November 30, 2011, the Portfolio did not have any outstanding loans. The Portfolio did not incur any interest expense for the fiscal year ended November 30, 2011.

8 CAPITAL SHARE TRANSACTIONS

Transactions in Shares for the fiscal year ended November 30, 2011, were as follows:

Amounts in thousands*	PROCEEDS FROM		PAYMENTS FOR SHARES REDEEMED	NET INCREASE (DECREASE) IN NET ASSETS
	SHARES SOLD	REINVESTMENT OF DIVIDENDS		
Shares	\$20,886,307	\$1,162	\$(22,257,227)	\$(1,369,758)
Service Shares	158,536	–	(167,626)	(9,090)
GFS Shares	631,271	–	(552,945)	78,326

* The number of shares sold, reinvested and redeemed approximates the dollar amount of transactions.

Transactions in capital shares for the fiscal year ended November 30, 2010, were as follows:

Amounts in thousands*	PROCEEDS FROM		PAYMENTS FOR SHARES REDEEMED	NET INCREASE (DECREASE) IN NET ASSETS
	SHARES SOLD	REINVESTMENT OF DIVIDENDS		
Shares	\$26,819,586	\$1,304	\$(26,585,030)	\$235,860
Service Shares	188,585	–	(218,278)	(29,693)

* The number of shares sold, reinvested and redeemed approximates the dollar amount of transactions.

9. CAPITAL SUPPORT AGREEMENT AND AFFILIATED TRANSACTIONS

Effective February 21, 2008, and subsequently amended on July 15, 2008, September 29, 2008 and February 24, 2009, Northern Trust Corporation (the “Corporation”) entered into a Capital Support Agreement (“CSA”) with the Trust on behalf of the Portfolio.

Although it was not obligated to do so, the Corporation entered into the CSA in order to provide stability to the Portfolio and investors in the Portfolio. The Corporation did not receive any consideration from the Portfolio. Under the CSA, the Corporation committed to provide capital to the Portfolio in the event that the Portfolio realized a loss on the Whistlejacket Capital LLC Security (the “Security”). The Portfolio was required to promptly sell the Security upon the earlier of (i) any change in the Corporation’s short term credit ratings such that the Corporation’s

obligations no longer qualified as First Tier Securities under Rule 2a-7, or (ii) on the business day immediately prior to November 6, 2009. In addition, the Board of Trustees had the right, at its option, to cause the Portfolio to sell the Security at any time if it determined that the maximum amount under the CSA, reduced by any capital contributions previously made under the CSA to the Portfolio, was insufficient.

On June 25, 2009, the Portfolio sold the remaining position in the Security held in the Portfolio, realizing a loss on the sale. Pursuant to the CSA, the Corporation made an actual capital contribution payment to the Portfolio representing the loss incurred on the sale of the Security, meeting its contractual obligation under the CSA. On June 25, 2009, upon the sale of the Security, the CSA terminated.

On November 25, 2011, an affiliate of NTI purchased from the Portfolio all of the notes issued by Eksportfinans A/S that were held by the Portfolio for approximately \$19,404,000. This transaction was effected pursuant to Rule 17a-9 under the 1940 Act, which permits an affiliate to purchase a security from a money market fund if that security is no longer an Eligible Security pursuant to Rule 2a-7 under the 1940 Act. Eksportfinans A/S was not an Eligible Security at the time of the transaction. This transaction resulted in no gain or loss to the Portfolio.

10. INDEMNIFICATIONS AND WARRANTIES

In the ordinary course of their business, the Portfolio may enter into contracts or agreements that contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Portfolio. The maximum exposure to the Portfolio under these provisions is unknown, as this would involve future claims that have not yet occurred. However, the Portfolio has not had prior claims or losses pursuant to these contracts and believe the risk of loss to be remote.

11. NEW ACCOUNTING PRONOUNCEMENTS

On April 15, 2011, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2011-03, *Transfers and Servicing (Topic 860): Reconsideration of Effective Control for Repurchase Agreements* (“ASU No. 2011-03”). The guidance in ASU No. 2011-03 is intended to improve the accounting for repurchase agreements and other similar agreements. Specifically, ASU No. 2011-03 modifies the criteria for

determining when these transactions would be accounted for as financings (secured borrowings/lending agreements) as opposed to sales (purchases) with commitments to repurchase (resell). The effective date of ASU No. 2011-03 is for interim and annual periods beginning on or after December 15, 2011. At this time, management is evaluating the implications of this guidance and the impact it will have on the financial statement amounts or footnote disclosures, if any.

