

FUND FACTS

Fund Objective: Capital Appreciation

Inception Date: December 16, 2005

Ticker Symbol: NOLCX

Cusip: 665162590

Gross Expense Ratio: 0.94%

Net Expense Ratio: 0.60%¹

Dividend Schedule: Quarterly

Benchmark: S&P 500[®] Index

Morningstar Category: Large Blend

FUND CHARACTERISTICS

Total Net Assets: \$25 million

Number of Holdings: 151

Annual Portfolio Turnover: 100.07% (as of 3/31/09)

Weighted Average Market Cap (\$mil): \$89,837

	FUND	BENCHMARK ²
Trailing 12-month Price to Earnings Ratio	15.52	17.71
Price to Book Ratio	1.91	2.09

RISK CHARACTERISTICS

	FUND	BENCHMARK ²
Beta	1.01	1.00
Up Market Capture	96.10	100.00
Down Market Capture	102.42	100.00
Information Ratio	-0.99	0.00

Above risk characteristics are based on 3-year time period.

FUND STRATEGY

- Use a multi-factor proprietary quantitative stock selection model with the goal of providing additional total return versus the S&P 500[®] Index.
- Create a portfolio with risk, style, capitalization and characteristics similar to the S&P 500[®] Index while potentially providing excess returns by overweighting or underweighting stocks that have the potential to achieve the Fund's objective.
- Sell securities when they are no longer attractive based upon evaluation criteria, such as valuation, price momentum and earnings quality.

PERFORMANCE as of 3/31/10

	ANNUALIZED						
	QUARTER	YTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE INCEPTION
FUND	5.20%	5.20%	50.46%	-5.93%	—	—	-0.94%
S&P 500 [®] INDEX ²	5.39%	5.39%	49.77%	-4.17%	—	—	0.26%
MORNINGSTAR CATEGORY AVG LARGE BLEND	5.07%	5.07%	50.08%	-4.35%	—	—	—

Performance quoted represents past performance and does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown here. Performance data current to the most recent month end is available by calling 800-595-9111.

Performance calculations reflect voluntary fee waivers in effect. In the absence of fee waivers, total return, growth since inception and dividends would have been reduced. Total return is based on net change in NAV assuming reinvestment of distributions. The recent growth rate in the stock market has helped to produce short-term returns that are not typical and may not continue in the future. Because of ongoing market volatility, fund performance may be subject to substantial short-term changes.

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

¹ The Net Expense Ratio includes voluntary expense reimbursements by Northern Funds' investment advisers that may change or end at any time.

Please see back page for calendar year returns, investment terms and index definitions.

TOP 10 HOLDINGS

COMPANY	FUND % OF NET ASSETS
EXXON MOBIL CORP	3.5%
MICROSOFT CORP	2.6%
BANK OF AMERICA CORP	2.3%
IBM	2.1%
APPLE INC	2.1%
JOHNSON & JOHNSON	2.1%
CHEVRON CORP	2.0%
AT&T INC	2.0%
CISCO SYSTEMS INC	1.9%
HEWLETT-PACKARD CO	1.7%

TOTAL 22.3%

SECTOR WEIGHTINGS

ECONOMIC SECTOR	FUND	BENCHMARK ²
INFORMATION TECHNOLOGY	18.9%	18.8%
FINANCIALS	16.3%	16.5%
HEALTH CARE	12.2%	12.2%
CONSUMER STAPLES	11.3%	11.3%
ENERGY	11.0%	10.9%
INDUSTRIALS	10.5%	10.5%
CONSUMER DISCRETIONARY	9.9%	10.1%
UTILITIES	3.6%	3.4%
MATERIALS	3.5%	3.5%
TELECOMMUNICATION SERVICES	2.8%	2.8%

TOTAL 100.0% 100.0%

ASSET ALLOCATION

STOCKS	96.3%
CASH	3.7%
TOTAL	100.0%

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

PORTFOLIO MANAGERS



PETER STOURNARAS | Began career in 1995
With Northern Trust since 2006

Mr. Stournaras received a B.S. degree from Rensselaer Polytechnic Institute and an MBA from Columbia University. He is a CFA charterholder and attended the Berkeley Financial Investment Technology.

JOSEPH E. WOLFE | Began career in 2001
With Northern Trust since 2005

Mr. Wolfe received a B.S. degree from Slippery Rock University and holds advanced degrees in economics from Ohio State University and Kent State University. He is a CFA charterholder and a Certified Financial Risk Manager.

CALENDAR YEAR RETURNS

	2009	2008	2007	2006	2005
FUND	26.77%	-37.79%	0.96%	16.10%	—
S&P 500 [®] INDEX ²	26.46%	-37.00%	5.49%	15.80%	—
MORNINGSTAR CATEGORY AVG LARGE BLEND	28.17%	-37.79%	6.16%	14.17%	—

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A Conservative Investment Approach

Northern Trust has built a tradition of strength and stability in investment management. Markets fluctuate over time, but we have remained steadfast in our disciplined, risk-managed investment philosophy.

² **S&P 500[®] Index** is an unmanaged index consisting of 500 stocks and is a widely recognized common measure of the performance of the overall U.S. stock market. It is not possible to invest directly in an index.

Trailing 12-month Price to Earnings Ratio: The sum of a company's price-to-earnings. Calculated by taking the current stock price and dividing it by the current earnings per share for the past 12 months.

Price to Book Ratio: A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current price of the stock by the latest quarter's book value per share.

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

Up Market Capture: Measure of a manager's performance in up markets relative to the market.

Down Market Capture: Measure of a manager's performance in down markets relative to the market.

Information Ratio: A measure of the consistency of excess return.

Please carefully read the prospectus and consider the investment objectives, risks, charges and expenses of Northern Funds before investing. Call 800-595-9111 to obtain a prospectus, which contains this and other information about the funds.

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Northern Trust