

**NORTHERN INSTITUTIONAL FUNDS**  
LIQUID ASSETS PORTFOLIO

**ANNUAL REPORT**

NOVEMBER 30, 2016





## TABLE OF CONTENTS

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

*You could lose money by investing in the Portfolio. Although the Portfolio seeks to preserve the value of your investment at \$1.00 per share, the Portfolio cannot guarantee it will do so. An investment in the Portfolio is not a deposit of the bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation ("FDIC"), any other government agency, or The Northern Trust Company, its affiliates, subsidiaries or any other bank. The Portfolio's sponsor has no legal obligation to provide financial support to the Portfolio, and you should not expect that the sponsor will provide financial support to the Portfolio at any time.*

Northern Institutional Funds are distributed by Northern Funds Distributors, LLC, Three Canal Plaza, Suite 100, Portland, Maine 04101, not affiliated with Northern Trust.

NOT FDIC INSURED

May lose value/No bank guarantee

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

**PORTFOLIO MANAGEMENT COMMENTARY**

Following the U.S. Federal Reserve's last short-term rate increase in December 2015, market participants correctly anticipated the U.S. Federal Reserve's rate hike at the December 2016 meeting. Throughout the 12-month period ended November 30, 2016, the year was eventful for the markets. After Donald Trump was elected president and Republicans maintained control of Congress, fixed-income securities sold off and interest rates rose across the yield curve, as the markets expected that higher growth rates would stimulate increases in inflation. In addition, back in June 2016, the "Brexit" vote shocked markets as the "Leave camp" pulled out a narrow victory. Due to uncertainty regarding the future of the U.K. and of the European Union, U.S. Treasuries rallied as investors sought a safe haven. In addition, many investors seeking higher yields flocked to U.S. Treasuries in light of the negative yields that many parts of Europe and Japan were offering.

Generally in the industry, prime and municipal money market fund assets shrank dramatically during the 12-month period ended November 30, 2016, in response to the October 14, 2016 deadline for implementing money market fund reform. Outflows surged during the third quarter and right up to the October 14, 2016 deadline. Across the money market fund industry, prime and municipal money market funds experienced withdrawals of over \$1 trillion, with nearly all of the assets transferred into government money market funds. As a result, both one- and three-month LIBOR rates rose as credit spreads widened due to decreased demand for short-term credit instruments. Eventually, credit spreads compressed, however, as LIBOR remained elevated due in part to anticipation of the December 2016 U.S. Federal Reserve interest rate hike.

For its most recent fiscal year ended November 30, 2016, the Liquid Asset Portfolio posted a 0.46% return compared with the 0.27% return of its benchmark, iMoneyNet™ Fund Average — First Tier Institutional. As of November 30, 2016 the Portfolio's 7-day current yield was 0.38%. We have maintained a neutral to long duration for the Portfolio relative to its benchmark. Liquidity and principal preservation remain our primary objectives.

**ADDITIONAL INFORMATION**

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, 2016. Current 7-Day Yield more closely reflects the current earnings of the Portfolio than the total return. Performance reflects contractual fee waivers and voluntary expense reimbursements in effect. In their absence, performance may be reduced. Performance data current to the most recent month-end is available at [northerntrust.com/liquidassets](http://northerntrust.com/liquidassets).

*Investment in the Portfolio is 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 in the Portfolio.*

**MATURITY ANALYSIS**

At November 30, 2016, the maturity analysis for the Liquid Assets Portfolio as a percentage of investments was:

MATURITY	%
OVERNIGHT (1 BUSINESS DAY)	46.5%
2 - 15 DAYS	18.1
16 - 30 DAYS	12.6
61 - 97 DAYS	5.5
98 - 180 DAYS	5.0
181 - 270 DAYS	7.3
271 - 366 DAYS	5.0

## STATEMENT OF ASSETS AND LIABILITIES

NOVEMBER 30, 2016

	LIQUID ASSETS PORTFOLIO
<i>Amounts in thousands, except per share data</i>	
<b>ASSETS:</b>	
Investments, at amortized cost, which approximates fair value	\$1,653,820
Repurchase agreements, at cost, which approximates fair value	1,358,117
Cash	64
Interest income receivable	901
Receivable for fund shares sold	16,166
Receivable from affiliates for expense reimbursements	266
Prepaid and other assets	27
<b>Total Assets</b>	<b>3,029,361</b>
<b>LIABILITIES:</b>	
Payable for securities purchased	16,230
Distributions payable to shareholders	848
Payable to affiliates:	
Management fees	212
Custody fees	26
Transfer agent fees	32
Trustee fees	14
Accrued other liabilities	29
<b>Total Liabilities</b>	<b>17,391</b>
<b>Net Assets</b>	<b>\$3,011,970</b>
<b>ANALYSIS OF NET ASSETS:</b>	
Capital stock	\$3,011,473
Accumulated undistributed net investment income	497
<b>Net Assets</b>	<b>\$3,011,970</b>
<b>Total Shares Outstanding (no par value, unlimited shares authorized)</b>	<b>3,011,472</b>
<b>Net Asset Value, Redemption and Offering Price Per Share</b>	<b>\$1.00</b>

See Notes to the Financial Statements.

## STATEMENT OF OPERATIONS

FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2016

<i>Amounts in thousands</i>	LIQUID ASSETS PORTFOLIO
INVESTMENT INCOME:	
Interest income	\$22,990
Income from affiliates (Note 5)	18
Total Investment Income	23,008
EXPENSES:	
Management fees	4,625
Custody fees	524
Transfer agent fees	694
Printing fees	25
Professional fees	125
Trustee fees	88
Other	83
Total Expenses	6,164
Less expenses contractually reimbursed by investment adviser	(4,628)
Less custodian credits	(19)
Net Expenses	1,517
<b>Net Investment Income</b>	<b>21,491</b>
NET REALIZED GAINS:	
Net realized gains on:	
Investments	496
Net Gains	496
<b>Net Increase in Net Assets Resulting from Operations</b>	<b>\$21,987</b>

See Notes to the Financial Statements.

