



NORTHERN INSTITUTIONAL FUNDS

MONEY MARKET PORTFOLIOS

SEMIANNUAL REPORT

MAY 31, 2010

TRUST NORTHERN FOR WHAT REALLY MATTERS



Managed by
Northern Trust



A MESSAGE FROM
BOB BROWNE

CHIEF INVESTMENT OFFICER

The U.S. bond market exhibited a high level of volatility during the six months ended May 31, 2010, as investors sought to position themselves for a shifting investment landscape. During the first four months of the period, an environment of improving growth, elevated investor risk appetite, and heightened concern surrounding the growing U.S. deficit pressured long-dated Treasury yields. However, April and May brought a flight to quality as investors reacted to concerns about the peripheral European economies' growing difficulty in managing their spiraling debt.

In this environment, the yield on the 10-year Treasury note rose to 3.31% on May 31, 2010 from 3.21% on November 30, 2009. In comparison, its high for the period was 4.01%, registered on April 5, 2010. The yield on the two-year Treasury note moved from 0.67% on November 30, 2009 to 0.76% on May 31, 2010 with a high-water mark of 1.11% reached on April 2, 2010. These price trends help illustrate that Treasuries remain a "safe haven" even amid increased concern about the U.S. government's spiraling debt-to-GDP ratio.

Federal Reserve policy remained unchanged during the period. Citing benign inflation readings, steady productivity and continued slack in the U.S. economy, the Fed maintained the

near-zero interest rate policy that has been in place since December 2008. The Fed's statements continued to use the dovish language "exceptionally low levels of the federal funds rate for an extended period" in discussing its policy. Given the uncertainty regarding the sovereign debt crisis in Europe, it appears unlikely that the Fed will increase interest rates in the near future. Additionally, the upswing in the dollar provides latitude for monetary policy to stay accommodative for longer. However, in an acknowledgment of evidence showing a continued economic improvement, the Fed scaled back lending facilities, discontinued asset purchase programs and prepared for a future reduction of its balance sheet. In total, the Fed's quantitative easing program resulted in its purchasing approximately \$172 billion in U.S. agency debt and \$1.25 trillion in mortgage-backed securities.

Elsewhere in the bond market, investment-grade-corporate and high-yield issues were negatively affected by investors' growing risk aversion during the second half of the period. The municipal market held up well, as government-subsidized Build America Bonds — which are accounting for a growing portion of new issuance in the tax-exempt market — continued to drain supply from traditional

tax-exempt issuance. The low interest rate environment, together with investors' increased concern about the effect of taxes on their investments, were additional factors that helped create a favorable backdrop for municipals.

Looking ahead, it appears likely that bond market performance will be driven by investors' assessment of the broader risk environment until there is more clarity regarding the situation in Europe. Longer term, the most important issues will likely be the resolution of the debate concerning the U.S. economy's path — a "double-dip" recession versus slow and steady growth — and evidence illustrating whether government policies are resulting in growing inflation pressures. We will be monitoring these developments closely in the months ahead.

Bob Browne
Chief Investment Officer
Northern Trust

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

This report contains certain forward-looking statements about factors that may affect the performance of the Portfolios in the future. These statements are based on Portfolio management's predictions and expectations concerning certain future events, such as performance of the economy as a whole and of specific industry sectors, changes in the levels of interest rates, the impact of developing world events, and other factors. Management believes these forward-looking statements to be reasonable, although they are inherently uncertain and difficult to predict. Actual events may cause adjustments in Portfolio management strategies from those currently expected to be employed.

Investments in the Portfolios are not insured or guaranteed by the FDIC or any other governmental agency. Although each Portfolio seeks to maintain a value of \$1.00 per share, it is possible to lose money by investing.

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NOT FDIC INSURED

May lose value/No bank guarantee

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STATEMENTS OF ASSETS AND LIABILITIES

MAY 31, 2010 (UNAUDITED)

<i>Amounts in thousands, except per share data</i>	DIVERSIFIED ASSETS PORTFOLIO	GOVERNMENT PORTFOLIO	GOVERNMENT SELECT PORTFOLIO	TREASURY PORTFOLIO	TAX-EXEMPT PORTFOLIO	MUNICIPAL PORTFOLIO
ASSETS:						
Investments, at amortized cost	\$7,509,059	\$4,410,056	\$12,547,215	\$1,204,012	\$1,499,043	\$4,680,684
Repurchase agreements, at cost which approximates fair value	2,856,133	1,936,915	—	2,880,532	—	—
Cash	—	200,526	106,457	—	52	41
Interest income receivable	4,586	8,388	17,128	862	2,057	7,017
Receivable for securities sold	—	—	—	—	4,025	24,724
Receivable for fund shares sold	160,000	—	—	44,000	—	—
Receivable from affiliated administrator	571	630	220	228	37	96
Prepaid and other assets	125	110	180	39	27	87
Total Assets	10,530,474	6,556,625	12,671,200	4,129,673	1,505,241	4,712,649
LIABILITIES:						
Cash overdraft	159,222	—	—	42,680	—	—
Payable for securities purchased	184,047	94,319	74,991	—	300	2,900
Payable for fund shares redeemed	—	200,000	—	—	—	—
Distributions payable to shareholders	96	53	508	323	28	692
Payable to affiliates:						
Investment advisory fees	2,084	1,291	1,101	343	341	439
Administration fees	833	516	1,101	343	136	439
Custody and accounting fees	88	55	113	37	13	45
Shareholder servicing fees	15	9	26	—	3	10
Transfer agent fees	11	13	18	2	8	1
Trustee fees	101	36	63	2	8	25
Accrued other liabilities	92	67	128	36	11	71
Total Liabilities	346,589	296,359	78,049	43,766	848	4,622
Net Assets	\$10,183,885	\$6,260,266	\$12,593,151	\$4,085,907	\$1,504,393	\$4,708,027
ANALYSIS OF NET ASSETS:						
Capital stock	\$10,183,759	\$6,260,255	\$12,593,146	\$4,085,907	\$1,504,395	\$4,708,012
Accumulated undistributed net investment income (loss)	125	1	—	—	(2)	—
Accumulated undistributed net realized gain	1	10	5	—	—	15
Net Assets	\$10,183,885	\$6,260,266	\$12,593,151	\$4,085,907	\$1,504,393	\$4,708,027
Net Assets:						
Shares	\$10,124,277	\$6,224,160	\$12,476,087	\$4,085,907	\$1,502,819	\$4,660,721
Service Shares	59,608	36,106	117,064	—	1,574	47,306
Total Shares Outstanding (no par value, unlimited shares authorized):						
Shares	10,124,087	6,224,119	12,476,076	4,085,907	1,502,816	4,660,723
Service Shares	59,673	36,104	117,062	—	1,577	47,300
Net Asset Value, Redemption and Offering Price Per Share:						
Shares	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Service Shares	1.00	1.00	1.00	—	1.00	1.00

See Notes to the Financial Statements.

STATEMENTS OF OPERATIONS

SIX MONTHS ENDED MAY 31, 2010 (UNAUDITED)

<i>Amounts in thousands</i>	DIVERSIFIED ASSETS PORTFOLIO	GOVERNMENT PORTFOLIO	GOVERNMENT SELECT PORTFOLIO	TREASURY PORTFOLIO	TAX-EXEMPT PORTFOLIO	MUNICIPAL PORTFOLIO
INVESTMENT INCOME:						
Interest income	\$14,529	\$6,637	\$14,973	\$3,789	\$2,441	\$8,801
EXPENSES:						
Investment advisory fees	12,142	7,788	14,133	3,709	2,141	6,000
Administration fees	4,857	3,115	7,066	1,854	856	3,000
Custody and accounting fees	526	344	727	213	94	314
Transfer agent fees	48	21	58	3	16	23
Registration fees	45	36	47	27	20	37
Printing fees	20	14	31	7	2	15
Professional fees	116	82	158	41	14	89
Shareholder servicing fees	109	57	172	—	3	70
Trustee fees	61	43	84	21	7	46
Interest expense	—	—	3	—	—	—
Other	87	88	113	12	10	45
Total Expenses	18,011	11,588	22,592	5,887	3,163	9,639
Less waivers of investment advisory fees	—	—	(7,067)	(1,854)	—	(3,000)
Less expenses reimbursed by investment adviser	(3,041)	(4,616)	(951)	(978)	(665)	(59)
Less expenses reimbursed by administrator	(848)	(567)	(1,172)	(281)	(144)	(554)
Less custodian credits	(3)	(32)	—	(35)	(5)	—
Net Expenses	14,119	6,373	13,402	2,739	2,349	6,026
Net Investment Income	410	264	1,571	1,050	92	2,775
NET REALIZED GAINS:						
Net realized gains on:						
Investments	1	10	5	—	—	15
Net Gains	1	10	5	—	—	15
Net Increase in Net Assets Resulting from Operations	\$411	\$274	\$1,576	\$1,050	\$92	\$2,790

See Notes to the Financial Statements.

STATEMENTS OF CHANGES IN NET ASSETS

Amounts in thousands	DIVERSIFIED ASSETS PORTFOLIO		GOVERNMENT PORTFOLIO	
	2010	2009	2010	2009
OPERATIONS:				
Net investment income	\$410	\$20,497	\$264	\$10,765
Net realized gains (losses) on:				
Investments	1	(12,239)	10	57
Capital Support Agreement	—	12,458	—	—
Net change in unrealized appreciation (depreciation) on:				
Investments	—	29,819	—	—
Capital Support Agreement	—	(29,819)	—	—
Net Increase in Net Assets Resulting from Operations	411	20,716	274	10,822
CAPITAL SHARE TRANSACTIONS:⁽¹⁾				
Net increase (decrease) in net assets resulting from Shares transactions	609,167	411,566	865,905	(2,090,966)
Net increase (decrease) in net assets resulting from Service Shares transactions	(26,942)	(25,760)	(12,456)	(108,880)
Net decrease in net assets resulting from Premier Shares transactions	—	—	—	(5,593)
Net Increase (Decrease) in Net Assets Resulting from Capital Share Transactions	582,225	385,806	853,449	(2,205,439)
DISTRIBUTIONS TO SHARES SHAREHOLDERS:				
From net investment income	(500)	(24,097)	(317)	(10,785)
Total Distributions to Shares Shareholders	(500)	(24,097)	(317)	(10,785)
DISTRIBUTIONS TO SERVICE SHARES SHAREHOLDERS:				
From net investment income	(4)	(134)	(3)	(104)
Total Distributions to Service Shares Shareholders	(4)	(134)	(3)	(104)
Total Increase (Decrease) in Net Assets	582,132	382,291	853,403	(2,205,506)
NET ASSETS:				
Beginning of period	9,601,753	9,219,462	5,406,863	7,612,369
End of period	\$10,183,885	\$9,601,753	\$6,260,266	\$5,406,863
Accumulated Undistributed Net Investment Income (Loss)	\$125	\$219	\$1	\$57

(1) The number of shares approximates the dollar amount of transactions.

See Notes to the Financial Statements.

GOVERNMENT SELECT PORTFOLIO		TREASURY PORTFOLIO		TAX-EXEMPT PORTFOLIO		MUNICIPAL PORTFOLIO	
2010	2009	2010	2009	2010	2009	2010	2009
\$1,571	\$31,569	\$1,050	\$1,751	\$92	\$4,139	\$2,775	\$25,995
5	4	—	10	—	38	15	15
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
1,576	31,573	1,050	1,761	92	4,177	2,790	26,010
(2,339,038)	(671,403)	1,152,304	2,461,813	(179,210)	570,086	(1,414,337)	1,197,969
(14,541)	(380,473)	—	—	(2,938)	(99)	(26,195)	1,246
—	—	—	—	—	—	—	—
(2,353,579)	(1,051,876)	1,152,304	2,461,813	(182,148)	569,987	(1,440,532)	1,199,215
(1,568)	(31,608)	(1,060)	(1,751)	(99)	(4,348)	(2,796)	(26,074)
(1,568)	(31,608)	(1,060)	(1,751)	(99)	(4,348)	(2,796)	(26,074)
(7)	(193)	—	—	—	(10)	(3)	(173)
(7)	(193)	—	—	—	(10)	(3)	(173)
(2,353,578)	(1,052,104)	1,152,294	2,461,823	(182,155)	569,806	(1,440,541)	1,198,978
14,946,729	15,998,833	2,933,613	471,790	1,686,548	1,116,742	6,148,568	4,949,590
\$12,593,151	\$14,946,729	\$4,085,907	\$2,933,613	\$1,504,393	\$1,686,548	\$4,708,027	\$6,148,568
\$ —	\$4	\$ —	\$10	\$(2)	\$5	\$ —	\$24

See Notes to the Financial Statements.

FINANCIAL HIGHLIGHTS

DIVERSIFIED ASSETS PORTFOLIO		SHARES				
Selected per share data	2010 ⁽¹⁾	2009 ⁽¹⁾	2008	2007	2006	2005
Net Asset Value, Beginning of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
INCOME FROM INVESTMENT OPERATIONS:						
Net investment income	—	—	0.02	0.05	0.05	0.03
Net realized and unrealized gains (losses)	—	—	—	—	—	—
Total from Investment Operations	—	—	0.02	0.05	0.05	0.03
LESS DISTRIBUTIONS PAID:						
From net investment income	—	—	(0.02)	(0.05)	(0.05)	(0.03)
Total Distributions Paid	—	—	(0.02)	(0.05)	(0.05)	(0.03)
Net Asset Value, End of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Return⁽²⁾	0.01%	0.25%⁽³⁾	2.45%⁽³⁾	5.07%	4.70%	2.78%
SUPPLEMENTAL DATA AND RATIOS:						
Net assets, in thousands, end of period	\$10,124,277	\$9,515,203	\$9,107,046	\$14,850,516	\$12,541,081	\$10,608,494
Ratio to average net assets of: ⁽⁴⁾						
Expenses, net of waivers, reimbursements and credits	0.29%	0.39% ⁽⁵⁾	0.36% ⁽⁶⁾	0.35% ⁽⁷⁾	0.35% ⁽⁷⁾	0.35%
Expenses, before waivers, reimbursements and credits	0.37%	0.41%	0.38%	0.37%	0.37%	0.37%
Net investment income, net of waivers, reimbursements and credits	0.01%	0.21%	2.60%	4.96%	4.61%	2.75%
Net investment income (loss), before waivers, reimbursements and credits	(0.07)%	0.19%	2.58%	4.94%	4.59%	2.73%

		SERVICE				
Selected per share data	2010 ⁽¹⁾	2009 ⁽¹⁾	2008	2007	2006	2005
Net Asset Value, Beginning of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
INCOME FROM INVESTMENT OPERATIONS:						
Net investment income	—	—	0.02	0.05	0.04	0.02
Net realized and unrealized gains (losses)	—	—	—	—	—	—
Total from Investment Operations	—	—	0.02	0.05	0.04	0.02
LESS DISTRIBUTIONS PAID:						
From net investment income	—	—	(0.02)	(0.05)	(0.04)	(0.02)
Total Distributions Paid	—	—	(0.02)	(0.05)	(0.04)	(0.02)
Net Asset Value, End of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Return⁽²⁾	0.01%	0.12%⁽³⁾	2.18%⁽³⁾	4.80%	4.43%	2.51%
SUPPLEMENTAL DATA AND RATIOS:						
Net assets, in thousands, end of period	\$59,608	\$86,550	\$112,416	\$209,839	\$131,092	\$123,798
Ratio to average net assets of: ⁽⁴⁾						
Expenses, net of waivers, reimbursements and credits	0.29%	0.54% ⁽⁵⁾	0.62% ⁽⁶⁾	0.61% ⁽⁷⁾	0.61% ⁽⁷⁾	0.61%
Expenses, before waivers, reimbursements and credits	0.63%	0.67%	0.64%	0.63%	0.63%	0.63%
Net investment income, net of waivers, reimbursements and credits	0.01%	0.06%	2.34%	4.70%	4.35%	2.49%
Net investment income (loss), before waivers, reimbursements and credits	(0.33)%	(0.07)%	2.32%	4.68%	4.33%	2.47%

- (1) Per share amounts from net investment income, net realized and unrealized gains (losses) and distributions from net investment income were less than \$0.01 per share.
- (2) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at net asset value at the end of the period. Total return is not annualized for periods less than one year.
- (3) Without the value of the Capital Support Agreement, the total return would have been 0.46% and 0.22% for the Shares and Service Shares, respectively for the fiscal year ended November 30, 2009 and 2.19% and 1.95%, for Shares and Service Shares, respectively, for the fiscal year ended November 30, 2008.
- (4) Annualized for periods less than one year.
- (5) The net expense ratio includes the fee for participation in the U.S. Department of the Treasury's Temporary Guaranty Program (the "Participation Fee") of approximately \$4,328,000 and \$52,000 for Shares and Service Shares, respectively, which represents 0.04% of average net assets for the fiscal year ended November 30, 2009. Absent the Participation Fee, the net expenses would have been decreased by a corresponding amount.
- (6) The net expense ratio includes the Participation Fee of approximately \$1,026,000 and \$13,000 for Shares and Service Shares, respectively, which represents 0.01% of average net assets for the fiscal year ended November 30, 2008. Absent the Participation Fee, the net expenses would have been decreased by a corresponding amount.
- (7) The net expense ratio includes custodian credits of approximately \$859,000 and \$806,000, which represents 0.01% of average net assets for the fiscal years ended November 30, 2007 and 2006, respectively. Absent the custodian credit arrangement, expense reimbursement would have been increased by a corresponding amount.

See Notes to the Financial Statements.

GOVERNMENT PORTFOLIO		SHARES				
Selected per share data	2010 ⁽¹⁾	2009 ⁽¹⁾	2008	2007	2006	2005
Net Asset Value, Beginning of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
INCOME FROM INVESTMENT OPERATIONS:						
Net investment income	—	—	0.02	0.05	0.05	0.03
Net realized gains (losses)	—	—	—	—	—	—
Total from Investment Operations	—	—	0.02	0.05	0.05	0.03
LESS DISTRIBUTIONS PAID:						
From net investment income	—	—	(0.02)	(0.05)	(0.05)	(0.03)
Total Distributions Paid	—	—	(0.02)	(0.05)	(0.05)	(0.03)
Net Asset Value, End of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Return⁽²⁾	0.01%	0.13%	2.30%	4.93%	4.65%	2.74%
SUPPLEMENTAL DATA AND RATIOS:						
Net assets, in thousands, end of period	\$6,224,160	\$5,358,301	\$7,449,332	\$2,944,139	\$2,885,277	\$2,768,848
Ratio to average net assets of: ⁽³⁾						
Expenses, net of waivers, reimbursements and credits	0.20%	0.36% ⁽⁴⁾	0.36% ⁽⁵⁾	0.35% ⁽⁶⁾	0.35% ⁽⁶⁾	0.35% ⁽⁶⁾
Expenses, before waivers, reimbursements and credits	0.37%	0.40%	0.38%	0.37%	0.38%	0.37%
Net investment income, net of waivers, reimbursements and credits	0.01%	0.14%	2.13%	4.87%	4.57%	2.74%
Net investment income (loss), before waivers, reimbursements and credits	(0.16)%	0.10%	2.11%	4.85%	4.54%	2.72%

		SERVICE				
Selected per share data	2010 ⁽¹⁾	2009 ⁽¹⁾	2008	2007	2006	2005
Net Asset Value, Beginning of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
INCOME FROM INVESTMENT OPERATIONS:						
Net investment income	—	—	0.02	0.05	0.04	0.02
Net realized gains (losses)	—	—	—	—	—	—
Total from Investment Operations	—	—	0.02	0.05	0.04	0.02
LESS DISTRIBUTIONS PAID:						
From net investment income	—	—	(0.02)	(0.05)	(0.04)	(0.02)
Total Distributions Paid	—	—	(0.02)	(0.05)	(0.04)	(0.02)
Net Asset Value, End of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Return⁽²⁾	0.01%	0.07%	2.04%	4.67%	4.38%	2.48%
SUPPLEMENTAL DATA AND RATIOS:						
Net assets, in thousands, end of period	\$36,106	\$48,562	\$157,444	\$179,435	\$104,203	\$87,499
Ratio to average net assets of: ⁽³⁾						
Expenses, net of waivers, reimbursements and credits	0.20%	0.47% ⁽⁴⁾	0.62% ⁽⁵⁾	0.61% ⁽⁶⁾	0.61% ⁽⁶⁾	0.61% ⁽⁶⁾
Expenses, before waivers, reimbursements and credits	0.63%	0.66%	0.64%	0.63%	0.64%	0.63%
Net investment income, net of waivers, reimbursements and credits	0.01%	0.03%	1.87%	4.61%	4.31%	2.48%
Net investment income (loss), before waivers, reimbursements and credits	(0.42)%	(0.16)%	1.85%	4.59%	4.28%	2.46%

- (1) Per share amounts from net investment income, net realized gains (losses) and distributions from net investment income were less than \$0.01 per share.
- (2) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at net asset value at the end of the period. Total return is not annualized for periods less than one year.
- (3) Annualized for periods less than one year.
- (4) The net expense ratio includes the fee for participation in the U.S. Department of the Treasury's Temporary Guaranty Program (the "Participation Fee") of approximately \$2,627,000 and \$43,000 for Shares and Service Shares, respectively, which represents 0.03% of average net assets for the fiscal year ended November 30, 2009. Absent the Participation Fee, the net expenses would have been decreased by a corresponding amount.
- (5) The net expense ratio includes the Participation Fee of approximately \$622,000 and \$10,000 for Shares and Service Shares, respectively, which represents 0.01% of average net assets for the fiscal year ended November 30, 2008. Absent the Participation Fee, the net expenses would have been decreased by a corresponding amount.
- (6) The net expense ratio includes custodian credits of approximately \$348,000, \$342,000 and \$241,000, which represents 0.01% of average net assets for the fiscal years ended November 30, 2007, 2006 and 2005, respectively. Absent the custodian credit arrangement, expense reimbursement would have been increased by a corresponding amount.

See Notes to the Financial Statements.

FINANCIAL HIGHLIGHTS *continued*

GOVERNMENT SELECT PORTFOLIO		SHARES				
Selected per share data	2010 ⁽¹⁾	2009 ⁽¹⁾	2008	2007	2006	2005
Net Asset Value, Beginning of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
INCOME FROM INVESTMENT OPERATIONS:						
Net investment income	—	—	0.02	0.05	0.05	0.03
Net realized gains (losses)	—	—	—	—	—	—
Total from Investment Operations	—	—	0.02	0.05	0.05	0.03
LESS DISTRIBUTIONS PAID:						
From net investment income	—	—	(0.02)	(0.05)	(0.05)	(0.03)
Total Distributions Paid	—	—	(0.02)	(0.05)	(0.05)	(0.03)
Net Asset Value, End of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Return⁽²⁾	0.01%	0.20%	2.31%	5.03%	4.72%	2.85%
SUPPLEMENTAL DATA AND RATIOS:						
Net assets, in thousands, end of period	\$12,476,087	\$14,815,124	\$15,486,752	\$8,005,182	\$4,713,406	\$4,060,096
Ratio to average net assets of: ⁽³⁾						
Expenses, net of waivers, reimbursements and credits	0.19%	0.23% ⁽⁴⁾	0.21% ⁽⁵⁾	0.20% ⁽⁶⁾	0.20% ⁽⁶⁾	0.20%
Expenses, before waivers, reimbursements and credits	0.32%	0.34%	0.33%	0.32%	0.32%	0.33%
Net investment income, net of waivers, reimbursements and credits	0.02%	0.20%	2.13%	4.90%	4.64%	2.80%
Net investment income (loss), before waivers, reimbursements and credits	(0.11)%	0.09%	2.01%	4.78%	4.52%	2.67%

		SERVICE				
Selected per share data	2010 ⁽¹⁾	2009 ⁽¹⁾	2008	2007	2006	2005
Net Asset Value, Beginning of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
INCOME FROM INVESTMENT OPERATIONS:						
Net investment income	—	—	0.02	0.05	0.04	0.03
Net realized gains (losses)	—	—	—	—	—	—
Total from Investment Operations	—	—	0.02	0.05	0.04	0.03
LESS DISTRIBUTIONS PAID:						
From net investment income	—	—	(0.02)	(0.05)	(0.04)	(0.03)
Total Distributions Paid	—	—	(0.02)	(0.05)	(0.04)	(0.03)
Net Asset Value, End of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Return⁽²⁾	0.01%	0.06%	2.05%	4.75%	4.45%	2.58%
SUPPLEMENTAL DATA AND RATIOS:						
Net assets, in thousands, end of period	\$117,064	\$131,605	\$512,081	\$84,905	\$68,295	\$69,519
Ratio to average net assets of: ⁽³⁾						
Expenses, net of waivers, reimbursements and credits	0.19%	0.38% ⁽⁴⁾	0.47% ⁽⁵⁾	0.46% ⁽⁶⁾	0.46% ⁽⁶⁾	0.46%
Expenses, before waivers, reimbursements and credits	0.58%	0.60%	0.59%	0.58%	0.58%	0.59%
Net investment income, net of waivers, reimbursements and credits	0.02%	0.05%	1.87%	4.64%	4.38%	2.54%
Net investment income (loss), before waivers, reimbursements and credits	(0.37)%	(0.17)%	1.75%	4.52%	4.26%	2.41%

- (1) Per share amounts from net investment income, net realized gains (losses) and distributions from net investment income were less than \$0.01 per share.
- (2) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at net asset value at the end of the period. Total return is not annualized for periods less than one year.
- (3) Annualized for periods less than one year.
- (4) The net expense ratio includes the fee for participation in the U.S. Department of the Treasury's Temporary Guaranty Program (the "Participation Fee") of approximately \$3,958,000 and \$26,000 for Shares and Service Shares, respectively, which represents 0.03% of average net assets for the fiscal year ended November 30, 2009. Absent the Participation Fee, the net expenses would have been decreased by a corresponding amount.
- (5) The net expense ratio includes the Participation Fee of approximately \$920,000 and \$24,000 for Shares and Service Shares, respectively, which represents 0.01% of average net assets for the fiscal year ended November 30, 2008. Absent the Participation Fee, the net expenses would have been decreased by a corresponding amount.
- (6) The net expense ratio includes custodian credits of approximately \$380,000 and \$416,000, which represents 0.01% of average net assets for the fiscal years ended November 30, 2007 and 2006, respectively. Absent the custodian credit arrangement, expense reimbursement would have been increased by a corresponding amount.

See Notes to the Financial Statements.

TREASURY PORTFOLIO	SHARES		
Selected per share data	2010 ⁽¹⁾	2009 ⁽¹⁾	2008 ⁽²⁾
Net Asset Value, Beginning of Period	\$1.00	\$1.00	\$1.00
INCOME FROM INVESTMENT OPERATIONS:			
Net investment income	—	—	—
Net realized gains (losses)	—	—	—
Total from Investment Operations	—	—	—
LESS DISTRIBUTIONS PAID:			
From net investment income	—	—	—
Total Distributions Paid	—	—	—
Net Asset Value, End of Period	\$1.00	\$1.00	\$1.00
Total Return⁽³⁾	0.03%	0.11%	0.02%
SUPPLEMENTAL DATA AND RATIOS:			
Net assets, in thousands, end of period	\$4,085,907	\$2,933,613	\$471,790
Ratio to average net assets of: ⁽⁴⁾			
Expenses, net of waivers, reimbursements and credits	0.15%	0.13%	0.00%
Expenses, before waivers, reimbursements and credits	0.32%	0.32%	0.57% ⁽⁵⁾
Net investment income, net of waivers, reimbursements and credits	0.05%	0.10%	0.30%
Net investment loss, before waivers, reimbursements and credits	(0.12)%	(0.09)%	(0.27)% ⁽⁵⁾

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

(2) For the period November 5, 2008 (commencement of operations) through November 30, 2008. Per share amounts from net investment income and distributions from net investment income were less than \$0.01 per share.

(3) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at net asset value at the end of the period. Total return is not annualized for periods less than one year.

(4) Annualized for periods less than one year.

(5) The ratios of expenses and net investment loss were previously reported as 0.47% and (0.17)%, respectively. This had no impact to the Portfolio's net asset value.

See Notes to the Financial Statements.

