

Northern Funds GLOBAL SUSTAINABILITY INDEX FUND

4Q2011

NSRIX/EQUITY

FUND FACTS

Fund Objective: Seeks to Replicate Index

Inception Date: March 5, 2008

Ticker Symbol: NSRIX

Gross Expense Ratio: 0.91%

Net Expense Ratio: 0.30%¹

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

Dividend Schedule: Annually

Benchmark: MSCI World ESG Index

Morningstar Category: World Stock

FUND CHARACTERISTICS

Total Net Assets: \$98 million

Number of Holdings: 795

Annual Portfolio Turnover: 28.77% (as of 3/31/11)

Weighted Average Market Cap (\$mil): \$51,956

	Fund	Benchmark ²
Trailing 12-month Price to Earnings Ratio	13.28	13.28
Price to Book Ratio	1.33	1.33

RISK CHARACTERISTICS

	Fund	Benchmark ²
Beta	1.01	1.00
Up Market Capture	95.08	100.00
Down Market Capture	104.93	100.00
Information Ratio	-1.00	0.00

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

FUND STRATEGY

- Seek to duplicate the investment composition and overall performance of the stocks included in the MSCI World ESG Index.
- The Index is a diversified, sector neutral global benchmark constructed using environmental, social and governance (ESG) factors.
- Sector and regional neutrality is designed to help the Index outperform other social responsibility and sustainability indices.

PERFORMANCE as of 12/31/11

	ANNUALIZED						
	Quarter	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
FUND	7.69%	-5.68%	-5.68%	10.67%	—	—	-3.06%
MSCI WORLD ESG INDEX ²	7.44%	-4.90%	-4.90%	12.11%	—	—	-2.10%
MORNINGSTAR CATEGORY AVG WORLD STOCK	6.71%	-7.93%	-7.93%	12.35%	—	—	—

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.

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.

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.

International Risk: International investing involves increased risk and volatility.

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
IBM	2.0%
Procter & Gamble Co	1.7%
Johnson & Johnson	1.7%
Google Inc	1.5%
Vodafone Group PLC	1.3%
HSBC Holdings PLC	1.3%
Novartis AG	1.2%
Intel Corp	1.2%
Roche Holding AG	1.1%
Merck & Co Inc	1.1%
TOTAL	14.1%

SECTOR WEIGHTINGS

Economic Sector	Fund	Benchmark ²
Financials	19.8%	19.8%
Information Technology	12.4%	12.4%
Industrials	11.9%	11.8%
Health Care	11.4%	11.4%
Consumer Staples	10.8%	10.8%
Consumer Discretionary	10.6%	10.6%
Energy	8.0%	8.1%
Materials	7.8%	7.8%
Utilities	3.7%	3.7%
Telecommunication Services	3.6%	3.6%
TOTAL	100.0%	100.0%

TOP 10 COUNTRY WEIGHTINGS

Country	Fund	Benchmark ²
United States	50.0%	50.0%
Japan	10.7%	10.7%
United Kingdom	10.2%	10.2%
Canada	6.0%	6.0%
Australia	4.3%	4.3%
Switzerland	3.5%	3.4%
Germany	2.8%	2.9%
France	2.7%	2.7%
Spain	2.0%	2.0%
Sweden	1.8%	1.8%
TOTAL	94.0%	94.0%

ASSET ALLOCATION

Stocks	97.8%
Cash	2.2%
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.

THOMAS E. O'BRIEN | Began career in 1997
With Northern Trust since 2004

Mr. O'Brien received a B.S. degree in finance from the University of Rhode Island and an MBA from Suffolk University. He is a CFA charterholder.

CALENDAR YEAR RETURNS

	2010	2010	2009	2008	2007
FUND	-5.68%	10.43%	30.13%	-	-
MSCI WORLD ESG INDEX ²	-4.90%	11.22%	32.58%	-	-
MORNINGSTAR CATEGORY AVG WORLD STOCK	-7.93%	13.74%	35.27%	-	-

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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 MSCI World ESG Index is a free float-adjusted market capitalization-weighted index comprised of large- and mid-cap developed market companies in North America, Europe and Asia-Pacific. The Index holds a broad, diversified set of global companies, selected based on regional sector ranking of environmental, social and governance factors. 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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