## STATEMENT OF CHANGES IN NET ASSETS

FOR THE FISCAL YEARS ENDED NOVEMBER 30,

Amounts in thousands	LIQUID ASSETS PORTFOLIO	
	2016	2015
<b>OPERATIONS:</b>		
Net investment income	\$21,491	\$8,000
Net realized gains	496	90
Net increase from payment by affiliate (Note 5)	—	565
<b>Net Increase in Net Assets Resulting from Operations</b>	<b>21,987</b>	<b>8,655</b>
<b>CAPITAL SHARE TRANSACTIONS:<sup>(1)</sup></b>		
Net increase (decrease) in net assets resulting from capital share transactions	(2,862,148)	4,003,745
<b>Net Increase (Decrease) in Net Assets Resulting from Capital Share Transactions</b>	<b>(2,862,148)</b>	<b>4,003,745</b>
<b>DISTRIBUTIONS PAID:</b>		
From net investment income	(21,505)	(8,000)
From net realized gains	(1)	—
<b>Total Distributions Paid</b>	<b>(21,506)</b>	<b>(8,000)</b>
<b>Total Increase (Decrease) in Net Assets</b>	<b>(2,861,667)</b>	<b>4,004,400</b>
<b>NET ASSETS:</b>		
Beginning of year	5,873,637	1,869,237
End of year	\$3,011,970	\$5,873,637
<b>Accumulated Undistributed Net Investment Income</b>	<b>\$497</b>	<b>\$14</b>

<sup>(1)</sup> The number of shares approximates the dollar amount of transactions.

See Notes to the Financial Statements.

## FINANCIAL HIGHLIGHTS

FOR THE FISCAL YEARS ENDED NOVEMBER 30,

LIQUID ASSETS PORTFOLIO					
Selected per share data	2016	2015	2014	2013	2012
<b>Net Asset Value, Beginning of Year</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>
INCOME FROM INVESTMENT OPERATIONS:					
Net investment income <sup>(1)</sup>	—	—	—	—	—
Net realized gains (losses) <sup>(1)</sup>	—	—	—	—	—
Net increase from payment by affiliate (Note 5)	—	— <sup>(2)</sup>	—	—	—
Total from Investment Operations	—	—	—	—	—
LESS DISTRIBUTIONS PAID:					
From net investment income <sup>(1)</sup>	—	—	—	—	—
From net realized gains	— <sup>(3)</sup>	—	—	—	—
Total Distributions Paid	—	—	—	—	—
Net Asset Value, End of Year	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
<b>Total Return<sup>(4)</sup></b>	<b>0.46%</b>	<b>0.19%</b>	<b>0.08%</b>	<b>0.11%</b>	<b>0.12%</b>
SUPPLEMENTAL DATA AND RATIOS:					
Net assets, in thousands, end of year	\$3,011,970	\$5,873,637	\$1,869,237	\$1,689,402	\$1,279,777
Ratio to average net assets of:					
Expenses, net of waivers, reimbursements and credits	0.03%	0.03%	0.09%	0.10%	0.10%
Expenses, before waivers, reimbursements and credits	0.13%	0.13%	0.27%	0.37%	0.37%
Net investment income, net of waivers, reimbursements and credits	0.46%	0.20%	0.08%	0.10%	0.12%
Net investment income (loss), before waivers, reimbursements and credits	0.36%	0.10%	(0.10)%	(0.17)%	(0.15)%

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

<sup>(2)</sup> Per share amount from net increase from payment by affiliate was less than \$0.01 per share.

<sup>(3)</sup> Per share amount from distributions paid from net realized gains were less than \$0.01 per share.

<sup>(4)</sup> 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.

See Notes to the Financial Statements.

## LIQUID ASSETS PORTFOLIO

NOVEMBER 30, 2016

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
<b>U.S. GOVERNMENT AGENCIES – 21.4%</b> <sup>(1)</sup>		
<b>Federal Farm Credit Bank – 3.0%</b>		
FFCB Notes,		
0.53%, 12/2/16 <sup>(2)</sup>	\$10,000	\$10,000
0.55%, 12/13/16 <sup>(2)</sup>	5,000	4,999
0.56%, 12/19/16 <sup>(3)</sup>	9,000	9,000
0.60%, 12/22/16 <sup>(2)</sup>	52,000	51,977
0.63%, 12/29/16 <sup>(2)</sup>	5,000	5,000
0.62%, 12/30/16 <sup>(2)</sup>	11,000	11,000
	<b>91,976</b>	
<b>Federal Home Loan Bank – 16.4%</b>		
FHLB Discount Notes,		
0.28%, 12/1/16 <sup>(4)</sup>	100,000	100,000
0.60%, 12/14/16 <sup>(4)</sup>	59,000	58,987
0.53%, 2/10/17 <sup>(4)</sup>	40,400	40,358
0.53%, 2/15/17 <sup>(4)</sup>	25,000	24,972
0.55%, 3/24/17 <sup>(4)</sup>	30,000	29,948
0.66%, 5/23/17 <sup>(4)</sup>	25,000	24,922
FHLB Notes,		
0.68%, 12/1/16 <sup>(3)</sup>	50,000	50,000
0.60%, 12/7/16 <sup>(2)</sup>	10,000	9,999
0.83%, 12/11/16 <sup>(2)</sup>	10,000	10,000
0.64%, 12/17/16 <sup>(2)</sup>	10,000	10,000
0.58%, 12/27/16 <sup>(2)</sup>	50,000	50,000
0.68%, 12/27/16 <sup>(2)</sup>	10,000	10,000
0.82%, 2/8/17 <sup>(3)</sup>	15,000	15,000
0.75%, 2/13/17 <sup>(3)</sup>	20,000	20,000
0.81%, 2/27/17 <sup>(3)</sup>	40,000	40,000
	<b>494,186</b>	
<b>Federal Home Loan Mortgage Corporation – 1.8%</b>		
FHLMC Discount Note,		
0.53%, 2/15/17 <sup>(4)</sup>	25,000	24,972
FHLMC Note,		
0.64%, 12/27/16 <sup>(2)</sup>	30,000	29,998
	<b>54,970</b>	
<b>Federal National Mortgage Association – 0.2%</b>		
FNMA Note,		
0.54%, 12/5/16 <sup>(2)</sup>	5,000	4,999
<b>Total U.S. Government Agencies</b>		<b>646,131</b>
<b>(Cost \$646,131)</b>		
<b>U.S. GOVERNMENT OBLIGATIONS – 33.5%</b>		
<b>U.S. Treasury Bills – 20.1%</b>		
0.30%, 12/15/16 <sup>(4)</sup>	250,000	249,971