FINANCIAL HIGHLIGHTS *continued*

TAX-EXEMPT PORTFOLIO		SHARES				
Selected per share data	2010 ⁽¹⁾	2009 ⁽¹⁾	2008	2007	2006	2005
Net Asset Value, Beginning of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
INCOME FROM INVESTMENT OPERATIONS:						
Net investment income	—	—	0.02	0.03	0.03	0.02
Net realized gains (losses)	—	—	—	—	—	—
Total from Investment Operations	—	—	0.02	0.03	0.03	0.02
LESS DISTRIBUTIONS PAID:						
From net investment income	—	—	(0.02)	(0.03)	(0.03)	(0.02)
Total Distributions Paid	—	—	(0.02)	(0.03)	(0.03)	(0.02)
Net Asset Value, End of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Return⁽²⁾	0.01%	0.35%	2.18%	3.36%	3.11%	1.98%
SUPPLEMENTAL DATA AND RATIOS:						
Net assets, in thousands, end of period	\$1,502,819	\$1,682,036	\$1,112,129	\$933,614	\$549,349	\$685,136
Ratio to average net assets of: ⁽³⁾						
Expenses, net of waivers, reimbursements and credits	0.27%	0.37% ⁽⁴⁾	0.36% ⁽⁵⁾	0.35%	0.35%	0.35%
Expenses, before waivers, reimbursements and credits	0.37%	0.40%	0.38%	0.38%	0.38%	0.38%
Net investment income, net of waivers, reimbursements and credits	0.02%	0.33%	2.14%	3.32%	3.00%	1.96%
Net investment income (loss), before waivers, reimbursements and credits	(0.08)%	0.30%	2.12%	3.29%	2.97%	1.93%

		SERVICE				
Selected per share data	2010 ⁽¹⁾	2009 ⁽¹⁾	2008	2007	2006	2005
Net Asset Value, Beginning of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
INCOME FROM INVESTMENT OPERATIONS:						
Net investment income	—	—	0.02	0.03	0.03	0.02
Net realized gains (losses)	—	—	—	—	—	—
Total from Investment Operations	—	—	0.02	0.03	0.03	0.02
LESS DISTRIBUTIONS PAID:						
From net investment income	—	—	(0.02)	(0.03)	(0.03)	(0.02)
Total Distributions Paid	—	—	(0.02)	(0.03)	(0.03)	(0.02)
Net Asset Value, End of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Return⁽²⁾	0.01%	0.17%	1.92%	3.10%	2.82%	1.72%
SUPPLEMENTAL DATA AND RATIOS:						
Net assets, in thousands, end of period	\$1,574	\$4,512	\$4,613	\$3,848	\$4,023	\$4,769
Ratio to average net assets of: ⁽³⁾						
Expenses, net of waivers, reimbursements and credits	0.27%	0.60% ⁽⁴⁾	0.62% ⁽⁵⁾	0.61%	0.61%	0.61%
Expenses, before waivers, reimbursements and credits	0.63%	0.66%	0.64%	0.64%	0.64%	0.64%
Net investment income, net of waivers, reimbursements and credits	0.02%	0.10%	1.88%	3.06%	2.74%	1.70%
Net investment income (loss), before waivers, reimbursements and credits	(0.34)%	0.04%	1.86%	3.03%	2.71%	1.67%

- (1) Per share amounts from net investment income, net realized gains (losses) and distributions from net investment income were less than \$0.01 per share.
- (2) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at net asset value at the end of the period. Total return is not annualized for periods less than one year.
- (3) Annualized for periods less than one year.
- (4) The net expense ratio includes the fee for participation in the U.S. Department of the Treasury's Temporary Guaranty Program (the "Participation Fee") of approximately \$318,000 and \$1,000 for Shares and Service Shares, respectively, which represents 0.03% of average net assets for the fiscal year ended November 30, 2009. Absent the Participation Fee, the net expenses would have been decreased by a corresponding amount.
- (5) The net expense ratio includes the Participation Fee of approximately \$75,000 and \$1,000 for Shares and Service Shares, respectively, which represents 0.01% of average net assets for the fiscal year ended November 30, 2008. Absent the Participation Fee, the net expenses would have been decreased by a corresponding amount.

See Notes to the Financial Statements.

MUNICIPAL PORTFOLIO		SHARES					
Selected per share data	2010 ⁽¹⁾	2009 ⁽¹⁾	2008	2007	2006	2005	
Net Asset Value, Beginning of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	
INCOME FROM INVESTMENT OPERATIONS:							
Net investment income	—	—	0.02	0.03	0.03	0.02	
Net realized gains (losses)	—	—	—	—	—	—	
Total from Investment Operations	—	—	0.02	0.03	0.03	0.02	
LESS DISTRIBUTIONS PAID:							
From net investment income	—	—	(0.02)	(0.03)	(0.03)	(0.02)	
Total Distributions Paid	—	—	(0.02)	(0.03)	(0.03)	(0.02)	
Net Asset Value, End of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	
Total Return⁽²⁾	0.05%	0.49%	2.29%	3.52%	3.24%	2.13%	
SUPPLEMENTAL DATA AND RATIOS:							
Net assets, in thousands, end of period	\$4,660,721	\$6,075,067	\$4,877,332	\$4,055,785	\$2,454,129	\$1,095,146	
Ratio to average net assets of: ⁽³⁾							
Expenses, net of waivers, reimbursements and credits	0.20%	0.23% ⁽⁴⁾	0.21% ⁽⁵⁾	0.20%	0.20% ⁽⁶⁾	0.20%	
Expenses, before waivers, reimbursements and credits	0.32%	0.34%	0.33%	0.32%	0.32%	0.32%	
Net investment income, net of waivers, reimbursements and credits	0.09%	0.47%	2.24%	3.47%	3.23%	2.12%	
Net investment income (loss), before waivers, reimbursements and credits	(0.03)%	0.36%	2.12%	3.35%	3.11%	2.00%	

		SERVICE					
Selected per share data	2010 ⁽¹⁾	2009 ⁽¹⁾	2008	2007	2006	2005	
Net Asset Value, Beginning of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	
INCOME FROM INVESTMENT OPERATIONS:							
Net investment income	—	—	0.02	0.03	0.03	0.02	
Net realized gains (losses)	—	—	—	—	—	—	
Total from Investment Operations	—	—	0.02	0.03	0.03	0.02	
LESS DISTRIBUTIONS PAID:							
From net investment income	—	—	(0.02)	(0.03)	(0.03)	(0.02)	
Total Distributions Paid	—	—	(0.02)	(0.03)	(0.03)	(0.02)	
Net Asset Value, End of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	
Total Return⁽²⁾	0.01%	0.24%	2.02%	3.26%	2.98%	1.87%	
SUPPLEMENTAL DATA AND RATIOS:							
Net assets, in thousands, end of period	\$47,306	\$73,501	\$72,258	\$46,658	\$55,183	\$89,445	
Ratio to average net assets of: ⁽³⁾							
Expenses, net of waivers, reimbursements and credits	0.28%	0.47% ⁽⁴⁾	0.47% ⁽⁵⁾	0.46%	0.46% ⁽⁶⁾	0.46%	
Expenses, before waivers, reimbursements and credits	0.58%	0.60%	0.59%	0.58%	0.58%	0.58%	
Net investment income, net of waivers, reimbursements and credits	0.01%	0.23%	1.98%	3.21%	2.97%	1.86%	
Net investment income (loss), before waivers, reimbursements and credits	(0.29)%	0.10%	1.86%	3.09%	2.85%	1.74%	

- (1) Per share amounts from net investment income, net realized gains (losses) and distributions from net investment income were less than \$0.01 per share.
- (2) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at net asset value at the end of the period. Total return is not annualized for periods less than one year.
- (3) Annualized for periods less than one year.
- (4) The net expense ratio includes the fee for participation in the U.S. Department of the Treasury's Temporary Guaranty Program (the "Participation Fee") of approximately \$1,360,000 and \$29,000 for Shares and Service Shares, respectively, which represents 0.03% of average net assets for the fiscal year ended November 30, 2009. Absent the Participation Fee, the net expenses would have been decreased by a corresponding amount.
- (5) The net expense ratio includes the Participation Fee of approximately \$322,000 and \$7,000 for Shares and Service Shares, respectively, which represents 0.01% of average net assets for the fiscal year ended November 30, 2008. Absent the Participation Fee, the net expenses would have been decreased by a corresponding amount.
- (6) The net expense ratio includes custodian credits of approximately \$166,000, which represents 0.01% of average net assets. Absent the custodian credit arrangement, expense reimbursement would have been increased by a corresponding amount.

See Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS
DIVERSIFIED ASSETS PORTFOLIO

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CERTIFICATES OF DEPOSIT – 22.8%		
Non-U.S. Depository Institutions – 22.8%		
Abbey National Treasury Services, FRCD, 0.30%, 6/1/10	\$75,000	\$75,000
Banco Bilbao Vizcaya Argentaria, 0.27%, 6/21/10	35,000	35,000
0.29%, 7/7/10	35,000	35,000
0.35%, 7/26/10	100,000	100,001
Banco Bilbao Vizcaya Argentaria, London, 0.26%, 6/10/10	35,000	35,000
0.31%, 7/30/10	55,000	55,000
0.34%, 8/19/10	20,000	20,000
Bank of Nova Scotia, Houston, 0.30%, 6/15/10	10,000	10,000
0.29%, 6/18/10	45,000	45,000
Bank of Tokyo-Mitsubishi, New York, 0.40%, 6/28/10	35,000	35,000
Barclays Bank, New York Branch, 0.52%, 8/24/10	81,000	81,000
Barclays Bank PLC, FRCD, 0.64%, 6/14/10	50,000	50,000
0.35%, 6/21/10	60,000	60,000
BNP Paribas, New York Branch, 0.40%, 10/18/10	65,000	65,000
BNP Paribas S.A., London Branch, 0.30%, 7/6/10	65,000	65,000
Credit Agricole CIB, New York, 0.57%, 8/2/10	80,000	80,000
Credit Agricole S.A., London Branch, 0.35%, 8/20/10	100,000	100,000
Deutsche Bank, New York Branch, 0.36%, 6/30/10	45,000	45,000
0.30%, 7/19/10	50,000	50,000
0.30%, 7/26/10	70,000	70,000
DNB Norway Bank A.S.A., New York Branch, 0.31%, 8/3/10	72,000	72,000
National Australia Bank, London Branch, 0.24%, 6/18/10	155,000	155,000
0.34%, 8/5/10	40,000	40,000
National Australia Bank, New York, FRCD, 0.45%, 6/28/10	50,000	50,000
Rabobank Nederland N.V., New York, FRCD, 0.27%, 6/7/10	50,000	50,000

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CERTIFICATES OF DEPOSIT – 22.8% continued		
Non-U.S. Depository Institutions – 22.8% continued		
Rabobank Nederland N.V., New York, FRCD, continued 0.30%, 6/9/10	\$45,000	\$45,000
0.34%, 6/18/10	65,000	65,000
Rabobank Nederland, New York Branch, 0.29%, 6/11/10	50,000	50,000
Royal Bank of Canada, New York, FRCD, 0.46%, 6/1/10	65,000	65,000
Royal Bank of Scotland, New York Branch, 0.43%, 6/30/10	60,000	60,000
0.50%, 10/12/10	52,000	52,000
Royal Bank of Scotland, Stamford CT Branch, 0.40%, 7/15/10	45,000	45,000
Santander UK PLC, FRCD, 0.35%, 6/25/10	75,000	75,000
Societe Generale, London Branch, 0.26%, 7/6/10	115,000	115,000
Societe Generale, New York Branch, 0.36%, 6/25/10, FRCD	50,000	50,000
0.33%, 7/6/10	20,000	20,000
Svenska Handelsbanken, Inc., New York Branch, 0.30%, 7/30/10	60,000	60,000
Toronto Dominion Bank, New York, FRCD, 0.30%, 6/10/10	30,000	30,000
Westpac Banking Corp., New York, FRCD, 0.28%, 6/1/10	85,000	85,000
0.29%, 6/1/10	30,000	30,000
Total Certificates of Deposit		
(Cost \$2,325,001)		2,325,001
COMMERCIAL PAPER – 13.3%		
Bank Holding Companies – 0.3%		
HSBC USA, Inc., 0.29%, 6/2/10	32,500	32,500
Chemicals and Allied Products – 0.7%		
Pfizer, Inc., 0.80%, 7/8/10	35,000	34,971
0.81%, 7/16/10	40,000	39,960
		74,931
Electronic and Other Electronic Components – 0.4%		
General Electric Capital Services, Inc., 0.30%, 7/27/10	42,000	41,980

See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
COMMERCIAL PAPER – 13.3% continued		
Multi-Seller Conduits – 10.4%		
Atlantic Asset Securitization Corp., 0.39%, 6/22/10	\$50,000	\$49,989
Charta Corp., 0.24%, 6/14/10	70,000	69,994
Clipper Receivables Corp., 0.30%, 7/20/10	35,000	34,986
Corporate Receivables Corp., 0.26%, 6/25/10	40,000	39,993
	10,000	9,995
Enterprise Funding LLC, 0.32%, 6/1/10	97,000	97,000
Gotham Funding Corp., 0.39%, 6/17/10	55,000	54,991
Kitty Hawk Funding Corp., 0.32%, 6/1/10	75,000	75,000
Liberty Street Funding Co., 0.25%, 6/1/10	30,000	30,000
	25,000	24,998
	50,000	49,995
Regency Markets, Inc., 0.40%, 6/16/10	48,210	48,202
Sheffield Receivables Corp., 0.23%, 6/7/10	30,000	29,999
	50,000	49,998
Straight-A Funding LLC, 0.30%, 6/17/10	45,000	44,994
	50,000	49,991
	50,000	49,979
Thames Asset Global Securitization Number One, Inc., 0.39%, 6/10/10	31,947	31,944
	25,000	24,998
	20,000	19,998
	20,000	19,996
	53,403	53,387
Thunder Bay Funding, Inc., 0.22%, 6/7/10	30,790	30,789
Yorktown Capital LLC, 0.32%, 6/1/10	70,000	70,000
		1,061,216

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
COMMERCIAL PAPER – 13.3% continued		
Non-U.S. Depository Institutions – 1.5%		
Lloyds Bank PLC, 0.36%, 7/6/10	\$50,000	\$49,983
	100,000	99,952
		149,935
Total Commercial Paper		
(Cost \$1,360,562)		
1,360,562		
CORPORATE NOTES/BONDS – 4.1%		
Foreign Agency and Regional Governments – 0.1%		
KFW, 1.88%, 3/15/11	10,000	10,110
General Merchandise Stores – 0.9%		
Wal-Mart Stores, 5.48%, 6/1/11	85,000	89,047
Insurance Carriers – 0.4%		
Berkshire Hathaway, Inc., FRN, 0.35%, 8/10/10	45,000	45,000
Non-U.S. Depository Institutions – 0.9%		
Santander US Debt S.A. Unipersonal, FRN, ⁽¹⁾ 0.36%, 7/23/10	54,249	54,252
Westpac Banking Corp., FRN, ⁽¹⁾ 0.32%, 6/2/10	35,000	35,000
		89,252
Supranational – 0.8%		
International Bank Reconstruction and Development, 0.73%, 6/10/10	80,000	80,000
U.S. Depository Institutions – 1.0%		
Bank of America N.A., FDIC Gtd., FRN, ⁽²⁾ 0.29%, 6/14/10	100,000	100,000
Total Corporate Notes/Bonds		
(Cost \$413,409)		
413,409		
EURODOLLAR TIME DEPOSITS – 9.5%		
Non-U.S. Depository Institutions – 8.0%		
BNP Paribas, Paris, 0.25%, 6/1/10	190,000	190,000
Danske Bank, Copenhagen, Denmark, 0.37%, 6/1/10	150,000	150,000

See Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS
DIVERSIFIED ASSETS PORTFOLIO *continued*

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
EURODOLLAR TIME DEPOSITS – 9.5% <i>continued</i>		
Non-U.S. Depository Institutions – 8.0% <i>continued</i>		
HSBC Paris, France, 0.31%, 6/1/10	\$150,000	\$150,000
Societe Generale, Paris, France, 0.24%, 6/1/10	175,000	175,000
UBS AG, Grand Cayman, 0.22%, 6/1/10	150,000	150,000
	815,000	
U.S. Depository Institutions – 1.5%		
Citibank, Nassau, 0.23%, 6/1/10	150,000	150,000
Total Eurodollar Time Deposits		965,000
(Cost \$965,000)		965,000

U.S. GOVERNMENT AGENCIES – 18.7% ⁽³⁾		
Federal Farm Credit Bank – 1.0%		
FFCB FRN, 0.19%, 6/1/10	35,000	34,993
0.30%, 6/6/10	70,000	70,007
	105,000	

Federal Home Loan Bank – 12.3%		
FHLB Bonds, 0.55%, 6/10/10	35,000	34,999
0.50%, 11/10/10	5,000	5,000
0.50%, 5/5/11	50,000	50,000
FHLB Callable Bonds, 0.40%, 12/28/10	25,000	25,000
0.45%, 12/29/10	92,000	91,998
0.50%, 3/7/11	9,000	9,000
0.50%, 3/14/11	13,000	13,000
0.57%, 4/13/11	60,000	60,000
0.60%, 4/18/11	31,000	31,000
0.63%, 4/21/11	25,000	25,000
0.60%, 5/10/11	85,000	85,000
0.70%, 6/16/11	30,000	30,000
0.75%, 6/21/11	45,000	45,000
0.80%, 6/24/11	20,000	20,000
FHLB Discount Notes, 0.15%, 6/2/10	1,000	1,000
0.51%, 5/17/11	35,000	34,830

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
U.S. GOVERNMENT AGENCIES – 18.7% ⁽³⁾ <i>continued</i>		
Federal Home Loan Bank – 12.3% <i>continued</i>		
FHLB FRN, 0.22%, 6/1/10	\$25,000	\$24,990
0.25%, 6/1/10	240,000	239,975
0.30%, 6/1/10	60,000	60,000
0.25%, 6/12/10	45,000	44,978
0.26%, 6/30/10	60,000	59,975
0.25%, 7/8/10	75,000	75,000
0.25%, 7/27/10	50,000	49,999
0.27%, 7/28/10	75,000	74,998
0.32%, 8/7/10	65,000	64,962
	1,255,704	

Federal Home Loan Mortgage Corporation – 3.3%		
FHLMC FRN, 0.23%, 6/3/10	75,000	74,994
0.22%, 6/10/10	75,000	74,992
0.30%, 6/19/10	50,000	49,960
0.32%, 6/26/10	35,000	34,972
0.25%, 8/4/10	60,000	59,995
FHLMC Note, 1.45%, 9/10/10	40,000	40,099
	335,012	

Federal National Mortgage Association – 2.1%		
FNMA Discount Notes, 0.23%, 7/1/10	40,000	39,992
0.51%, 3/28/11	45,000	44,812
0.51%, 3/29/11	30,000	29,875
FNMA FRN, 0.19%, 7/13/10	40,000	39,997
0.30%, 8/5/10	40,000	39,996
FNMA Note, 3.00%, 7/12/10	17,000	17,048
	211,720	
Total U.S. Government Agencies		1,907,436
(Cost \$1,907,436)		1,907,436

U.S. GOVERNMENT OBLIGATIONS – 5.3%		
U.S. Treasury Bills – 0.9%		
0.50%, 7/1/10	30,000	29,988
0.39%, 9/23/10	20,000	19,975
0.43%, 12/16/10	42,000	41,902
	91,865	

See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
U.S. GOVERNMENT OBLIGATIONS – 5.3% continued		
U.S. Treasury Notes – 4.4%		
2.38%, 8/31/10	\$57,000	\$57,248
4.50%, 11/15/10	40,000	40,735
1.25%, 11/30/10	111,000	111,489
0.88%, 1/31/11	85,000	85,182
5.00%, 2/15/11	55,000	56,792
0.88%, 2/28/11	45,000	45,148
0.88%, 3/31/11	30,000	30,104
0.88%, 5/31/11	19,000	19,088
	445,786	
Total U.S. Government Obligations		
(Cost \$537,651)		537,651
Investments, at Amortized Cost		
(\$7,509,059)		7,509,059

REPURCHASE AGREEMENTS – 28.1%

Joint Repurchase Agreements – 3.3% (4)		
Bank of America Securities LLC, dated 5/28/10, repurchase price \$74,246		
0.16%, 6/1/10	74,244	74,244
Morgan Stanley & Co., Inc., dated 5/28/10, repurchase price \$74,246		
0.18%, 6/1/10	74,245	74,245
Societe Generale, New York Branch, dated 5/28/10, repurchase price \$74,246		
0.19%, 6/1/10	74,245	74,245
UBS Securities LLC, dated 5/28/10, repurchase price \$111,369		
0.19%, 6/1/10	111,367	111,367
	334,101	

Repurchase Agreements – 24.8% (5)

Bank of America, N.A., dated 5/28/10, repurchase price \$550,012		
0.20%, 6/1/10	550,000	550,000
Citigroup Global Markets, Inc., dated 5/28/10, repurchase price \$247,038		
0.21%, 6/1/10	247,032	247,032
Goldman Sachs & Co., dated 5/28/10, repurchase price \$550,012		
0.20%, 6/1/10	550,000	550,000

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
REPURCHASE AGREEMENTS – 28.1% continued		
Repurchase Agreements – 24.8% (5) continued		
Societe Generale, New York Branch, dated 5/28/10, repurchase price \$1,085,025		
0.21%, 6/1/10	\$1,085,000	\$1,085,000
UBS Securities LLC, dated 5/28/10, repurchase price \$90,002		
0.20%, 6/1/10	90,000	90,000
		2,522,032
Total Repurchase Agreements		
(Cost \$2,856,133)		2,856,133
Total Investments – 101.8%		
(Cost \$10,365,192) (6)		10,365,192
Liabilities less Other Assets – (1.8)%		(181,307)
NET ASSETS – 100.0%		\$10,183,885

(1) Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

(2) Security issued under the terms of the Temporary Liquidity Guaranty Program by the Federal Deposit Insurance Corp. ("FDIC"). Under the terms of this program, the FDIC guarantees payment of principal and interest.

(3) The obligations of certain U.S. Government-sponsored entities are neither issued nor guaranteed by the United States Treasury. On September 7, 2008, the Federal Housing Finance Agency (FHFA) placed FNMA and FHLMC in conservatorship. The United States Treasury has put in place a set of financing agreements to ensure that these entities continue to meet their obligations to holders of bonds that they have issued or guaranteed.

(4) The nature and terms of the collateral received for the joint repurchase agreements are as follows:

NAME	FAIR MARKET		
	VALUE (000S)	COUPON RATES	MATURITY DATES
U.S. Treasury Bonds	\$100,447	2.38% - 6.25%	8/15/23 - 1/15/27
U.S. Treasury Notes	\$237,816	0.88% - 3.38%	12/31/10 - 1/15/15

(5) The nature and terms of the collateral received for the repurchase agreements are as follows:

NAME	FAIR MARKET		
	VALUE (000S)	COUPON RATES	MATURITY DATES
FHLMC	\$1,029,957	3.13% - 6.50%	2/1/20 - 5/1/40
FNMA	\$1,338,140	3.01% - 6.50%	12/1/17 - 11/1/48
GNMA	\$229,596	3.50% - 10.00%	4/15/11 - 10/15/51

(6) The cost for federal income tax purposes was \$10,365,192.

Percentages shown are based on Net Assets.

See Notes to the Financial Statements.

At May 31, 2010, the maturity analysis for the Diversified Assets Portfolio as a percentage of investments was:

MATURITY ANALYSIS	%
1 Day	45.8%
2 - 15 Days	11.4
16 - 30 Days	11.7
31 - 60 Days	13.5
61 - 97 Days	6.5
98 - 180 Days	2.2
181 - 270 Days	4.1
271+ Days	4.8
Total	100.0%

Various inputs are used in determining the value of the Portfolio's investments. These inputs are summarized in three levels listed below:

Level 1 - Quoted market prices in active markets for identical securities on the measurement date and on an ongoing basis.

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, 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. Following is a summary of the inputs used in valuing the Diversified Assets Portfolio's investments, which are carried at fair value, as of May 31, 2010:

	LEVEL 1 (000S)	LEVEL 2 (000S)	LEVEL 3 (000S)	TOTAL (000S)
Investments held by				
Diversified Assets Portfolio	\$ —	\$10,365,192 ⁽¹⁾	\$ —	\$10,365,192

(1) Classifications as defined in the Schedule of Investments.

See Notes to the Financial Statements.

GOVERNMENT PORTFOLIO

MAY 31, 2010 (UNAUDITED)

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
U.S. GOVERNMENT AGENCIES – 57.4% ⁽¹⁾		
Federal Farm Credit Bank – 13.3%		
FFCB Bonds,		
2.88%, 8/4/10	\$10,000	\$10,047
5.25%, 9/13/10	10,000	10,141
0.41%, 10/26/10	20,000	20,005
FFCB Discount Notes,		
0.54%, 6/17/10	50,000	49,988
0.24%, 9/15/10	25,000	24,980
0.28%, 9/15/10	75,000	74,940
0.20%, 9/27/10	10,000	9,994
0.20%, 9/28/10	10,000	9,993
0.24%, 10/6/10	25,000	24,979
0.36%, 11/12/10	10,000	9,984
FFCB FRN,		
0.30%, 6/1/10	25,000	24,996
0.67%, 6/1/10	30,000	30,036
0.70%, 6/1/10	35,000	35,000
0.28%, 6/2/10	30,000	30,000
0.33%, 6/6/10	50,000	50,039
0.23%, 6/9/10	35,000	35,000
0.64%, 6/15/10	99,000	99,021
0.36%, 6/20/10	50,000	49,997
0.58%, 6/20/10	100,000	100,000
0.18%, 6/22/10	13,500	13,500
0.23%, 6/24/10	45,000	45,000
0.33%, 6/25/10	30,000	30,000
0.34%, 6/25/10	5,000	5,000
0.26%, 6/27/10	30,000	29,998
0.39%, 6/30/10	13,000	13,004
		835,642

Federal Home Loan Bank – 15.5%

FHLB Bonds,		
0.55%, 6/4/10	50,000	50,001
0.65%, 6/15/10	100,000	99,998
4.40%, 6/15/10	33,808	33,862
0.56%, 6/18/10	30,000	30,003
4.50%, 6/22/10	5,560	5,574
0.55%, 7/16/10	25,000	25,009
3.50%, 7/16/10	10,465	10,507
0.56%, 8/20/10	35,000	34,996
1.38%, 9/3/10	10,000	10,030
5.13%, 9/10/10	30,000	30,407

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
U.S. GOVERNMENT AGENCIES – 57.4% ⁽¹⁾ continued		
Federal Home Loan Bank – 15.5% continued		
FHLB Bonds, continued		
0.60%, 9/17/10	\$20,000	\$20,018
4.38%, 9/17/10	27,005	27,331
0.50%, 10/18/10	53,120	53,153
4.38%, 10/22/10	33,210	33,741
0.48%, 10/25/10	15,000	15,014
0.38%, 11/4/10	40,000	40,012
0.38%, 11/16/10	20,300	20,307
4.75%, 12/10/10	4,500	4,604
0.38%, 12/14/10	25,000	25,007
0.57%, 12/29/10	13,200	13,216
0.58%, 6/3/11	20,000	19,998
FHLB Discount Notes,		
0.06%, 6/1/10	100,000	100,000
0.21%, 6/28/10	14,623	14,621
0.47%, 7/7/10	10,000	9,995
FHLB FRN,		
0.37%, 6/1/10	15,000	15,000
0.60%, 6/1/10	24,500	24,500
0.70%, 6/1/10	30,000	29,999
0.25%, 6/17/10	30,000	30,000
0.05%, 7/6/10	6,500	6,499
0.15%, 7/9/10	55,000	55,001
0.31%, 7/9/10	3,200	3,200
0.20%, 7/13/10	50,000	50,002
0.20%, 7/14/10	30,000	29,999
		971,604

Federal Home Loan Mortgage Corporation – 10.7%

FHLMC Discount Notes,		
0.21%, 6/28/10	20,000	19,997
0.26%, 8/17/10	40,000	39,978
0.26%, 8/25/10	20,000	19,988
0.29%, 11/1/10	15,000	14,982
FHLMC FRN,		
0.23%, 6/3/10	50,000	49,996
0.32%, 6/9/10	36,090	36,147
0.25%, 6/24/10	100,000	100,040
0.27%, 6/30/10	10,000	10,009
0.20%, 7/14/10	120,000	119,999
0.39%, 7/30/10	5,327	5,332
0.25%, 8/4/10	17,156	17,154
0.46%, 8/24/10	65,000	64,997

See Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS

GOVERNMENT PORTFOLIO *continued*

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
U.S. GOVERNMENT AGENCIES – 57.4% ⁽¹⁾ continued		
Federal Home Loan Mortgage Corporation – 10.7% continued		
FHLMC Notes,		
2.88%, 6/28/10	\$17,602	\$17,637
4.13%, 7/12/10	16,728	16,802
3.25%, 7/16/10	16,460	16,521
1.33%, 8/18/10	1,150	1,153
5.13%, 8/23/10	13,530	13,679
1.45%, 9/10/10	34,900	35,017
6.88%, 9/15/10	12,000	12,231
4.13%, 10/18/10	6,580	6,676
3.13%, 10/25/10	32,000	32,364
2.88%, 11/23/10	13,000	13,156
4.50%, 12/16/10	5,000	5,112
		668,967

Federal National Mortgage Association – 17.8%

FNMA Discount Notes,		
0.14%, 6/1/10	42,500	42,500
0.16%, 6/1/10	50,000	50,000
0.17%, 6/1/10	35,424	35,424
0.20%, 6/25/10	85,000	84,989
0.20%, 7/1/10	60,000	59,989
0.20%, 7/26/10	35,000	34,989
0.19%, 8/2/10	135,560	135,508
0.23%, 8/2/10	10,914	10,909
0.21%, 9/1/10	74,367	74,321
0.25%, 9/20/10	45,000	44,965
0.30%, 10/1/10	40,549	40,505
0.31%, 10/1/10	25,000	24,972
0.32%, 10/1/10	20,000	19,978
0.28%, 10/13/10	8,250	8,241
0.29%, 10/20/10	85,500	85,404
0.30%, 10/25/10	16,200	16,180
FNMA FRN,		
0.19%, 7/13/10	20,000	20,000
0.30%, 8/5/10	145,000	145,015
FNMA Notes,		
4.38%, 6/21/10	20,000	20,045
3.00%, 7/12/10	71,798	72,021
3.25%, 8/12/10	5,455	5,487
4.25%, 8/15/10	9,781	9,862
4.38%, 9/13/10	10,136	10,256