On May 12, 2011, the FASB issued ASU No. 2011-04, *Fair Value Measurement: Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs* (“ASU 2011-04”) modifying Accounting Standard’s Codification (“ASC”) 820. At the same time, the International Accounting Standards Board (“IASB”) issued International Financial Reporting Standard (“IFRS”) 13, *Fair Value Measurement*. The objective by the FASB and IASB is convergence of their guidance on fair value measurements and disclosures. Specifically, ASU 2011-04 requires reporting entities to disclose i) the amounts of any transfers between Level 1 and Level 2, and the reasons for the transfers, ii) for Level 3 fair value measurements, a) quantitative information about significant unobservable inputs used, b) a description of the valuation processes used by the reporting entity and c) a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in those inputs might result in a significantly higher or lower fair value measurement. The effective date of ASU 2011-04 is for interim and annual reporting periods beginning after December 15, 2011. At this time, management is evaluating the implications of this requirement and the impact it will have to the Portfolio’s financial statement disclosures.

12. SUBSEQUENT EVENTS

At a meeting held on November 4, 2011, the Board of Trustees of Northern Institutional Funds approved the suspension of the Portfolio’s Service Shares servicing fee payments to be effective January 1, 2012.

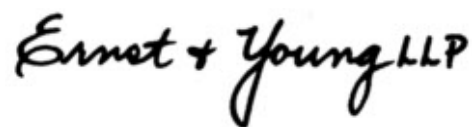
Management has evaluated subsequent events for the Portfolio through the date the financial statements were issued, and has concluded, other than the item noted above, that there are no recognized or non-recognized subsequent events relevant for financial statement disclosure.

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 Prime Obligations Portfolio (the "Portfolio") of the Northern Institutional Funds as of November 30, 2011, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the 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 included confirmation of securities owned as of November 30, 2011, 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 Prime Obligations Portfolio at November 30, 2011, 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 the 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 letters are fluid and connected, with a prominent 'E' and 'Y'.

Chicago, Illinois
January 19, 2012

The American Jobs Creation Act (Sec. 871 (k)) allows a regulated investment company to designate interest related dividends and qualified short-term capital gains that are exempt from U.S. withholding taxes for foreign investors, not considered a U.S. person, for tax years beginning after December 31, 2004 and before January 1, 2012. The Trust has designated 100% of the Portfolio's income as Qualified Interest Income (QII) for the fiscal year ended November 30, 2011.

The Portfolio designates the maximum amount required to distribute Long-Term capital gain under IRC 852(b)(2)(3).

As a shareholder of the Portfolio, you incur ongoing costs, including advisory fees 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, 2011 through November 30, 2011.

ACTUAL EXPENSES

The first line of the table 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 6/1/11 - 11/30/11" to estimate the expenses you paid on your account during this period.

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

The second line in the table 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. As a shareholder of the Portfolio, you do not incur 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.

PRIME OBLIGATIONS

SHARES	EXPENSE RATIO	BEGINNING ACCOUNT VALUE 6/1/2011	ENDING ACCOUNT VALUE 11/30/2011	EXPENSES PAID* 6/1/11 - 11/30/11
Actual	0.15%	\$1,000.00	\$1,000.20	\$0.75
Hypothetical	0.15%	\$1,000.00	\$1,024.32	\$0.76**
SERVICE SHARES				
Actual	0.18%	\$1,000.00	\$1,000.10	\$0.90
Hypothetical	0.18%	\$1,000.00	\$1,024.17	\$0.91**
GFS SHARES				
Actual	0.15%	\$1,000.00	\$1,000.20	\$0.75
Hypothetical	0.15%	\$1,000.00	\$1,024.32	\$0.76**

* Expenses are calculated using the Portfolio's annualized expense ratios, which represent ongoing expenses as a percentage of net assets for the fiscal year ended November 30, 2011. Expenses are calculated by multiplying the annualized expense ratio by the average account value over 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, 2011 (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 64 portfolios in the Northern Funds Complex—Northern Funds offers 44 portfolios and Northern Institutional Funds offers 20 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: 68 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 1998; • Trustee of DePaul University from 1998 to 2009; • Director of Sears Roebuck & Co. (a retail company) from 2003 to 2005; • Director of Andrew Corporation (a communications product company) from 2006 to 2008. 	<ul style="list-style-type: none"> • Arthur J. Gallagher & Co. (an insurance brokerage company).
Edward J. Condon, Jr. Age: 71 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. (a financial adviser) since 1996; • Founding Member and Director of the Illinois Venture Capital Association since 2001; • 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 Board of Advisors of AAVIN Equity Partners (a private equity firm) since 2005; • Member of the National Advisory Board of National Domestic Violence Hotline since 2005; • Member of the Board of Directors at LightBridge Healthcare Research Inc. (a healthcare-related educational materials provider) since 2006; • Member of Advisory Board of Lextech Global Services (a systems engineering services company) since 2009; • Private Equity Administrator of Illinois Technology Development Account from 2003 to 2006; • Member of Advisory Council of Northwestern Brain Tumor Institute since 2010; • Chairman of ViMedicus, Inc. (a healthcare-related educational material provider) since 2010. 	<ul style="list-style-type: none"> • None
Sharon Gist Gilliam Age: 68 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: 67 Trustee since 1997	<ul style="list-style-type: none"> • Chair and CEO of Polk Bros. Foundation (an Illinois not-for-profit corporation) since 1993; • Director of National Public Finance Guarantee Corporation (f/k/a MBIA Insurance Corp. of Illinois) (a municipal bond insurance company) since 1994; • Trustee of Rush University Medical Center. 	<ul style="list-style-type: none"> • None

