

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

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|--|-----------------------------------|---|-----------------------------|
| Part I Reporting Issuer | | | |
| 1 Issuer's name | | 2 Issuer's employer identification number (EIN) | |
| The Northern Institutional Funds-U.S. Government Securities Portfolio | | 36-3849412 | |
| 3 Name of contact for additional information | 4 Telephone No. of contact | 5 Email address of contact | |
| Randal Rein | 312.630.1872 | rr36@ntrs.com | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact | | 7 City, town, or post office, state, and Zip code of contact | |
| 50 S. LaSalle Street | | Chicago, IL 60603 | |
| 8 Date of action | | 9 Classification and description | |
| October 26, 2012 | | COMMON STOCK - REGULATED INVESTMENT COMPANY | |
| 10 CUSIP number | 11 Serial number(s) | 12 Ticker symbol | 13 Account number(s) |
| 08160P855 | | BUSAX | |

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ The Northern Institutional Funds-U.S. Government Securities Portfolio merged into Northern Funds Short Intermediate U.S. Government Fund through the acquisition by Northern Funds Short Intermediate U.S. Government Fund of all the assets of The Northern Institutional Funds-U.S. Government Securities Portfolio in exchange for voting shares of beneficial interest ("shares") of Class A shares of The Northern Institutional Funds-U.S. Government Securities Portfolio and the assumption by Northern Funds Short Intermediate U.S. Government Fund of all liabilities of The Northern Institutional Funds-U.S. Government Securities Portfolio followed by the distribution by The Northern Institutional Fund-U.S. Government Securities Portfolio of those shares pro rata to its shareholders in complete liquidation of The Northern Institutional Funds-U.S. Government Securities Portfolio. The merger of The Northern Institutional Funds-U.S. Government Securities Portfolio into Northern Funds Short Intermediate U.S. Government Fund qualifies as a tax free exchange within the meaning of Internal Revenue Code Section 368(a).

The exchange is based on the number and value of shares outstanding at the close of business on October 26, 2012.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ A shareholder's aggregate basis in the share of Northern Funds Short Intermediate U.S. Government Fund he/she received in exchange for his/her shares of The Northern Institutional Funds-U.S. Government Securities Portfolio will be the same as his/her aggregate basis in shares of The Northern Institutional Funds-U.S. Government Securities Portfolio. The number of Northern Funds Short Intermediate U.S. Government Fund shares that were received for each share in The Northern Institutional Funds-U.S. Government Securities Portfolio given up in the exchange is as follows:

1.950068 Northern Funds Short Intermediate U.S. Government Fund Class A shares for one The Northern Institutional Funds-U.S. Government Securities Portfolio Class A share

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ There was no change in aggregate basis as a result of the above described organizational action. The per share basis calculations are based on the respective NAV's of the target fund and the acquiring fund at the close of business on the date of the merger. NAV's are valued primarily based on the FMV of the underlying assets.