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
U.S. GOVERNMENT AGENCIES – 57.4% ⁽¹⁾ continued		
Federal National Mortgage Association – 17.8% continued		
FNMA Notes, continued		
2.88%, 10/12/10	\$47,295	\$47,732
4.75%, 12/15/10	15,000	15,354
		1,114,646
Tennessee Valley Authority – 0.1%		
Tennessee Valley Authority Discount Note,		
5.63%, 1/18/11	3,500	3,616
		3,616
Total U.S. Government Agencies		
(Cost \$3,594,475)		3,594,475

U.S. GOVERNMENT OBLIGATIONS – 13.0%

U.S. Treasury Bills – 10.0%		
0.14%, 6/3/10	200,000	199,998
0.15%, 6/3/10	100,000	99,999
0.13%, 6/10/10	100,000	99,996
0.15%, 6/10/10	150,000	149,995
0.23%, 11/18/10	50,000	49,946
0.34%, 1/13/11	25,000	24,948
		624,882
U.S. Treasury Notes – 3.0%		
3.63%, 6/15/10	75,000	75,101
2.38%, 8/31/10	25,000	25,130
2.00%, 9/30/10	45,000	45,253
1.25%, 11/30/10	45,000	45,215
		190,699
Total U.S. Government Obligations		
(Cost \$815,581)		815,581

Investments, at Amortized Cost		
(\$4,410,056)		4,410,056

REPURCHASE AGREEMENTS – 30.9%

Joint Repurchase Agreements – 3.3% ⁽²⁾		
Bank of America Securities LLC, dated 5/28/10, repurchase price \$45,937		
0.16%, 6/1/10	45,936	45,936
Morgan Stanley & Co., Inc., dated 5/28/10, repurchase price \$45,937		
0.18%, 6/1/10	45,936	45,936

See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
REPURCHASE AGREEMENTS – 30.9% continued		
Joint Repurchase Agreements – 3.3% ⁽²⁾ continued		
Societe Generale, New York Branch, dated 5/28/10, repurchase price \$45,937		
0.19%, 6/1/10	\$45,937	\$45,937
UBS Securities LLC, dated 5/28/10, repurchase price \$68,906		
0.19%, 6/1/10	68,905	68,905
		206,714
Repurchase Agreements – 27.6% ⁽³⁾		
Bank of America N.A., dated 5/28/10, repurchase price \$170,004		
0.20%, 6/1/10	170,000	170,000
Barclays Capital, Inc., dated 5/28/10, repurchase price \$600,007		
0.10%, 6/1/10	600,000	600,000
BNP Paribas Securities Corp., dated 5/28/10, repurchase price \$200,004		
0.20%, 6/1/10	200,000	200,000
BNP Paribas Securities Corp., dated 5/28/10, repurchase price \$425,010		
0.21%, 6/1/10	425,000	425,000
Citigroup Global Markets, Inc., dated 5/28/10, repurchase price \$60,202		
0.21%, 6/1/10	60,201	60,201
Deutsche Bank Securities, Inc., dated 5/28/10, repurchase price \$35,001		
0.20%, 6/1/10	35,000	35,000
Goldman Sachs & Co., dated 5/28/10, repurchase price \$130,003		
0.20%, 6/1/10	130,000	130,000
JPMorgan Securities, Inc., dated 5/28/10, repurchase price \$110,003		
0.21%, 6/1/10	110,000	110,000
		1,730,201
Total Repurchase Agreements		
(Cost \$1,936,915)		1,936,915
Total Investments – 101.3%		
(Cost \$6,346,971) ⁽⁴⁾		6,346,971
Liabilities less Other Assets – (1.3)%		(86,705)
NET ASSETS – 100.0%		\$6,260,266

(1) The obligations of certain U.S. Government-sponsored entities are neither issued nor guaranteed by the United States Treasury. On September 7, 2008, the Federal Housing Finance Agency (FHFA) placed FNMA and FHLMC in conservatorship. The United States Treasury has put in place a set of financing agreements to ensure that these entities continue to meet their obligations to holders of bonds that they have issued or guaranteed.

(2) The nature and terms of the collateral received for the joint repurchase agreements are as follows:

NAME	FAIR MARKET		
	VALUE (000S)	COUPON RATES	MATURITY DATES
U.S. Treasury Bonds	\$62,148	2.38% - 6.25%	8/15/23 - 1/15/27
U.S. Treasury Notes	\$147,141	0.88% - 3.38%	12/31/10 - 1/15/15

(3) The nature and terms of the collateral received for the repurchase agreements are as follows:

NAME	FAIR MARKET		
	VALUE (000S)	COUPON RATES	MATURITY DATES
FHLB	\$94,309	1.00% - 6.00%	7/16/10 - 2/20/29
FHLMC	\$358,748	0.00% - 7.00%	6/3/13 - 12/1/39
FNMA	\$509,763	0.00% - 6.50%	2/1/11 - 11/1/48
GNMA	\$188,483	4.50% - 5.00%	3/15/39 - 4/15/40
Tennessee Valley Authority	\$10,458	4.65%	6/15/35
U.S. Treasury Bonds	\$612,000	4.50% - 7.88%	2/15/21 - 5/15/38

(4) The cost for federal income tax purposes was \$6,346,971.

Percentages shown are based on Net Assets.

At May 31, 2010, the maturity analysis for the Government Portfolio as a percentage of investments was:

MATURITY ANALYSIS	%
1 Day	36.3%
2 - 15 Days	18.0
16 - 30 Days	10.9
31 - 60 Days	8.7
61 - 97 Days	8.8
98 - 180 Days	15.1
181 - 270 Days	2.2
Total	100.0%

See Notes to the Financial Statements.

Various inputs are used in determining the value of the Portfolio's investments. These inputs are summarized in three levels listed below:

Level 1 - Quoted market prices in active markets for identical securities on the measurement date and on an ongoing basis.

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, 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. Following is a summary of the inputs used in valuing the Government Portfolio's investments, which are carried at fair value, as of May 31, 2010:

	LEVEL 1 (000S)	LEVEL 2 (000S)	LEVEL 3 (000S)	TOTAL (000S)
Investments held by				
Government Portfolio	\$ —	\$6,346,971 ⁽¹⁾	\$ —	\$6,346,971

(1) Classifications as defined in the Schedule of Investments.

See Notes to the Financial Statements.

GOVERNMENT SELECT PORTFOLIO

MAY 31, 2010 (UNAUDITED)

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
U.S. GOVERNMENT AGENCIES – 82.1% ⁽¹⁾		
Federal Farm Credit Bank – 26.7%		
FFCB Bonds,		
4.20%, 6/21/10	\$20,300	\$20,343
0.41%, 10/26/10	20,000	20,006
0.45%, 1/4/11	15,000	15,007
FFCB Discount Notes,		
0.14%, 6/2/10	20,000	20,000
0.14%, 6/3/10	65,000	64,999
0.14%, 6/8/10	20,000	19,999
0.16%, 6/10/10	35,000	34,999
0.14%, 6/14/10	25,000	24,999
0.16%, 6/21/10	40,000	39,996
0.17%, 7/2/10	40,000	39,994
0.17%, 7/6/10	20,000	19,997
0.17%, 7/8/10	30,000	29,995
0.18%, 7/15/10	135,000	134,970
0.16%, 7/19/10	40,000	39,991
0.17%, 7/19/10	20,000	19,996
0.17%, 7/22/10	20,000	19,995
0.17%, 7/29/10	20,000	19,995
0.18%, 8/6/10	30,000	29,990
0.20%, 8/20/10	20,000	19,991
0.19%, 8/23/10	10,000	9,996
0.23%, 8/24/10	20,000	19,989
0.23%, 8/30/10	10,000	9,994
0.23%, 8/31/10	20,000	19,988
0.21%, 9/2/10	25,000	24,986
0.21%, 9/3/10	20,000	19,989
0.27%, 9/7/10	5,000	4,996
0.27%, 9/8/10	20,000	19,985
0.23%, 9/9/10	20,000	19,987
0.24%, 9/15/10	40,000	39,972
0.25%, 9/20/10	15,000	14,988
0.25%, 9/23/10	20,000	19,984
0.23%, 9/27/10	35,000	34,974
0.20%, 9/29/10	15,000	14,990
0.23%, 9/30/10	20,000	19,985
0.23%, 10/7/10	20,000	19,984
0.24%, 10/8/10	20,000	19,983
0.25%, 10/18/10	20,000	19,981
0.25%, 10/19/10	40,000	39,961
0.26%, 11/10/10	20,000	19,977

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
U.S. GOVERNMENT AGENCIES – 82.1% ⁽¹⁾ continued		
Federal Farm Credit Bank – 26.7% continued		
FFCB Discount Notes, continued		
0.26%, 11/12/10	\$20,000	\$19,972
0.36%, 11/12/10	25,000	24,965
0.26%, 11/15/10	20,000	19,976
0.29%, 11/23/10	25,000	24,965
0.30%, 12/2/10	10,000	9,985
0.36%, 12/21/10	20,000	19,960
FFCB FRN,		
0.20%, 6/1/10	200,000	200,000
0.25%, 6/1/10	15,000	15,001
0.30%, 6/1/10	100,000	99,983
0.35%, 6/1/10	17,300	17,308
0.70%, 6/1/10	100,000	100,000
0.75%, 6/1/10	75,000	75,000
0.28%, 6/2/10	45,000	44,999
0.25%, 6/3/10	100,000	99,997
0.48%, 6/3/10	53,000	52,986
0.26%, 6/4/10	35,000	35,001
0.53%, 6/4/10	25,000	25,003
0.28%, 6/6/10	25,000	25,001
0.19%, 6/7/10	85,000	85,000
0.23%, 6/9/10	65,000	65,000
0.65%, 6/9/10	11,435	11,462
0.49%, 6/10/10	55,000	55,000
0.28%, 6/14/10	50,000	49,996
0.64%, 6/15/10	235,000	235,053
0.24%, 6/17/10	40,000	40,004
0.28%, 6/17/10	30,000	30,000
0.24%, 6/18/10	100,000	100,002
0.36%, 6/20/10	75,000	74,995
0.58%, 6/20/10	229,000	229,000
0.17%, 6/22/10	75,000	75,000
0.23%, 6/24/10	165,000	164,999
0.25%, 6/24/10	75,000	75,003
0.33%, 6/25/10	40,000	40,000
0.26%, 6/27/10	50,000	49,997
0.27%, 6/30/10	20,000	20,000
		3,360,564
Federal Home Loan Bank – 55.0%		
FHLB Bonds,		
0.55%, 6/4/10	100,000	100,002
0.55%, 6/10/10	25,000	25,002

See Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS

GOVERNMENT SELECT PORTFOLIO *continued*

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
U.S. GOVERNMENT AGENCIES – 82.1% ⁽¹⁾		<i>continued</i>

Federal Home Loan Bank – 55.0% *continued*

FHLB Bonds, *continued*

3.00%, 6/11/10	\$135,725	\$135,828
4.25%, 6/11/10	35,000	35,038
5.25%, 6/11/10	22,490	22,521
0.65%, 6/15/10	150,000	149,997
0.56%, 6/18/10	223,755	223,777
2.75%, 6/18/10	51,730	51,792
0.54%, 6/22/10	14,075	14,076
1.12%, 6/30/10	4,770	4,773
0.57%, 7/6/10	165,000	165,044
0.60%, 7/12/10	60,000	59,993
0.55%, 7/16/10	55,000	55,021
3.50%, 7/16/10	151,790	152,392
3.38%, 8/13/10	30,000	30,183
4.75%, 8/13/10	9,000	9,080
0.56%, 8/20/10	100,000	99,990
3.00%, 9/10/10	5,900	5,944
4.50%, 9/10/10	5,620	5,685
5.13%, 9/10/10	70,150	71,100
0.60%, 9/17/10	30,000	30,027
4.38%, 9/17/10	20,000	20,245
0.77%, 9/29/10	11,830	11,850
1.25%, 10/14/10	10,000	10,035
0.42%, 10/15/10	19,585	19,597
0.50%, 10/18/10	40,000	40,033
0.38%, 10/19/10	6,650	6,652
3.38%, 10/20/10	10,200	10,320
0.48%, 10/25/10	33,225	33,253
0.50%, 10/25/10	27,200	27,224
0.45%, 10/28/10	40,000	40,030
0.50%, 10/29/10	35,000	35,066
0.38%, 11/4/10	20,000	20,003
0.38%, 11/5/10	40,000	39,995
0.38%, 11/16/10	10,500	10,502
0.25%, 11/26/10	40,000	39,989
4.75%, 12/10/10	25,000	25,575
0.38%, 12/14/10	40,000	40,011
0.57%, 12/29/10	10,000	10,013
0.58%, 6/3/11	75,000	74,991
FHLB Discount Notes,		
0.06%, 6/1/10	719,342	719,342
0.07%, 6/1/10	175,000	175,000

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
U.S. GOVERNMENT AGENCIES – 82.1% ⁽¹⁾		<i>continued</i>

Federal Home Loan Bank – 55.0% *continued*

FHLB Discount Notes, *continued*

0.08%, 6/1/10	\$56,259	\$56,259
0.09%, 6/1/10	125,063	125,063
0.06%, 6/2/10	180,000	180,000
0.10%, 6/2/10	134,624	134,624
0.12%, 6/2/10	350,000	349,999
0.13%, 6/2/10	75,000	75,000
0.15%, 6/2/10	15,000	15,000
0.16%, 6/2/10	105,000	105,000
0.18%, 6/2/10	21,600	21,600
0.10%, 6/3/10	20,414	20,414
0.13%, 6/4/10	200,000	199,997
0.14%, 6/4/10	28,000	28,000
0.15%, 6/4/10	140,030	140,028
0.16%, 6/4/10	31,041	31,041
0.17%, 6/4/10	83,500	83,499
0.09%, 6/9/10	75,000	74,998
0.16%, 6/9/10	160,000	159,995
0.15%, 6/11/10	200,000	199,990
0.16%, 6/11/10	50,000	49,997
0.18%, 6/11/10	50,000	49,997
0.35%, 6/11/10	60,000	59,997
0.16%, 6/14/10	47,500	47,497
0.17%, 6/16/10	300,000	299,979
0.18%, 6/16/10	20,000	19,998
0.19%, 6/16/10	28,063	28,061
0.18%, 6/18/10	20,000	19,998
0.15%, 6/23/10	30,000	29,997
0.15%, 6/25/10	35,000	34,996
0.20%, 6/28/10	35,000	34,995
0.18%, 6/30/10	74,579	74,568
0.47%, 7/9/10	20,000	19,990
0.19%, 7/14/10	35,000	34,992
0.19%, 7/21/10	30,000	29,992
0.20%, 7/21/10	22,000	21,994
0.19%, 7/23/10	20,500	20,495
0.30%, 9/28/10	60,000	59,940
0.36%, 10/25/10	90,000	89,872
FHLB FRN,		
0.37%, 6/1/10	60,000	60,000
0.40%, 6/1/10	80,000	80,000
0.47%, 6/1/10	75,000	75,000

See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
U.S. GOVERNMENT AGENCIES – 82.1% ⁽¹⁾ continued		
Federal Home Loan Bank – 55.0% continued		
FHLB FRN, continued		
0.60%, 6/1/10	\$100,000	\$99,998
0.70%, 6/1/10	130,000	129,998
0.10%, 6/6/10	10,000	10,001
0.25%, 6/17/10	65,000	65,000
0.05%, 7/6/10	90,000	89,999
0.15%, 7/9/10	235,000	234,990
0.31%, 7/9/10	125,000	125,000
0.20%, 7/14/10	50,000	49,999
0.25%, 7/15/10	5,000	5,001
0.25%, 7/27/10	15,000	15,001
		6,924,840
Tennessee Valley Authority – 0.4%		
Tennessee Valley Authority Bond,		
5.63%, 1/18/11	25,000	25,829
Tennessee Valley Authority Discount Note,		
0.15%, 6/17/10	30,000	29,998
		55,827
Total U.S. Government Agencies		
(Cost \$10,341,231)		10,341,231

U.S. GOVERNMENT OBLIGATIONS – 17.5%		
U.S. Treasury Bills – 12.0%		
0.13%, 6/3/10	75,000	74,999
0.14%, 6/3/10	575,000	574,996
0.13%, 6/10/10	180,000	179,993
0.15%, 6/10/10	250,000	249,991
0.16%, 6/17/10	89,000	88,993
0.17%, 6/17/10	70,000	69,995
0.15%, 6/24/10	75,000	74,992
0.54%, 7/1/10	50,000	49,978
0.15%, 8/12/10	22,000	21,993
0.19%, 8/19/10	100,000	99,958
0.22%, 11/12/10	22,000	21,978
		1,507,866

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
U.S. GOVERNMENT OBLIGATIONS – 17.5% continued		
U.S. Treasury Notes – 5.5%		
3.63%, 6/15/10	\$130,000	\$130,153
2.88%, 6/30/10	40,000	40,083
2.75%, 7/31/10	35,000	35,147
4.13%, 8/15/10	45,000	45,368
2.00%, 9/30/10	195,000	196,105
1.50%, 10/31/10	250,000	251,262
		698,118
U.S. Government Obligations		
(Cost \$2,205,984)		2,205,984
Investments, at Amortized Cost		
(Cost \$12,547,215)		12,547,215
Total Investments – 99.6%		
(Cost \$12,547,215) ⁽²⁾		12,547,215
Other Assets less Liabilities – 0.4%		45,936
NET ASSETS – 100.0%		\$12,593,151

(1) The obligations of certain U.S. Government-sponsored entities are neither issued nor guaranteed by the United States Treasury.

(2) The cost for federal income tax purposes was \$12,547,215.

Percentages shown are based on Net Assets.

At May 31, 2010, the maturity analysis for the Government Select Portfolio as a percentage of investments was:

MATURITY ANALYSIS	%
1 Day	17.0%
2 - 15 Days	37.0
16 - 30 Days	17.2
31 - 60 Days	11.6
61 - 97 Days	4.0
98 - 180 Days	12.0
181 - 270 Days	1.2
Total	100.0%

See Notes to the Financial Statements.

Various inputs are used in determining the value of the Portfolio's investments. These inputs are summarized in three levels listed below:

Level 1 - Quoted market prices in active markets for identical securities on the measurement date and on an ongoing basis.

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, 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. Following is a summary of the inputs used in valuing the Government Select Portfolio's investments, which are carried at fair value, as of May 31, 2010:

	LEVEL 1 (000S)	LEVEL 2 (000S)	LEVEL 3 (000S)	TOTAL (000S)
Investments held by				
Government Select Portfolio	\$ —	\$12,547,215 ⁽¹⁾	\$ —	\$12,547,215

(1) Classifications as defined in the Schedule of Investments.

See Notes to the Financial Statements.

TREASURY PORTFOLIO

MAY 31, 2010 (UNAUDITED)

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
U.S. GOVERNMENT OBLIGATIONS – 29.5%		
U.S. Treasury Bills – 19.3%		
0.11%, 6/3/10	\$100,000	\$99,999
0.45%, 6/3/10	10,000	10,000
0.46%, 6/3/10	15,000	15,000
0.57%, 6/3/10	5,000	5,000
0.45%, 6/10/10	13,000	12,998
0.31%, 6/17/10	75,000	74,988
0.33%, 6/17/10	75,000	74,988
0.44%, 6/17/10	35,000	34,994
0.45%, 6/17/10	40,000	39,994
0.46%, 7/1/10	13,000	12,994
0.55%, 7/1/10	40,000	39,983
0.39%, 7/15/10	11,000	10,995
0.15%, 7/29/10	750	749
0.49%, 7/29/10	20,000	19,984
0.43%, 8/26/10	15,000	14,985
0.23%, 9/23/10	30,000	29,975
0.41%, 9/23/10	8,000	7,993
0.25%, 10/14/10	10,000	9,991
0.37%, 10/21/10	60,000	59,912
0.40%, 12/16/10	45,000	44,899
0.41%, 12/16/10	55,000	54,877
0.45%, 12/16/10	18,000	17,960
0.32%, 2/10/11	44,895	44,793
0.38%, 3/10/11	50,000	49,854
		787,905
U.S. Treasury Notes – 10.2%		
2.38%, 8/31/10	7,000	7,031
2.00%, 9/30/10	23,000	23,124
4.50%, 11/15/10	62,000	63,140
1.25%, 11/30/10	210,000	210,996
5.00%, 2/15/11	5,000	5,164
0.88%, 2/28/11	65,000	65,226
4.75%, 3/31/11	40,000	41,426
		416,107
Total U.S. Government Obligations		
(Cost \$1,204,012)		1,204,012
Investments, at Amortized Cost		
(\$1,204,012)		1,204,012

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
REPURCHASE AGREEMENTS – 70.5%		
Joint Repurchase Agreements – 3.1% ⁽¹⁾		
Bank of America Securities LLC, dated 5/28/10, repurchase price \$28,439		
0.16%, 6/1/10	\$28,439	\$28,439
Morgan Stanley & Co., Inc., dated 5/28/10, repurchase price \$28,439		
0.18%, 6/1/10	28,438	28,438
Societe Generale, New York Branch, dated 5/28/10, repurchase price \$28,439		
0.19%, 6/1/10	28,439	28,439
UBS Securities LLC, dated 5/28/10, repurchase price \$42,659		
0.19%, 6/1/10	42,658	42,658
		127,974
Repurchase Agreements – 67.4% ⁽²⁾		
Bank of America Securities LLC, dated 5/28/10, repurchase price \$342,565		
0.19%, 6/1/10	342,558	342,558
Barclays Capital, Inc., dated 5/28/10, repurchase price \$60,001		
0.14%, 6/1/10	60,000	60,000
Barclays Capital, Inc., dated 5/28/10, repurchase price \$665,014		
0.19%, 6/1/10	665,000	665,000
BNP Paribas Securities Corp., dated 5/28/10, repurchase price \$405,009		
0.19%, 6/1/10	405,000	405,000
Citigroup Global Markets, Inc., dated 5/28/10, repurchase price \$513,011		
0.20%, 6/1/10	513,000	513,000
HSBC Securities (USA), Inc., dated 5/28/10, repurchase price \$162,003		
0.19%, 6/1/10	162,000	162,000
RBS Securities, Inc., dated 5/28/10, repurchase price \$405,009		
0.20%, 6/1/10	405,000	405,000
Societe Generale, New York Branch, dated 5/28/10, repurchase price \$200,004		
0.19%, 6/1/10	200,000	200,000
		2,752,558
Total Repurchase Agreements		
(Cost \$2,880,532)		2,880,532
Total Investments – 100.0%		
(Cost \$4,084,544) ⁽³⁾		4,084,544
Other Assets less Liabilities – 0.0%		1,363
NET ASSETS – 100.0%		\$4,085,907

See Notes to the Financial Statements.

(1) The nature and terms of the collateral received for the joint repurchase agreements are as follows:

NAME	FAIR MARKET VALUE (000S)	COUPON RATES	MATURITY DATES
U.S. Treasury Bills	\$109,646	0.00%	6/10/10 - 11/4/10
U.S. Treasury Bonds	\$97,786	0.00% - 8.13%	11/15/15 - 2/15/40
U.S. Treasury Notes	\$2,199,855	0.88% - 4.63%	6/15/10 - 8/15/18
U.S. Treasury Strips	\$404,256	0.00%	8/15/15

(2) The nature and terms of the collateral received for the repurchase agreements are as follows:

NAME	FAIR MARKET VALUE (000S)	COUPON RATES	MATURITY DATES
U.S. Treasury Bonds	\$38,475	2.38% - 6.25%	8/15/23 - 1/15/27
U.S. Treasury Notes	\$91,093	0.88% - 3.38%	12/31/10 - 1/15/15

(3) The cost for federal income tax purposes was \$4,084,544.

Percentages shown are based on Net Assets.

At May 31, 2010, the maturity analysis for the Treasury Portfolio as a percentage of investments was:

MATURITY ANALYSIS	%
1 Day	69.7%
2 - 15 Days	3.6
16 - 30 Days	5.7
31 - 60 Days	2.1
61 - 97 Days	0.6
98 - 180 Days	4.9
181 - 270 Days	9.5
271+ Days	3.9
Total	100.0%

Various inputs are used in determining the value of the Portfolio's investments. These inputs are summarized in three levels listed below:

Level 1 - Quoted market prices in active markets for identical securities on the measurement date and on an ongoing basis.

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, 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. Following is a summary of the inputs used in valuing the Treasury Portfolio's investments, which are carried at fair value, as of May 31, 2010:

	LEVEL 1 (000S)	LEVEL 2 (000S)	LEVEL 3 (000S)	TOTAL (000S)
Investments held by				
Treasury Portfolio	\$ —	\$4,084,544 ⁽¹⁾	\$ —	\$4,084,544

(1) Classifications as defined in the Schedule of Investments.

See Notes to the Financial Statements.