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
<b>U.S. GOVERNMENT OBLIGATIONS – 33.5%</b> <i>continued</i>		
<b>U.S. Treasury Bills – 20.1%</b> <i>continued</i>		
0.29%, 12/22/16 <sup>(4)</sup>	\$200,000	\$199,963
0.50%, 3/23/17 <sup>(4)</sup>	50,000	49,923
0.61%, 4/27/17 <sup>(4)</sup>	25,000	24,938
0.59%, 8/17/17 <sup>(4)</sup>	25,000	24,895
0.69%, 10/12/17 <sup>(4)</sup>	15,000	14,910
0.68%, 11/9/17 <sup>(4)</sup>	20,000	19,872
0.72%, 11/9/17 <sup>(4)</sup>	20,000	19,866
	<b>604,338</b>	
<b>U.S. Treasury Floating Rate Notes – 3.1%</b>		
0.66%, 12/6/16 <sup>(2)</sup>	22,000	21,995
0.68%, 12/6/16 <sup>(2)</sup>	31,000	31,030
0.76%, 12/6/16 <sup>(2)</sup>	40,000	40,022
	<b>93,047</b>	
<b>U.S. Treasury Notes – 10.3%</b>		
0.50%, 4/30/17	20,000	19,995
0.75%, 6/30/17	95,000	95,068
0.88%, 8/15/17	100,000	100,183
0.63%, 8/31/17	20,000	19,997
0.88%, 10/15/17	45,000	45,052
0.75%, 10/31/17	10,000	10,005
0.88%, 11/15/17	20,000	20,004
	<b>310,304</b>	
<b>Total U.S. Government Obligations</b>		
<b>(Cost \$1,007,689)</b>		<b>1,007,689</b>
<b>Investments, at Amortized Cost</b>		
<b>( \$1,653,820)</b>		<b>1,653,820</b>
<b>REPURCHASE AGREEMENTS – 45.1%</b>		
<b>Joint Repurchase Agreements – 1.7%</b> <sup>(5) (6)</sup>		
Bank of America Securities LLC, dated 11/30/16, repurchase price \$24,783		
0.27%, 12/7/16	24,781	24,781
Societe Generale, New York Branch, dated 11/30/16, repurchase price \$24,783		
0.26%, 12/7/16	24,782	24,782
	<b>49,563</b>	
<b>Repurchase Agreements – 43.4%</b> <sup>(7)</sup>		
Bank of America N.A., dated 11/30/16, repurchase price \$255,002		
0.28%, 12/1/16	255,000	255,000

See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
<b>REPURCHASE AGREEMENTS - 45.1% <i>continued</i></b>		
<b>Repurchase Agreements – 43.4% <sup>(7)</sup> <i>continued</i></b>		
BNP Paribas S.A., dated 11/3/16, repurchase price \$60,019 0.34%, 12/6/16	\$60,000	\$60,000
BNP Paribas S.A., dated 11/30/16, repurchase price \$125,001 0.27%, 12/1/16	125,000	125,000
Citigroup Global Markets, Inc., dated 11/30/16, repurchase price \$138,555 0.26%, 12/1/16	138,554	138,554
HSBC Securities (USA), Inc., dated 11/30/16, repurchase price \$310,002 0.27%, 12/1/16	310,000	310,000
JPMorgan Securities LLC, dated 11/30/16, repurchase price \$310,002 0.28%, 12/1/16	310,000	310,000
Societe Generale, New York Branch, dated 11/29/16, repurchase price \$110,006 0.29%, 12/6/16	110,000	110,000
	<b>1,308,554</b>	
<b>Total Repurchase Agreements</b>		<b>1,358,117</b>
<b>(Cost \$1,358,117)</b>		<b>1,358,117</b>
<b>Total Investments – 100.0%</b>		
<b>(Cost \$3,011,937)<sup>(8)</sup></b>		<b>3,011,937</b>
Other Assets less Liabilities – 0.0%		33
<b>NET ASSETS – 100.0%</b>		<b>\$3,011,970</b>

<sup>(1)</sup> The obligations of certain U.S. government-sponsored entities are neither issued nor guaranteed by the United States Treasury.

<sup>(2)</sup> Variable rate security. Rate as of November 30, 2016 is disclosed. Maturity date represents the next interest reset date. The security's legal final maturity date is longer than the reset date. Securities with longer maturity dates have a greater sensitivity to changes in liquidity and/or credit risk.

<sup>(3)</sup> Variable rate security. Rate as of November 30, 2016 is disclosed.

<sup>(4)</sup> Discount rate at the time of purchase.

<sup>(5)</sup> Interest rates are reset daily and interest is payable monthly.

<sup>(6)</sup> The nature and terms of the collateral received for the joint repurchase agreements are as follows:

NAME	FAIR VALUE (000S)	COUPON RATES	MATURITY DATES
U.S. Treasury Notes	\$50,581	0.13%	4/15/17 – 4/15/19

<sup>(7)</sup> The nature and terms of the collateral received for the repurchase agreements are as follows:

NAME	FAIR VALUE (000S)	COUPON RATES	MATURITY DATES
FHLMC	\$302,978	3.50% – 4.50%	4/1/26 – 12/1/46
FNMA	\$711,578	2.00% – 7.50%	6/1/18 – 12/1/46
U.S. Treasury Bonds	\$143,174	8.13%	8/15/19 – 11/15/45
U.S. Treasury Notes	\$188,237	0.13% – 2.38%	3/15/18 – 8/15/25
<b>Total</b>	<b>\$1,345,967</b>		

<sup>(8)</sup> The cost for federal income tax purposes was approximately \$3,011,937,000

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. The following table summarizes the valuation of the Portfolio's investments, which are carried at amortized cost, or at cost for repurchase agreements, which approximates fair value, by the above fair value hierarchy as of November 30, 2016:

	LEVEL 1 (000S)	LEVEL 2 (000S)	LEVEL 3 (000S)	TOTAL (000S)
Investments held by Liquid Assets Portfolio <sup>(1)</sup>	\$—	\$3,011,937	\$—	\$3,011,937

<sup>(1)</sup> Classifications as defined in the Schedule of Investments.

The Portfolio discloses all transfers between levels based on valuations at the end of each reporting period. At November 30, 2016, there were no transfers between Level 1, Level 2 or Level 3 classification based on levels assigned to the securities on November 30, 2015.

EXPLANATION OF ABBREVIATIONS AND ACRONYMS 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

See Notes to the Financial Statements.

## 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 7 portfolios as of November 30, 2016, each with its own investment objective (e.g., income consistent with preservation of capital).