* Ms. Skinner and Mr. Potter each oversee a total of 57 portfolios in the Northern Funds Complex—37 portfolios offered by Northern Funds and 20 offered by Northern Institutional Funds.

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⁾
Michael H. Moskow Age: 73 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; • Director of Education Corporation of America since 2008; • Chairman of the Japan America Society of Chicago since 2009; • Former Chairman and Current Member of the Board of Directors, National Bureau of Economic Research from 1978 to 1991, and since 1993; • Member of the Board of Trustees of the Northwestern Memorial Foundation from 2004 to 2010; • Member of the Board of Directors of the Civic Consulting Alliance since 2002; • Member of the Board of Directors of the Chicago Workforce Investment Council (f/k/a Chicago LEADS Civic Advisory Board) since 2009; • Member of the Board of Directors of The Chicago Council on Global Affairs since 1995; • Member of the Board of Directors of the Council on Foreign Relations from 1998 to 2008; • Member of the Board of Trustees of Lafayette College since 1996; • Member of the Board of Directors of the National Futures Association since 2010. 	<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).
Mary Jacobs Skinner, Esq. Age: 54 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: 72 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: 68 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; • Advisor, G.D. Searle Family Trusts from 2010 to present. 	<ul style="list-style-type: none"> • GATX Corporation (transportation services); • Spirit Finance Corporation (real estate investment trust) (2003-2008).

NOVEMBER 30, 2011 (UNAUDITED)

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: 54 Trustee since 2008	<ul style="list-style-type: none"> • Director of The Northern Trust Company of Connecticut (f/k/a Northern Trust Global Advisors, Inc.) since May 2008; • Chairman of Northern Trust Investments, Inc. 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; • Executive Vice President of Northern Trust Corporation since October 2003; • Chairman and Chief Executive Officer of Northern Trust Global Services, Ltd. from 2003 to 2008; • 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. 	• None

- (1) Each Trustee may be contacted by writing to the Trustee, c/o Diana E. McCarthy, Drinker Biddle & Reath LLP, One Logan Square, Suite 2000, 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-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: 54 50 South LaSalle Street Chicago, IL 60603 President since 2000	<ul style="list-style-type: none"> • Executive Vice President since 2003 and Director since 2001 of Northern Trust Investments, Inc.; Executive Vice President and other positions at The Northern Trust Company and Managing Executive, Mutual Funds for Northern Trust Global Investments since 1994; Director, The Northern Trust Company of Connecticut since August 2006; President and Director of Northern Trust Securities, Inc. from 1997 to 2009.
Eric K. Schweitzer Age: 50 50 South LaSalle Street Chicago, IL 60603 Vice President since 2000	<ul style="list-style-type: none"> • Senior Vice President at Northern Trust Investments, Inc. since 2001; Senior Vice President at The Northern Trust Company since 2000.

