JUN2010

NORTHERN INSTITUTIONAL MUNICIPAL PORTFOLIO

CREDIT RATING

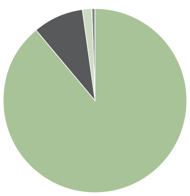
STANDARD AND POOR'S	AAAm
NAIC	Listed

PORTFOLIO ASSETS: $4.8 BILLION

7-DAY CURRENT YIELD

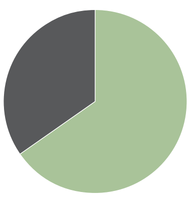
SHARES	0.15 %

PORTFOLIO COMPOSITION (%)



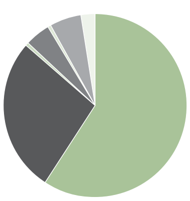
VARIABLE RATE NOTE/BOND	89.2
FIXED RATE NOTE/BOND	8.8
COMMERCIAL PAPER	1.8
OTHER	0.2

QUALITY COMPOSITION (%)



A1+ (short term)	65.3
A1 (short term)	34.7

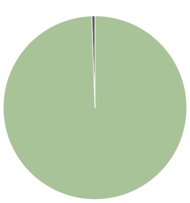
MATURITY ANALYSIS (%)



OVERNIGHT (1 BUS. DAY)	59.3
2 - 15 DAYS	27.3
31 - 60 DAYS	0.5
61 - 97 DAYS	4.5
98 - 180 DAYS	0.4
181 - 270 DAYS	5.5
271 DAYS - 1 YEAR	2.5

EFFECTIVE AVERAGE MATURITY: 26 DAYS

SECTOR DISTRIBUTION (%)



MUNICIPAL	99.8
OTHER	0.2

INVESTMENT OBJECTIVE

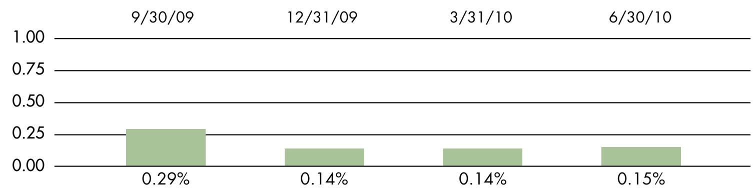
The Portfolio seeks to provide, to the extent consistent with the preservation of capital, a high level of income exempt from regular federal income tax by investing primarily in municipal instruments. The Portfolio seeks to achieve its objective by investing primarily in high-quality, short-term municipal instruments.

PORTFOLIO FEATURES

- Top ratings from Standard & Poor's highlight the Portfolio's high credit quality and relative safety — this Portfolio is also on the National Association of Insurance Commissioners (NAIC) list of Class 1 money market mutual funds
- Income is exempt from regular federal income tax
- The Portfolio may be attractive for investors in higher tax brackets as the Portfolio's taxable equivalent yield may exceed the yields of taxable funds
- The Portfolio may also include higher yielding securities subject to the federal Alternative Minimum Tax (AMT); to the extent that it invests in AMT obligations, investors who are not subject to the AMT may potentially enjoy higher, non-taxable income

7-DAY CURRENT YIELD HISTORY (Shares class)

QUARTER END



MONTH END

2009						2010					
JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
0.44	0.31	0.29	0.14	0.13	0.14	0.05	0.05	0.14	0.16	0.20	0.15

TOTAL RETURNS (as of June 30, 2010)

1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION
0.17%	1.43%	2.11%	1.97%	2.07%

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 by calling 800-637-1380.

The Advisor has agreed to reimburse certain expenses of the Portfolio. The contractual reimbursement arrangement is expected to continue until at least April 1, 2011. After this date, the contractual arrangements may be terminated if it is determined to be in the best interest of the Portfolio and its shareholders. In the absence of fee waivers, yield, total return, growth since inception and dividends would have been reduced. Total return is based on net change in NAV assuming reinvestment of distributions. The 7-day current yield more closely reflects the current earnings of the Portfolio than the total returns. The Portfolio also includes voluntary fee waivers that may change or end at any time. *The 7-day current yield would have been 0.03%.*

An investment in the Portfolio is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Portfolio seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the Portfolio.

