

NORTHERN INSTITUTIONAL FUNDS SMALL COMPANY INDEX PORTFOLIO

Investment Objective

The Small Company Index Portfolio seeks to provide investment results approximating the aggregate price and dividend performance of the securities included in the Russell 2000® Index.

What It Invests In

Under normal circumstances, the Portfolio will invest substantially all (and at least 80%) of its net assets in the equity securities included in the Russell 2000 Index, in weightings that approximate the relative composition of securities contained in the Russell 2000 Index and in Russell 2000 Index futures approved by the Commodity Futures Trading Commission.

The Portfolio is passively managed, which means it tries to duplicate the investment composition and performance of the Russell 2000 Index by using computer programs and statistical procedures. As a result, the investment management team does not use traditional methods of investment management for the Portfolio, such as selecting securities on the basis of economic, financial and market analysis. Rather, the investment management team will buy and sell securities in response to changes in the Russell 2000 Index. Because the Portfolio will have fees and transaction expenses (while the Russell 2000 Index has none), returns are likely to be below those of the Russell 2000 Index.

The Investment Adviser expects that, under normal circumstances, the quarterly performance of the Portfolio, before expenses, will track the performance of the Russell 2000 Index within a 0.95 correlation coefficient.

Russell 2000® Index is an unmanaged index which measures the performance of the 2,000 smallest companies in the Russell 3000® Index based on market capitalization. It is not possible to invest directly in an index.

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

Index Fund Risk: The performance of the Portfolio is expected to be lower than that of its benchmark because of Portfolio fees and expenses. It is important to remember that there are risks associated with index investing, including the potential risk of market decline, as well as the risks associated with investing in specific companies.

Small Cap Risk: Small-capitalization funds typically carry additional risks since smaller companies generally have a higher risk of failure. Their stocks are subject to a greater degree of volatility, trade in lower volume and may be less liquid.

Beta: Beta represents the systematic risk of a portfolio and measures its sensitivity to a benchmark.

Dividends, if any, are declared and paid annually. Capital gains, if any, will be distributed at least annually.

***Includes contractual expense reimbursements that, if not extended, will end on April 1, 2012.**

PORTFOLIO CHARACTERISTICS as of September 30, 2011

Inception Date:	January 11, 1993
Index:	Russell 2000® Index
Ticker:	BSCAX
Total Net Assets:	\$64 Million
Number of Holdings:	1,978
Asset Allocation:	Stocks 96.6% Cash 3.4 100.0%
Gross Expense Ratio:	0.63%
Net Expense Ratio*:	0.31%
Beta:	1.00

TEN LARGEST FUND HOLDINGS (2.8% of Portfolio)

	% of Fund
NETLOGIC MICROSYSTEMS INC	0.3 %
HOME PROPERTIES INC	0.3
NATIONAL RETAIL PROPERTIES INC	0.3
AMERICAN CAMPUS COMMUNITIES INC	0.3
NICOR INC	0.3
JACK HENRY & ASSOCIATES INC	0.3
MFA FINANCIAL INC	0.3
HEALTHSPRING INC	0.3
CEPHEID	0.2
CLEAN HARBORS INC	0.2

STOCK DISTRIBUTION BY SECTOR

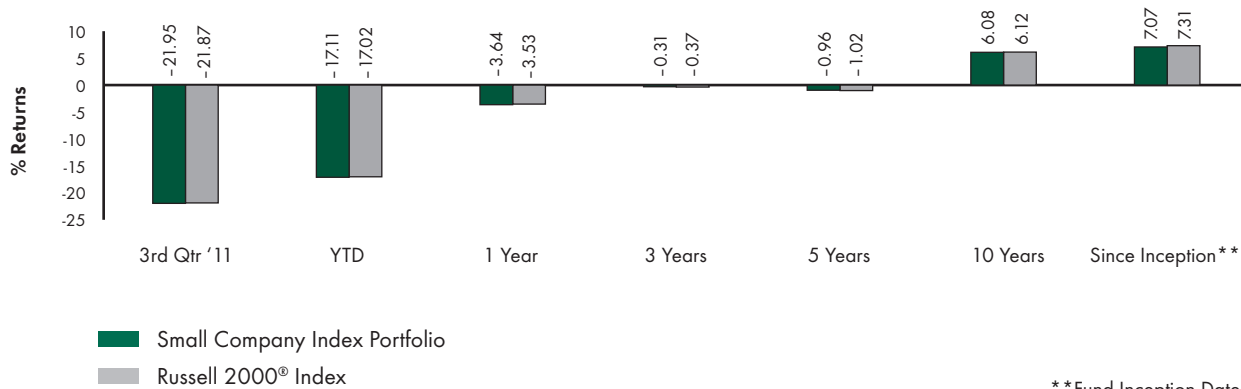
	% of Fund
FINANCIALS	22.2 %
INFORMATION TECHNOLOGY	17.2
INDUSTRIALS	15.1
CONSUMER DISCRETIONARY	13.1
HEALTH CARE	12.9
ENERGY	6.2
MATERIALS	4.5
UTILITIES	4.0
CONSUMER STAPLES	3.8
TELECOMMUNICATION SERVICES	1.0
	100.0 %



Managed by
Northern Trust

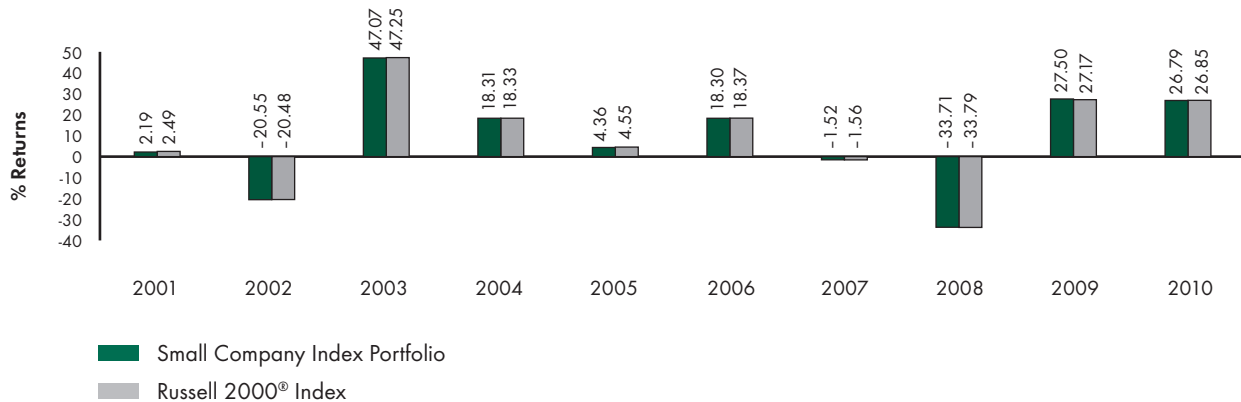
NORTHERN INSTITUTIONAL SMALL COMPANY INDEX PORTFOLIO – CLASS A

Trailing Total Returns for Periods Ended 9/30/11



**Fund Inception Date: 1/11/1993

Annual Total Returns for Periods Ended 12/31



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

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, yields, total return, growth since inception and dividends would have been reduced. Total return is based on net change in NAV assuming reinvestment of distributions.

All data is as of date indicated and subject to change.

Please carefully read the prospectus and summary prospectus and consider the investment objectives, risks, charges and expenses of Northern Funds and 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 Funds and Northern Institutional Funds are distributed by Northern Funds Distributors, LLC, not affiliated with Northern Trust.



Managed by
Northern Trust

NOT FDIC INSURED

May lose value/No bank guarantee