Northern Trust Investments, Inc. (“NTI”), a subsidiary of The Northern Trust Company (“Northern Trust”), serves as the investment adviser and administrator for the Liquid Assets Portfolio (the “Portfolio”). See Note 8 for a discussion of how the Portfolio operates following recent amendments to Securities and Exchange Commission (“SEC”) rules governing money market portfolios. Northern Trust serves as the sub-administrator, custodian and transfer agent for the Trust. Northern Funds Distributors, LLC is the Trust’s distributor.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The Trust, which is an investment company within the scope of Financial Accounting Standards Board (“FASB”) Accounting Standards Update 2013-08, follows accounting and reporting guidance under FASB Accounting Standards Codification Topic 946, *Financial Services-Investment Companies*.

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

**A) VALUATION OF SECURITIES** The investments held by the Portfolio are valued at amortized cost, which NTI, as authorized by the Board of Trustees of the Trust (the “Board”), has determined approximates fair 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 effective maturity.

If NTI has determined that amortized cost does not approximate fair value, such securities are fair valued in accordance with policies and procedures established by, and subject to oversight of, the Board. NTI has established a pricing and valuation committee (the “Asset Management PVC”) whose membership includes representatives of NTI. The Asset Management PVC is responsible for the fair valuation of portfolio securities and the monitoring of the fair valuation process, subject to the Board’s oversight.

The Asset Management PVC is responsible for making the determination of the fair value of a security. In making its determination, the Asset Management PVC considers factors that it deems appropriate to the determination of the fair value of the security. Such factors include, but are not limited to: the type of security; the current financial position of the issuer; the cost of the investment; information as to any transaction or offers with respect to a security; market value of a similar freely-traded security; and news events. NTI will continue to monitor markets and the issuer’s circumstances that affect a security’s valuation to determine the continued appropriateness of a security’s fair valuation. The Asset Management PVC will review if the markets and issuer’s circumstances relevant to the valuation of a fair valued security change materially.

For each Level 3 security, if any, that has been fair valued pursuant to the policies adopted by the Board, the fair value price is compared against the last available and next available market quotations. The results of such back testing of fair valued securities are reported quarterly to the Valuation Committee of the Board.

**B) REPURCHASE AGREEMENTS** The Portfolio may enter into repurchase agreements under the terms of a master repurchase agreement by which it purchases securities for cash from a seller and agrees to resell those securities to the same seller at a specific price within a specified time or with an indefinite life and a liquidity feature which allows the Portfolio to resell the security quarterly. The interest rate on such repurchase agreements resets daily. During the term of a repurchase agreement, the fair value of the underlying collateral, including accrued interest, is required to equal or exceed the fair value of the repurchase agreement. The underlying collateral for tri-party repurchase agreements is held in accounts for Northern Trust (and is not reflected in the assets of the Portfolio) 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. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of collateral by the Portfolio may be delayed or limited. The Portfolio has entered into such repurchase agreements at November 30, 2016, as reflected in its accompanying Schedule of Investments.

Pursuant to exemptive relief granted by the SEC, the Portfolio and certain other money market portfolios advised by NTI and Northern Trust may enter into joint repurchase agreements with non-affiliated counterparties through a master repurchase agreement. NTI administers and manages these joint repurchase agreements in accordance with and as part of its duties under its

NOTES TO THE FINANCIAL STATEMENTS *continued*

management 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, 2016, as reflected in its accompanying Schedule of Investments.

The Portfolio may enter into transactions subject to enforceable netting arrangements (“netting arrangements”) under a repurchase agreement. Generally, netting arrangements allow the Portfolio to offset any exposure to a specific counterparty with any collateral received from or delivered to that counterparty. In addition, a repurchase agreement provides the right for the

non-defaulting party to liquidate the collateral and calculate the net exposure to the defaulting party or request additional collateral. Generally, the Portfolio manages its cash collateral and securities collateral on a counterparty basis. As of November 30, 2016, the Portfolio was not invested in any portfolio securities other than the repurchase agreements described below, with gross exposures on the Statement of Assets and Liabilities, that could be netted subject to netting arrangements.

The following table presents the repurchase agreements, which are subject to netting arrangements, as well as the collateral delivered related to those repurchase agreements.

<i>Amounts in thousands</i>	COUNTERPARTY	GROSS AMOUNTS OF ASSETS PRESENTED IN STATEMENT OF ASSETS AND LIABILITIES	GROSS AMOUNTS NOT OFFSET IN THE STATEMENT OF ASSETS AND LIABILITIES	
			FINANCIAL INSTRUMENTS	NET AMOUNT*
Liquid Assets	Bank of America	\$ 279,781	\$ (279,781)	\$ –
	BNP Paribas	185,000	(185,000)	–
	Citigroup	138,554	(138,554)	–
	HSBC Securities	310,000	(310,000)	–
	JPMorgan	310,000	(310,000)	–
	Societe Generale	134,782	(134,782)	–
	Total	\$1,358,117	\$(1,358,117)	\$ –

\* *Collateral received is reflected up to the fair value of the repurchase agreement. Refer to the 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.

**D) EXPENSES** The Portfolio is charged for those expenses that are directly attributable to the Portfolio. 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** Distribution of dividends from net investment income are declared daily and paid monthly. Distributions of net realized capital gains, if any, are declared and paid at least annually. Distributions to shareholders are recorded on the ex-dividend date.

The timing and character of distributions determined in accordance with federal income tax regulations may differ from financial statement amounts determined in accordance with U.S. GAAP due to differences in the treatment and recognition of investment income and realized gains and losses. These differences are primarily related to the capital loss carryforwards. Inherent differences in the recognition of income and capital gains for

federal income tax purposes, which are permanent, may result in periodic reclassifications in the Portfolio’s capital accounts. These reclassifications may relate to net operating losses and distribution reclassifications. These reclassifications have no impact on the net assets or the net asset value (“NAV”) per share of the Portfolio.

At November 30, 2016, the following reclassifications were recorded.

<i>Amounts in thousands</i>	UNDISTRIBUTED NET INVESTMENT INCOME (LOSS)	ACCUMULATED UNDISTRIBUTED NET REALIZED GAINS (LOSSES)
Liquid Assets	\$497	\$(497)

**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”) allows capital losses to be carried forward for an unlimited period and to retain their character as either short-term or long-term. The Portfolio’s ability to utilize capital loss

carryforwards in the future may be limited under the Internal Revenue Code and related regulations based on the results of future transactions.

There were no unused capital loss carryforwards in the Portfolio as of November 30, 2016.

