

Northern Institutional TAX-EXEMPT PORTFOLIO

DEC2011

BTEXX/MONEY MARKET

Portfolio Assets: \$1.2 Billion

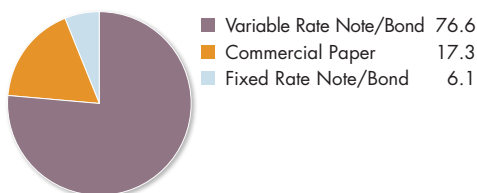
7-Day Current Yield

Shares 0.01%

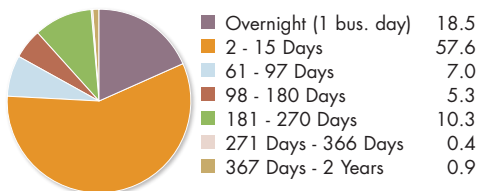
Quality Distribution (%)

Tier 1 100.0

Security Distribution (%)

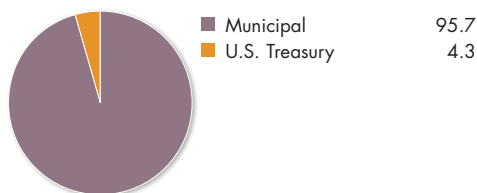


Maturity Distribution (%)



Weighted Average Maturity: 46 days
Weighted Average Life: 46 days

Sector Distribution (%)



All distribution calculations (Quality Distribution, Security Distribution, Maturity Distribution and Sector Distribution) are measured on a trade date basis and exclude uninvested cash from the market value used to compute the percentage calculations.

INVESTMENT OBJECTIVE

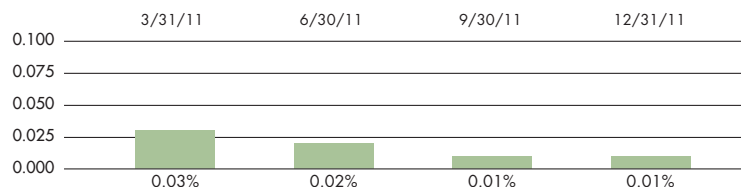
The Portfolio seeks to provide, to the extent consistent with the preservation of capital, a high level of income exempt from regular federal income tax by investing primarily in municipal instruments. The Portfolio seeks to achieve its objective by investing primarily in high-quality, short-term municipal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

PORTFOLIO FEATURES

- 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 will generally refrain from purchasing Alternative Minimum Tax (AMT) obligations; however, it may invest in them modestly under certain market conditions

7-day Current Yield History (Shares class)

QUARTER END



MONTH END

2011											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
0.04	0.03	0.03	0.03	0.03	0.02	0.02	0.01	0.01	0.01	0.01	0.01

Total Returns (as of December 31, 2011)

1-Year	3-Years	5-Years	10-Years	Since Inception
0.02%	0.11%	1.12%	1.38%	3.08%

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, 2012. 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 -0.24%.*

An investment in the Portfolio is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental 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.



Managed by
Northern Trust

NOT FDIC INSURED

May lose value/No bank guarantee

Portfolio Statistics

Inception Date:	August 12, 1983
Ticker Symbol:	BTEXT
CUSIP:	665278875
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
Texas St	5.3%
Treasury Note	4.3%
New Jersey St	2.6%
Wisconsin St	1.9%
Montgomery Cnty PA GO	1.5%
Bucks Cnty PA Incl Dev Auth Hosp Rev	1.4%
Mississippi Business Fin Comm	1.4%
Indiana Hlth Fac Auth Rev	1.4%
Los Angeles CA Wtr & Pwr Rev	1.3%
Port Arthur TX Nav Dist Envir Rev	1.3%
Total % of Portfolio:	22.4%

PORTFOLIO MANAGER



KURT STOEBER | Began career in 1991
With Northern Trust since 2000

Mr. Stoeber received a B.S. in finance from Illinois State University and an MBA in finance from the University of Illinois at Chicago.

PORTFOLIO MANAGER COMMENTARY

As we moved through the month of December, and towards year-end, the U.S. markets began to decouple from the European sovereign debt concerns. Here in the U.S., the markets were heartened by reports of strong holiday sales and a gradual improvement in the jobs picture. In Europe, the European Central Bank took steps that the markets felt were constructive, causing yields for European sovereigns to stabilize. The Northern Institutional Tax-Exempt Portfolio continued to see cash inflows as investors sought the relative safety of municipal credit exposure. We put new cash to work by purchasing municipal variable rate notes in an effort to maintain our liquidity as we moved towards year-end. During December we continued to purchase treasuries when suitable top-tier municipal investments were not available.

Annual Expense Ratios (Shares class)

Net Expense Ratio*	0.35%	Gross Expense Ratio	0.37%
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*Includes contractual expense reimbursements that, if not extended, will end on April 1, 2012.

- 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.
- 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 December 31, 2011 and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes.
- Quality Distribution is determined as follows: A Tier 1 asset (or the issuer of the asset does not have short-term rating) is classified when any two of the nationally recognized statistical rating agencies have given it a rating in its top rating category (this includes A1+ and A1 for Standard & Poor's as well as F1+ and F1 for Fitch). If only one short-term rating is available, the Tier is determined by the one agency. If there are one or fewer top ratings from the agencies and the rest are in the second tier (A2, P2 or F2) then the asset falls into Tier 2. Note a split rating (A1/P2) is considered Tier 2, as it does not meet the definition for Tier 1.
- The gross expense ratio is as reported in the most recent prospectus.
- The Maturity Distribution data is measured using the lower of the stated maturity date or next interest rate reset date. The weighted average maturity (WAM) of a money market portfolio is the asset-weighted days until maturity of each security in the portfolio. The days until maturity for WAM are calculated using the lower of the stated maturity date or next interest rate reset date. The weighted average life (WAL) of a money market portfolio is the asset-weighted days until maturity of each security in the portfolio. The days to maturity for WAL are calculated using the lower of the stated maturity date or demand feature date.

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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.



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