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

<p>Susan J. Hill Age: 55 50 South LaSalle Street Chicago, IL 60603 Chief Compliance Officer since 2004</p>	<ul style="list-style-type: none"> Chief Compliance Officer of The Northern Trust Company of Connecticut since 2007; Chief Compliance Officer of Northern Trust Global Advisors, Inc. since 2007; Chief Compliance Officer of Northern Trust Investments, Inc. since 2005; Senior Vice President of Northern Trust Investments, Inc. since 2005; Vice President of Northern Trust Investments, Inc. and The Northern Trust Company from 2000 to 2004.
<p>Darlene Chappell Age: 48 50 South LaSalle Street Chicago, IL 60603 Anti-Money Laundering Compliance Officer since May 2009</p>	<ul style="list-style-type: none"> Anti-Money Laundering Compliance Officer for Northern Trust Investments, Inc., Northern Trust Securities, 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.
<p>Randal Rein Age: 41 50 South LaSalle Street Chicago, IL 60603 Treasurer since 2008</p>	<ul style="list-style-type: none"> Senior Vice President of Northern Trust Investments, Inc. since 2010 and Senior Vice President of Fund Administration of The Northern Trust Company through 2010; Vice President of Fund Administration of The Northern Trust Company from 2007 to 2010; Second Vice President of Fund Administration of The Northern Trust Company from 2002 to 2007.
<p>Michael Prysycz Age: 44 50 South LaSalle Street Chicago, IL 60603 Assistant Treasurer since 2008</p>	<ul style="list-style-type: none"> Senior Vice President of Fund Accounting of The Northern Trust Company since 2010; Vice President of Fund Accounting of The Northern Trust Company from 2005 to 2010; Second Vice President of Fund Accounting of The Northern Trust Company from 2000 to 2005.
<p>Richard Crabill Age: 43 50 South LaSalle Street Chicago, IL 60603 Assistant Treasurer since 2008</p>	<ul style="list-style-type: none"> Senior Vice President of Fund Administration of The Northern Trust Company since 2011; Vice President of Fund Administration of The Northern Trust Company from 2005 to 2011; Second Vice President of Fund Administration of The Northern Trust Company from 2002 to 2005.
<p>Michael Meehan Age: 41 50 South LaSalle Street Chicago, IL 60603 Assistant Treasurer since 2011</p>	<ul style="list-style-type: none"> Vice President of Northern Trust Investments, Inc. since 2011; Vice President of Fund Administration of The Northern Trust Company from 2009 to 2011; Second Vice President of Fund Administration of The Northern Trust Company from 2008 to 2009; and Officer of Fund Administration of The Northern Trust Company from 2005 to 2008.
<p>Craig R. Carberry, Esq. Age: 51 50 South LaSalle Street Chicago, IL 60603 Secretary since 2010</p>	<ul style="list-style-type: none"> Senior Counsel at The Northern Trust Company since May 2000; Secretary of Northern Trust Investments, Inc. since 2000; Secretary of NT Alpha Strategies Fund since 2004; Secretary of Northern Trust Global Advisors, Inc. since 2007; Secretary of The Northern Trust Company of Connecticut since 2009; Secretary of NETS Trust from 2008 to 2009.

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

Owen T. Meacham, Esq.
Age: 40
50 South LaSalle Street
Chicago, IL 60603
Assistant Secretary
since 2008

- Senior Vice President and Senior Regulatory Administration Attorney of The Northern Trust Company since 2011; Vice President and Senior Regulatory Administration Attorney of The Northern Trust Company from 2007 to 2011; Vice President and Product Strategy and Development Manager of ABN AMRO Asset Management from 2005 to 2007.

Jose J. Del Real, Esq.
Age: 34
50 South LaSalle Street
Chicago, IL 60603
Assistant Secretary
since 2011

- Vice President and Regulatory Administration Attorney of The Northern Trust Company since 2011; Second Vice President and Regulatory Administration Attorney of The Northern Trust Company from 2010 to 2011; and Associate at the law firm of Vedder Price P.C. from 2006 to 2010.

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

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INDEX DEFINITIONS

PRIME OBLIGATIONS PORTFOLIO¹ ¹ **iMoneyNet Fund Average™ — First Tier Institutional** category includes only non-government institutional portfolios that also are not holding any second tier securities. Portfolio holdings of first tier portfolios include U.S. Treasury, U.S. other, repos, time deposits, domestic bank obligations, foreign bank obligations, first tier commercial paper, floating rate notes and asset-backed commercial paper. It is not possible to invest directly in an index.

FOR MORE INFORMATION

PORTFOLIO HOLDINGS

Northern Institutional Funds files its complete schedule of portfolio holdings with the 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 Portfolio'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.

PROTECTING YOUR PRIVACY

Protecting your privacy is important at Northern Institutional Funds, which is why we wanted you to know:

- We do not sell non-public personal information about our investors or former investors to any outside company.
- We have policies that limit access to your information to only those people who need it to perform their jobs and provide services to you, and we have physical, electronic and procedural safeguards that comply with federal standards to guard your personal information.
- We collect information about you from applications, forms, conversations and your use of our Web site; third parties with your permission; and your transactions with us, our affiliates and our joint marketing partners.
- We do not disclose the information we collect about our investors or former investors to anyone, except to companies that perform services for us, affiliates with whom we have joint marketing agreements such as Northern Trust, (1) for our everyday purposes, such as to process transactions, maintain accounts, respond to court orders and legal investigations or report to credit bureaus or (2) as permitted by law.
- The information includes account balances and account history. You may limit our use or sharing of information about you with our affiliates and joint marketing partners for marketing purposes by calling 800-637-1380 weekdays from 7:00 a.m. to 7:00 p.m. Central time, or by writing to us at Northern Institutional Funds, P.O. Box 75986, Chicago, IL 60675-5986.

If our information sharing practices change, we will send you a revised notice. You can also visit our Web site, northernfunds.com/institutional, for an online version of our current privacy notice.

Effective November 4, 2011

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800-637-1380
NORTHERNFUNDS.COM/INSTITUTIONAL



Managed by
Northern Trust