At November 30, 2016, 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:

Amounts in thousands	UNDISTRIBUTED ORDINARY INCOME (LOSS)*
Liquid Assets	\$1,360

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

The tax character of distributions paid during the fiscal year ended November 30, 2016, was as follows:

Amounts in thousands	DISTRIBUTIONS FROM	
	ORDINARY INCOME (LOSS)*	LONG-TERM CAPITAL GAINS (LOSSES)
Liquid Assets	\$21,838	\$1

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

The tax character of distributions paid during the fiscal year ended November 30, 2015, was as follows:

Amounts in thousands	DISTRIBUTIONS FROM	
	ORDINARY INCOME (LOSS)*	LONG-TERM CAPITAL GAINS (LOSSES)
Liquid Assets	\$7,062	\$ -

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

As of November 30, 2016, the Portfolio had no uncertain tax positions that would require financial statement recognition or disclosure. The Portfolio's federal tax returns for the fiscal years ended November 30, 2013 through November 30, 2016 remain subject to examination by the Internal Revenue Service. Any interest or penalties incurred, if any, on future unknown, uncertain tax positions taken by the Portfolio will be recorded as interest expense and other expenses, respectively, on the Statement of Operations.

### 3. BANK BORROWINGS

The Trust and the Northern Funds jointly entered into a \$250,000,000 senior unsecured revolving credit facility on November 23, 2015, which was administered by Citibank, N.A.,

for liquidity and other purposes (the "Credit Facility"). The interest rate charged under the Credit Facility was equal to the sum of (i) the Federal Funds Rate plus (ii) if the one month London Interbank Offered Rate ("LIBOR") on the date of borrowing exceeded such Federal Funds Rate, the amount by which it so exceeded, plus (iii) 1.00 percent. In addition, there was an annual commitment fee of 0.10 percent 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. The Credit Facility expired on November 21, 2016.

At a meeting held on November 16-17, 2016, the Board approved an agreement to replace the Credit Facility (as replaced, the "New Credit Facility"). The New Credit Facility is in the amount of \$250,000,000 and is also administered by Citibank, N.A. The interest rate charged under the New Credit Facility is the same as it was for the Credit Facility. In addition, there is an annual commitment fee of 0.15 percent on the unused portion of the credit line under the New Credit Facility, payable quarterly in arrears. The New Credit Facility went into effect on November 21, 2016 and will expire on November 20, 2017, unless renewed.

The Portfolio did not have any borrowings or incur any interest expense for the fiscal year ended November 30, 2016.

### 4. MANAGEMENT AND OTHER AGREEMENTS

As compensation for advisory and administration services and the assumption of related expenses, NTI is entitled to a management fee, computed daily and payable monthly, at the annual rate of 0.10 percent of the Portfolio's average daily net assets.

NTI has contractually agreed to reimburse a portion of the operating expenses of the Portfolio (other than certain excepted expenses, i.e., acquired fund fees and expenses, the compensation paid to each independent Trustee of the Trust, expenses of third-party consultants engaged by the Board, membership dues paid to the Investment Company Institute and Mutual Fund Directors Forum, expenses in connection with the negotiation and renewal of the revolving credit facility, extraordinary expenses and interest) as shown on the accompanying Statement of Operations, to adhere to the expense limitation of 0.03 percent of the Portfolio's average daily net assets. The contractual expense reimbursement arrangement is expected to continue until at least September 1, 2017. The contractual expense reimbursement arrangement will continue automatically for periods of one-year (each such one-year period, a "Renewal Year"). The arrangement may be terminated, as to any succeeding Renewal Year, by NTI or the Portfolio upon 60 days' written notice prior to the end of the current Renewal Year. The Board 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.

NOTES TO THE FINANCIAL STATEMENTS *continued*

The expenses reimbursed during the fiscal year ended November 30, 2016, under the contractual expense reimbursement arrangement previously described are shown as “Less expenses contractually reimbursed by investment adviser” in the Statement of Operations. The contractual expense reimbursement receivable at November 30, 2016 is shown as “Receivable from affiliates for expense reimbursements” in the Statement of Assets and Liabilities. Any such reimbursement is paid monthly to the Portfolio by NTL.

NTI has entered into 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 management fees.

As compensation for services rendered as transfer agent, including the assumption by Northern Trust of the expenses related thereto, Northern Trust receives a fee, accrued daily and payable monthly, at an annual rate of 0.015 percent of the average daily net assets of the Portfolio.

As compensation for custody services, Northern Trust receives an amount based on a pre-determined schedule of charges approved by the Board. 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, if any, are shown as “Less custodian credits” in the Statement of Operations.

Northern Funds Distributors, LLC, the placement agent for the Portfolio, received no compensation from the Portfolio under the placement agency agreement. However, it received compensation from NTI for its services as placement agent 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 provided a deferred compensation plan for its Trustees who are not officers of Northern Trust or NTI. Prior to August 22, 2013, under the deferred compensation plan, Trustees may have elected to defer all or a portion of their compensation. Effective August 22, 2013, the Trustees may no longer defer their compensation. Any amounts deferred and invested under the plan shall remain invested pursuant to the terms of the plan. Each Trustee’s account shall be deemed to be invested in shares of the Government Assets Portfolio of the Trust and/or the 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. RELATED PARTY TRANSACTIONS**

The Portfolio is permitted to purchase and sell securities from or to certain affiliated funds or portfolios under specified conditions outlined in Rule 17a-7 Procedures adopted by the Board. The procedures have been designed to ensure that any purchase or sale of securities by the Portfolio from or to another fund or portfolio that is or could be considered an affiliate by virtue of having a common investment adviser (or affiliated investment advisers), common trustees and/or common officers complies with Rule 17a-7 of the 1940 Act. Further, as defined under these procedures, each transaction is effected at the current market price as defined in the Rule 17a-7 Procedures. For the fiscal year ended November 30, 2016, the Portfolio engaged in purchases and/or sales of securities from an affiliated entity:

<i>Amounts in thousands</i>	PURCHASES	SALES*
Liquid Assets	\$451,375	\$(292,360)

\* *During the fiscal year ended November 30, 2016, the realized gain (loss) associated with these transactions is zero.*

On June 26, 2015, Northern Trust Corporation, the parent company of NTI, voluntarily made a cash contribution of approximately \$565,000 to the Liquid Assets Portfolio to offset legacy net capital losses realized by the Liquid Assets Portfolio in certain securities. The contribution is shown on the Liquid Assets Portfolio’s Statement of Changes in Net Assets and Financial Highlights as “Net increase from payment by affiliate”.

Northern Trust will return to the Portfolio the full amount of the return that Northern Trust receives on a Portfolio’s uninvested cash resulting from custody sweep, the return is based on the application of the Federal Reserve’s Interest Rate on Excess Reserves.

