

Northern Funds EMERGING MARKETS EQUITY INDEX FUND

4Q2011

NOEMX/EQUITY

FUND FACTS

Fund Objective: Seeks to Replicate Index

Inception Date: April 25, 2006

Ticker Symbol: NOEMX

Gross Expense Ratio: 0.72%

Net Expense Ratio: 0.30%¹

Redemption Fee: 2% on shares sold or exchanged within 30 days of purchase

Dividend Schedule: Annually

Benchmark: MSCI Emerging Markets Index

Morningstar Category: Diversified Emerging Markets

FUND CHARACTERISTICS

Total Net Assets: \$1.4 billion

Number of Holdings: 943

Annual Portfolio Turnover: 40.61% (as of 3/31/11)

Weighted Average Market Cap (\$mil): \$31,218

	Fund	Benchmark ²
Trailing 12-month Price to Earnings Ratio	10.23	10.22
Price to Book Ratio	1.26	1.36

RISK CHARACTERISTICS

	Fund	Benchmark ²
Beta	1.02	1.00
Up Market Capture	99.80	100.00
Down Market Capture	104.55	100.00
Information Ratio	-0.57	0.00

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

FUND STRATEGY

- Select stocks on the basis of quantitative analysis with the aim of producing a portfolio that will approximate the performance of the MSCI Emerging Markets Index.
- Maintain industry diversification, country weightings, market capitalization and other financial characteristics similar to the Index.
- Buy and sell securities in response to changes in the Index.

PERFORMANCE as of 12/31/11

	ANNUALIZED						
	Quarter	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
FUND	5.69%	-19.17%	-19.17%	18.18%	1.12%	—	2.67%
MSCI EMERGING MARKETS INDEX ²	4.42%	-18.42%	-18.42%	20.07%	2.40%	—	3.98%
MORNINGSTAR CATEGORY AVG DIV EMG MKTS	4.22%	-19.86%	-19.86%	18.32%	0.40%	—	—

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.

Emerging Markets Risk: Emerging market investing is subject to additional economic, political, liquidity and currency risks not associated with more developed countries.

Index Fund Risk: The performance of the Fund is expected to be lower than that of the Index because of Fund fees and expenses. It is important to remember that there are risks associated with index investing, including the potential risk of market decline, as well as the risks associated with investing in specific companies.

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
Samsung Electronics Co Ltd	3.1%
Taiwan Semiconductor Manufacturing Co Ltd	1.9%
China Mobile Ltd	1.8%
OAO Gazprom	1.7%
Petrol Brasileiros SA Preferred	1.5%
America Movil SA	1.4%
China Construction Bank Corp	1.3%
Itau Unibanco Holding SA	1.3%
Cia Vale Do Rio Doce Preferred	1.3%
Petrol Brasileiros SA	1.1%
TOTAL	16.4%

SECTOR WEIGHTINGS

Economic Sector	Fund	Benchmark ²
Financials	23.8%	23.9%
Energy	14.0%	14.0%
Materials	13.3%	13.2%
Information Technology	13.1%	13.1%
Telecommunication Services	8.5%	8.5%
Consumer Discretionary	8.1%	8.1%
Consumer Staples	8.1%	8.1%
Industrials	6.4%	6.4%
Utilities	3.7%	3.7%
Health Care	1.0%	1.0%
TOTAL	100.0%	100.0%

TOP 10 COUNTRY WEIGHTINGS

Country	Fund	Benchmark ²
China	17.8%	17.8%
South Korea	15.0%	15.0%
Brazil	14.9%	14.9%
Taiwan	10.9%	10.9%
South Africa	7.9%	7.8%
Russia	6.4%	6.3%
India	6.2%	6.2%
Mexico	4.7%	4.7%
Malaysia	3.5%	3.5%
Indonesia	3.0%	3.0%
TOTAL	90.3%	90.1%

ASSET ALLOCATION

Stocks	99.1%
Cash	0.9%
TOTAL	100.0%

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

PORTFOLIO MANAGERS



SHAUN MURPHY | Began career in 1997
With Northern Trust since 2004

Mr. Murphy received a degree in business studies from the University of Sunderland in the United Kingdom. He is a CFA charterholder and a member of the CFA Institute.

STEVEN J. SANTICCIOLI | Began career in 1993
With Northern Trust since 2003

Mr. Santiccioli received a B.A. degree from Bucknell University and an MBA from Fordham University.

CALENDAR YEAR RETURNS

	2011	2010	2009	2008	2007
FUND	-19.17%	18.28%	72.64%	-53.08%	36.55%
MSCI EMERGING MARKETS INDEX ²	-18.42%	18.88%	78.51%	-53.33%	39.39%
MORNINGSTAR CATEGORY AVG DIV EMG MKTS	-19.86%	19.26%	73.81%	-54.44%	36.68%

Performance quoted represents past performance and does not guarantee future results.

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 **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. 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.