

Northern Funds ENHANCED LARGE CAP FUND

4Q2011

NOLCX/EQUITY

FUND FACTS

Fund Objective: Capital Appreciation
Inception Date: December 16, 2005
Ticker Symbol: NOLCX
Gross Expense Ratio: 1.26%
Net Expense Ratio: 0.60%¹
Dividend Schedule: Quarterly
Benchmark: S&P 500® Index
Morningstar Category: Large Blend

FUND CHARACTERISTICS

Total Net Assets: \$13 million
Number of Holdings: 145
Annual Portfolio Turnover: 100.72% (as of 3/31/11)
Weighted Average Market Cap (\$mil): \$98,386

	Fund	Benchmark ²
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Trailing 12-month Price to Earnings Ratio	11.71	13.68
Price to Book Ratio	1.81	1.75

RISK CHARACTERISTICS

	Fund	Benchmark ²
Beta	1.00	1.00
Up Market Capture	100.98	100.00
Down Market Capture	100.38	100.00
Information Ratio	0.12	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 12/31/11

	ANNUALIZED						
	Quarter	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
FUND	12.98%	4.13%	4.13%	14.28%	-1.29%	—	1.20%
S&P 500® INDEX ²	11.82%	2.11%	2.11%	14.11%	-0.25%	—	2.00%
MORNINGSTAR CATEGORY AVG LARGE BLEND	11.14%	-1.27%	-1.27%	13.18%	-0.99%	—	—

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.

The Advisor has agreed to reimburse certain expenses of the Fund. The contractual reimbursement arrangement is expected to continue until at least December 31, 2012. After this date, the contractual arrangements may be terminated if it is determined to be in the best interest of the Fund and its shareholders. In the absence of fee waivers, yield, total return, growth since inception and dividends would have been reduced. Total return is based on net change in NAV assuming reinvestment of distributions.

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, as reported in the most recent prospectus, includes contractual expense reimbursements that, if not extended, will end on December 31, 2012.

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



Managed by
Northern Trust

NOT FDIC INSURED

May lose value/No bank guarantee

TOP 10 HOLDINGS

Company	Fund % of Net Assets
Exxon Mobil Corp	3.9%
Apple Inc	3.9%
Microsoft Corp	2.4%
IBM	2.4%
Chevron Corp	2.3%
Pfizer Inc	2.1%
Intel Corp	1.9%
Philip Morris International Inc	1.8%
JPMorgan Chase & Co	1.6%
Verizon Communications Inc	1.6%
TOTAL	23.9%

SECTOR WEIGHTINGS

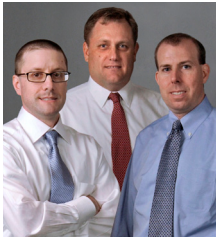
Economic Sector	Fund	Benchmark ²
Information Technology	19.9%	19.0%
Health Care	13.6%	11.8%
Financials	12.6%	13.6%
Energy	11.8%	12.3%
Consumer Discretionary	11.4%	10.7%
Industrials	10.7%	10.7%
Consumer Staples	10.4%	11.5%
Utilities	3.4%	3.9%
Materials	3.3%	3.5%
Telecommunication Services	2.9%	3.0%
TOTAL	100.0%	100.0%

ASSET ALLOCATION

Stocks	94.8%
Cash	5.2%
TOTAL	100.0%

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

PORTFOLIO MANAGERS



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.

ALEX RYER | Began career in 1990, with Northern Trust since 2005

Mr. Ryer holds a B.S. in electrical engineering from Bucknell University and an MBA from the University of New Hampshire. He is a CFA charterholder, a Certified Financial Risk Manager and a Chartered Alternative Investment Analyst.

MARK C. SODERGREN | Began career in 1995, with Northern Trust since 2007

Mr. Sodergren received his B.A. in quantitative economics and decision sciences from the University of San Diego and an MBA from the University of Chicago. He is a CFA charterholder.

CALENDAR YEAR RETURNS

	2011	2010	2009	2008	2007
FUND	4.13%	13.07%	26.77%	-37.79%	0.96%
S&P 500® INDEX ²	2.11%	15.06%	26.46%	-37.00%	5.49%
MORNINGSTAR CATEGORY AVG LARGE BLEND	-1.27%	14.01%	28.17%	-37.79%	6.16%

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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 risk-adjusted relative return.

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



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