**6. CAPITAL SHARE TRANSACTIONS**

Transactions in capital shares for the fiscal year ended November 30, 2016, were as follows:

<i>Amounts in thousands*</i>	PROCEEDS FROM SHARES SOLD	REINVESTMENT OF DIVIDENDS	PAYMENTS FOR SHARES REDEEMED	NET INCREASE (DECREASE) IN NET ASSETS
Liquid Assets	\$39,100,793	\$ –	\$(41,962,941)	\$(2,862,148)

\* *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, 2015, were as follows:

Amounts in thousands*	PROCEEDS FROM SHARES SOLD	REINVESTMENT OF DIVIDENDS	PAYMENTS FOR SHARES REDEEMED	NET INCREASE (DECREASE) IN NET ASSETS
Liquid Assets	\$36,739,831	\$ –	\$(32,736,086)	\$4,003,745

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

## 7. INDEMNIFICATIONS AND WARRANTIES

In the ordinary course of its 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 believes the risk of loss to be remote.

## 8. MONEY MARKET REFORM

On July 23, 2014, the SEC voted to amend the rules under the 1940 Act which governed the operations of the Portfolio. The new rules represent a substantial change for the industry, and they vary based on the type of fund and investor. The amendments had staggered compliance dates, with a majority of these amendments having an October 14, 2016 final compliance date. The rules provide a distinction between retail and institutional money market funds. To be considered a retail fund, the fund must maintain policies and procedures reasonably designed to limit all beneficial owners of the fund to “natural persons.” The new requirements include:

- Government funds are required to invest at least 99.5 percent of their total assets (previously 80 percent) in cash, U.S. government securities issued or guaranteed by the U.S. government or its agencies and instrumentalities and/or repurchase agreements “collateralized fully” by cash or U.S. government securities.
- Floating NAV – Only institutional prime and institutional municipal/tax-exempt funds are required to sell and redeem shares at a floating NAV. Funds subject to this requirement round daily NAVs to the fourth decimal point (e.g., \$1.0000), rather than the prior practice whereby NAVs were fixed at \$1.00 per share.
- Liquidity fees and redemption gates – Under the new rules, all money market funds (except for government money market funds, for which liquidity fees and gates are optional) may impose fees or temporarily suspend redemptions if the fund’s level of weekly liquid assets falls below a certain threshold:

- If a fund’s weekly liquid assets fall below 30 percent, the board would be allowed to impose a liquidity fee of up to 2 percent on all redemptions and/or suspend investor redemptions for up to 10 business days during any 90-day period.

- If a fund’s weekly liquid assets fall below 10 percent, the board is required to impose a 1 percent liquidity fee unless the board determines to impose a different fee or no fee.

- In addition, all money market funds are subject to new diversification and enhanced stress-testing requirements, along with enhanced disclosure and reporting requirements.

Effective September 1, 2016, the Portfolio converted to a “government money market fund” as defined under Rule 2a-7 of the 1940 Act and accounts for its investments at amortized cost which approximates fair value.

For more information, please refer to the Portfolio’s prospectus.

## 9. SUBSEQUENT EVENTS

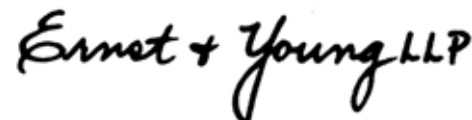
Management has evaluated subsequent events for the Portfolio through the date the financial statements were issued, and has concluded that there are no recognized or non-recognized subsequent events relevant for financial statement disclosure.

## The Board of Trustees and Shareholders of Northern Institutional Funds

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of the Liquid Assets Portfolio (one of the portfolios constituting the Northern Institutional Funds (the “Trust”)) as of November 30, 2016, 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 Trust’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 Trust’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 Trust’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, 2016, by correspondence with the custodian, counterparties, and brokers. 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 Liquid Assets Portfolio (one of the portfolios constituting the Northern Institutional Funds) at November 30, 2016, 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 cursive, handwritten style in black ink.

Chicago, Illinois  
January 20, 2017

**TAX INFORMATION**

NOVEMBER 30, 2016 (UNAUDITED)

The American Jobs Creation Act (Sec. 871 (k)) allows a regulated investment company to designate Qualified Interest Income (QII) related dividends and qualified short-term capital gains that are exempt from U.S. withholding taxes for foreign investors, not considered U.S. persons. The Trust has designated 100.00% of the Portfolio's income as QII for the fiscal year ended November 30, 2016.

As a shareholder of the Portfolio, you incur ongoing costs, including management 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, 2016 through November 30, 2016.

### 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 6/1/16 - 11/30/16" 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 ratio 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.

### LIQUID ASSETS

SHARES	EXPENSE RATIO	BEGINNING ACCOUNT VALUE 6/1/2016	ENDING ACCOUNT VALUE 11/30/2016	*EXPENSES PAID 6/1/2016 - 11/30/2016
Actual	0.03%	\$1,000.00	\$1,002.20	\$0.15
Hypothetical**	0.03%	\$1,000.00	\$1,024.85	\$0.15

\* Expenses are calculated using the Portfolio's annualized expense ratio, which represents ongoing expenses as a percentage of net assets for the six months ended November 30, 2016. 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 (366). Expense ratios for the most recent 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 ratio and an assumed rate of return of 5 percent per year before expenses.

