

FUND FACTS

Fund Objective: Total Return
Inception Date: April 1, 1994
Ticker Symbol: NOIFX
Cusip: 665162707
Gross Expense Ratio: 1.41%
Net Expense Ratio: 1.15%¹
Dividend Schedule: Annually
Benchmark: JP Morgan Government Bond Index Global
Morningstar Category: World Bond

FUND CHARACTERISTICS

Total Net Assets: \$43 million
Number of Holdings: 76
30-Day SEC Yield: 0.81%
Average Duration: 6.2 years
Average Maturity: 8.0 years

FUND STRATEGY

- Invest in a broad range of investment-grade international bonds with an average maturity, under normal circumstances, between three and 11 years.
- Base investments on the investment management team's outlook for the relative economic growth, expected inflation and other economic and political prospects of each country or region.
- Buy and sell securities using a relative value approach that employs models that analyze and compare expected returns and assumed risks.

PERFORMANCE as of 6/30/10

FUND	ANNUALIZED						
	QUARTER	YTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE INCEPTION
FUND	0.79%	-0.61%	2.83%	6.81%	3.99%	5.38%	5.07%
JP MORGAN GOVT BOND INDEX GLOBAL ²	1.46%	0.38%	4.31%	8.48%	5.44%	6.70%	6.32%
MORNINGSTAR CATEGORY AVG WORLD BOND	-0.39%	0.67%	8.81%	6.68%	4.78%	6.43%	-

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 July 31, 2011. 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. The 30-day SEC yield more closely reflects the current earnings of the Fund than the total returns.

Bond Risk: Bond funds will tend to experience smaller fluctuations in value than stock funds. However, investors in any bond fund should anticipate fluctuations in price, especially for longer-term issues and in environments of rising interest rates.

International Risk: International investing involves increased risk and volatility.

Non-Diversified Risk: The Fund invests in a smaller number of stocks than the average mutual fund. The change in value of a single holding may have a more pronounced effect on the Fund's net asset value and performance than for other funds.

¹ The Net Expense Ratio, as reported in the most recent prospectus, includes contractual expense reimbursements that, if not extended, will end on July 31, 2011.

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



MATURITY DISTRIBUTION

MATURITY RANGE	FUND
0 - 1 YEAR	10.5%
1 - 3 YEARS	25.7%
3 - 5 YEARS	27.5%
5 - 10 YEARS	28.1%
10+ YEARS	8.2%
TOTAL	100.0%

QUALITY DISTRIBUTION

QUALITY RATING	FUND	BENCHMARK ²
US GOVERNMENT	25.7%	23.4%
OTHER GOVERNMENT	72.3%	76.6%
AAA	2.0%	0.0%
TOTAL	100.0%	100.0%

CURRENCY WEIGHTINGS

COUNTRY	FUND	BENCHMARK ²
JAPAN	31.6%	31.4%
UNITED STATES	30.6%	31.4%
EURO	27.4%	27.6%
UNITED KINGDOM	6.2%	5.9%
CANADA	2.2%	2.0%
DENMARK	0.8%	0.6%
AUSTRALIA	0.6%	0.6%
SWEDEN	0.6%	0.5%
TOTAL	100.0%	100.0%

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

PORTFOLIO MANAGERS



DAVID BLAKE | Began career in 2000
With Northern Trust since 2003

Mr. Blake has a Master of Physics degree.

DANIEL SMITH | Began career in 1995
With Northern Trust since 1997

Mr. Smith received a BA (Hons) Politics and Government from the London Guildhall University in 1995 and has gained the Investment Management Certificate (IMC). He is also a Member of the Society of Technical Analysts (MSTA).

CALENDAR YEAR RETURNS

	2009	2008	2007	2006	2005
FUND	-0.21%	10.98%	9.33%	4.78%	-7.96%
JP MORGAN GOVT BOND INDEX GLOBAL ²	1.90%	12.00%	10.81%	5.94%	-6.53%
MORNINGSTAR CATEGORY AVG WORLD BOND	13.12%	-1.57%	7.28%	5.42%	-3.33%

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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 **JP Morgan Government Bond Index Global** is an unmanaged, total return, market capitalization-weighted index of traded government fixed income securities which can be purchased by international investors. It is not possible to invest directly in an index.

Average Duration: Duration is a measure of a bond fund's sensitivity to changes in interest rates. The Fund's duration is calculated using the option-adjusted formula.

Quality Distribution: Credit quality ratings primarily originate from data compiled by Barclays Capital within their POINT model. They are based on the conservative average of Moody's, Standard & Poor's, and Fitch ratings. If ratings from all three rating agencies disagree, the model assigns the middle rating to the security. If two of the three agree, the model assigns the rating from those two to the security. If none of these three rating agencies has assigned a rating the Fund will assign a rating of NR (non-rated security). The ratings represent the rating agencies' opinions of the quality of the securities they rate. The ratings, expressed in Moody's nomenclature, range from Aaa ("judged to be of the highest quality, with minimal credit risk") to C ("the lowest rated class of bonds, typically in default, with little prospect for recovery of principal or interest"). Ratings are relative and subjective and are not absolute standards of quality.

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.



Managed by
Northern Trust