TAX-EXEMPT PORTFOLIO

MAY 31, 2010 (UNAUDITED)

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.6%		
Alabama – 2.0%		
Hoover Multifamily Housing Revenue Refunding VRDB, Series 2004, Royal Oaks Apartment Project (FHLMC Insured), 0.31%, 6/8/10	\$5,200	\$5,200
Taylor-Ryan Improvement District No. 2 VRDB, Series 2005 (Wachovia Bank N.A. LOC), 0.31%, 6/8/10	14,800	14,800
West Jefferson IDB PCR Refunding Bonds, Series 1998, Alabama Power Co. Project, 0.32%, 6/8/10	10,000	10,000
		30,000

Arizona – 1.5%		
Arizona Health Facilities Authority Revenue Bonds, Series 2003B-1, The Terraces Project (Banco Santander Central Hispano LOC), 0.57%, 6/8/10	2,055	2,055
Arizona Health Facilities Authority Revenue VRDB, Series 2002, Royal Oaks Project (Bank of America N.A. LOC), 0.27%, 6/8/10	5,485	5,485
Arizona School District TANS Financing Program COPS, Series 2009, 2.00%, 7/30/10	5,000	5,012
Salt River Project Agricultural Improvement and Power District Revenue Bonds, Citigroup Eagle Series 2006-14, ⁽¹⁾ 0.30%, 6/8/10	2,300	2,300
Sun Devil Energy Center LLC Revenue Refunding Bonds, Series 2008, Arizona State University Project (Assured Guaranty Insured), 0.33%, 6/8/10	7,700	7,700
		22,552

California – 0.7%		
California Pollution Control Financing Authority Revenue Refunding VRDB, Series 2008, BP West Coast Production LLC, 0.25%, 6/1/10	2,400	2,400
California State Department of Water Resources Power Supply Revenue VRDB, Series 2002 C-7 (Bank of New York LOC), 0.23%, 6/8/10	2,600	2,600
California Statewide Communities Development Authority Revenue VRDB, Series 2007-B, Front Porch Communities (Banco Santander Central Hispano LOC), 0.55%, 6/8/10	1,100	1,100

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.6% continued		
California – 0.7% continued		
East Bay Municipal Utility District Water System Revenue Refunding VRDB, Series 2010A-2, 0.29%, 6/8/10	\$4,925	\$4,925
		11,025

Colorado – 1.6%		
Colorado Educational and Cultural Facilities Authority Revenue Bonds, Concordia University Irvine Project (U.S. Bank N.A. LOC), 0.32%, 6/1/10	1,575	1,575
Colorado Educational and Cultural Facilities Authority Revenue VRDB, Series 2008, Foundations Academy Project (U.S. Bank N.A. LOC), 0.27%, 6/8/10	4,655	4,655
Colorado Health Facilities Authority Revenue Refunding VRDB, Covenant Retirement (Bank of America N.A. LOC), 0.27%, 6/8/10	5,080	5,080
Colorado Health Facilities Authority Revenue VRDB, Series 2006, Senior Living Facilities- Eaton Terrace (U.S. Bank N.A. LOC), 0.29%, 6/8/10	2,155	2,155
Denver City and County Multifamily Housing Revenue Bonds, Series 1985, Ogden Residences Project (Credit Agricole Corp. and Investment Bank LOC), 0.38%, 6/1/10	1,700	1,700
Midcities Metropolitan District Number 1 Revenue Refunding VRDB, Series B (BNP Paribas LOC), 0.27%, 6/8/10	4,000	4,000
Traer Creek Metropolitan District Revenue VRDB, Series 2004 (BNP Paribas LOC), 0.50%, 6/8/10	200	200
Westminster EDA Tax Increment Revenue Refunding VRDB, Series 2009, Mandalay Gardens (U.S. Bank N.A. LOC), 0.25%, 6/8/10	4,300	4,300
		23,665

Connecticut – 1.1%		
Connecticut State Health and Educational Facilities Authority Revenue VRDB, Series 2008-E, Kent School (Bank of America N.A. LOC), 0.30%, 6/8/10	2,800	2,800

See Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS

TAX-EXEMPT PORTFOLIO *continued*

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.6% <i>continued</i>		
Connecticut – 1.1% <i>continued</i>		
State of Connecticut G.O., Series 2010-A, BANS, 2.00%, 5/19/11	\$13,885	\$14,092
		16,892
District of Columbia – 3.2%		
District of Columbia G.O. TANS, Series 2009, 2.50%, 9/30/10	16,400	16,511
District of Columbia Hospital Revenue Bonds, Citi ROCS RR II R-11839 (Assured Guaranty Insured), ⁽¹⁾ 0.34%, 6/8/10	17,695	17,695
District of Columbia Revenue VRDB, Series 2001, Henry J. Kaiser Foundation, 0.29%, 6/8/10	1,200	1,200
District of Columbia Revenue VRDB, Series 08, American Legacy Foundation, 0.26%, 6/8/10	6,000	6,000
District of Columbia Water and Sewer Revenue Bonds, Citicorp Eagle Trust 8121A (AGM Insured), ⁽¹⁾ 0.31%, 6/8/10	7,000	7,000
		48,406

Florida – 7.2%

Brevard County Health Facilities Authority Revenue Refunding VRDB, Series 2008, Retirement Housing Foundation (KBC Bank N.V. LOC), 0.27%, 6/8/10	6,400	6,400
Citizens Property Insurance Corp. Revenue Notes, Series 2009 A-2, Senior Secured, 4.50%, 6/1/10	8,500	8,500
Citizens Property Insurance Corp. Revenue Notes, Series 2010 A-2, Senior Secured, 2.00%, 4/21/11	12,000	12,076
Florida Housing Finance Agency Revenue VRDB, Series 1988-B, Multifamily Housing Lakeside (FNMA Insured), 0.28%, 6/8/10	4,675	4,675
Gainesville Utility System Revenue VRDB, Series 2008-B, 0.29%, 6/8/10	7,335	7,335
Highlands County Health Facilities Authority Revenue VRDB, Series 2003-C, Adventist Health/Sunbelt, 0.25%, 6/8/10	10,000	10,000

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.6% <i>continued</i>		
Florida – 7.2% <i>continued</i>		
Jacksonville Health Facilities Authority Hospital Revenue VRDB, Series 2008-B, Baptist Medical (Branch Banking and Trust Co. LOC), 0.28%, 6/8/10	\$15,030	\$15,030
Orange County School Board COPS VRDB, Series 2008-B (Assured Guaranty Insured), 0.28%, 6/8/10	10,700	10,700
Orlando Utilities Commission System Revenue VRDB, Series 2008, 0.50%, 6/8/10	10,000	10,000
Pembroke Pines Charter School Revenue VRDB, Series 2008 (Assured Guaranty Insured), 0.29%, 6/8/10	10,000	10,000
Volusia County IDA Revenue Refunding VRDB, Series 2008, Retirement Housing Foundation (KBC Bank N.V. LOC), 0.27%, 6/8/10	13,590	13,590
		108,306

Georgia – 7.1%

Burke County Development Authority PCR VRDB, Series 2009, Georgia Power Co., Vogle, 1st Series, 0.25%, 6/1/10	32,000	32,000
Fulton County Development Authority Revenue Bonds, Series 1999, Alfred and Adele Davis (Branch Banking and Trust Co. LOC), 0.29%, 6/8/10	11,550	11,550
Fulton County Residential Care Facilities for the Elderly Authority Revenue VRDB, Series C, Lenbrook Project, First Mortgage (Bank of Scotland PLC LOC), 0.28%, 6/8/10	300	300
Macon-Bibb County Industrial Authority Revenue Refunding and Improvement Bonds, Series 2009, Bass-Sofkee, 0.33%, 6/8/10	11,200	11,200
Monroe County Development Authority PCR VRDB, Series 2009, Georgia Power Co. – Scherer, 1st Series, 0.25%, 6/1/10	600	600
Municipal Electric Authority of Georgia Revenue VRDB, Series B, Project 1 (Dexia Credit Local LOC), 0.33%, 6/8/10	45,400	45,400

See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.6% continued		
Georgia – 7.1% continued		
Smyrna Multifamily Housing Authority Revenue Bonds, Series 1997, F & M Villages Project (FNMA Gtd.), 0.27%, 6/8/10	\$4,920	\$4,920
	105,970	

Illinois – 12.5%

Chicago G.O. VRDB, Series 21-B-3, Neighborhoods Alive (Bank of America N.A. LOC), 0.32%, 6/1/10	8,900	8,900
Chicago Wastewater Transmission Revenue Refunding VRDB, Subseries 2008 C-1 (Harris N.A. LOC), 0.28%, 6/1/10	2,300	2,300
City of Chicago G.O. Refunding VRDB, Series 2005D, Project Refunding (AGM Insured), 0.32%, 6/8/10	7,000	7,000
City of Chicago G.O. Refunding VRDB, Series 2007-E, 0.68%, 6/1/10	16,800	16,800
City of Springfield Community Improvement Revenue VRDB, Series 2007A, Abraham Lincoln (Harris N.A. LOC), 0.31%, 6/8/10	4,250	4,250
Illinois Educational Facilities Authority Revenue Bonds, Series A, Illinois Institute of Technology Student Housing (Harris N.A. LOC), 0.33%, 6/8/10	7,900	7,900
Illinois Educational Facilities Authority Revenue Bonds, Series 1997, The Adler Planetarium (FHLB Boston LOC), 0.25%, 6/8/10	12,550	12,550
Illinois Educational Facilities Authority Revenue Bonds, Series B-3, University of Chicago, 0.46%, 5/4/11	7,000	7,000
Illinois Finance Authority Revenue Bonds, Subseries B, Northwestern University, 0.32%, 3/1/11	8,850	8,850
Illinois Finance Authority Revenue VRDB, Series 2005-C, Landing at Plymouth (Bank of America N.A. LOC), 0.27%, 6/8/10	2,745	2,745

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.6% continued		
Illinois – 12.5% continued		
Illinois Finance Authority Revenue VRDB, Series 2006 B, Loyola University Health System (Harris N.A. LOC), 0.27%, 6/8/10	\$7,000	\$7,000
Illinois Finance Authority Revenue VRDB, Series 2008, Marwen Foundation Project (Bank of New York LOC), 0.38%, 6/8/10	5,080	5,080
Illinois Finance Authority Revenue VRDB, Series D, The Clare At Water Tower Project (Bank of America N.A. LOC), 0.32%, 6/8/10	40,000	40,000
Illinois International Port District Revenue Refunding VRDB, Series 2003 (Bank of America N.A. LOC), 0.51%, 6/8/10	3,000	3,000
Illinois State Tollway Highway Authority Revenue Refunding VRDB, Series 2008A-2, Senior Priority, 0.34%, 6/8/10	30,000	30,000
Illinois State Tollway Highway Authority Revenue VRDB, Series A-1, Senior Priority, 0.32%, 6/8/10	2,300	2,300
Kane County Revenue Bonds, Series 1993, Glenwood School for Boys (Harris N.A. LOC), 0.31%, 6/8/10	6,000	6,000
Morton Grove Cultural Facilities Revenue VRDB, Series 2006, Holocaust Museum (Bank of America N.A. LOC), 0.30%, 6/8/10	9,500	9,500
Peoria IDR Bonds, Series 1997, Peoria Production Shop Project (JPMorgan Chase Bank LOC), 0.60%, 6/8/10	450	450
Will County Revenue VRDB, Series 2004, Joliet Catholic Academy Project (Harris N.A. LOC), 0.31%, 6/8/10	6,250	6,250
	187,875	

Indiana – 1.4%

Indiana Finance Authority Health System Revenue Refunding VRDB, Series 2008-I, Sisters of St. Francis (Wells Fargo Bank N.A. LOC), 0.27%, 6/8/10	3,600	3,600
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See Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS

TAX-EXEMPT PORTFOLIO *continued*

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.6% <i>continued</i>		
Indiana – 1.4% <i>continued</i>		
Indiana Health Facility Financing Authority Revenue VRDB, Series 2000, Senior Living Greencroft Obligation Project (Bank of America N.A. LOC), 0.27%, 6/8/10	\$1,131	\$1,131
Indiana Health Facility Financing Authority Revenue VRDB, Series 2001B, Franciscan Eldercare Project (Bank of America N.A. LOC), 0.27%, 6/8/10	16,385	16,385
		21,116
Iowa – 0.9%		
Iowa Finance Authority Retirement Community Revenue VRDB, Series 2003-B, Wesley Retirement Services (Wells Fargo Bank N.A. LOC), 0.27%, 6/8/10	8,000	8,000
Iowa Finance Authority Revenue VRDB, Series 2003A, St. Luke's Health Foundation of Sioux City Project (General Electric Capital Corp. LOC), 0.25%, 6/8/10	3,100	3,100
Iowa Higher Education Loan Authority Revenue Bonds, Series 2002, Luther College Project (U.S. Bank N.A. LOC), 0.26%, 6/8/10	2,810	2,810
		13,910
Kentucky – 0.6%		
Fort Mitchell League of Cities Revenue VRDB, Series 2002A, Trust Lease Program (U.S. Bank N.A. LOC), 0.27%, 6/8/10	1,950	1,950
Kentucky Economic Development Finance Authority Revenue Refunding VRDB, Series 2008, Retirement Housing Foundation (KBC Bank N.V. LOC), 0.27%, 6/8/10	4,015	4,015
Kentucky Rural Water Finance Corp. Public Project Revenue Bonds, Series 2009 B-2, Construction Notes, 1.25%, 1/1/11	3,000	3,009
Morehead League of Cities Revenue VRDB, Series 2004A, Trust Lease Program (U.S. Bank N.A. LOC), 0.27%, 6/8/10	426	426
		9,400

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.6% <i>continued</i>		
Louisiana – 1.5%		
Louisiana Public Facilities Authority Revenue VRDB, Tiger Athletic (FHLB Atlanta LOC), 0.29%, 6/8/10	\$22,075	\$22,075
Maryland – 3.2%		
County of Baltimore Multifamily Revenue Refunding VRDB, Series 2004, Housing-Lincoln Woods Apartments (FNMA Insured), 0.30%, 6/8/10	8,194	8,194
Maryland State Community Development Administration Department of Housing and Community Development Revenue VRDB, Series 2008-F, Multifamily (FHLMC Insured), 0.28%, 6/8/10	3,100	3,100
Maryland State Health and Higher Educational Facilities Authority Revenue VRDB, Series 2008, Frederick Memorial Hospital (Branch Banking and Trust Co. LOC), 0.28%, 6/8/10	8,000	8,000
Maryland State Health and Higher Educational Facilities Authority Revenue VRDB, Series 2008-E, University of Maryland Medical System (Bank of Montreal LOC), 0.28%, 6/8/10	7,500	7,500
Maryland State Health and Higher Educational Facilities Authority Revenue VRDB, Series A, Adventist Healthcare (Manufacturers and Traders Trust Co. LOC), 0.27%, 6/8/10	10,060	10,060
Series 2005A, Adventist Healthcare (Bank of America N.A. LOC), 0.27%, 6/8/10	11,400	11,400
		48,254
Massachusetts – 4.3%		
Massachusetts State Department of Transportation Revenue VRDB, Series 2010 A-1, Metro Highway (Citibank N.A. LOC), 0.26%, 6/8/10	16,000	16,000
Massachusetts State Development Finance Agency Revenue VRDB, Series 2007, Northfield Mount Hermon (JPMorgan Chase Bank LOC), 0.28%, 6/8/10	21,755	21,755
Massachusetts State Development Finance Agency Revenue VRDB, Series 2007, Seashore Port-Deaconess, Inc. (Banco Santander Central Hispano LOC), 0.55%, 6/8/10	800	800

See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.6% continued		
Massachusetts – 4.3% continued		
Massachusetts State Development Finance Agency Revenue VRDB, Series 2007-B, Linden Ponds, Inc. (Banco Santander Central Hispano LOC), 0.55%, 6/8/10	\$18,105	\$18,105
Massachusetts State G.O. VRDB, Series B, Consolidated Loans, 0.28%, 6/1/10	8,100	8,100
		64,760
Michigan – 1.7%		
Ann Arbor Economic Development Corp. Limited Obligation Revenue Refunding Bonds, Series B, Glacier Hills Project (JPMorgan Chase Bank LOC), 0.27%, 6/8/10	385	385
City of Detroit Sewer Disposal Revenue Bonds, Citi ROCS RR II R-11841 (AGM Insured), ⁽¹⁾ 0.46%, 6/8/10	5,450	5,450
Michigan Municipal Bond Authority Revenue Notes, Series 2009-C3, State Aid Notes (Bank of Nova Scotia LOC), 2.50%, 8/20/10	4,000	4,014
State of Michigan G.O. Notes, Series 2009-A, 2.00%, 9/30/10	15,000	15,073
		24,922
Minnesota – 2.0%		
Minneapolis and St. Paul Housing and Redevelopment Authority Health Care System Revenue VRDB, Series 2007A-11, Children's Hospitals and Clinics (AGM Insured), 0.31%, 6/1/10	4,300	4,300
Minnesota School District Capital Equipment Borrowing Tax and Aid Program COPS, Series 2009, 2.00%, 9/10/10	13,000	13,053
Minnesota State Higher Education Facilities Authority Revenue VRDB, Series 2007-6Q, Concordia University St. Paul (U.S. Bank N.A. LOC), 0.25%, 6/1/10	1,175	1,175
University of Minnesota Revenue Bonds, Series 1999-A, 0.30%, 6/8/10	11,500	11,500
		30,028

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.6% continued		
Missouri – 1.5%		
Kansas City IDA Multifamily Housing Revenue Refunding VRDB, Coach House South Apartments (FHLMC LOC), 0.30%, 6/8/10	\$7,800	\$7,800
Missouri State Health and Educational Facilities Authority Revenue VRDB, Series 2002, Missouri Baptist College (U.S. Bank N.A. LOC), 0.30%, 6/1/10	2,000	2,000
St. Joseph IDA Health Facilities Revenue VRDB, Series 2009-A, Heartland Regional Medical Center (U.S. Bank N.A. LOC), 0.29%, 6/8/10	6,000	6,000
St. Louis County IDA Revenue Bonds, Series 2008-A, International Lutheran Laymens Project (Fifth Third Bank LOC), 0.44%, 6/1/10	7,055	7,055
		22,855
Nebraska – 0.2%		
Nebraska Elementary and Secondary School Finance Authority Revenue VRDB, Series 2004-B, Lutheran School Project (Fifth Third Bank LOC), 0.37%, 6/1/10	3,270	3,270
Nevada – 0.2%		
Carson City Hospital Revenue VRDB, Series 2003-B, Carson Tahoe Hospital Project (U.S. Bank N.A. LOC), 0.26%, 6/8/10	2,700	2,700
Las Vegas Valley Water District G.O., Series 2006-C, Water Improvement, 0.38%, 6/1/10	485	485
		3,185
New Hampshire – 1.0%		
New Hampshire Health and Education Facilities Authority Revenue VRDB, Series 2004-B, Kendal at Hanover (FHLB Boston LOC), 0.25%, 6/8/10	2,390	2,390
New Hampshire Health and Education Facilities Authority Revenue VRDB, Series 2006, Tilton School (Banco Santander Central Hispano LOC), 0.54%, 6/8/10	3,400	3,400

See Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS

TAX-EXEMPT PORTFOLIO *continued*

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.6% <i>continued</i>		
New Hampshire – 1.0% <i>continued</i>		
New Hampshire Health and Education Facilities Authority Revenue VRDB, Series 2008, Riverwoods Exeter (Bank of America N.A. LOC),	\$9,965	\$9,965
0.27%, 6/8/10		
		15,755
New Jersey – 0.2%		
New Jersey EDA Revenue VRDB, Series 2006, Frisch School Project (Banco Santander Central Hispano LOC),	2,700	2,700
0.58%, 6/8/10		
New Mexico – 0.6%		
New Mexico Finance Authority Revenue Refunding Bonds, Subseries 2008 B-2, Sub Lien (UBS AG LOC),	9,200	9,200
0.24%, 6/8/10		
New York – 11.4%		
Metropolitan Transportation Authority Dedicated Tax Fund Revenue Refunding VRDB, Series 2008A,	32,000	32,000
0.32%, 6/8/10		
Metropolitan Transportation Authority RANS, Series 2010,	10,000	10,094
2.00%, 12/31/10		
Metropolitan Transportation Authority Revenue Bonds, CP Notes, Series 1-A (RBS N.V. LOC),	30,000	30,000
0.35%, 6/15/10		
Metropolitan Transportation Authority Tax Exempt Revenue Bonds, Series 2007-C, Municipal CP Notes (RBS N.V. LOC),	20,000	20,000
0.50%, 6/10/10		
New York Liberty Development Corp. Revenue VRDB, Series 2009-A, World Trade Center Project (United States Treasuries Escrowed),	60,000	60,000
0.50%, 1/18/11		
Ulster County Industrial Development Agency Revenue VRDB, Series 2007-C, Kingston Regional Senior Living (Banco Santander Central Hispano LOC),	8,580	8,580
0.55%, 6/8/10		

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.6% <i>continued</i>		
New York – 11.4% <i>continued</i>		
Warren & Washington Counties Industrial Development Agency Revenue VRDB, Series 2000, Glen at Hiland Meadows Project (Banco Santander Central Hispano LOC),	\$11,155	\$11,155
0.55%, 6/8/10		
		171,829
North Carolina – 2.2%		
Mecklenburg County COPS VRDB, Series 2006,	14,850	14,850
0.29%, 6/8/10		
North Carolina Medical Care Commission Healthcare Facilities Revenue Refunding VRDB, Series 2002, First Mortgage, Southminster (Banco Santander Central Hispano LOC),	6,635	6,635
0.57%, 6/8/10		
North Carolina Medical Care Commission Healthcare Facilities Revenue VRDB, Series 2009-B, Wakemed (Wachovia Bank N.A. LOC),	9,400	9,400
0.27%, 6/8/10		
Raleigh COPS VRDB, Series B, Downtown,	900	900
0.29%, 6/8/10		
University of North Carolina Revenue Bonds, Citigroup Eagle 720053014 Class 2005A, ⁽¹⁾	800	800
0.29%, 6/8/10		
		32,585
Ohio – 1.4%		
Medina County Health Care Facilities Revenue VRDB, Series 2007-A, Southwest General Health Center (PNC Bank LOC),	7,605	7,605
0.26%, 6/8/10		
Parma Hospital Improvement Revenue VRDB, Series 2006-C, Parma Community General Hospital (JPMorgan Chase Bank LOC),	13,200	13,200
0.24%, 6/8/10		
Warren County Health Care Facilities Revenue Improvement VRDB, Series 1998-B, Otterbein Homes (U.S. Bank N.A. LOC),	600	600
0.26%, 6/8/10		
		21,405

See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.6% continued		

Oregon – 1.3%

Clackamas County Hospital Facility Authority Revenue Refunding VRDB, Willamette Series A-1 (Banco Santander Central Hispano LOC), 0.57%, 6/8/10	\$8,220	\$8,220
Oregon State G.O. TANS, Series 2009A, 2.50%, 6/30/10	11,000	11,017
		19,237

Pennsylvania – 6.3%

Beaver County IDA Revenue VRDB, Series B, First Energy Nuclear (Citibank N.A. LOC), 0.28%, 6/8/10	12,600	12,600
Berks County Municipal Authority Revenue VRDB, Series 2008-A, Phoebe-Devitt Home Project (Banco Santander Central Hispano LOC), 0.57%, 6/8/10	6,185	6,185
Cumberland County Municipal Authority Revenue Refunding VRDB, Series 2006, Asbury Obligated Group (KBC Bank N.V. LOC), 0.27%, 6/8/10	21,610	21,610
Delaware County Authority Revenue VRDB, Series 2006, Riddle Village Project (Banco Santander Central Hispano LOC), 0.57%, 6/8/10	9,700	9,700
Lancaster IDA Revenue VRDB, Series 2007, Mennonite Home Project (Manufacturers and Traders Trust Co. LOC), 0.34%, 6/8/10	9,600	9,600
Montgomery County G.O., Series 2004-A, 0.24%, 6/1/10	14,100	14,100
Pennsylvania Turnpike Commission Revenue Refunding VRDB, Multi-Modal, Series 2008 A-1, 0.30%, 6/8/10	14,200	14,200
Multi-Modal, Series 2008 A-3, 0.27%, 6/8/10	4,000	4,000
Ridley School District G.O., Series 2009 (TD Bank N.A. LOC), 0.28%, 6/8/10	2,900	2,900
		94,895

South Carolina – 0.8%

Piedmont Municipal Power Agency Revenue VRDB, Series 2008-C (Assured Guaranty Insured), 0.40%, 6/8/10	12,500	12,500
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	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.6% continued		

South Dakota – 0.3%

South Dakota Housing Development Authority Revenue VRDB, Series 2009-C, Homeownership Mortgage, 0.27%, 6/8/10	\$4,000	\$4,000
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Tennessee – 3.2%

Blount County IDB Revenue VRDB, Series 2009-A, Alcoa Maryville City, Local Government Improvement (Branch Banking and Trust Co. LOC), 0.29%, 6/8/10	9,065	9,065
Blount County Public Building Authority Revenue VRDB, Series 2008 E-1-A, Local Government Improvement (Branch Banking and Trust Co. LOC), 0.29%, 6/1/10	11,000	11,000
Metropolitan Government Nashville and Davidson County Health and Educational Facilities Board Revenue Refunding VRDB, Series 2002, Timberlake Project, Multifamily (FNMA Insured), 0.31%, 6/8/10	7,450	7,450
Tennergy Corp. Gas Revenue Bonds, STARS Trust Receipts 1260B (BNP Paribas LOC), ⁽¹⁾ 0.31%, 6/8/10	20,565	20,565
		48,080

Texas – 10.0%

Austin Hotel Occupancy Tax Revenue Refunding VRDB, Subseries 2008-A, Sub Lien (Dexia Credit Local LOC), 0.33%, 6/8/10	10,000	10,000
HFDC of Central Texas, Inc. Retirement Facilities Revenue VRDB, Series 2006 C, Village Gleannloch Farms (Banco Santander Central Hispano LOC), 0.57%, 6/8/10	5,100	5,100
Houston Independent School District G.O. VRDB, Series 2004, Schoolhouse (PSF of Texas Gtd.), 0.28%, 6/8/10	5,000	5,000
Houston Water and Sewer System Revenue Bonds, Series 2043, BB&T Floaters (Branch Banking and Trust Co. LOC), ⁽¹⁾ 0.30%, 6/8/10	14,625	14,625

See Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS

TAX-EXEMPT PORTFOLIO *continued*

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.6% <i>continued</i>		
Texas – 10.0% <i>continued</i>		
Katy Independent School District G.O. VRDB, Series C, Fort Bend, Harris and Waller Counties, CSH Building (PSF of Texas Gtd.), 0.28%, 6/8/10	\$5,000	\$5,000
Lower Neches Valley Authority PCR Bonds, Series 1987, Chevron USA, Inc. Project (Chevron Corp. Gtd.), 0.29%, 8/16/10	5,000	5,000
Mesquite Health Facilities Development Corp. Revenue VRDB, Series 2000-C, Retirement Facilities (Bank of America N.A. LOC), 0.27%, 6/8/10	6,575	6,575
Northside Independent School District G.O. VRDB, Series 2009, School Building (PSF of Texas Gtd.), 1.20%, 6/1/10	8,835	8,835
Nueces Country Health Facilities Development Authority VRDB, Driscoll Children’s Foundation (JPMorgan Chase Bank LOC), 0.30%, 6/8/10	7,500	7,500
Port Arthur Navigation District Environmental Facilities Revenue VRDB, Series 2009-B, Motiva Enterprises (Motiva Enterprises LLC Gtd.), 0.28%, 6/1/10	7,400	7,400
Port of Port Arthur Navigation District Facilities Revenue VRDB, Series 2010, Total Petrochemicals USA, 0.30%, 6/8/10	12,500	12,500
Princeton Independent School District G.O., Soc Gen Series 2003 SGB-41 (PSF of Texas Gtd.), ⁽¹⁾ 0.27%, 6/8/10	4,750	4,750
San Antonio Multifamily Housing Trust Finance Corp. Revenue VRDB, Series 2010, Cevallos Loft Apartments (FHLMC LOC), 0.30%, 6/8/10	10,000	10,000
State of Texas TRANS, Series 2009, 2.50%, 8/31/10	20,000	20,102
Texas State Transportation Commission Revenue VRDB, Series B, First Tier, 0.50%, 6/8/10	28,600	28,600
		150,987

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.6% <i>continued</i>		
Utah – 0.7%		
Utah Housing Corp. Multifamily Housing Revenue VRDB, Series 2009-A, Florentine Villas (Wells Fargo Bank N.A. LOC), 0.32%, 6/8/10	\$6,100	\$6,100
Utah Water Finance Agency Revenue VRDB, Series 2008 B-1, ⁽¹⁾ 0.28%, 6/8/10	3,900	3,900
		10,000
Virginia – 0.6%		
Alexandria IDA Revenue Refunding VRDB, Series 2005, Goodwin House (Wachovia Bank N.A. LOC), 0.25%, 6/1/10	2,550	2,550
Charlottesville IDA Educational Facilities Revenue Bonds, Series 2006-A, University of Virginia Foundation Projects (Wachovia Bank N.A. LOC), 0.27%, 6/8/10	6,925	6,925
		9,475
Washington – 1.5%		
Everett Washington Public Facilities District Revenue VRDB, Series 2007, 0.72%, 6/1/10	2,000	2,000
Washington State Higher Education Facilities Authority Revenue VRDB, Series B, Puget Sound Project (Bank of America N.A. LOC), 0.31%, 6/8/10	6,000	6,000
Washington State Housing Finance Commission Nonprofit Revenue VRDB, Series 2000, Living Care Centers Project (Wells Fargo Bank N.A. LOC), 0.27%, 6/8/10	1,995	1,995
Washington State Housing Finance Commission Nonprofit Revenue Refunding VRDB, Series 2004, Hearthstone Project (Wells Fargo Bank N.A. LOC), 0.27%, 6/8/10	10,780	10,780
Washington State Housing Finance Commission Nonprofit Revenue VRDB, Series 2003, Gonzaga Preparatory School Project (Bank of America N.A. LOC), 0.40%, 6/8/10	1,775	1,775
		22,550

See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.6% continued		

West Virginia – 1.7%

West Virginia State Hospital Finance Authority Revenue Refunding VRDB, Series 2009-A, West Virginia United Health (Branch Banking and Trust Co. LOC), 0.28%, 6/8/10	\$15,200	\$15,200
West Virginia State Hospital Finance Authority Revenue VRDB, Series 2008-A, Charleston Area Medical Center (Branch Banking and Trust Co. LOC), 0.25%, 6/8/10	10,300	10,300
		25,500

Wisconsin – 1.9%

La Crosse Development Revenue VRDB, Series 2008, University of Wisconsin – La Crosse Foundation (Wells Fargo Bank N.A. LOC), 0.37%, 6/8/10	700	700
Milwaukee Wisconsin G.O., Series 2010, Cash Flow, Promissory Notes, 1.50%, 12/15/10	2,000	2,012
Wisconsin Health and Educational Facilities Authority Revenue Bonds, Series 2009, Goodwill Industries Southeastern Wisconsin (U.S. Bank N.A. LOC), 0.26%, 6/8/10	5,000	5,000
Wisconsin Health and Educational Facilities Authority Revenue Refunding VRDB, Series 2009, Concordia University (JPMorgan Chase Bank LOC), 0.29%, 6/8/10	2,265	2,265
Wisconsin Health and Educational Facilities Authority Revenue Refunding VRDB, Series 2009, Lawrence University (JPMorgan Chase Bank LOC), 0.30%, 6/8/10	8,390	8,390
Wisconsin Health and Educational Facilities Authority Revenue Refunding VRDB, Series 2010-B, Beloit College (JPMorgan Chase Bank LOC), 0.29%, 6/8/10	7,900	7,900
Wisconsin School Districts Cash Flow Administration Program TRANS, Series 2009-A, Temporary Borrowing Program, 1.88%, 10/15/10	2,600	2,612
		28,879

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.6% continued		

Wyoming – 0.1%

Platte County PCR Bonds, Series 1984A, Tri-State Generation & Transmission (National Rural Utility Cooperative Finance Co. Gtd.), 0.55%, 6/1/10	\$1,000	\$1,000
Total Municipal Investments		
(Cost \$1,499,043)		1,499,043
Total Investments – 99.6%		
(Cost \$1,499,043) ⁽²⁾		1,499,043
Other Assets less Liabilities – 0.4%		5,350
NET ASSETS – 100.0%		\$1,504,393

(1) Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

(2) The cost for federal income tax purposes was \$1,499,043.

Percentages shown are based on Net Assets.