## TRUSTEES AND OFFICERS

NOVEMBER 30, 2016 (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 51 portfolios in the Northern Funds Complex — Northern Funds offers 44 portfolios and Northern Institutional Funds offers 7 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 <sup>(1)</sup> , AGE, POSITIONS HELD WITH FUNDS AND LENGTH OF SERVICE AS NORTHERN INSTITUTIONAL FUNDS TRUSTEE <sup>(2)</sup>	PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS	OTHER DIRECTORSHIPS HELD BY TRUSTEE <sup>(3)</sup>
<b>William L. Bax</b> Age: 73 Trustee since 2005	<ul style="list-style-type: none"> <li>• Managing Partner of PricewaterhouseCoopers, Chicago (an accounting firm) from 1997 to 2003;</li> <li>• Director of Ann &amp; Robert H. Lurie Children's Hospital since 1998.</li> </ul>	<ul style="list-style-type: none"> <li>• Arthur J. Gallagher &amp; Co. (an insurance brokerage company).</li> </ul>
<b>Mark G. Doll</b> Age: 67 Trustee since 2013	<ul style="list-style-type: none"> <li>• Executive Vice President and Chief Investment Officer, Northwestern Mutual Life Insurance Company from 2008 to 2012;</li> <li>• Senior Vice President — Public Markets, Northwestern Mutual Life Insurance Company from 2002 to 2008;</li> <li>• President, Northwestern Mutual Series Fund, Mason Street Advisors and Mason Street Funds from 2002 to 2008;</li> <li>• Chairman, Archdiocese of Milwaukee Finance Council from 2005 to 2015;</li> <li>• Member of Investment Committee of Milwaukee Art Museum from 1995 to 2012;</li> <li>• Member of Investment Committee of Greater Milwaukee Foundation from 2003 to 2015;</li> <li>• Member of Investment Committee of Milwaukee Symphony Orchestra from 2006 to 2012.</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>
<b>Sandra Polk Guthman</b> Age: 72 Chair since 2015 Trustee since 1997	<ul style="list-style-type: none"> <li>• Chair since 1988 and CEO from 1993 to 2012 of Polk Bros. Foundation (an Illinois not-for-profit corporation);</li> <li>• Director of National Public Finance Guarantee Corporation (f/k/a MBIA Insurance Corp. of Illinois) (a municipal bond insurance company) from 1994 to 2014;</li> <li>• Trustee of Wellesley College from 2010 to 2016;</li> <li>• Trustee of Rush University Medical Center since 2007.</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>
<b>Thomas A. Kloet</b> Age: 58 Trustee since 2015	<ul style="list-style-type: none"> <li>• Executive Director and Chief Executive Officer, TMX Group, Ltd (financial services company and operator of stock, derivatives exchanges, their clearing operations and securities depository) from 2008 to 2014;</li> <li>• Chair of Boards of NASDAQ Stock Market LLC, NASDAQ PHLX LLC and NASDAQ BX, Inc. since 2016.</li> </ul>	<ul style="list-style-type: none"> <li>• Nasdaq, Inc.</li> </ul>
<b>Cynthia R. Plouché</b> Age: 59 Trustee since 2014	<ul style="list-style-type: none"> <li>• Senior Portfolio Manager and member of Investment Policy Committee, Williams Capital Management, LLC from 2006 to 2012;</li> <li>• Managing Director and Chief Investment Officer of Blaylock-Abacus Asset Management, Inc. from June 2003 to 2006;</li> <li>• Founder, Chief Investment Officer and Managing Director of Abacus Financial Group from May 1991 to 2003, a manager of fixed income portfolios for institutional clients;</li> <li>• Assessor, Moraine Township, Illinois since January 2014.</li> </ul>	<ul style="list-style-type: none"> <li>• AXA Premier VIP Trust (Registered investment company — 34 portfolios)</li> </ul>
<b>Casey J. Sylla</b> Age: 73 Trustee since 2008	<ul style="list-style-type: none"> <li>• Board member, University of Wisconsin — Eau Claire Foundation from 2006 to 2015;</li> <li>• Advisor, G.D. Searle Family Trusts from 2010 to 2012 and Independent Trustee since 2012.</li> </ul>	<ul style="list-style-type: none"> <li>• GATX Corporation (transportation services).</li> </ul>

## INTERESTED TRUSTEES

NAME, ADDRESS <sup>(1)</sup> , AGE, POSITIONS HELD WITH FUNDS AND LENGTH OF SERVICE AS NORTHERN INSTITUTIONAL FUNDS TRUSTEE <sup>(2)</sup>	PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS	OTHER DIRECTORSHIPS HELD BY TRUSTEE <sup>(3)</sup>
<b>Stephen N. Potter<sup>(4)</sup></b> Age: 59 Trustee since 2008	<ul style="list-style-type: none"> <li>• President, Northern Trust Asset Management since 2008;</li> <li>• Chairman and President of Northern Trust Investments, Inc. since March 2008;</li> <li>• President of Northern Trust Global Investments, Ltd. from March 2008 to February 2009;</li> <li>• Director of The Northern Trust Company of Connecticut from July 2009 to December 2013;</li> <li>• Director of Northern Trust Global Investments, Ltd. from February 2000 to February 2009;</li> <li>• Director of Northern Trust Global Advisors, Inc. from May 2008 to January 2012;</li> <li>• Director, Miami Corporation since November 2015;</li> <li>• Trustee of Rush University Medical Center since November 2009.</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>
<b>Mary Jacobs Skinner, Esq.<sup>(4)</sup></b> Age: 59 Trustee since 2000	<ul style="list-style-type: none"> <li>• Retired as partner in the law firm of Sidley Austin LLP on November 30, 2015.</li> <li>• Harvard Advanced Leadership Fellow since 2016;</li> <li>• Director and Vice Chair of Public Policy Committee, Ann and Robert H. Lurie Children's Hospital since 2016;</li> <li>• Director, Pathways Awareness Foundation since 2000;</li> <li>• Director, Chicago Area Foundation for Legal Services from 1995 to 2013.</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>

- (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 earlier of the completion of 15 years of service on the Board and the last day of the calendar year 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. Ms. Skinner is deemed to be an "interested" Trustee because her former law firm provided legal services to Northern Trust Corporation and/or its affiliates.

TRUSTEES AND OFFICERS *continued*

NOVEMBER 30, 2016 (UNAUDITED)

