

## INTERNATIONAL EQUITY FUND

(FORMERLY INTERNATIONAL GROWTH EQUITY FUND)

## OVERALL MORNINGSTAR RATING™



among 655 foreign large blend funds derived from a weighted average of the fund's 3-, 5- and 10-year risk-adjusted returns as of 6/30/10\*

## FUND FACTS

**Fund Objective:** Capital Appreciation

**Inception Date:** April 1, 1994

**Ticker Symbol:** NOIGX

**Cusip:** 665162509

**Gross Expense Ratio:** 1.40%

**Net Expense Ratio:** 1.25%<sup>1</sup>

**Dividend Schedule:** Annually

**Benchmark:** MSCI EAFE® Index

**Morningstar Category:** Foreign Large Blend

## FUND CHARACTERISTICS

**Total Net Assets:** \$267 million

**Number of Holdings:** 88

**Annual Portfolio Turnover:** 44.44% (as of 3/31/10)

**Weighted Average Market Cap (\$mil):** \$42,270

	FUND	BENCHMARK <sup>2</sup>
Trailing 12-month Price to Earnings Ratio	13.67	14.08
Price to Book Ratio	1.48	1.22

## RISK CHARACTERISTICS

	FUND	BENCHMARK <sup>2</sup>
Beta	0.94	1.00
Up Market Capture	96.78	100.00
Down Market Capture	95.07	100.00
Information Ratio	0.49	0.00

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

## FUND STRATEGY

- Seek outstanding companies through fundamental research that is based on a deep understanding of industry and sector dynamics.
- Combine creativity in stock analysis and selection with intelligent portfolio construction.
- Seek to provide consistent results through disciplined risk management.

## PERFORMANCE as of 6/30/10

FUND	QUARTER	YTD	1-YEAR	ANNUALIZED			SINCE INCEPTION
				3-YEAR	5-YEAR	10-YEAR	
MSCI EAFE® INDEX <sup>2</sup>	-13.89%	-12.23%	6.36%	-11.45%	2.20%	-0.59%	3.72%
MORNINGSTAR CATEGORY AVG FOREIGN LARGE BLEND	-13.38%	-12.23%	7.05%	-13.04%	1.13%	-0.39%	-

**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.**

**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.

**International Risk:** International investing involves increased risk and volatility.

<sup>1</sup> 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, investment terms and index definitions.

\*Past performance is no guarantee of future results. Ratings reflect fee waivers in effect; in their absence, ratings may have been lower.

Star ratings are based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The overall rating is a weighted average of the 3-, 5- and 10-year (if applicable) returns. 5 stars = top 10% of funds in an asset category; 4 stars = next 22.5% of funds; 3 stars = next 35%; 2 stars = next 22.5% and 1 star = next 10%. A fund must be in existence three years to be rated. Ratings are subject to change monthly. The International Equity Fund received 4 stars for the 3-year rating among 655 foreign large blend funds, 4 stars for the 5-year rating among 473 funds and 3 stars for the 10-year rating among 260 funds.

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Managed by  
Northern Trust

NOT FDIC INSURED

May lose value/No bank guarantee

## TOP 10 HOLDINGS

COMPANY	FUND % OF NET ASSETS
NOVARTIS AG	2.7%
ROCHE HOLDING AG	2.5%
STANDARD CHARTERED PLC	2.2%
VODAFONE GROUP PLC	2.0%
ANHEUSER-BUSCH INBEV NV	2.0%
MITSUBISHI UFJ FINANCIAL GROUP INC	2.0%
ROLLS-ROYCE GROUP PLC	2.0%
TOYOTA MOTOR CORP	1.9%
PRUDENTIAL PLC	1.8%
ROYAL DUTCH PETROLEUM CO	1.8%
TOTAL	20.9%

## SECTOR WEIGHTINGS

ECONOMIC SECTOR	FUND	BENCHMARK <sup>2</sup>
FINANCIALS	22.9%	24.3%
CONSUMER DISCRETIONARY	13.6%	10.3%
INDUSTRIALS	13.3%	12.3%
MATERIALS	9.9%	10.1%
CONSUMER STAPLES	8.8%	10.6%
HEALTH CARE	8.1%	9.0%
ENERGY	7.2%	7.1%
INFORMATION TECHNOLOGY	6.4%	5.2%
TELECOMMUNICATION SERVICES	5.0%	5.6%
UTILITIES	4.8%	5.5%
TOTAL	100.0%	100.0%

## TOP 10 COUNTRY WEIGHTINGS

COUNTRY	FUND	BENCHMARK <sup>2</sup>
UNITED KINGDOM	25.0%	21.0%
JAPAN	22.1%	23.3%
SWITZERLAND	8.4%	8.0%
FRANCE	6.6%	9.4%
GERMANY	5.3%	7.8%
CHINA	5.3%	2.6%
NETHERLANDS	3.7%	2.8%
UNITED STATES	3.1%	0.0%
CANADA	2.9%	0.0%
SPAIN	2.8%	3.5%
TOTAL	85.2%	78.4%

## ASSET ALLOCATION

STOCKS	98.7%
CASH	1.3%
TOTAL	100.0%

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

## PORTFOLIO MANAGER



GEORGE P. MARIS | Began career in 1998  
With Northern Trust since 2008

Mr. Maris received a B.A. degree from Swarthmore College, a J.D. from the University of Illinois and an MBA from the University of Chicago.

## CALENDAR YEAR RETURNS

	2009	2008	2007	2006	2005
FUND	31.39%	-41.59%	14.18%	25.04%	11.30%
MSCI EAFE <sup>®</sup> INDEX <sup>2</sup>	31.78%	-43.38%	11.17%	26.34%	13.54%
MORNINGSTAR CATEGORY AVG FOREIGN LARGE BLEND	31.24%	-43.99%	12.71%	24.77%	14.72%

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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.

<sup>2</sup> **MSCI EAFE<sup>®</sup> Index** is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the U.S. and Canada. 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 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.*