At May 31, 2010, the industry sectors for the Tax-Exempt Portfolio were:

INDUSTRY SECTOR	% OF NET ASSETS
Air, Transportation, Water Services and Solid Waste Management	8.1%
Educational Services	12.8
Electric Services, Gas and Combined Utilities	8.0
Executive, Legislative and General Government	19.6
General Medical, Surgical and Nursing and Personal Care	5.8
Health Services and Residential Care	19.8
Local Passenger Transportation	6.7
Urban and Community Development, Housing Programs and Social Services	11.9
All other sectors less than 5%	7.3
Total	100.0%

See Notes to the Financial Statements.

At May 31, 2010, the maturity analysis for the Tax-Exempt Portfolio as a percentage of investments was:

MATURITY ANALYSIS	%
1 Day	9.6%
2 - 15 Days	76.6
16 - 30 Days	0.7
31 - 60 Days	0.3
61 - 97 Days	1.9
98 - 180 Days	3.1
181 - 270 Days	5.0
271+ Days	2.8
Total	100.0%

Various inputs are used in determining the value of the Portfolio's investments. These inputs are summarized in three levels listed below:

Level 1 - Quoted market prices in active markets for identical securities on the measurement date and on an ongoing basis.

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, 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. Following is a summary of the inputs used in valuing the Tax-Exempt Portfolio's investments, which are carried at fair value, as of May 31, 2010:

	LEVEL 1 (000S)	LEVEL 2 (000S)	LEVEL 3 (000S)	TOTAL (000S)
Investments held by				
Tax-Exempt Portfolio	\$ —	\$1,499,043 ⁽¹⁾	\$ —	\$1,499,043

(1) Classifications as defined in the Schedule of Investments.

See Notes to the Financial Statements.

MUNICIPAL PORTFOLIO

MAY 31, 2010 (UNAUDITED)

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4%		
Alabama – 0.5%		
Taylor-Ryan Improvement District No. 2 VRDB, Series 2005 (Wachovia Bank N.A. LOC), 0.31%, 6/8/10	\$11,800	\$11,800
West Jefferson IDB PCR Refunding Bonds, Series 1998, Alabama Power Co. Project, 0.32%, 6/8/10	10,000	10,000
		21,800
Arizona – 2.1%		
Apache County IDA Revenue Bonds, Series 1983-A, Tucson Electric Power (RBS N.V. LOC), 0.22%, 6/8/10	24,325	24,325
Arizona Health Facilities Authority Revenue Bonds, The Terraces Project (Banco Santander Central Hispano LOC), Series 2003B-1, 0.57%, 6/8/10	6,910	6,910
Series 2003B-2, 0.57%, 6/8/10	1,960	1,960
Arizona Health Facilities Authority Revenue Refunding Bonds, Series 2007, The Terraces Project (Banco Santander Central Hispano LOC), 0.57%, 6/8/10	11,000	11,000
Arizona Health Facilities Authority Revenue VRDB, Series 2002, Royal Oaks Project (Bank of America N.A. LOC), 0.27%, 6/8/10	11,350	11,350
Arizona Health Facilities Authority Revenue VRDB, Series 2008-B, Banner Health (Bank of Nova Scotia LOC), 0.25%, 6/8/10	7,220	7,220
Arizona Health Facilities Authority Revenue VRDB, Series 2009-F, Catholic West Loan Program (Citibank N.A. LOC), 0.27%, 6/8/10	7,700	7,700
Tucson IDA Revenue VRDB, Series 2002A, Family Housing Resources Projects (FNMA LOC), 0.28%, 6/8/10	7,230	7,230
Yuma IDA Hospital Revenue VRDB, Series 2008, Yuma Regional Medical Center (JPMorgan Chase Bank LOC), ⁽¹⁾ 0.27%, 6/8/10	19,800	19,800
		97,495

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% continued		
California – 1.4%		
California Infrastructure and Economic Development Bank Revenue Refunding VRDB, Series 2009-C, Pacific Gas and Electric Co. (Wells Fargo Bank N.A. LOC), 0.23%, 6/1/10	\$2,800	\$2,800
California State Department of Water Resources and Power Supply Revenue VRDB, Series 2002C-7 (AGM Insured), 0.32%, 6/8/10	1,900	1,900
Subseries G3 (AGM Insured), 0.32%, 6/8/10	900	900
California State Economic Recovery G.O. VRDB, Series 2004C-16 (AGM Insured), 0.32%, 6/8/10	20,510	20,510
California Statewide Communities Development Authority Revenue VRDB, Series 2001, Senior Living Facility (Banco Santander Central Hispano LOC), 0.55%, 6/8/10	9,445	9,445
California Statewide Communities Development Authority Revenue VRDB, Series 2007A, Sweep Loan Program (Citibank N.A. LOC), 0.26%, 6/8/10	1,500	1,500
California Statewide Communities Development Authority Revenue VRDB, Series 2007-B, Front Porch Communities (Banco Santander Central Hispano LOC), 0.55%, 6/8/10	2,900	2,900
California Statewide Communities Multifamily Housing Development Authority Revenue VRDB, Series 2009-A, Claremont Villas (FHLB LOC), 0.26%, 6/8/10	6,785	6,785
Series 2009-M, South Shore Apartments (FHLB LOC), 0.26%, 6/8/10	10,290	10,290
Los Angeles Wastewater System Revenue Refunding VRDB, Subseries 2008-C (Bank of Nova Scotia LOC), 0.24%, 6/8/10	8,610	8,610
Riverside County Multifamily Housing Authority Revenue Refunding VRDB, Series C, Tyler Springs Apartments (FNMA Gtd.), 0.26%, 6/8/10	850	850
		66,490

See Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS

MUNICIPAL PORTFOLIO *continued*

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% <i>continued</i>		

Colorado – 2.3%

Base Village Metropolitan District Number 2 G.O. VRDB, Limited Tax, Junior Series 2008-B (U.S. Bank N.A. LOC), 0.30%, 6/8/10	\$6,510	\$6,510
Castle Pines North Finance Corp. COPS VRDB, Series 2009 (Wells Fargo Bank N.A. LOC), 0.25%, 6/8/10	1,000	1,000
Castle Pines North Metropolitan District G.O. Refunding VRDB, Series 2006-C, Limited Tax (U.S. Bank N.A. LOC), 0.25%, 6/8/10	1,405	1,405
Colorado Educational and Cultural Facilities Authority Revenue Bonds, Concordia University Irvine Project (U.S. Bank N.A. LOC), 0.28%, 6/1/10	4,635	4,635
Colorado Educational and Cultural Facilities Authority Revenue Bonds, Immanuel Lutheran School Project (Bank of America N.A. LOC), 0.28%, 6/1/10	6,150	6,150
Colorado Educational and Cultural Facilities Authority Revenue Bonds, Series 2005, Bear Creek School Project (U.S. Bank N.A. LOC), 0.27%, 6/8/10	6,705	6,705
Colorado Educational and Cultural Facilities Authority Revenue Bonds, Series 2006, Presentation School (U.S. Bank N.A. LOC), 0.27%, 6/8/10	7,250	7,250
Colorado Health Facilities Authority Revenue Refunding VRDB, Series 2004B, Bethesda Collinwood (Bank of America N.A. LOC), 0.27%, 6/8/10	260	260
Colorado Health Facilities Authority Revenue Refunding VRDB, Series 2008, The Evangelical (U.S. Bank N.A. LOC), 0.25%, 6/8/10	2,000	2,000
Colorado Health Facilities Authority Revenue VRDB, Series 2002, Sisters of Charity Leavenworth Health, 0.27%, 6/8/10	2,400	2,400
Colorado Health Facilities Authority Revenue VRDB, Series 2002, Total Long Term Care Project (U.S. Bank N.A. LOC), 0.27%, 6/8/10	2,290	2,290
Colorado Health Facilities Authority Revenue VRDB, Series 2006-A, Golden West Manor (U.S. Bank N.A. LOC), 0.25%, 6/8/10	6,480	6,480

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% <i>continued</i>		

Colorado – 2.3% *continued*

Colorado Health Facilities Authority Revenue VRDB, Series 2008, Frasier Meadows Community Project (JPMorgan Chase Bank LOC), 0.27%, 6/8/10	\$3,200	\$3,200
Colorado Housing and Finance Authority SFM Revenue Bonds, Series 2006, Class 1-B-2, 0.26%, 6/8/10	14,800	14,800
Colorado State Education Loan Program TRANS, Series 2009, 2.00%, 8/12/10	7,000	7,020
Denver City and County Multifamily Housing Revenue Bonds, Series 1985, Ogden Residences Project (Credit Agricole Corp. and Investment Bank LOC), 0.38%, 6/1/10	4,300	4,300
Denver Urban Renewal Authority Tax Increment Revenue VRDB, Series 2008 A-2, (U.S. Bank N.A. LOC), 0.28%, 6/8/10	795	795
Larkridge G.O. VRDB, Series 2004, Metropolitan District Number 1 (U.S. Bank N.A. LOC), 0.28%, 6/8/10	9,920	9,920
Traer Creek Metropolitan District Revenue VRDB, Series 2002, Avon, (BNP Paribas LOC), 0.50%, 6/8/10	13,270	13,270
Traer Creek Metropolitan District Revenue VRDB, Series 2004 (BNP Paribas LOC), 0.50%, 6/8/10	10,200	10,200
		110,590

Connecticut – 1.1%

Connecticut Development Authority Revenue Refunding VRDB, Pierce Memorial Baptist (Bank of America N.A. LOC), 0.25%, 6/8/10	2,725	2,725
State of Connecticut G.O., Series 2010-A, BANS, 2.00%, 5/19/11	50,000	50,745
		53,470

District of Columbia – 1.8%

District of Columbia G.O., Citi ROCS RR-II-R-11180WF (Wells Fargo and Co. Gtd.), ⁽¹⁾ 0.31%, 6/8/10	16,335	16,335
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See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% continued		
District of Columbia – 1.8% continued		
District of Columbia G.O. TANS, Series 2009, 2.50%, 9/30/10	\$50,000	\$50,338
District of Columbia Revenue VRDB, Series 2001, Henry J. Kaiser Foundation, 0.29%, 6/8/10	4,700	4,700
District of Columbia Revenue VRDB, Series 2003, American Psychological Association Project (Bank of America N.A. LOC), 0.32%, 6/8/10	2,250	2,250
District of Columbia Revenue VRDB, Series 2007, Preparatory Academy (Manufacturers and Traders Trust Co. LOC), 0.34%, 6/8/10	9,370	9,370
		82,993

Florida – 7.7%

Broward County Educational Facilities Authority Revenue Bonds, City College Project (Citibank N.A. LOC), 0.27%, 6/8/10	10,565	10,565
Capital Trust Agency Housing Revenue VRDB, Series 2008-A, Atlantic Housing Foundation (FNMA LOC), 0.30%, 6/8/10	19,470	19,470
Citizens Property Insurance Corp. Revenue Notes, Series 2009 A-2, Senior Secured, 4.50%, 6/1/10 Series 2010 A-2, Senior Secured, 2.00%, 4/21/11	25,000 43,000	25,000 43,271
Florida Keys Aqueduct Authority Water Revenue Refunding VRDB, Series 2008 (TD Bank N.A. LOC), 0.24%, 6/8/10	10,500	10,500
Florida Multifamily Housing Finance Agency Revenue Bonds, Series 1985, Huntington (FHLMC Gtd.), 0.27%, 6/8/10	4,000	4,000
Florida Multifamily Housing Finance Agency Revenue Bonds, Series 1985, River Oaks (FHLMC Insured), 0.31%, 6/8/10	6,150	6,150
Florida Multifamily Housing Finance Agency Revenue VRDB, Country Club (FHLMC Insured), 0.30%, 6/8/10	8,500	8,500

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% continued		
Florida – 7.7% continued		
Florida Multifamily Housing Finance Corp. Revenue Refunding Bonds, Series 1998, South Pointe Project (FNMA Insured), 0.32%, 6/8/10	\$3,900	\$3,900
Florida Multifamily Housing Finance Corp. Revenue Refunding VRDB, Series 2004, Maitland Apartments (FHLMC Gtd.), 0.30%, 6/8/10	19,175	19,175
Florida Multifamily Housing Finance Corp. Revenue Refunding VRDB, Series C, Monterey Lake (FHLMC LOC), 0.29%, 6/8/10	7,325	7,325
Florida Multifamily Housing Finance Corp. Revenue VRDB, Series 2008 L, Hudson Ridge Apartments (FHLB LOC), 0.30%, 6/8/10	8,160	8,160
Florida State Board of Education G.O., Eagle 720050054 – Class A, ⁽¹⁾ 0.30%, 6/8/10	10,000	10,000
Gainesville Utility System Revenue VRDB, Series 2008-B, 0.29%, 6/8/10	6,030	6,030
Halifax Hospital Medical Center Revenue Refunding VRDB, Series 2008 (Wachovia Bank N.A. LOC), 0.27%, 6/8/10	14,000	14,000
Highlands County Health Facilities Authority Revenue Refunding VRDB, Series 2006-A, Adventist Health (AGM Insured), 0.27%, 6/8/10	6,300	6,300
Highlands County Health Facilities Authority Revenue VRDB, Series 2003-C, Adventist Health/Sunbelt, 0.25%, 6/8/10	3,000	3,000
Highlands County Health Facilities Authority Revenue VRDB, Series 2007 A-2, Adventist Health System, 0.25%, 6/8/10	10,000	10,000
Series E, Adventist Health System (Credit Agricole Corp. and Investment Bank LOC), 0.29%, 6/8/10	20,000	20,000
Highlands County Health Facilities Authority Revenue VRDB, Series 2009-A, Adventist/Sunbelt (FHLB Atlanta LOC), 0.24%, 6/8/10	24,890	24,890

See Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS

MUNICIPAL PORTFOLIO *continued*

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% <i>continued</i>		
Florida – 7.7% <i>continued</i>		
Highlands County Health Facilities Authority Revenue VRDB, <i>continued</i> Series 2009-C, Adventist/Sunbelt (FHLB Atlanta LOC), 0.24%, 6/8/10	\$11,000	\$11,000
JEA Electric System Revenue VRDB, Series 2008A Three, 0.26%, 6/8/10 Series 2009 Three D-2-A, 0.26%, 6/8/10	23,800 9,840	23,800 9,840
Lee County Multifamily HFA Revenue Refunding Bonds, Series 1995-A, Forestwood Apartments Project (FNMA Gtd.), 0.31%, 6/8/10	11,485	11,485
Miami-Dade County Health Facilities Authority Revenue Bonds, Series 2006 B-2, Miami Children’s Hospital Project (Wachovia Bank N.A. LOC), 0.27%, 6/8/10	19,475	19,475
Orange County Multifamily HFA Revenue Refunding VRDB, Series 1997, Post Fountains Project (FNMA Gtd.), 0.27%, 6/8/10	2,550	2,550
Orange County School Board COPS VRDB, Series 2008-B (Assured Guaranty Insured), 0.28%, 6/8/10	6,300	6,300
Orlando Utilities Commission System Revenue VRDB, Series 2008, 0.50%, 6/8/10	10,000	10,000
St. Petersburg Health Facilities Authority Revenue VRDB, Series 2005-A-1, Children’s Hospital (Wachovia Bank N.A. LOC), 0.27%, 6/8/10	4,500	4,500
Volusia County Multifamily HFA Revenue Refunding Bonds, Series 2002, Anatole Apartments (FNMA Insured), 0.28%, 6/8/10	5,045	5,045
		364,231

Georgia – 3.0%

Bartow County Development Authority PCR VRDB, Bowen Project, 0.27%, 6/1/10	22,400	22,400
Burke County Development Authority PCR Bonds, Series 1992, First Series, Georgia Power Plant Vogtle Project (Georgia Power Gtd.), 0.27%, 6/1/10	6,300	6,300

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% <i>continued</i>		
Georgia – 3.0% <i>continued</i>		
Burke County Development Authority PCR VRDB, Series 2009, Georgia Power Co., Vogtle, 1st Series, 0.25%, 6/1/10	\$3,500	\$3,500
Clayton County Housing Authority Revenue Bonds, Series 1985, Rivers Edge Development (FHLMC Gtd.), 0.30%, 6/8/10	2,500	2,500
Clayton County Multifamily Housing Authority Revenue Refunding Bonds, Series 1990-A, Huntington Woods (AGM Insured), 1.16%, 6/8/10 Series 1990-F, Ten Oaks Apartments (AGM Insured), 1.16%, 6/8/10	7,530 6,280	7,530 6,280
Cobb County Development Authority Revenue VRDB, Series 2009, North Cobb Christian School (Branch Banking and Trust Co. LOC), 0.29%, 6/8/10	13,050	13,050
Cobb County Multifamily Housing Authority Revenue Bonds, Post Mill Project (FNMA Gtd.), 0.27%, 6/8/10	2,000	2,000
Cobb County Multifamily Housing Authority Revenue Refunding VRDB, Series 1999, Six Flags Association (FHLMC LOC), 0.30%, 6/8/10	5,290	5,290
Cobb County Multifamily Housing Authority Revenue VRDB, Series 1996, Post Bridge Project (FNMA Insured), 0.27%, 6/8/10	3,300	3,300
Fulco Hospital Authority Revenue VRDB, Anticipatory Certificates, Series 1997, Shepherd Center, Inc. Project (Branch Banking and Trust Co. LOC), 0.26%, 6/8/10	15,500	15,500
Gwinnett County Multifamily Housing Authority Revenue VRDB, Series 1996, Post Corners Project (FNMA Gtd.), 0.31%, 6/8/10	7,400	7,400
Marietta Multifamily Housing Authority Revenue VRDB, Wood Glen Housing (FHLMC Insured), 0.30%, 6/8/10	6,185	6,185
Monroe County Development Authority PCR VRDB, Scherer Project, 0.30%, 6/1/10	3,900	3,900

See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% continued		

Georgia – 3.0% continued

Monroe County Development Authority PCR VRDB, Series 2009, Georgia Power Co. – Scherer, 1st Series, 0.25%, 6/1/10	\$7,600	\$7,600
Municipal Electric Authority of Georgia Revenue VRDB, Series B, Project 1 (Dexia Credit Local LOC), 0.33%, 6/8/10	17,050	17,050
Roswell Multifamily Housing Authority Revenue Refunding VRDB, Series 1994, Wood Crossing Project (FHLMC LOC), 0.30%, 6/8/10	3,400	3,400
Roswell Multifamily Housing Authority Revenue Refunding VRDB, Series 2002, Chambrel at Roswell Project (FNMA Gtd.), 0.30%, 6/8/10	3,780	3,780
Smyrna Multifamily Housing Authority Revenue Bonds, Series 1997, F & M Villages Project (FNMA Gtd.), 0.27%, 6/8/10	5,350	5,350
	142,315	

Hawaii – 0.1%

Hawaii State Multifamily Housing Finance and Development Corp. Revenue VRDB, Series 2008, Lokahi Ka'u (FHLMC LOC), 0.29%, 6/8/10	5,200	5,200
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Idaho – 0.5%

Idaho Health Facilities Authority Revenue VRDB, Series 2009-A, St. Luke's Health System Project (Wells Fargo Bank N.A. LOC), 0.27%, 6/8/10	19,000	19,000
Idaho Housing and Finance Association Nonprofit Facilities Revenue VRDB, Series 2008, College of Idaho Project (U.S. Bank N.A. LOC), 0.26%, 6/8/10	4,900	4,900
	23,900	

Illinois – 13.5%

Aurora Revenue VRDB, Series 2003, Counseling Center of Fox Valley Project (Harris N.A. LOC), 0.31%, 6/8/10	3,210	3,210
Bridgeview G.O. Refunding VRDB, Series 2008 A-2 (Harris N.A. LOC), 0.30%, 6/8/10	17,500	17,500

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% continued		

Illinois – 13.5% continued

Chicago Board of Education G.O. VRDB, Series 2000-D (AGM Insured), 0.37%, 6/8/10	\$11,000	\$11,000
Chicago G.O. Refunding VRDB, Series 2007-F, 0.70%, 6/1/10	11,500	11,500
Series G, 0.68%, 6/1/10	20,000	20,000
Chicago G.O. VRDB, Series 21-B-3, Neighborhoods Alive (Bank of America N.A. LOC), 0.32%, 6/1/10	10,500	10,500
Series 21-B-4, Neighborhoods Alive (Bank of New York LOC), 0.29%, 6/1/10	7,100	7,100
Chicago Multifamily Housing Revenue VRDB, Series 2008-B, Hollywood House Apartments (Harris N.A. LOC), 0.37%, 6/8/10	3,350	3,350
Chicago Transit Authority COPS, Citi ROCS RR II R-11786 (Assured Guaranty Insured), ⁽¹⁾ 0.39%, 6/8/10	6,105	6,105
Chicago Wastewater Transmission Revenue Refunding VRDB, Subseries 2008 C-1 (Harris N.A. LOC), 0.28%, 6/1/10	6,000	6,000
City of Chicago G.O. Refunding VRDB, Series 2005D, Project Refunding (AGM Insured), 0.32%, 6/8/10	35,190	35,190
City of Chicago G.O. Refunding VRDB, Series 2007-E, 0.68%, 6/1/10	10,000	10,000
Illinois Development Finance Authority Revenue Bonds, Series 1998, Glenwood School for Boys (Harris N.A. LOC), 0.30%, 6/8/10	1,800	1,800
Illinois Development Finance Authority Revenue VRDB, BAPS, Inc. Project (Comerica Bank LOC), 0.53%, 6/8/10	7,985	7,985
Illinois Development Finance Authority Revenue VRDB, Series B, Evanston Northwestern, 0.27%, 6/1/10	6,220	6,220

See Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS

MUNICIPAL PORTFOLIO *continued*

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% <i>continued</i>		

Illinois – 13.5% *continued*

Illinois Development Finance Authority Revenue VRDB, Series 2003, Jewish Council Youth Services (Harris N.A. LOC), 0.31%, 6/8/10	\$945	\$945
Illinois Development Finance Authority Revenue VRDB, Series 2003, Mount Carmel High School Project (JPMorgan Chase Bank LOC), 0.27%, 6/8/10	14,800	14,800
Illinois Educational Facilities Authority Revenue Bonds, Series 1985, Cultural Pool (JPMorgan Chase Bank LOC), 0.27%, 6/8/10	10,790	10,790
Illinois Educational Facilities Authority Revenue Bonds, Series 2003B, Augustana College (Harris N.A. LOC), 0.28%, 6/8/10	6,590	6,590
Illinois Educational Facilities Authority Revenue Bonds, Series B-3, University of Chicago, 0.46%, 5/4/11	18,565	18,565
Illinois Educational Facilities Authority Revenue VRDB, Series 1999A, National Louis University (JPMorgan Chase Bank LOC), 0.30%, 6/8/10	9,550	9,550
Illinois Finance Authority PCR Refunding VRDB, Series D, Commonwealth Edison (JPMorgan Chase Bank LOC), 0.28%, 6/8/10	15,600	15,600
Illinois Finance Authority Revenue Bonds, Nazareth Academy Project (Harris N.A. LOC), 0.33%, 6/8/10	5,900	5,900
Illinois Finance Authority Revenue Bonds, Series 2005, Joan W. and Irving B. Dance Project (Bank of America N.A. LOC), 0.38%, 6/8/10	10,300	10,300
Illinois Finance Authority Revenue Bonds, Series 2007, Erikson Institution Project (Bank of America N.A. LOC), 0.30%, 6/8/10	6,000	6,000
Illinois Finance Authority Revenue Bonds, Series 2008, Chicago Horticultural Project (JPMorgan Chase Bank LOC), 0.33%, 6/8/10	9,000	9,000
Illinois Finance Authority Revenue Bonds, Subseries B, Northwestern University, 0.32%, 3/1/11	20,000	20,000

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% <i>continued</i>		

Illinois – 13.5% *continued*

Illinois Finance Authority Revenue VRDB, Easter Seals Metropolitan Chicago (Harris N.A. LOC), 0.31%, 6/8/10	\$7,700	\$7,700
Illinois Finance Authority Revenue VRDB, Series 2007, North American Spine Society (Harris N.A. LOC), 0.30%, 6/8/10	12,500	12,500
Illinois Finance Authority Revenue VRDB, Series 2008-A, Community Action Partnership (Harris N.A. LOC), 0.33%, 6/8/10	3,000	3,000
Illinois Finance Authority Revenue VRDB, Series 2009-C, OSF Healthcare System (Wells Fargo Bank N.A. LOC), 0.27%, 6/8/10	5,000	5,000
Illinois Finance Authority Revenue VRDB, Series 2009E2, University of Chicago Medical Center (JPMorgan Chase Bank LOC), 0.27%, 6/1/10	10,000	10,000
Illinois Finance Authority Revenue VRDB, Series A, Franciscan Communities (Bank of America N.A. LOC), 0.27%, 6/8/10	7,815	7,815
Illinois Finance Authority Revenue VRDB, Series C, Clare Oaks Project (Banco Santander Central Hispano LOC), 0.57%, 6/8/10	10,680	10,680
Illinois Finance Authority Revenue VRDB, Series D, The Clare At Water Tower Project (Bank of America N.A. LOC), 0.32%, 6/8/10	51,300	51,300
Illinois Health Facilities Authority Revenue Refunding Bonds, Series 1996 B, Franciscan Eldercare Village (Bank of America N.A. LOC), 0.27%, 6/8/10	2,300	2,300
Illinois Health Facilities Authority Revenue VRDB, Series 1997, The Adler Planetarium (FHLB Boston LOC), 0.25%, 6/8/10	8,500	8,500
Illinois Municipal Electric Agency Power Supply Revenue Bonds, Citigroup ROCS RR-II-R-1 1185WF (Wells Fargo and Co. Gtd.), ⁽¹⁾ 0.31%, 6/8/10	16,105	16,105

See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% continued		

Illinois – 13.5% continued

Illinois State Toll Highway Authority Revenue Refunding VRDB, Series 2008A-1, Senior Priority, 0.31%, 6/8/10	\$20,000	\$20,000
Illinois State Tollway Highway Authority Revenue Refunding VRDB, Series 2008A-2, Senior Priority, 0.34%, 6/8/10	80,000	80,000
Illinois State Tollway Highway Authority Revenue VRDB, Series A-1, Senior Priority, 0.32%, 6/8/10	2,200	2,200
Kane County Revenue Bonds, Series 1993, Glenwood School for Boys (Harris N.A. LOC), 0.31%, 6/8/10	2,000	2,000
Lake County Multifamily Housing Revenue VRDB, Series 2008, Whispering Oak Apartments Project (FHLMC Gtd.), 0.30%, 6/8/10	3,250	3,250
Lombard Multifamily Housing Revenue Refunding Bonds, Series 2000, Clover Creek Apartments Project (FNMA LOC), 0.28%, 6/8/10	11,915	11,915
Morton Grove Cultural Facilities Revenue VRDB, Series 2006, Holocaust Museum (Bank of America N.A. LOC), 0.30%, 6/8/10	4,750	4,750
Oak Forest Revenue Bonds, Series 1989, Homewood Pool – South Suburban Mayors and Managers Association Program (Fifth Third Bank LOC), 0.51%, 6/8/10	48,700	48,700
University of Illinois Board of Trustees COPS Refunding VRDB, Series 2009-B, 0.30%, 6/8/10	30,000	30,000
University of Illinois Revenue VRDB, Series 2008, Auxiliary Facilities System, 0.28%, 6/8/10	12,095	12,095
	635,310	

Indiana – 2.2%

Daviess County Economic Development Revenue Refunding and Improvement VRDB, Daviess Community (KeyBank N.A. LOC), 0.37%, 6/8/10	9,400	9,400
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	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% continued		

Indiana – 2.2% continued

Elkhart County Multifamily Housing Revenue VRDB, Series 2008 II-A, Ashton Pine Apartments (FHLB Indianapolis LOC), 0.32%, 6/8/10	\$8,000	\$8,000
Indiana Bond Bank Revenue Notes, Series 2010-A, Advance Funding Program Notes, 2.00%, 1/6/11	25,000	25,234
Indiana Finance Authority Health System Revenue VRDB, Series 2008-G, Sisters of St. Francis Health (Wells Fargo Bank LOC), 0.25%, 6/8/10	10,000	10,000
Indiana Finance Authority Hospital Revenue Refunding VRDB, Series 2008-A, Clarian Health (Branch Banking and Trust Co. LOC), 0.28%, 6/8/10	14,200	14,200
Indiana Health and Educational Facilities Financing Authority Revenue Bonds, Series 2005A, Howard Regional Health System Project (Comerica Bank LOC), 0.80%, 6/1/10	9,300	9,300
Indiana Health Facility Financing Authority Revenue VRDB, Series 2001B, Franciscan Eldercare Project (Bank of America N.A. LOC), 0.27%, 6/8/10	285	285
Indiana Health Facility Financing Authority Revenue VRDB, Series 2002B, Fayette Memorial Hospital Association (U.S. Bank N.A. LOC), 0.30%, 6/1/10	6,210	6,210
Indiana State Development Finance Authority Revenue VRDB, Series 2003, YMCA of Southwest Indiana Project (Wells Fargo Bank N.A. LOC), 0.37%, 6/8/10	2,700	2,700
Indianapolis Economic Development Revenue VRDB, Series 2008, Brookhaven County Line Project (FNMA Gtd.), 0.30%, 6/8/10	18,000	18,000
Vincennes Economic Development Revenue VRDB, Knox County Association (Wells Fargo Bank N.A. LOC), 0.37%, 6/8/10	1,900	1,900
	105,229	

See Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS

MUNICIPAL PORTFOLIO *continued*

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% <i>continued</i>		
Iowa – 1.0%		
Grinnell Hospital Revenue Refunding VRDB, Series 2001, Grinnell Regional Medical Center Project (U.S. Bank N.A. LOC), 0.30%, 6/1/10	\$3,100	\$3,100
Iowa Finance Authority Economic Development Revenue VRDB, Series 2002, Iowa West Foundation Project (U.S. Bank N.A. LOC), 0.29%, 6/8/10	6,100	6,100
Iowa Finance Authority Retirement Community Revenue Bonds, Series 2003-B, Wesley Retirement Services (Wells Fargo Bank N.A. LOC), 0.27%, 6/8/10	6,500	6,500
Iowa Finance Authority Retirement Community Revenue VRDB, Series 2007-C, Edgewater A Wesley (Banco Santander Central Hispano LOC), 0.57%, 6/8/10	20,000	20,000
Iowa Higher Education Loan Authority Revenue Bonds, Series 2002, Luther College Project (U.S. Bank N.A. LOC), 0.26%, 6/8/10	11,250	11,250
		46,950
Kansas – 1.1%		
Kansas Development Finance Authority Multifamily Revenue Refunding VRDB, Chesapeake Apartments Project (FHLMC LOC), 0.30%, 6/8/10	14,800	14,800
Kansas Development Finance Authority Revenue VRDB, Series 1998BB, Shalom Village Obligation Group (Banco Santander Central Hispano LOC), 0.57%, 6/8/10	10,000	10,000
Kansas Development Finance Authority Revenue VRDB, Series 2004C, Adventist Health System/Sunbelt (JPMorgan Chase Bank LOC), 0.28%, 6/8/10	12,670	12,670
Olathe Multifamily Housing Revenue Refunding VRDB, Jefferson Place Apartments Project (FHLMC GIC), 0.30%, 6/8/10	7,780	7,780
University of Kansas Hospital Authority Revenue VRDB, Series 04, KU Health System (U.S. Bank N.A. LOC), 0.30%, 6/1/10	4,460	4,460
		49,710

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% <i>continued</i>		
Kentucky – 1.5%		
Fort Mitchell League of Cities Revenue VRDB, Series 2002A, Trust Lease Program (U.S. Bank N.A. LOC), 0.27%, 6/8/10	\$7,100	\$7,100
Jefferson County Multifamily Housing Revenue Refunding VRDB, Series 2002, Camden Brookside Project (FNMA Insured), 0.27%, 6/8/10	8,900	8,900
Camden Meadows Project (FNMA Insured), 0.27%, 6/8/10	8,200	8,200
Kentucky Economic Development Finance Authority Medical Center Revenue VRDB, Series 2008-A, Ashland Hospital Corp. (Branch Banking and Trust Co. LOC), 0.27%, 6/8/10	17,100	17,100
Kentucky Rural Water Finance Corp. Public Project Revenue Bonds, Series 2009 B-2, Construction Notes, 1.25%, 1/1/11	6,000	6,019
Morehead League of Cities Revenue VRDB, Series 2004A, Trust Lease Program (U.S. Bank N.A. LOC), 0.27%, 6/8/10	8,959	8,959
Warren County Hospital Revenue Refunding VRDB, Series 2008, Bowling Green-Warren (Assured Guaranty Insured), 0.27%, 6/8/10	8,155	8,155
Williamstown League of Cities Funding Trust Lease Revenue VRDB, Series 2009-B (U.S. Bank N.A. LOC), 0.27%, 6/8/10	5,000	5,000
		69,433

Louisiana – 1.6%

Ascension Parish IDB Revenue VRDB, IMTT Geismar (FHLB Atlanta LOC), 0.26%, 6/8/10	17,000	17,000
Louisiana Local Government Environmental Facilities & Community Development Revenue VRDB, Series B, Downreit (FHLB of Dallas LOC), 0.29%, 6/8/10	10,635	10,635
Louisiana Public Facilities Authority Multifamily Housing Revenue Refunding VRDB, Linlake Ventures Project (FHLMC LOC), 0.30%, 6/8/10	8,000	8,000

See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% continued		

Louisiana – 1.6% continued

Louisiana Public Facilities Authority Revenue Refunding VRDB, Series 1988, Multifamily (FNMA LOC), 0.27%, 6/8/10	\$8,900	\$8,900
Parish of St. James Pollution Control Revenue VRDB, Series 1990A, Texaco Project, 0.23%, 6/1/10	30,000	30,000
		74,535

Maine – 0.6%

Maine Health and Higher Educational Facilities Authority Revenue VRDB, Series 2008 A (KBC Bank N.V. LOC), 0.30%, 6/8/10	28,940	28,940
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Maryland – 2.9%

Maryland State Community Development Administration Department of Housing Revenue VRDB, Series 2008-G, Kirkwood Multifamily Housing (FHLMC LOC), 0.26%, 6/8/10	8,000	8,000
Maryland State Community Development Administration Department of Housing Revenue VRDB, Series 2009-A, Multifamily Development – Sharp Apartments (FHLMC Insured), 0.30%, 6/8/10	16,950	16,950
Maryland State Economic Development Corp. Revenue VRDB, Series 2008, Federation Amern Societies (Wachovia Bank N.A. LOC), 0.27%, 6/8/10	15,500	15,500
Maryland State Health and Higher Educational Facilities Authority Revenue Refunding VRDB, Series 2005B, Adventist Healthcare (Manufacturers and Traders Trust Co. LOC), 0.27%, 6/8/10	13,700	13,700
Maryland State Health and Higher Educational Facilities Authority Revenue VRDB, Series A, Adventist Healthcare (Manufacturers and Traders Trust Co. LOC), 0.27%, 6/8/10	8,310	8,310
Series 2005A, Adventist Healthcare (Bank of America N.A. LOC), 0.27%, 6/8/10	25,200	25,200

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% continued		

Maryland – 2.9% continued

Maryland State Health and Higher Educational Facilities Authority Revenue VRDB, Series 2008, Frederick Memorial Hospital (Branch Banking and Trust Co. LOC), 0.28%, 6/8/10	\$8,000	\$8,000
Maryland State Health and Higher Educational Facilities Authority Revenue VRDB, Series 2008-A, University of Maryland System (Citizens Bank of Pennsylvania LOC), 0.45%, 6/8/10	6,500	6,500
Maryland State Health and Higher Educational Facilities Authority Revenue VRDB, Series 2008-B, Upper Chesapeake Hospital (Branch Banking and Trust Co. LOC), 0.28%, 6/8/10	17,305	17,305
Montgomery County Economic Development Revenue VRDB, Series 2004, Riderwood Village, Inc. Project (Manufacturers and Traders Trust Co. LOC), 0.27%, 6/8/10	855	855
Prince Georges County Revenue Refunding VRDB, Series A, Collington Episcopal (Bank of America N.A. LOC), 0.27%, 6/8/10	10,000	10,000
Town of Chestertown Revenue Refunding VRDB, Series 2008-A, Economic Development Project, Washington College (RBS Citizens N.A. LOC), 0.46%, 6/8/10	3,600	3,600
		133,920

Massachusetts – 2.2%

Massachusetts State Development Finance Agency Revenue VRDB, Series 2003, Phillips Academy, 0.27%, 6/8/10	9,600	9,600
Massachusetts State Development Finance Agency Revenue VRDB, Series 2004, Groton School, 0.27%, 6/8/10	10,000	10,000
Massachusetts State Development Finance Agency Revenue VRDB, Series 2007, Groton School, 0.27%, 6/8/10	10,000	10,000

See Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS

MUNICIPAL PORTFOLIO *continued*

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% continued		
Massachusetts – 2.2% continued		
Massachusetts State Development Finance Agency Revenue VRDB, Series 2005, ISO New England, Inc. (TD Bank N.A. LOC), 0.25%, 6/8/10	\$16,190	\$16,190
Massachusetts State Development Finance Agency Revenue VRDB, Series 2007, Seashore Port-Deaconess, Inc. (Banco Santander Central Hispano LOC), 0.55%, 6/8/10	7,755	7,755
Massachusetts State Development Finance Agency Revenue VRDB, Series 2007, Thayer Academy (Assured Guaranty Insured), 0.28%, 6/8/10	9,795	9,795
Massachusetts State G.O. VRDB, Series 2006 A, Consolidated Loans, 0.30%, 6/1/10	1,000	1,000
Massachusetts State G.O. VRDB, Series B, Consolidated Loans, 0.28%, 6/1/10	300	300
Massachusetts State Water Resources Authority Revenue Refunding VRDB, Series 2008-A, 0.30%, 6/8/10	10,000	10,000
University of Massachusetts Building Authority Revenue Refunding VRDB, Series 2008-4, Senior Community Gtd., 0.28%, 6/8/10	30,465	30,465
		105,105

Michigan – 3.7%

Ann Arbor Economic Development Corp. Limited Obligation Revenue Bonds, Series 2000A, Glacier Hills, Inc. Project (JPMorgan Chase Bank LOC), 0.27%, 6/8/10	2,540	2,540
Ann Arbor Economic Development Corp. Limited Obligation Revenue Refunding Bonds, Series B, Glacier Hills Project (JPMorgan Chase Bank LOC), 0.27%, 6/8/10	1,415	1,415
Grand Rapids Economic Development Corp. Revenue Refunding Bonds, Series 1991A, Amway Hotel (Bank of America N.A. LOC), 0.76%, 6/8/10	3,075	3,075

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% continued		
Michigan – 3.7% continued		
Jackson County Hospital Finance Authority Revenue Refunding Bonds, Foote Hospital (Assured Guaranty Insured), 0.37%, 6/8/10	\$6,300	\$6,300
Kalamazoo Hospital Finance Authority Facilities Revenue Refunding VRDB, Series 2009-A, Bronson Methodist (JPMorgan Chase Bank LOC), 0.26%, 6/8/10	27,500	27,500
Michigan Higher Education Facilities Authority Revenue Refunding VRDB, Series 2004, Hope College Project (JPMorgan Chase Bank LOC), 0.26%, 6/8/10	8,400	8,400
Michigan Higher Education Facilities Authority Revenue Refunding VRDB, Series 2007A, Limited Obligation, Calvin (JPMorgan Chase Bank LOC), 0.27%, 6/8/10	18,800	18,800
Series 2007B, Limited Obligation, Calvin (JPMorgan Chase Bank LOC), 0.27%, 6/8/10	20,000	20,000
Michigan Higher Education Facilities Authority Revenue VRDB, Series 2006, Cleary University Project (Comerica Bank LOC), 0.38%, 6/8/10	4,045	4,045
Michigan Municipal Bond Authority Revenue Notes, Series 2009-C3, State Aid Notes (Bank of Nova Scotia LOC), 2.50%, 8/20/10	15,000	15,054
Michigan State Hospital Finance Authority Revenue VRDB, Series 2004B, Holland Community Hospital (JPMorgan Chase Bank LOC), 0.26%, 6/8/10	7,900	7,900
Michigan State Strategic Fund Limited Obligation Revenue VRDB, Series 2003, YMCA of Metropolitan Detroit Project (JPMorgan Chase Bank LOC), 0.29%, 6/8/10	1,960	1,960
Michigan State Strategic Fund Revenue VRDB, Rest Haven Christian Services (Banco Santander Central Hispano LOC), 0.57%, 6/8/10	8,780	8,780
State of Michigan G.O. Notes, Series 2009-A, 2.00%, 9/30/10	50,000	50,243
		176,012

See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% continued		

Minnesota – 2.2%

Maple Grove Economic Development Revenue Bonds, Series 2004, Heritage Christian Academy (U.S. Bank N.A. LOC), 0.26%, 6/8/10	\$3,320	\$3,320
Minneapolis and St. Paul Housing and Redevelopment Authority Health Care System Revenue VRDB, Series 2007A-11, Children's Hospitals and Clinics (AGM Insured), 0.31%, 6/1/10	2,000	2,000
Minneapolis Health Care System Revenue VRDB, Series 2008-D, Fairview Health Services (Wells Fargo Bank N.A. LOC), 0.24%, 6/8/10	9,325	9,325
Minneapolis Revenue Bonds, Series 2003A, Guthrie Theater Project (Wells Fargo Bank N.A. LOC), 0.27%, 6/8/10	3,005	3,005
Minneapolis Student Housing Revenue VRDB, Series 2003, Riverton Community Housing Project (Bank of America N.A. LOC), 0.30%, 6/8/10	6,825	6,825
Minnesota Agricultural and Economic Development Board Revenue VRDB, YMCA of Metro Minneapolis Project (U.S. Bank N.A. LOC), 0.27%, 6/8/10	3,000	3,000
Minnesota School District Capital Equipment Borrowing Program COPS, Series 2009, Aid Anticipation Certificates, 2.00%, 9/10/10	15,000	15,061
Series 2009-B, Aid Anticipation Certificates, 2.00%, 9/10/10	9,000	9,042
Series 2010-A, Aid Anticipation Certificates, 2.00%, 9/10/10	7,200	7,235
Minnesota State Higher Education Facilities Authority Revenue VRDB, Series 20045Z, University St. Thomas (U.S. Bank N.A. LOC), 0.28%, 6/8/10	9,000	9,000
Minnesota State Higher Education Facilities Authority Revenue VRDB, Series 2007-6Q, Concordia University St. Paul (U.S. Bank N.A. LOC), 0.29%, 6/1/10	5,345	5,345

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% continued		

Minnesota – 2.2% continued

Oak Park Heights Multifamily Housing Revenue Refunding VRDB, Series 2005, Boutwells Landing (FHLMC Gtd.), 0.27%, 6/8/10	\$7,325	\$7,325
Robbinsdale Multifamily Housing Revenue Refunding VRDB, Series 2004-C, Copperfield Hill (Bank of America N.A. LOC), 0.30%, 6/8/10	3,500	3,500
Rochester G.O. VRDB, Series 07-B, Wastewater, 0.26%, 6/8/10	7,100	7,100
Roseville Senior Housing Revenue Refunding VRDB, Series 2009, Eaglecrest Project (FHLMC LOC), 0.26%, 6/8/10	6,145	6,145
St. Paul Port Authority Revenue VRDB, Series 2006-3, Amherst H. Wilder Foundation (Bank of New York LOC), 0.30%, 6/1/10	5,640	5,640
		102,868

Mississippi – 1.5%

Mississippi Business Finance Corp. Gulf Opportunity Zone Revenue VRDB, SG Resources LLC (FHLB Atlanta LOC), 0.26%, 6/8/10	26,400	26,400
Mississippi Business Finance Corp. Revenue Refunding VRDB, Series 2009-B, Renaissance (FHLB of Dallas LOC), 0.28%, 6/8/10	8,050	8,050
Mississippi Business Finance Corp. Revenue VRDB, Series 2007-A, CPX Gulfport OPAG LLC (Wachovia Bank N.A. LOC), 0.29%, 6/8/10	12,935	12,935
Mississippi Development Bank Special Obligation Revenue Refunding VRDB, Series 2009, Magnolia Regional Health Project (FHLB Atlanta LOC), 0.29%, 6/8/10	5,000	5,000
Mississippi Hospital Equipment and Facilities Authority Revenue VRDB, Mississippi Health, 0.28%, 6/8/10	20,313	20,313
		72,698

See Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS

MUNICIPAL PORTFOLIO *continued*

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% <i>continued</i>		

Missouri – 2.9%

Independence IDA Multifamily Housing Revenue Refunding VRDB, Series 2005, The Mansions Project (FHLMC LOC), 0.30%, 6/8/10	\$14,240	\$14,240
Kansas City IDA Multifamily Housing Revenue Refunding VRDB, Coach House South Apartments (FHLMC LOC), 0.30%, 6/8/10	2,500	2,500
Kansas City IDA Multifamily Housing Revenue Refunding VRDB, Series 1995, Willow Creek IV Apartments (FNMA Insured), 0.31%, 6/8/10	8,195	8,195
Kansas City IDA Multifamily Housing Revenue Refunding VRDB, Series 2000, Coach House North Apartments (FHLMC LOC), 0.30%, 6/8/10	8,000	8,000
Kansas City IDA Multifamily Housing Revenue VRDB, Series 2002, Cloverset Apartments Project (FNMA LOC), 0.27%, 6/8/10	2,065	2,065
Kansas City IDA Revenue VRDB, Kansas City Downtown Redevelopment (JPMorgan Chase Bank LOC), 0.30%, 6/8/10	13,175	13,175
Missouri State Health and Educational Facilities Authority Revenue VRDB, Series 1999-C, Pooled Hospital Freeman Health System (KBC Bank N.V. LOC), 0.33%, 6/8/10	4,365	4,365
Missouri State Health and Educational Facilities Authority Revenue VRDB, Series 2000, Lutheran Senior Services Project (U.S. Bank N.A. LOC), 0.26%, 6/8/10	9,000	9,000
Missouri State Health and Educational Facilities Authority Revenue VRDB, Series 2002, De Smet Jesuit High School (U.S. Bank N.A. LOC), 0.30%, 6/1/10	3,200	3,200
Missouri State Health and Educational Facilities Authority Revenue VRDB, Series 2008, Lutheran Senior Services Project (U.S. Bank N.A. LOC), 0.26%, 6/8/10	9,000	9,000
Missouri State Health and Educational Facilities Authority Revenue VRDB, Series 2008-F, Sisters Mercy Health, 0.26%, 6/8/10	25,000	25,000

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% <i>continued</i>		

Missouri – 2.9% *continued*

South Point Hunter Ridge Trust Revenue VRDB Certificate Series Trust Various States, Series 2005A (Wachovia Bank N.A. LOC), ⁽¹⁾ 0.45%, 6/8/10	\$10,575	\$10,575
Series 2005B (Wachovia Bank N.A. LOC), ⁽¹⁾ 0.45%, 6/8/10	8,365	8,365
St. Charles County IDA Revenue Refunding VRDB, Country Club Apartments Project (FNMA LOC), 0.29%, 6/8/10	4,000	4,000
St. Charles County IDA Revenue VRDB, Series 2006, Trinity Manufacturing Project (FHLB Des Moines LOC), 0.30%, 6/8/10	7,180	7,180
St. Louis County IDA Revenue VRDB, Series B, Friendship Village South (Bank of America N.A. LOC), 0.27%, 6/8/10	5,615	5,615
		134,475

Nebraska – 0.5%

Central Plains Energy Project Revenue VRDB, Series 2009, Project Number 2, 0.27%, 6/8/10	24,900	24,900
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Nevada – 0.5%

Carson City Hospital Revenue VRDB, Series 2003-B, Carson Tahoe Hospital Project (U.S. Bank N.A. LOC), 0.26%, 6/8/10	9,500	9,500
Carson City Hospital Revenue VRDB, Series 2003-B, Carson Tahoe Regional Medical Center (U.S. Bank N.A. LOC), 0.26%, 6/8/10	5,330	5,330
Las Vegas Valley Water District G.O., Series B, Water Improvement, 0.38%, 6/1/10	7,000	7,000
		21,830

New Hampshire – 0.6%

New Hampshire Health and Education Facilities Authority Revenue VRDB, Riverwoods at Exeter (Bank of America N.A. LOC), 0.29%, 6/8/10	12,350	12,350
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See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% continued		

New Hampshire – 0.6% continued

New Hampshire Health and Education Facilities Authority Revenue VRDB, Series 2004-B, Kendal at Hanover (FHLB Boston LOC), 0.25%, 6/8/10	\$6,880	\$6,880
Series 2008, Kendal at Hanover (FHLB Boston LOC), 0.25%, 6/8/10	8,365	8,365
		27,595

New Jersey – 0.3%

New Jersey EDA Revenue Refunding VRDB, Series 2005-B, Cranes Mill Project (TD Bank N.A. LOC), 0.25%, 6/8/10	6,220	6,220
New Jersey EDA Revenue VRDB, Series 2006, Frisch School Project (Banco Santander Central Hispano LOC), 0.58%, 6/8/10	1,500	1,500
New Jersey Health Care Facilities Financing Authority Revenue VRDB, Series 2002, Wiley Mission Project (TD Bank N.A. LOC), 0.25%, 6/8/10	4,900	4,900
		12,620

New Mexico – 1.4%

Bernalillo County TRANS, Series 2009, 2.50%, 6/30/10	17,000	17,027
New Mexico Mortgage Finance Authority Multifamily Housing Revenue VRDB, Series A, Villas San Ignacio (FHLMC LOC), 0.28%, 6/8/10	8,000	8,000
New Mexico Municipal Energy Acquisition Authority Gas Supply Revenue VRDB, Series 2009, 0.27%, 6/8/10	25,000	25,000
Portales Student Housing Revenue VRDB, Series 2006-A, CHF Portales LLC (Banco Santander Central Hispano LOC), 0.70%, 6/8/10	13,380	13,380
		63,407

New York – 9.2%

Metropolitan Transportation Authority Revenue Bonds, CP Notes, Series 1-A (RBS N.V. LOC), 0.35%, 6/15/10	10,000	10,000
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	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% continued		

New York – 9.2% continued

Metropolitan Transportation Authority RANS, Series 2010, 2.00%, 12/31/10	\$25,000	\$25,235
Metropolitan Transportation Authority Tax Exempt Revenue Bonds, Series 2007-C, Municipal CP Notes (RBS N.V. LOC), 0.50%, 6/10/10	80,000	80,000
Monroe Security & Safety System Local Development Revenue VRDB, Series 2010 (Manufacturers and Traders Trust Co. LOC), 0.29%, 6/8/10	25,000	25,000
New York City Industrial Development Agency Civic Facilities Revenue VRDB, Series 2006, Cong Machne Chaim, Inc. (Banco Santander Central Hispano LOC), 0.54%, 6/8/10	7,800	7,800
New York City Municipal Water Finance Authority, IAM CP Notes, Series One, 0.28%, 06/17/10	30,000	30,000
New York City Municipal Water Finance Authority Water and Sewer Revenue Bonds, Series 2006-AA-3, 0.32%, 6/8/10	12,300	12,300
New York Liberty Development Corp. Revenue VRDB, Series 2009-A, World Trade Center Project (United States Treasuries Escrowed), 0.50%, 1/18/11	182,100	182,102
New York State Dormitory Authority Non State Supported Debt Revenue VRDB, Series 2008, Rochester Friendly Home (Manufacturers and Traders Trust Co. LOC), 0.25%, 6/8/10	13,745	13,745
New York State Urban Development Corp. Revenue VRDB, Series A3A, State Facilities, 0.34%, 6/8/10	4,000	4,000
Suffolk County Industrial Development Agency Civic Facilities Revenue VRDB, Series 2006, St. Anthony's High School (U.S. Bank N.A. LOC), 0.25%, 6/8/10	15,530	15,530
Ulster County Industrial Development Agency Revenue VRDB, Series 2007-C, Kingston Regional Senior Living (Banco Santander Central Hispano LOC), 0.55%, 6/8/10	11,965	11,965

See Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS

MUNICIPAL PORTFOLIO *continued*

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% <i>continued</i>		
New York – 9.2% <i>continued</i>		
Westchester County Industrial Development Agency Civic Facility Revenue VRDB, Series 2001, Catharine Field Home (Banco Santander Central Hispano LOC), 0.55%, 6/8/10	\$14,470	\$14,470
		432,147

North Carolina – 4.8%		
Charlotte Airport Revenue VRDB, Series 2010-C, Charlotte Douglas Airport (Wachovia Bank N.A. LOC), 0.27%, 6/8/10	6,200	6,200
City of Greensboro Street Improvement G.O. VRDB, 0.30%, 6/8/10	10,000	10,000
Durham Water and Sewer Utility System Revenue VRDB, Series 1994, 0.30%, 6/8/10	800	800
Mecklenburg County COPS VRDB, Series 2006, 0.29%, 6/8/10	8,890	8,890
Mecklenburg County COPS VRDB, Series 2008-A, 0.58%, 6/8/10	36,125	36,125
North Carolina Capital Facilities Finance Agency Revenue VRDB, Elon University (Bank of America N.A. LOC), 0.30%, 6/8/10	8,200	8,200
North Carolina Capital Facilities Finance Agency Revenue VRDB, Series 2007, High Point University Project (Branch Banking and Trust Co. LOC), 0.29%, 6/8/10	10,850	10,850
Series 2008, High Point University Project (Branch Banking and Trust Co. LOC), 0.29%, 6/8/10	10,000	10,000
North Carolina Educational Facilities Finance Agency Revenue VRDB, Series 1999, Charlotte Latin (Wachovia Bank N.A. LOC), 0.27%, 6/8/10	2,820	2,820
North Carolina Medical Care Commission Healthcare Facilities Revenue Refunding Bonds, Series 2005-C, Duke University Health System, 0.26%, 6/8/10	11,550	11,550

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% <i>continued</i>		
North Carolina – 4.8% <i>continued</i>		
North Carolina Medical Care Commission Health Care Facilities Revenue Refunding VRDB, Series 2008-A, Wake Forest University (Branch Banking and Trust Co. LOC), 0.27%, 6/8/10	\$18,480	\$18,480
North Carolina Medical Care Commission Healthcare Facilities Revenue VRDB, Series 2004-A, Novant Health Group, 0.30%, 6/8/10	7,600	7,600
North Carolina Medical Care Commission Retirement Facilities Revenue VRDB, Series 2007-C, First Mortgage, Southminster (Banco Santander Central Hispano LOC), 0.57%, 6/8/10	700	700
Raleigh Combined Enterprise System Revenue, BB&T Municipal Trust, Floaters Series 11, ⁽¹⁾ 0.29%, 6/8/10	10,565	10,565
Raleigh COPS VRDB, Series B, Downtown, 0.29%, 6/8/10	18,000	18,000
State of North Carolina G.O. Refunding VRDB, Series 2002-F, 0.26%, 6/8/10	8,295	8,295
University of North Carolina Revenue Bonds, Citigroup Eagle 720053014 Class 2005A, ⁽¹⁾ 0.29%, 6/8/10	18,400	18,400
Wake County G.O. VRDB, Series 2003C, Public Improvement Bonds, 0.28%, 6/8/10	9,500	9,500
Winston-Salem Water and Sewer System Revenue VRDB, Series 2002B, 0.27%, 6/8/10	8,200	8,200
Series 2002C, 0.27%, 6/8/10	21,600	21,600
		226,775

Ohio – 0.8%		
Cleveland Airport System Revenue VRDB, Series 2009-D (KBC Bank N.V. LOC), 0.37%, 6/8/10	8,500	8,500
Cleveland-Cuyahoga County Port Authority Cultural Facility Revenue VRDB, Museum of Art Project, Series 2005-B, 0.24%, 6/8/10	15,000	15,000

See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% continued		

Ohio – 0.8% continued

Cuyahoga County Health Care Facilities Revenue Bonds, Series 2004-E, Franciscan Communities (Bank of America N.A. LOC), 0.27%, 6/8/10	\$8,255	\$8,255
Richland County Health Care Facilities Revenue Refunding Bonds, Series 2004-A, Wesleyan Senior Living (JPMorgan Chase Bank LOC), 0.28%, 6/8/10	1,625	1,625
Series 2004-B, Wesleyan Senior Living (JPMorgan Chase Bank LOC), 0.28%, 6/8/10	4,555	4,555
	37,935	

Oklahoma – 0.5%

Oklahoma State Industrial Authority and Educational Facilities Revenue VRDB, Oklahoma Christian University Project (Bank of America N.A. LOC), 0.32%, 6/8/10	23,100	23,100
Oklahoma Water Resource Board State Loan Program Revenue VRDB, 0.75%, 6/1/10	2,095	2,095
	25,195	

Oregon – 1.6%

Clackamas County Hospital Facility Authority Revenue VRDB, Series 2008-A, Legacy Health System (U.S. Bank N.A. LOC), 0.26%, 6/8/10	10,000	10,000
Oregon State Facilities Authority Revenue VRDB, Series 2005A, Quatama Crossing Housing (FNMA LOC), 0.27%, 6/8/10	9,545	9,545
Oregon State G.O. TANS, Series 2009A, 2.50%, 6/30/10	40,000	40,064
Oregon State Health, Housing, Educational & Cultural Facilities Authority Revenue VRDB, Series 2001-A, Assumption Village Project (Key Bank N.A. LOC), 0.37%, 6/8/10	8,085	8,085
Salem Hospital Facility Authority Revenue VRDB, Series 2008-B, Salem Hospital Project (U.S. Bank N.A. LOC), 0.25%, 6/8/10	6,000	6,000
	73,694	