OFFICERS OF THE TRUST<sup>(1)</sup>

NAME, ADDRESS, AGE, POSITIONS HELD WITH FUNDS AND LENGTH OF SERVICE AS NORTHERN INSTITUTIONAL FUNDS OFFICER	PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS
<b>Lloyd A. Wennlund</b> Age: 59 50 South LaSalle Street Chicago, IL 60603 President since 2000	<ul style="list-style-type: none"> <li>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 of Mutual Funds for Northern Trust Asset Management since 1994; Head of Defined Contribution Business at The Northern Trust Company since 2011; Director, Northern Trust Global Advisors, Inc. from 2006 to 2012; Director, The Northern Trust Company of Connecticut from 2012 to 2013.</li> </ul>
<b>Kevin P. O'Rourke</b> Age: 45 50 South LaSalle Street Chicago, Illinois 60603 Vice President since 2015	<ul style="list-style-type: none"> <li>Senior Vice President of Northern Trust Investments, Inc. since 2014; Vice President of Northern Trust Investments, Inc. from 2009 to 2014.</li> </ul>
<b>Benjamin D. Wiesenfeld</b> Age: 38 50 South LaSalle Street Chicago, Illinois 60603 Chief Compliance Officer since June 2016	<ul style="list-style-type: none"> <li>Chief Compliance Officer of FlexShares Trust since July 2016; Chief Compliance Officer and General Counsel of Scout Investments, Inc. and Chief Compliance Officer of the Scout Funds from 2009 to 2016; Chief Compliance Officer of Thornburg Investment Management, Inc. and Thornburg Funds from 2006 to 2009.</li> </ul>
<b>Darlene Chappell</b> Age: 53 50 South LaSalle Street Chicago, IL 60603 Anti-Money Laundering Compliance Officer since 2009	<ul style="list-style-type: none"> <li>Anti-Money Laundering Compliance Officer for Northern Trust Investments, Inc., Northern Trust Securities, Inc. and Alpha Core Strategies Fund since 2009; Anti-Money Laundering Compliance Officer for 50 South Capital Advisors, LLC since 2015, Anti-Money Laundering Compliance Officer for Equity Long/Short Opportunities Fund and FlexShares Trust since 2011; Vice President and Compliance Consultant for The Northern Trust Company since 2006; Anti-Money Laundering Compliance Officer for The Northern Trust Company of Connecticut from 2009 to 2013 and Northern Trust Global Advisors, Inc. from 2009 to 2011.</li> </ul>
<b>Randal E. Rein</b> Age: 46 50 South LaSalle Street Chicago, IL 60603 Treasurer since 2008	<ul style="list-style-type: none"> <li>Senior Vice President of Northern Trust Investments, Inc. since 2010 and Senior Vice President of Fund Administration of The Northern Trust Company through 2010; Treasurer and Principal Financial Officer of FlexShares Trust since 2011; Treasurer of Alpha Core Strategies Fund since 2008; Treasurer of Equity Long/Short Opportunities Fund since 2011.</li> </ul>
<b>Michael J. Pryszcz</b> Age: 49 50 South LaSalle Street Chicago, IL 60603 Assistant Treasurer since 2008	<ul style="list-style-type: none"> <li>Senior Vice President of Fund Accounting of The Northern Trust Company since 2010.</li> </ul>
<b>Richard N. Crabill</b> Age: 48 50 South LaSalle Street Chicago, IL 60603 Assistant Treasurer since 2008	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>Michael G. Meehan</b> Age: 46 50 South LaSalle Street Chicago, IL 60603 Assistant Treasurer since 2011	<ul style="list-style-type: none"> <li>Senior Vice President of Northern Trust Investments, Inc. since 2011; Vice President of Fund Administration of The Northern Trust Company from 2009 to 2011; Assistant Treasurer of Alpha Core Strategies Fund and Equity Long/Short Opportunities Fund since 2011.</li> </ul>

NAME, ADDRESS, AGE, POSITIONS HELD WITH FUNDS AND LENGTH OF SERVICE AS NORTHERN INSTITUTIONAL FUNDS OFFICER	PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS
<p><b>Gregory A. Chidsey</b> Age: 47 50 South LaSalle Street Chicago, Illinois 60603 Assistant Treasurer since 2013</p>	<ul style="list-style-type: none"> <li>Senior Vice President of Financial Reporting of The Northern Trust Company since 2010.</li> </ul>
<p><b>Craig R. Carberry, Esq.</b> Age: 56 50 South LaSalle Street Chicago, IL 60603 Secretary since 2010</p>	<ul style="list-style-type: none"> <li>Associate General Counsel and Senior Vice President of the Northern Trust Company since June 2015; Chief Compliance Officer of Northern Trust Investments, Inc. since October 2015 and Secretary since 2000; Assistant General Counsel and U.S. Funds General Counsel of The Northern Trust Company from July 2014 to June 2015; Senior Legal Counsel and U.S. Funds General Counsel of The Northern Trust Company from 2000 to 2014; Secretary of 50 South Capital Advisors, LLC since 2015; Secretary of Alpha Core Strategies Fund since 2004; Secretary of Equity Long/Short Opportunities Fund and FlexShares Trust since 2011; Secretary of Northern Trust Global Advisors, Inc. from 2007 to 2012; Secretary of The Northern Trust Company of Connecticut from 2009 to 2013.</li> </ul>
<p><b>Owen T. Meacham, Esq.</b> Age: 45 50 South LaSalle Street Chicago, IL 60603 Assistant Secretary since 2008</p>	<ul style="list-style-type: none"> <li>Senior Vice President and Regulatory Administration Assistant General Counsel of The Northern Trust Company since August 2015; Senior Vice President and Regulatory Administration Managing Attorney of The Northern Trust Company from 2012 to August 2015; Senior Vice President and Regulatory Administration Senior Corporate Attorney of The Northern Trust Company from 2011 to 2012; Vice President and Regulatory Administration Senior Corporate Attorney of The Northern Trust Company from 2007 to 2011; Secretary of Harding, Loevner Funds since 2010; Assistant Secretary of Ashmore Funds since 2010.</li> </ul>
<p><b>Jose J. Del Real, Esq.</b> Age: 39 50 South LaSalle Street Chicago, Illinois 60603 Assistant Secretary since 2015</p>	<ul style="list-style-type: none"> <li>Senior Legal Counsel and Vice President of The Northern Trust Company since 2015; Assistant Secretary of Northern Trust Investments, Inc. since 2016; Legal Counsel and Vice President of The Northern Trust Company from 2014 to 2015; Vice President and Regulatory Administration Senior Attorney of The Northern Trust Company from 2012 to 2014; Vice President and Regulatory Administration Attorney of The Northern Trust Company from 2011 to 2012; Second Vice President and Regulatory Administration Attorney of The Northern Trust Company from 2010 to 2011; Assistant Secretary of Northern Funds and Northern Institutional Funds from 2011 to 2014; Assistant Secretary of FlexShares Trust since 2015.</li> </ul>

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

**INVESTMENT CONSIDERATIONS**LIQUID ASSETS PORTFOLIO<sup>1</sup>

<sup>1</sup> **Money Market Risk:** You could lose money by investing in the Portfolio. 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. An investment in the Portfolio is not a deposit of any bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation, any other government agency, or The Northern Trust Company, its affiliates, subsidiaries or any other bank. The Portfolio's sponsor has no legal obligation to provide financial support to the Portfolio, and you should not expect that the sponsor will provide financial support to the Portfolios at any time.

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**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 website at [www.sec.gov](http://www.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' website at [northerntrust.com/institutional](http://northerntrust.com/institutional) or the SEC's website at [www.sec.gov](http://www.sec.gov) or by calling the Northern Institutional Funds Center at 800-637-1380.



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