NORTHERN INSTITUTIONAL FUNDS®

Managed by Northern Trust

NOT FDIC INSURED	May lose value/No bank guarantee

PORTFOLIO STATISTICS

INCEPTION DATE:	December 1, 1999
TICKER SYMBOL:	NMUXX
CUSIP:	665278248
MINIMUM INVESTMENT:	$5 million
CUT OFF TIME – PURCHASES:	1:00 P.M. CT
CUT OFF TIME – REDEMPTIONS:	1:00 P.M. CT

TOP TEN HOLDINGS

Company	*% of Net Assets*
NEW YORK LIBERTY DEV CORP REV	3.8%
STATE OF TEXAS REV	1.8%
METRO TRANS AUTH NY TRANS REV TECP	1.6%
ILLINOIS ST TOLL HWY AUTH TOLL HWY REV	1.2%
KATY TX INDEPENDANT SCHOOL DIST	1.1%
ILLINOIS FINANCE AUTHORITY REV	1.1%
DISTRICT OF COLUMBIA G.O.	1.0%
STATE OF CONNECTICUT G.O.	1.0%
STATE OF MICHIGAN G.O.	1.0%
OAK FOREST IL REV SERIES 1989	1.0%
TOTAL % OF PORTFOLIO:	14.6%

PORTFOLIO MANAGER

NAME: Kurt Stoeber
YEARS OF INVESTMENT EXPERIENCE: 21
AREA OF RESPONSIBILITY: Portfolio Manager in the Short Duration Fixed Income Management Group of Northern Trust Global Investments
EDUCATION: B.S., Illinois State University; MBA, University of Illinois at Chicago

PORTFOLIO MANAGER COMMENTARY

The month of June was seasonally a strong month of issuance in the short duration municipal market. The municipal "notes season" was in full swing throughout June, adding new supply of fixed-rate tax and revenue anticipation notes. We selectively purchased top-tier municipal notes in order to lock in tax-exempt returns at attractive historical tax-exempt/taxable ratios. We maintained fund liquidity by purchasing dailies and weeklies variable rate demand notes, most with credit enhancement.

ANNUAL EXPENSE RATIOS (Shares class)

NET EXPENSE RATIO*	0.20%	GROSS EXPENSE RATIO	0.32%

*Includes contractual expense reimbursements that, if not extended, will end on April 1, 2011.

- Shares of the Northern Institutional Funds are offered only by a current Prospectus and are intended solely for persons to whom shares of U.S. registered funds may be sold. This material shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of shares of the Northern Institutional Funds in any jurisdiction in which such offer, solicitation or sale would be unlawful.
- 7-day current yields are based on the relation between the fund's net asset value per share on the date indicated and the annualization of the fund's net dividend income for the 7 days ended on the date indicated. The yields shown do not include capital gains and may, therefore, differ slightly from the actual distribution rate.
- Credit ratings are as of June 30, 2010 and subject to change. AAA rating by Standard & Poor's is obtained after S&P evaluates a number of factors, including credit quality, market price, exposure and management. This fund is on the National Association of Insurance Commissioners list of Class 1 money market mutual funds. Inclusion on the NAIC list is the result of an accounting measure involving the fund's underlying investments, and does not constitute an assessment of quality. The NAIC listing does not represent an endorsement or recommendation of the overall fund.
- The fund is a managed portfolio and its holdings are subject to change.
- The holdings percentages are based on net assets at the close of business on June 30, 2010 and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes.
- The gross expense ratio is as reported in the most recent prospectus.

northerninstitutionalfunds.com

CALL YOUR NORTHERN TRUST RELATIONSHIP MANAGER or the Northern Institutional Funds center at **800-637-1380** for more complete information, including a prospectus. Please carefully read the prospectus and summary prospectus and consider the investment objectives, risks, charges and expenses of Northern Institutional Funds before investing. Call **800-637-1380** to obtain a prospectus and summary prospectus, which contains this and other information about the funds.

NORTHERN® INSTITUTIONAL FUNDS

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