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% continued		

Pennsylvania – 2.7%

Allegheny County Hospital Development Authority Revenue VRDB, Series 2003, UPMC Senior Living Corp. (FNMA LOC), 0.28%, 6/8/10	\$10,505	\$10,505
Allegheny County IDA Healthcare Revenue VRDB, Series 08-B, Vincentian Collaborative (PNC Bank LOC), 0.26%, 6/8/10	2,725	2,725
Allegheny County IDA Revenue VRDB, Education Center at the Watson Institute (PNC Bank LOC), 0.26%, 6/8/10	6,000	6,000
Beaver County IDA PCR Refunding VRDB, Series 06, First Energy Generation (Barclays Bank PLC LOC), 0.31%, 6/1/10	2,000	2,000
Beaver County IDA PCR Refunding VRDB, Series 2008-A, First Energy (Bank of Nova Scotia LOC), 0.26%, 6/8/10	12,500	12,500
Cumberland County Municipal Authority Revenue Refunding VRDB, Series 2006, Asbury Obligated Group (KBC Bank N.V. LOC), 0.27%, 6/8/10	13,455	13,455
Lancaster County Hospital Authority Revenue VRDB, Series 2000, Quarryville Presbyterian (Manufacturers and Traders Trust Co. LOC), 0.27%, 6/8/10	13,770	13,770
Lancaster IDA Revenue Bonds, Series 2009-A, Willow Valley Retirement (PNC Bank LOC), 0.24%, 6/8/10	10,000	10,000
Lancaster IDA Revenue VRDB, Series 2007, Mennonite Home Project (Manufacturers and Traders Trust Co. LOC), 0.34%, 6/8/10	1,615	1,615
Lower Merion School District G.O. VRDB, Series 2009-B, Capital Project (U.S. Bank N.A. LOC), 0.26%, 6/8/10	6,000	6,000
Pennsylvania Higher Educational Facilities Authority College and University Revenue VRDB, Series 2007, Pennsylvania College of Optometry (Wachovia Bank N.A. LOC), 0.27%, 6/8/10	7,620	7,620

See Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS

MUNICIPAL PORTFOLIO *continued*

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% continued		
Pennsylvania – 2.7% continued		
Pennsylvania Higher Educational Facilities Authority Revenue Bonds, Series I4, Association of Independent Colleges (Manufacturers and Traders Trust Co. LOC), 0.29%, 6/8/10	\$13,600	\$13,600
Pennsylvania Multifamily Housing Finance Agency Revenue VRDB, Series 2008, Special Limited Obligation, Foxwood (Bank of America N.A. LOC), 0.28%, 6/8/10	8,000	8,000
Pennsylvania Turnpike Commission Revenue Refunding VRDB, Multi-Modal, Series 2008 A-3, 0.27%, 6/8/10	9,400	9,400
RBC Municipal Products, Inc. Trust Revenue Bonds, Series E-12, Floater Certificates, Bethlehem Pennsylvania (Royal Bank of Canada LOC), ⁽¹⁾ 0.29%, 6/8/10	5,000	5,000
West Cornwall Township Municipal Authority Revenue VRDB, Series 2006, Senior Living Lebanon Valley (PNC Bank LOC), 0.27%, 6/8/10	4,200	4,200
	126,390	

South Carolina – 1.0%

Charleston Educational Excellence Finance Corp. Revenue Bonds, Citigroup ROCS RR-II-R-497M, ⁽¹⁾ 0.33%, 6/8/10	9,115	9,115
City of Columbia South Carolina VRDB, Series 2009, Waterworks and Sewer (U.S. Bank N.A. LOC), 0.20%, 6/1/10	5,900	5,900
Greenville Hospital System Board Facilities Revenue Refunding VRDB, Series 2008-D (Wachovia Bank N.A. LOC), 0.27%, 6/8/10	7,700	7,700
Piedmont Municipal Power Agency Revenue VRDB, Series 2008-C (Assured Guaranty Insured), 0.40%, 6/8/10	10,200	10,200
South Carolina Jobs EDA Hospital Revenue Refunding VRDB, Series 2009-C, Anmed Health (Branch Banking and Trust Co. LOC), 0.26%, 6/8/10	5,000	5,000

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% continued		
South Carolina – 1.0% continued		
South Carolina Jobs EDA Revenue Bonds, Series 2003, Medical University Facilities Corp. Project (Wachovia Bank N.A. LOC), 0.27%, 6/8/10	\$4,000	\$4,000
South Carolina Jobs EDA Revenue Bonds, Series 2003-A, Presbyterian Home Project (Wachovia Bank N.A. LOC), 0.37%, 6/8/10	3,645	3,645
	45,560	
South Dakota – 0.3%		
South Dakota Health and Educational Facilities Authority Revenue VRDB, Series 2004-B, Sioux Valley Hospital and Health (U.S. Bank N.A. LOC), 0.30%, 6/8/10	4,630	4,630
South Dakota Health and Educational Facilities Authority Revenue VRDB, Series 2008, Regional Health (U.S. Bank N.A. LOC), 0.30%, 6/1/10	4,300	4,300
South Dakota Housing Development Authority Revenue VRDB, Series 2009-A, Homeownership Mortgage, 0.26%, 6/8/10	5,000	5,000
	13,930	

Tennessee – 2.3%

Blount County Public Building Authority Revenue VRDB, Series 2008 C-1-A, Local Government Public Improvement, 0.29%, 6/8/10	16,650	16,650
Series 2008 C-3-A, Local Government Public Improvement, 0.29%, 6/8/10	7,700	7,700
Hendersonville IDB Multifamily Housing Revenue Refunding VRDB, Windsor Park (FNMA Insured), 0.31%, 6/8/10	3,095	3,095
Knox County Health and Educational Facilities Board Revenue VRDB, Series 06, Johnson Bible College Project, 0.29%, 6/8/10	6,670	6,670
Metropolitan Government Nashville and Davidson County Health and Educational Facilities Board Revenue Refunding VRDB, Series 2009, Belmont University (FHLB of Atlanta LOC), 0.26%, 6/8/10	9,010	9,010

See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% continued		
Tennessee – 2.3% continued		
Metropolitan Government Nashville and Davidson County Health and Educational Facilities Board Revenue Refunding VRDB, Series 2009, Lipscomb University Project (FHLB of Atlanta LOC), 0.26%, 6/8/10	\$16,160	\$16,160
Metropolitan Government Nashville and Davidson County IDB Revenue Refunding VRDB, Series 2004, Ridgelake Apartments Project (FHLMC Gtd.), 0.30%, 6/8/10	17,029	17,029
Shelby County Health, Educational and Housing Facilities Board Revenue VRDB, Series 2007-B, Trezevant Manor Project (Bank of America N.A. LOC), 0.29%, 6/8/10	6,000	6,000
Tennergy Corp. Gas Revenue Bonds, STARS Trust Receipts 1260B (BNP Paribas LOC), ⁽¹⁾ 0.31%, 6/8/10	27,625	27,625
		109,939

Texas – 7.3%

Atascosa County Industrial Development Corp. PCR Refunding VRDB, Series 2008, San Miguel Electric Cooperative, 0.65%, 6/8/10	9,600	9,600
Austin Hotel Occupancy Tax Revenue Refunding VRDB, Subseries 2008-A, Sub Lien (Dexia Credit Local LOC), 0.33%, 6/8/10	6,165	6,165
Bexar County and Clear Creek Revenue Bonds, Series 2007-28, Clipper Tax-Exempt Certificate Trust (U.S. Treasuries Escrowed), ⁽¹⁾ 0.32%, 6/8/10	6,255	6,255
Bexar County Housing Finance Corp. Multifamily Housing Revenue Refunding VRDB, Series 2009, Palisades Park Apartments Project (FHLMC Insured), 0.25%, 6/8/10	2,880	2,880
Bexar County Housing Finance Corp. Multifamily Housing Revenue VRDB, Series 2005-A, Summit Hills Apartments Project (FHLMC Insured), 0.30%, 6/8/10	3,500	3,500

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% continued		
Texas – 7.3% continued		
Brazos County Health Facilities Development Corp. Revenue Refunding VRDB, Series 2009, Burleson St. Joseph (Wells Fargo Bank N.A. LOC), 0.37%, 6/8/10	\$8,025	\$8,025
Brazos Harbor Industrial Development Corp. Revenue Refunding VRDB, Series 2001, BASF Corp. Project (BASF Corp. Gtd.), 0.40%, 6/8/10	7,700	7,700
Crawford Education Facilities Corp. Revenue Bonds, Series 2008, Hyde Park Baptist School Project (JPMorgan Chase Bank LOC), 0.27%, 6/8/10	1,225	1,225
Houston Independent School District G.O. VRDB, Series 2004, Schoolhouse (PSF of Texas Gtd.), 0.28%, 6/8/10	30,470	30,470
Katy Independent School District G.O. VRDB, Series C, Fort Bend, Harris and Waller Counties, CSH Building (PSF of Texas Gtd.), 0.28%, 6/8/10	53,100	53,100
Lovejoy Texas Independent School District G.O., Series DB-514, Deutsche Bank Spears/Lifers Trust Various States (PSF of Texas Gtd.), ⁽¹⁾ 0.31%, 6/8/10	3,275	3,275
Lubbock Independent School District G.O. VRDB, Series 2004-A, School Building (PSF of Texas Gtd.), 0.29%, 6/8/10	300	300
Northside Independent School District G.O. VRDB, Series 2009, School Building (PSF of Texas Gtd.), 1.20%, 6/1/10	14,230	14,230
Nueces County Health Facilities Development Authority VRDB, Driscoll Children's Foundation (JPMorgan Chase Bank LOC), 0.30%, 6/8/10	10,100	10,100
Panhandle Regional Multifamily Housing Finance Authority Revenue VRDB, Series 2008, Jason Avenue Residential Apartments (FHLMC LOC), 0.30%, 6/8/10	7,500	7,500
Port Arthur Navigation District Environmental Facilities Revenue VRDB, Series 2009-B, Motiva Enterprises (Motiva Enterprises LLC Gtd.), 0.28%, 6/1/10	4,100	4,100

See Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS

MUNICIPAL PORTFOLIO *continued*

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% <i>continued</i>		
Texas – 7.3% <i>continued</i>		
Port Arthur Navigation District Environmental Facilities Revenue VRDB, <i>continued</i> Series 2009-C, Motiva Enterprises (Motiva Enterprises LLC Gtd.), 0.28%, 6/1/10	\$15,000	\$15,000
Port of Port Arthur Navigation District Facilities Revenue VRDB, Series 2010, Total Petrochemicals USA, 0.30%, 6/8/10	12,500	12,500
RBC Municipal Products Incorporated Trust Revenue VRDB, Series 2010 E-14, Floater Certificates (Royal Bank of Canada LOC), ⁽¹⁾ 0.29%, 6/8/10	25,000	25,000
San Antonio Multifamily Housing Trust Finance Corp. Revenue VRDB, Series 2010, Cevallos Loft Apartments (FHLMC LOC), 0.30%, 6/8/10	11,250	11,250
State of Texas TRANS, Series 2009, 2.50%, 8/31/10	85,000	85,430
Tarrant County Housing Finance Corp. Revenue VRDB, Series 2003, Gateway Arlington Apartments Project (FNMA Gtd.), 0.27%, 6/8/10	1,465	1,465
Texas State Department of Multifamily Housing and Community Affairs Revenue VRDB, Woodmont Apartments (Bank of America N.A. LOC), 0.30%, 6/8/10	15,000	15,000
Travis County Housing Finance Corp. Student Housing Revenue Bonds, College Houses Project (Wachovia Bank N.A. LOC), 0.27%, 6/8/10	10,665	10,665
		344,735

Utah – 0.7%

Utah Housing Corp. Multifamily Housing Revenue VRDB, Series 2009-A, Florentine Villas (Wells Fargo Bank N.A. LOC), 0.32%, 6/8/10	6,000	6,000
Utah Housing Corp. Multifamily Housing Revenue VRDB, Series 2009-A, Timbergate (FHLMC LOC), 0.30%, 6/8/10	3,125	3,125
Utah State Board of Regents Revenue Refunding VRDB, University of Utah Hospital (Wells Fargo Bank N.A. LOC), 0.31%, 6/8/10	3,000	3,000

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% <i>continued</i>		
Utah – 0.7% <i>continued</i>		
Utah Water Finance Agency Revenue VRDB, Series 2008 B-2, 0.28%, 6/8/10	\$19,900	\$19,900
		32,025
Vermont – 0.6%		
Vermont Educational and Health Buildings Financing Agency Revenue Refunding VRDB, Series 2008-A, Fletcher Allen (TD Bank N.A. LOC), 0.24%, 6/8/10	9,120	9,120
Vermont Educational and Health Buildings Financing Agency Revenue VRDB, Norwich University Project (TD Bank N.A. LOC), 0.26%, 6/8/10	12,300	12,300
Vermont Housing Finance Agency Student Housing Facilities Revenue VRDB, Series 04A, University of Vermont Project (Banco Santander Central Hispano LOC), 0.70%, 6/8/10	8,075	8,075
		29,495

Virginia – 1.0%

Hampton Redevelopment and Multifamily Housing Authority Revenue Refunding VRDB, Hampton Center Apartments Project (FHLMC Insured), 0.30%, 6/8/10	5,100	5,100
Lynchburg IDA Revenue VRDB, Series B, Centra Health (Branch Banking and Trust Co. LOC), 0.28%, 6/8/10	1,750	1,750
University of Virginia Revenue Bonds, Citigroup Eagle 20060017, Class A, ⁽¹⁾ 0.29%, 6/8/10	12,000	12,000
Virginia College Building Authority Educational Facilities Revenue VRDB, Series 2009-A, University of Richmond, 0.40%, 3/1/11	10,085	10,085
Virginia Small Business Financing Authority Revenue VRDB, Series 2008, Museum Fine Arts Foundation (Wachovia Bank N.A. LOC), 0.29%, 6/8/10	20,000	20,000
		48,935

See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% continued		

Washington – 2.5%

Everett Washington Public Facilities District Revenue VRDB, Series 2007, 0.72%, 6/1/10	\$17,015	\$17,015
Washington State G.O., Series 1993B Smith Barney, Soc Gen Trust SGB-13, ⁽¹⁾ 0.30%, 6/8/10	1,350	1,350
Washington State Healthcare Facilities Authority Revenue VRDB, Series 2003, Association of Community and Migrant Health Centers (U.S. Bank N.A. LOC), 0.29%, 6/8/10	1,065	1,065
Washington State Healthcare Facilities Authority Revenue VRDB, Series 2008-B, Southwest Washington Medical Center (Bank of America N.A. LOC), 0.24%, 6/8/10	6,870	6,870
Washington State Healthcare Facilities Authority Revenue VRDB, Series 2009-A, Multicare Health System (Wells Fargo Bank N.A. LOC), 0.25%, 6/8/10	3,500	3,500
Washington State Healthcare Facilities Authority Revenue VRDB, Series 2009-C, Swedish Health Services (U.S. Bank N.A. LOC), 0.26%, 6/8/10	12,000	12,000
Washington State Healthcare Facilities Authority Revenue VRDB, Series A, Fred Hutchinson Center (Bank of America N.A. LOC), 0.30%, 6/8/10	21,825	21,825
Washington State Healthcare Facilities Authority Revenue VRDB, Series B, Catholic Health Initiatives, 0.27%, 6/8/10	20,600	20,600
Washington State Higher Education Facilities Authority Revenue VRDB, Series 2003A, Cornish College of Arts Project (Bank of America N.A. LOC), 0.35%, 6/8/10	1,900	1,900
Washington State Higher Education Facilities Authority Revenue VRDB, Series B, Puget Sound Project (Bank of America N.A. LOC), 0.31%, 6/8/10	6,000	6,000
Washington State Housing Finance Commission Nonprofit Revenue Refunding VRDB, Judson Park Project, Series 2007 (Banco Santander Central Hispano LOC), 0.57%, 6/8/10	7,400	7,400

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% continued		

Washington – 2.5% continued

Washington State Housing Finance Commission Nonprofit Revenue Refunding VRDB, Series 2005, Antioch University Project (U.S. Bank N.A. LOC), 0.26%, 6/8/10	\$4,835	\$4,835
Washington State Housing Finance Commission Nonprofit Revenue VRDB, Series C, Skyline at First Hill Project (Bank of America N.A. LOC), 0.27%, 6/8/10	1,855	1,855
Washington State Housing Finance Commission Nonprofit Revenue VRDB, Series 2008, The Overlake School Project (Wells Fargo Bank N.A. LOC), 0.27%, 6/8/10	5,000	5,000
Washington State Housing Finance Community Nonprofit Revenue VRDB, YMCA Tacoma and Pierce Project (U.S. Bank N.A. LOC), Series A 1998, 0.27%, 6/8/10	2,575	2,575
Series B 1998, 0.27%, 6/8/10	3,235	3,235
		117,025

West Virginia – 0.6%

West Virginia State Hospital Finance Authority Revenue Refunding and Improvement VRDB, Series 2008-A, Cabell Hospital (Branch Banking and Trust Co. LOC), 0.28%, 6/8/10	10,000	10,000
Series 2008-B, Cabell Hospital (Branch Banking and Trust Co. LOC), 0.28%, 6/8/10	10,000	10,000
West Virginia State Hospital Finance Authority Revenue VRDB, Series 2008-A, Charleston Area Medical Center (Branch Banking and Trust Co. LOC), 0.25%, 6/8/10	8,600	8,600
		28,600

Wisconsin – 1.7%

La Crosse Development Revenue VRDB, Series 2008, University of Wisconsin – La Crosse Foundation (Wells Fargo Bank N.A. LOC), 0.37%, 6/8/10	6,800	6,800
Milwaukee Wisconsin G.O., Series 2010, Cash Flow, Promissory Notes, 1.50%, 12/15/10	20,000	20,121

See Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS

MUNICIPAL PORTFOLIO *continued*

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% continued		
Wisconsin – 1.7% continued		
Wisconsin Health and Educational Facilities Authority Revenue Bonds, Series B, Beaver Dam Community Hospital (U.S. Bank N.A. LOC), 0.26%, 6/8/10	\$9,270	\$9,270
Wisconsin Health and Educational Facilities Authority Revenue Bonds, Series 2001B, Newcastle Place Project (Bank of America N.A. LOC), 0.27%, 6/8/10	10,800	10,800
Wisconsin Health and Educational Facilities Authority Revenue Bonds, Series 2003, Mequon Jewish Project (JPMorgan Chase Bank LOC), 0.35%, 6/8/10	3,295	3,295
Wisconsin Health and Educational Facilities Authority Revenue Bonds, Series 2004, Wisconsin Institute of Torah Study, Inc. Project (Harris N.A. LOC), 0.26%, 6/8/10	2,950	2,950
Wisconsin Health and Educational Facilities Authority Revenue Refunding VRDB, Series 2009, Concordia University (JPMorgan Chase Bank LOC), 0.29%, 6/8/10	3,105	3,105
Wisconsin Health and Educational Facilities Authority Revenue VRDB, Goodwill Industries Southeastern (JPMorgan Chase Bank LOC), 0.29%, 6/8/10	3,205	3,205
Wisconsin Health and Educational Facilities Authority Revenue VRDB, Series 2002B, Capital Access Pool, Vernon Memorial Hospital (U.S. Bank N.A. LOC), 0.30%, 6/1/10	1,115	1,115
Wisconsin Health and Educational Facilities Authority Revenue VRDB, Series 2006-C, Aurora Health Care (U.S. Bank N.A. LOC), 0.30%, 6/1/10	4,800	4,800
Wisconsin Health and Educational Facilities Authority Revenue VRDB, Series 2008-A, Meriter Retirement Services (KBC Bank N.V. LOC), 0.29%, 6/8/10	3,150	3,150
Wisconsin Health and Educational Facilities Authority Revenue VRDB, Series 2008-B, Gundersen Lutheran (Wells Fargo Bank N.A. LOC), 0.27%, 6/8/10	7,500	7,500

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
MUNICIPAL INVESTMENTS – 99.4% continued		
Wisconsin – 1.7% continued		
Wisconsin Health and Educational Facilities Authority Revenue VRDB, Series 2009-A, Froedtert and Community Health (U.S. Bank N.A. LOC), 0.25%, 6/8/10	\$5,000	\$5,000
		81,111
Multiple States Pooled Securities – 1.1%		
BB&T Municipal Trust, Floaters Series 5002 (Rabobank Group LOC), ⁽¹⁾ 0.61%, 6/8/10	— ⁽²⁾	— ⁽²⁾
Federal Home Loan Mortgage Corporation Multifamily (AMT), Series M019, Class 2008-A, Variable Rate Certificates (FHLMC Guaranteed), 0.36%, 6/8/10	19,172	19,172
0.37%, 6/8/10	34,000	34,000
		53,172
Total Municipal Investments		
(Cost \$4,680,684)		4,680,684
Total Investments – 99.4%		
(Cost \$4,680,684) ⁽³⁾		4,680,684
Other Assets less Liabilities – 0.6%		27,343
NET ASSETS – 100.0%		\$4,708,027
<i>(1) Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.</i>		
<i>(2) The principal amount and value is less than \$500.</i>		
<i>(3) The cost for federal income tax purposes was \$4,680,684.</i>		
Percentages shown are based on Net Assets.		
At May 31, 2010, the industry sectors for the Municipal Portfolio were:		
INDUSTRY SECTOR	% OF NET ASSETS	
Air, Transportation, Water Services and Solid Waste Management		5.3%
Educational Services		14.7
Executive, Legislative and General Government		23.1
General Medical, Surgical and Nursing and Personal Care		8.7
Health Services and Residential Care		14.1
Urban and Community Development, Housing Programs and Social Services		15.3
All other sectors less than 5%		18.8
Total		100.0%

See Notes to the Financial Statements.

At May 31, 2010, the maturity analysis for the Municipal Portfolio as a percentage of investments was:

MATURITY ANALYSIS	%
1 Day	6.8%
2 - 15 Days	77.7
16 - 30 Days	1.9
61 - 97 Days	2.3
98 - 180 Days	2.8
181 - 270 Days	5.5
271+ Days	3.0
Total	100.0%

Various inputs are used in determining the value of the Portfolio's investments. These inputs are summarized in three levels listed below:

Level 1 - Quoted market prices in active markets for identical securities on the measurement date and on an ongoing basis.

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, 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. Following is a summary of the inputs used in valuing the Municipal Portfolio's investments, which are carried at fair value, as of May 31, 2010:

	LEVEL 1 (000S)	LEVEL 2 (000S)	LEVEL 3 (000S)	TOTAL (000S)
Investments held by				
Municipal Portfolio	\$ —	\$4,680,684 ⁽¹⁾	\$ —	\$4,680,684

(1) Classifications as defined in the Schedule of Investments.

EXPLANATION OF ABBREVIATIONS USED THROUGHOUT THE SCHEDULES OF INVESTMENTS

AGM	Assured Guaranty Municipal Corporation	HFA	Housing Finance Authority
AMT	Alternative Minimum Tax	IDA	Industrial Development Authority
BANS	Bond Anticipation Notes	IDB	Industrial Development Board
COPS	Certificates of Participation	IDR	Industrial Development Revenue
CP	Commercial Paper	LOC	Letter of Credit
EDA	Economic Development Authority	PCR	Pollution Control Revenue
FDIC	Federal Deposit Insurance Corporation	PSF	Permanent School Fund
FFCB	Federal Farm Credit Bank	RANS	Revenue Anticipation Notes
FHLB	Federal Home Loan Bank	ROCS	Reset Option Certificates
FHLMC	Federal Home Loan Mortgage Corporation	SFM	Single Family Mortgage
FNMA	Federal National Mortgage Association	SGB	Soci�ete Generale Bank
FRN	Floating Rate Notes	Soc Gen	Soci�ete Generale
FRCD	Floating Rate Certificates of Deposit	STARS	Short Term Adjustable Rate Securities
GIC	Guaranteed Investment Contract	TANS	Tax Anticipation Notes
GNMA	Government National Mortgage Association	TRANS	Tax and Revenue Anticipation Notes
G.O.	General Obligation	VRDB	Variable Rate Demand Bonds
Gtd.	Guaranteed		

Interest rates represent either the stated coupon rate, annualized yield on date of purchase for discounted notes, or, for floating rate securities, the current reset rate.

Maturity dates represent the stated date on the security, the next interest reset/puttable date for floating rate and variable securities or the prerefunded date for these types of securities.

Interest rates are reset daily and interest is payable monthly with respect to all joint repurchase agreements.

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 21 portfolios as of May 31, 2010, each with its own investment objective (e.g., long-term capital appreciation, total return or income consistent with preservation of capital). Northern Trust Investments, N.A. (“NTI”), a subsidiary of The Northern Trust Company (“Northern Trust”), serves as the investment adviser for all of the Trust’s money market portfolios. Northern Trust serves as the custodian and transfer agent for the Trust. NTI serves as the Trust’s administrator. Northern Funds Distributors, LLC is the Trust’s distributor.

Presented herein are the financial statements for the following six money market portfolios: Diversified Assets Portfolio, Government Portfolio, Government Select Portfolio, Treasury Portfolio, Tax-Exempt Portfolio and Municipal Portfolio (each a “Portfolio” and collectively, the “Portfolios”). Each of these diversified Portfolios is authorized to issue three classes of shares: Shares, Service Shares and Premier Shares. Each class is distinguished by the level of administrative, liaison and transfer agent service provided. At May 31, 2010, Shares and Service Shares were outstanding for each of the Money Market Portfolios except the Treasury Portfolio, which has only Shares outstanding. Premier Shares are not currently offered to investors.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Portfolios in the preparation of their financial statements. These policies are in conformity with U.S. generally accepted accounting principles or “GAAP.” The preparation of financial statements in conformity with 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.

The net asset value (“NAV”) of each Portfolio’s classes is determined daily as of the close of regular trading on the New York Stock Exchange (“NYSE”), generally 3:00 P.M. Central time, on each day the NYSE is open for trading.

A) VALUATION OF SECURITIES The investments held by the Portfolios are valued at amortized cost, which the investment adviser has determined, pursuant to Board of Trustees’ authorization, approximates fair market 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 maturity.

B) CREDIT ENHANCEMENTS Certain investments owned by the Portfolios (primarily the Tax-Exempt Portfolio and Municipal Portfolio) are covered by insurance issued by private insurers, are backed by an escrow or trust containing U.S. Government securities or U.S. Government agency securities, or are otherwise supported by letters of credit, standby purchase agreements or other liquidity facilities. Such enhancements may ensure the timely payment of the security’s principal and interest or may shorten the security’s maturity. However, such enhancements do not guarantee the market value of the securities or the value of a Portfolio’s shares. Additionally, there is no guarantee that an insurer will meet its obligations. For example, the insurers’ exposure to securities involving sub-prime mortgages may cause a municipal bond insurer’s rating to be downgraded or may cause the bond insurer to become insolvent, which may affect the prices and liquidity of municipal obligations insured by the insurer.

C) REPURCHASE AGREEMENTS The Portfolios may enter into repurchase agreements under which they purchase securities for cash from a seller and agree to resell those securities to the same seller within a specified time at a specified price. During the term of a repurchase agreement, the market value of the underlying collateral, including accrued interest, is required to equal or exceed the market value of the repurchase agreement. The underlying collateral for tri-party repurchase agreements is held in accounts for Northern Trust, as agent of the Portfolios, 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 Portfolios, at the Federal Reserve Bank of Chicago. The Portfolios are 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.

Each Portfolio may enter into joint repurchase agreements with non-affiliated counterparties through a master repurchase agreement with Northern Trust. NTI administers and manages these repurchase agreements in accordance with and as part of its duties under its investment advisory agreements with the Portfolios and does not collect any additional fees from the Portfolios for such services. The Diversified Assets Portfolio, Government Portfolio and Treasury Portfolio have entered into such joint repurchase agreements at May 31, 2010, as reflected in their accompanying Schedules of Investments.

D) INVESTMENT TRANSACTIONS AND INCOME Investment transactions are recorded as of the trade date. The Portfolios determine 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. Certain money market portfolios may receive dividend income from investment companies. Dividend income is recognized on the ex-dividend date. The Tax-Exempt and Municipal Portfolios' income may be subject to certain state and local taxes and, depending on an individual shareholder's tax status, the federal alternative minimum tax.

E) EXPENSES Each Portfolio is charged for those expenses that are directly attributable to that Portfolio. Certain expenses arising in connection with a class of shares are charged to that class of shares. Expenses incurred which do not specifically relate to an individual Portfolio are allocated among all the portfolios in the Trust in proportion to each portfolio's relative net assets.

F) DISTRIBUTIONS TO SHAREHOLDERS Each Portfolio's net investment income is declared daily and paid monthly. Net realized short-term capital gains, if any, in excess of net capital loss carryforwards, are declared and paid at least annually.

Distributions of net investment income with respect to a calendar month (including with respect to shares redeemed at any time during the month) are made as soon as practicable following the end of the month. Distributions are made by each Portfolio to Northern Trust in cash or automatically reinvested in additional shares of the Portfolio. Northern Trust has undertaken to credit or arrange for the crediting of such distributions to each shareholder's account with Northern Trust, its affiliates or its correspondents. The Portfolios may periodically make reclassifications among certain of their capital accounts to reflect differences between financial reporting and federal income tax basis distributions. These reclassifications were reported in order to reflect the tax treatment for certain permanent differences that exist between income tax regulations and GAAP. These reclassifications may relate to net operating losses, expired capital loss carryforwards, and gain or loss on in-kind transactions. These reclassifications have no impact on the total net assets or the net asset values of the Portfolios.

At November 30, 2009, the following reclassifications were recorded:

<i>Amounts in thousands</i>	UNDISTRIBUTED	ACCUMULATED	
	NET INVESTMENT	UNDISTRIBUTED	CAPITAL
	INCOME	NET REALIZED	STOCK
		LOSSES	
Diversified Assets	\$219	\$(219)	\$ -
Government	57	(57)	-
Government Select	4	(4)	-
Treasury	10	(10)	-
Tax-Exempt	44	(38)	(6)
Municipal	24	(15)	(9)

G) FEDERAL INCOME TAXES No provision for federal income taxes has been made since each 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.

At November 30, 2009, the tax components of undistributed net investment income and realized gains, including amounts declared but not yet paid for federal income tax purposes, were as follows:

<i>Amounts in thousands</i>	UNDISTRIBUTED	
	TAX-EXEMPT INCOME	ORDINARY INCOME*
Diversified Assets	\$ -	\$608
Government	-	136
Government Select	-	703
Treasury	-	103
Tax-Exempt	55	-
Municipal	643	27

* 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, 2009, was as follows:

<i>Amounts in thousands</i>	DISTRIBUTED FROM	
	TAX-EXEMPT INCOME	ORDINARY INCOME*
Diversified Assets	\$ -	\$27,224
Government	-	17,118
Government Select	-	42,432
Treasury	-	1,722
Tax-Exempt	5,110	230
Municipal	30,325	350

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

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The tax character of distributions paid during the fiscal year ended November 30, 2008, was as follows:

Amounts in thousands	DISTRIBUTED FROM	
	TAX-EXEMPT INCOME	ORDINARY INCOME*
Diversified Assets	\$ –	\$330,586
Government	–	143,924
Government Select	–	262,228
Tax-Exempt	21,912	12
Municipal	100,342	47

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

As of November 30, 2009, no Portfolio had uncertain tax positions that would require financial statement recognition or disclosure. The Portfolios' federal tax returns filed for the fiscal years ended November 30, 2006 through November 30, 2009 remain subject to examination by the Internal Revenue Service.

3. ADVISORY, TRANSFER AGENCY AND CUSTODIAN AGREEMENTS

As compensation for advisory services and assumption of related expenses, the investment adviser is entitled to receive a fee, calculated daily and payable monthly at annual rates set forth in the table below (expressed as a percentage of each Portfolio's respective average daily net assets). For the six months ended May 31, 2010, the investment adviser agreed to waive a portion of the advisory fees as shown in the accompanying Statements of Operations. The annual advisory fees and waiver rates expressed as a percentage of average daily net assets for the six months ended May 31, 2010, were as follows:

Amounts in thousands	ANNUAL ADVISORY FEE	LESS WAIVERS	ADVISORY
			FEE AFTER WAIVERS
Diversified Assets	0.25%	–%	0.25%
Government	0.25%	–%	0.25%
Government Select	0.20%	0.10%	0.10%
Treasury	0.20%	0.10%	0.10%
Tax-Exempt	0.25%	–%	0.25%
Municipal	0.20%	0.10%	0.10%

Prior to April 1, 2010, the waivers described above were voluntary and could be modified or terminated at any time. Starting April 1, 2010, the investment adviser has contractually agreed to waive a portion of the advisory fees charged to the Portfolios in the same amount that it previously voluntarily waived. The contractual waiver arrangements are expected to continue until at

least April 1, 2011. After this date, the investment adviser or the Portfolios may terminate the contractual arrangements.

In addition, the investment adviser may reimburse class-specific and portfolio level expenses of a Portfolio, as necessary. Any such expense reimbursement would be voluntary and could be implemented, increased or decreased or discontinued at any time. During the six months ended May 31, 2010, the investment adviser reimbursed class-specific and portfolio level expenses for the Diversified Assets, Government, Government Select, Treasury, Tax-Exempt and Municipal Portfolios. Portfolio level expenses reimbursed by the investment adviser were allocated among the share classes in proportion to the relative net assets of each class. The amounts reimbursed by the investment adviser are shown in the accompanying Statements of Operations.

As compensation for the services rendered as the transfer agent, including the assumption by Northern Trust of the expenses related thereto, Northern Trust receives a fee, accrued daily and payable monthly, at the following annual rates: (a) \$18 for each subaccount relating to the Shares Class of the Portfolio; (b) 0.01 percent of the average daily net asset value of the outstanding Service Shares Class of the Portfolio; and (c) 0.02 percent of the average daily net asset value of the outstanding Premier Shares Class of the Portfolio.

Class-specific transfer agent fees for the six months ended May 31, 2010, were as follows:

Amounts in thousands	SERVICE	
	SHARES	SHARES
Diversified Assets	\$44	\$4
Government	19	2
Government Select	51	7
Treasury	3	–
Tax-Exempt	16	–
Municipal	20	3

Certain amounts of transfer agent fees were reimbursed to the Portfolios by the investment adviser.

For compensation as custodian, Northern Trust receives an amount based on a pre-determined schedule of charges approved by the Board of Trustees. The Portfolios have entered into an expense off-set arrangement with the custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Portfolios' custodian expenses. Custodian credits, if any, are reflected in the Portfolios' Statements of Operations.

4. ADMINISTRATION, DISTRIBUTION AND OTHER AGREEMENTS

NTI, as Administrator, is entitled to an administration fee from the Portfolios at the annual rate of 0.10 percent of the average daily net assets of each Portfolio. Under the Administration Agreement with the Trust, which may be amended by the Trust's Board of Trustees without shareholder approval, NTI, as Administrator, has agreed to reimburse expenses (including fees payable to NTI for its services as Administrator, but excluding management fees, transfer agency fees, service agent fees, taxes, interest and other extraordinary expenses) that exceed on an annualized basis 0.10 percent of each Portfolio's average daily net assets.

NTI also has a sub-administration agreement with Northern Trust, pursuant to which Northern Trust performs certain administrative services for the Portfolios. NTI pays Northern Trust for its sub-administration services out of NTI's administration fees.

The expenses reimbursed during the six months ended May 31, 2010, under such arrangements are shown in the accompanying Statements of Operations.

Northern Funds Distributors, LLC, the distributor for the Portfolios, received no compensation from the Portfolios under its distribution agreement. However, it received compensation from NTI for its services as distributor 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 Portfolios. The Trust provides a deferred compensation plan for its Trustees who are not officers of Northern Trust or NTI. Under the deferred compensation plan, Trustees may elect to defer all or a portion of their compensation. Amounts deferred are included in "Trustee Fees" on the Statements of Assets and Liabilities. Each Trustee's account shall be deemed to be invested in shares of the Diversified Assets Portfolio and/or Global Tactical Asset Allocation Portfolio of Northern Institutional 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. SERVICE PLAN

The Trust has adopted a Service Plan pursuant to which the Trust may enter into agreements with Northern Trust, its affiliates or other institutions ("Servicing Agents") under which they will render certain administrative support services and in some

cases, personal and account maintenance services for their customers or investors who beneficially own Service Shares and Premier Shares. As compensation under the Service Plan, the institution or other financial intermediary receives a fee at an annual rate of up to 0.25 percent and 0.50 percent of the average daily net asset value of the outstanding Service Shares and Premier Shares, respectively.

The shareholder servicing fees are included in "Shareholder servicing fees" expenses on the Statements of Operations.

Certain amounts of shareholder servicing fees were reimbursed to the Portfolios by the investment adviser. For further information, please refer to Note 3.

As compensation for services rendered as a Servicing Agent, Northern Trust received shareholder servicing fees for the six months ended May 31, 2010, as follows:

<i>Amounts in thousands</i>	SERVICE SHARES
Diversified Assets	\$56
Government	3
Government Select	6

6. BANK BORROWINGS

The Trust has entered into a \$100,000,000 revolving bank credit agreement administered by Deutsche Bank AG for liquidity and other purposes. The interest rate charged under the agreement depends on the type of loan. For base rate loans, the interest rate is the sum of the applicable margin (either 0.75 percent or zero) and the highest of (i) 0.50 percent in excess of the Federal Funds Rate, (ii) 1.00 percent in excess of the Adjusted London Interbank Offered Rate ("LIBOR") and (iii) the prime lending rate. For LIBOR loans, the interest rate is the sum of the applicable margin (0.75 percent) and the LIBOR then in effect. For an Interbank Offered Rate ("IBOR") loan, the interest rate is the sum of the applicable margin (0.75 percent) and the IBOR then in effect. In addition, there is an annual commitment fee of 12 basis points on the unused portion of the credit line under the agreement, payable quarterly in arrears, which is included in Other expenses on the Statements of Operations. The agreement will expire on December 9, 2010, unless renewed.

At May 31, 2010, the Portfolios did not have any outstanding loans.

Interest expense for the six months ended May 31, 2010, was approximately \$3,000 for the Government Select Portfolio. When utilized, the average dollar amount of the Government Select Portfolio's borrowings was \$31,800,000 and the weighted average interest rate on these borrowings was 1.03 percent for the six months ended May 31, 2010.

MAY 31, 2010 (UNAUDITED)

7. CAPITAL SHARE TRANSACTIONS

Transactions in Shares for the six months ended May 31, 2010, were as follows:

Amounts in thousands*	PROCEEDS FROM SHARES SOLD	REINVESTMENT OF DIVIDENDS	PAYMENTS FOR SHARES REDEEMED	NET INCREASE (DECREASE) IN NET ASSETS
Diversified Assets	\$71,606,571	\$36	\$(70,997,440)	\$609,167
Government	64,681,057	7	(63,815,159)	865,905
Government Select	61,902,099	105	(64,241,242)	(2,339,038)
Treasury	21,175,588	67	(20,023,351)	1,152,304
Tax-Exempt	3,771,325	1	(3,950,536)	(179,210)
Municipal	14,359,720	197	(15,774,254)	(1,414,337)

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

Transactions in Shares for the fiscal year ended November 30, 2009, were as follows:

Amounts in thousands*	PROCEEDS FROM SHARES SOLD	REINVESTMENT OF DIVIDENDS	PAYMENTS FOR SHARES REDEEMED	NET INCREASE (DECREASE) IN NET ASSETS
Diversified Assets	\$128,134,425	\$431	\$(127,723,290)	\$411,566
Government	151,759,465	610	(153,851,041)	(2,090,966)
Government Select	123,926,461	2,726	(124,600,590)	(671,403)
Treasury	25,325,977	146	(22,864,310)	2,461,813
Tax-Exempt	6,932,949	10	(6,362,873)	570,086
Municipal	27,462,926	2,294	(26,267,251)	1,197,969

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

Transactions in Service Shares for the six months ended May 31, 2010, were as follows:

Amounts in thousands*	PROCEEDS FROM SHARES SOLD	REINVESTMENT OF DIVIDENDS	PAYMENTS FOR SHARES REDEEMED	NET DECREASE IN NET ASSETS
Diversified Assets	\$667,777	\$ –	\$(694,719)	\$(26,942)
Government	196,022	–	(208,478)	(12,456)
Government Select	454,552	–	(469,093)	(14,541)
Tax-Exempt	9,153	–	(12,091)	(2,938)
Municipal	49,068	–	(75,263)	(26,195)

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

Transactions in Service Shares for the fiscal year ended November 30, 2009, were as follows:

Amounts in thousands*	PROCEEDS FROM SHARES SOLD	REINVESTMENT OF DIVIDENDS	PAYMENTS FOR SHARES REDEEMED	NET INCREASE (DECREASE) IN NET ASSETS
Diversified Assets	\$1,411,708	\$ –	\$(1,437,468)	\$(25,760)
Government	639,212	–	(748,092)	(108,880)
Government Select	978,271	–	(1,358,744)	(380,473)
Tax-Exempt	33,169	–	(33,268)	(99)
Municipal	149,000	–	(147,754)	1,246

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

Transactions in Premier Shares for the fiscal year ended November 30, 2009, were as follows:

Amounts in thousands*	PROCEEDS FROM SHARES SOLD	REINVESTMENT OF DIVIDENDS	PAYMENTS FOR SHARES REDEEMED	NET DECREASE IN NET ASSETS
Government	\$ –	\$ –	\$(5,593)	\$(5,593)

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

8. NEW ACCOUNTING PRONOUNCEMENTS

In January 2010, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2010-06, *Improving Disclosures about Fair Value Measurements* (“ASU 2010-06”). ASU 2010-06 amends ASC 820, *Fair Value Measurements and Disclosures* (formerly FASB Statement No. 157). Specifically, ASU 2010-06 requires entities to disclose: a) the amounts of significant transfers between Level 1 and Level 2 of the fair value hierarchy and the reasons for these transfers; b) the reasons for any transfers in or out of Level 3; and c) information in the reconciliation of recurring Level 3 measurements about purchases, sales, issuances and settlements on a gross basis. In addition, ASU 2010-06 clarifies the requirement for entities to disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements. Except for the requirement to disclose information about purchases, sales, issuances and settlements in the reconciliation of recurring Level 3 measurements on a gross basis, all ASU 2010-06 disclosure requirements are effective for financial statements issued for interim and annual reporting periods beginning after December 15, 2009. The requirement to separately disclose purchases, sales, issuances and settlements of recurring Level 3 measurements is effective for financial statements issued for interim and annual reporting periods beginning after December 15, 2010. At this time, management is evaluating

the implications of ASU 2010-06 and the impact it will have to the Portfolios' financial statement disclosures.

9. SUBSEQUENT EVENT

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

FUND EXPENSES

MAY 31, 2010 (UNAUDITED)

As a shareholder of the Portfolios, you incur ongoing costs, including advisory fees; distribution (12b-1) fees, if any; 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, December 1, 2009 through May 31, 2010.

ACTUAL EXPENSES

The first line of the tables 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 12/1/09 - 5/31/10" to estimate the expenses you paid on your account during this period.

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

The second line in the tables below provides information about hypothetical account values and hypothetical expenses based on the Portfolios' actual expense ratios and an assumed rate of return of 5 percent per year before expenses, which is not the Portfolios' 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 Portfolios 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 Portfolios, 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.

DIVERSIFIED ASSETS

SHARES	EXPENSE RATIO	BEGINNING ACCOUNT VALUE 12/1/09	ENDING ACCOUNT VALUE 5/31/10	EXPENSES PAID* 12/1/09 - 5/31/10
Actual	0.29%	\$1,000.00	\$1,000.10	\$1.45
Hypothetical	0.29%	\$1,000.00	\$1,023.49	\$1.46**
SERVICE SHARES				
Actual	0.29%	\$1,000.00	\$1,000.10	\$1.45
Hypothetical	0.29%	\$1,000.00	\$1,023.49	\$1.46**

GOVERNMENT

SHARES	EXPENSE RATIO	BEGINNING ACCOUNT VALUE 12/1/09	ENDING ACCOUNT VALUE 5/31/10	EXPENSES PAID* 12/1/09 - 5/31/10
Actual	0.20%	\$1,000.00	\$1,000.10	\$1.00
Hypothetical	0.20%	\$1,000.00	\$1,023.93	\$1.01**
SERVICE SHARES				
Actual	0.20%	\$1,000.00	\$1,000.10	\$1.00
Hypothetical	0.20%	\$1,000.00	\$1,023.93	\$1.01**

GOVERNMENT SELECT

SHARES	EXPENSE RATIO	BEGINNING ACCOUNT VALUE 12/1/09	ENDING ACCOUNT VALUE 5/31/10	EXPENSES PAID* 12/1/09 - 5/31/10
Actual	0.19%	\$1,000.00	\$1,000.10	\$0.95
Hypothetical	0.19%	\$1,000.00	\$1,023.98	\$0.96**
SERVICE SHARES				
Actual	0.19%	\$1,000.00	\$1,000.10	\$0.95
Hypothetical	0.19%	\$1,000.00	\$1,023.98	\$0.96**

TREASURY

SHARES	EXPENSE RATIO	BEGINNING ACCOUNT VALUE 12/1/09	ENDING ACCOUNT VALUE 5/31/10	EXPENSES PAID* 12/1/09 - 5/31/10
Actual	0.15%	\$1,000.00	\$1,000.30	\$0.75
Hypothetical	0.15%	\$1,000.00	\$1,024.18	\$0.76**

* Expenses are calculated using the Portfolios' annualized expense ratios, which represent ongoing expenses as a percentage of net assets for the six months ended May 31, 2010. Expenses are calculated by multiplying each 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 (182); and then dividing that result by the number of days in the current fiscal year (365).

** Hypothetical expenses are based on the Portfolios' actual annualized expense ratios and an assumed rate of return of 5 percent per year before expenses.

TAX-EXEMPT

SHARES	EXPENSE RATIO	BEGINNING ACCOUNT VALUE 12/1/09	ENDING ACCOUNT VALUE 5/31/10	EXPENSES PAID* 12/1/09 - 5/31/10
Actual	0.27%	\$1,000.00	\$1,000.10	\$1.35
Hypothetical	0.27%	\$1,000.00	\$1,023.59	\$1.36**
SERVICE SHARES				
Actual	0.27%	\$1,000.00	\$1,000.10	\$1.35
Hypothetical	0.27%	\$1,000.00	\$1,023.59	\$1.36**

MUNICIPAL

SHARES	EXPENSE RATIO	BEGINNING ACCOUNT VALUE 12/1/09	ENDING ACCOUNT VALUE 5/31/10	EXPENSES PAID* 12/1/09 - 5/31/10
Actual	0.20%	\$1,000.00	\$1,000.50	\$1.00
Hypothetical	0.20%	\$1,000.00	\$1,023.93	\$1.01**
SERVICE SHARES				
Actual	0.28%	\$1,000.00	\$1,000.10	\$1.40
Hypothetical	0.28%	\$1,000.00	\$1,023.54	\$1.41**

* Expenses are calculated using the Portfolios' annualized expense ratios, which represent ongoing expenses as a percentage of net assets for the six months ended May 31, 2010. Expenses are calculated by multiplying each 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 (182); and then dividing that result by the number of days in the current fiscal year (365).

** Hypothetical expenses are based on the Portfolios' actual annualized expense ratios and an assumed rate of return of 5 percent per year before expenses.

APPROVAL OF ADVISORY AGREEMENT

The Trustees oversee the management of Northern Institutional Funds (the “Trust”), and review the investment performance and expenses of the investment portfolios covered by this Report (the “Portfolios”) at regularly scheduled meetings held during the Portfolios’ fiscal year. In addition, the Trustees determine annually whether to approve and continue the Trust’s investment advisory agreement (the “Advisory Agreement”) for the Portfolios with Northern Trust Investments, N.A. (“NTI” or “the Investment Adviser”).

Because applicable regulations require annual approval of advisory agreements, the Advisory Agreement was re-approved with respect to all of the Portfolios by the Trustees, including all of the Trustees who are not parties to the Advisory Agreement or “interested persons” (as defined in the Investment Company Act of 1940, as amended) of any party thereto (the “Independent Trustees”), at the annual contract renewal meeting held on May 6-7, 2010 (the “Annual Contract Meeting”).

In preparation for the Trustees’ consideration of the Advisory Agreement at the Annual Contract Meeting, the Trustees received written materials and oral presentations relating to the Advisory Agreement. At the meeting, the Trustees considered the Investment Adviser’s oral presentations and discussed the information that had been provided. In connection with their deliberations, the Trustees were advised by their independent legal counsel regarding their responsibilities under applicable law, and met in executive sessions at the Annual Contract Meeting without employees of the Investment Adviser present.

In evaluating the Advisory Agreement at the Annual Contract Meeting, the Trustees relied upon their knowledge, resulting from their meetings and other interactions throughout the year and in past years, of the Investment Adviser, its services and the Portfolios. Both in meetings specifically dedicated to the review of the Advisory Agreement and in other meetings held during the year, the Trustees received materials relating to the Investment Adviser’s investment management services. These materials included: (i) information on the investment performance of the Portfolios in comparison to other mutual funds; (ii) general investment outlooks in the markets in which the Portfolios invest; (iii) compliance reports; (iv) information about the Investment Adviser’s and its affiliates’ risk management processes; (v) expenses borne by the Portfolios; (vi) the Investment Adviser’s profitability; (vii) the qualifications of the Investment Adviser and its affiliates to provide services to the Portfolios; and (viii) policies adopted by the Investment Adviser regarding brokerage, trade allocations and other matters.

Specifically in connection with the Trustees’ approval of the Advisory Agreement, the Trustees reviewed, among other things,

information relating to: (i) the terms of the Advisory Agreement; (ii) the Portfolios’ investment performance over different time periods in comparison to the investment performance of mutual fund peer groups and categories selected by Lipper Inc. (“Lipper”), a third-party provider of mutual fund data; (iii) the contractual investment advisory fees, the actual investment advisory fees (after waivers) and the total expenses borne by the Portfolios in comparison to those borne by mutual fund peer groups and categories selected by Lipper; (iv) the investment advisory fees charged by the Investment Adviser to the Investment Adviser’s other institutional accounts; (v) the Investment Adviser’s staffing for the Portfolios and the experience of the portfolio managers and other personnel; (vi) the Investment Adviser’s financial resources and its ability to attract and retain portfolio management talent; (vii) the fees paid by the Portfolios to the Investment Adviser and its affiliates for services, and the expenses incurred by them in connection with the provision of those services; and (viii) the benefits received by the Investment Adviser and its affiliates from their relationships with the Portfolios. In connection with their approval of the Advisory Agreement for each of the Portfolios, the Trustees gave weight to various factors, but did not identify any single factor as controlling their decision.

Nature, Quality and Extent of Services

As part of their review, the Trustees considered the nature, extent and quality of the services provided by the Investment Adviser. In this regard, the Trustees considered both the investment advisory services, and the other non-advisory services, that are provided to the Portfolios by the Investment Adviser and its affiliates. These services include services as the Portfolios’ custodian, transfer agent, and administrator. The Trustees considered the quality of the non-advisory services provided, as well as the expenditures made by the Investment Adviser and its affiliates to improve the quality and scope of such services, specifically noting information about periodic favorable reports by third parties and industry rankings provided to the Trustees. The Trustees also considered the Investment Adviser’s record of communicating with and servicing shareholders. Attention was given to the Investment Adviser’s and its affiliates’ diligent and expanded risk management processes, including the steps taken to strengthen the credit risk management processes in the past year and to implement the new regulatory requirements for the Portfolios. The Trustees also discussed the Investment Adviser’s continued commitments to address other regulatory compliance requirements applicable to the Portfolios, the compliance oversight program with respect to all of the Portfolios’ service providers, and the continued active involvement of internal audit in reviewing operations related to the Portfolios. The Trustees noted the Investment Adviser’s and its affiliates’ strong financial position, stability and commitment to the Portfolios, as evidenced by their support to the Portfolios to maintain a positive

yield during the past year, as well as their commitment of other resources. The Trustees concluded that the Investment Adviser was both able to commit, and had committed, substantial financial and other resources to the operations of the Portfolios and was able to provide quality services to the Portfolios.

Performance

The Trustees also considered the investment performance of the Portfolios. In this regard, the Trustees considered whether the Portfolios had operated within their respective investment objectives, as well as their compliance with their investment restrictions. They also compared the investment performance of the Portfolios to the performance of other Securities and Exchange Commission (“SEC”) registered funds and to rankings and ratings issued by third parties. For Portfolios that had been in existence for the applicable periods, information on the Portfolios’ investment performance was provided for one, two, three, four, five and ten years. The Trustees also considered the Portfolios’ investment performance in light of the investment objectives and credit parameters applicable to the Portfolios, the investor base the Portfolios are intended to serve, and the steps taken by the Investment Adviser to manage the Portfolios to maintain stable net asset values during the market environments in recent years. In addition, the Trustees reviewed the consistency of the Investment Adviser’s investment approach for the Portfolios. They also considered the Portfolios’ compliance with regulations of the SEC applicable to money market mutual funds and the stability of the Portfolios’ net asset values. Based on the information provided, the Trustees believed that the Portfolios had provided competitive yields in light of their respective investment objectives and policies.

Fee Rates, Costs of Services and Profitability

The Trustees also considered the Portfolios’ contractual advisory fee rates; the Portfolios’ total operating expense ratios; the Investment Adviser’s voluntary fee waivers and expense reimbursements with respect to the Portfolios; the Investment Adviser’s contractual commitment to continue certain fee waivers and expense reimbursements for at least one year; the extent of the Investment Adviser’s voluntary expense reimbursements to maintain a positive yield for the Portfolios, and whether a consistent methodology was in place in determining the fees and expenses of the Portfolios. Information on the services rendered by the Investment Adviser to the Portfolios, the fee rates paid by the Portfolios under the Advisory Agreement and the Portfolios’ total operating expense ratios were compared to similar information for other mutual funds advised by the Investment Adviser and other, unaffiliated investment management firms. Many of the comparisons of the Portfolios’ fee rates and total operating expense ratios were prepared by Lipper. The Trustees noted that, although almost all of the Portfolios’ advisory fee

rates after waivers were higher than the Lipper median, each of the Portfolios’ total expense ratios after waiver of advisory fees and reimbursement of expenses was at or below the peer group median determined by Lipper, except for the Government Portfolio’s total expense ratio, which was slightly higher than the peer group median. Information was also provided on the fee rates charged by the Investment Adviser to private accounts managed by it. With regard to these clients, the Trustees considered the difference in services provided by the Investment Adviser, regulatory, operational and compliance differences, board and committee support and other differences. These comparisons assisted the Trustees in evaluating the reasonableness of the investment advisory fees paid by the Portfolios.

In addition, the Trustees considered the amount of assets in the Portfolios; the information provided by the Investment Adviser relating to the costs of the services provided by the Investment Adviser and its affiliates and the profits realized by them. The Trustees reviewed the Investment Adviser’s methodology for allocating costs to the Portfolios, recognizing that cost allocation methodologies are inherently subjective. The Trustees noted that, although the Investment Adviser’s methodology was continuously refined, it had remained consistent with that presented to the Trustees in prior years and had previously been reviewed by the Portfolios’ auditors for reasonability. The Trustees also reviewed information with respect to the Investment Adviser’s profitability compared to other publicly-traded advisers. However, the Trustees discussed how these profitability comparisons among advisers may not be meaningful due to the small number of firms in the survey and the numerous other factors that can affect adviser profitability, including, for example, different business lines, firm structure and cost allocation methodology.

Economies of Scale

The Trustees considered the fees paid by the Portfolios to the Investment Adviser and its affiliates for custodial, transfer agency, and administration (including contractual reimbursements made by the affiliate performing administration services) services, and reviewed information as to whether the Investment Adviser had passed, and was likely to continue to pass, benefits from its economies of scale to shareholders. In this regard, the Trustees considered the Investment Adviser’s view that the Portfolios may be sharing in economies of scale through the level at which the Portfolios’ advisory fees are set and through the Investment Adviser’s contractual fee waivers and voluntary reimbursement of expenses of the Portfolios to maintain a positive yield, and its affiliate’s contractual expense reimbursements that limit the expenses for the Portfolios to specific levels.

Other Benefits to the Investment Adviser

The Trustees also reviewed other benefits accruing to the Investment Adviser and its affiliates as a result of its relationship with

the Portfolios. These benefits included fees received by the affiliates for transfer agency, custodial, administrative and accounting functions. The Trustees also considered that many of the Portfolios' shareholders had other client relationships with The Northern Trust Company.

After deliberation, the Trustees concluded at the Annual Contract Meeting with respect to all of the Portfolios that the fees paid by the Portfolios were reasonable in light of the services provided by the Investment Adviser, its actual costs and the Portfolios' current and reasonably foreseeable asset levels, and that the Advisory Agreement should be approved and continued.

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FOR MORE INFORMATION

PORTFOLIO HOLDINGS

Northern Institutional Funds files its complete schedule of portfolio holdings with the Securities and Exchange Commission (“SEC”) for the first and third quarters of each fiscal year on Form N-Q. The Portfolios’ Forms N-Q are available on the SEC’s Web site at 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 each Fund’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’ Web site at northernfunds.com/institutional or the SEC’s Web site at sec.gov or by calling the Northern Institutional Funds Center at 800-637-1380.

PROTECTING YOUR PRIVACY

Protecting your privacy is important at Northern Institutional Funds, which is why we wanted you to know:

- We do not sell non-public personal information about our investors or former investors to any outside company.
- We have policies that limit access to your information to only those people who need it to perform their jobs and provide services to you, and we have physical, electronic and procedural safeguards that comply with federal standards to guard your personal information.
- We collect information about you from applications, forms, conversations and your use of our Web site; third parties with your permission; and your transactions with us, our affiliates and our joint marketing partners.
- We do not disclose the information we collect about our investors or former investors to anyone, except to companies that perform services for us, financial institutions with whom we have joint marketing agreements such as Northern Trust, (1) for our everyday purposes, such as to process transactions, maintain accounts, respond to court orders and legal investigations or report to credit bureaus or (2) as permitted by law.
- The information includes account balances and account history. You may limit our use or sharing of information about you with our affiliates and joint marketing partners for marketing purposes by calling 800-637-1380 weekdays from 7:00 a.m. to 7:00 p.m. Central time, or by writing to us at Northern Institutional Funds, P.O. Box 75986, Chicago IL 60675-5986.

If our information sharing practices change, we will send you a revised notice. You can also visit our Web site, northernfunds.com/institutional, for an online version of our current privacy notice.

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