

Northern Funds MID CAP INDEX FUND

4Q2011

NOMIX/EQUITY

OVERALL MORNINGSTAR RATING™



among 378 mid-cap blend funds derived from a weighted average of the fund's 3- and 5-year risk-adjusted returns as of 12/31/11*

FUND FACTS

Fund Objective: Seeks to Replicate Index
Inception Date: March 22, 2005
Ticker Symbol: NOMIX
Gross Expense Ratio: 0.53%
Net Expense Ratio: 0.15%¹
Dividend Schedule: Annually
Benchmark: S&P MidCap 400® Index
Morningstar Category: Mid-Cap Blend

FUND CHARACTERISTICS

Total Net Assets: \$533 million
Number of Holdings: 401
Annual Portfolio Turnover: 13.01% (as of 3/31/11)
Weighted Average Market Cap (\$mil): \$3,510

	Fund	Benchmark ²
Trailing 12-month Price to Earnings Ratio	15.97	15.97
Price to Book Ratio	1.40	1.65

RISK CHARACTERISTICS

	Fund	Benchmark ²
Beta	1.00	1.00
Up Market Capture	99.26	100.00
Down Market Capture	100.13	100.00
Information Ratio	-1.77	0.00

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

FUND STRATEGY

- Passively managed, the Fund seeks to duplicate the investment composition and overall performance of the stocks included in the S&P MidCap 400® Index.
- Invest at least 80% of its net assets in equity securities in the Index, in weightings that approximate the relative composition of the Index.
- Use proprietary quantitative techniques designed to minimize trading costs.

PERFORMANCE as of 12/31/11

FUND	ANNUALIZED						
	Quarter	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
FUND	12.86%	-2.05%	-2.05%	19.26%	2.98%	—	5.41%
S&P MIDCAP 400® INDEX ²	12.98%	-1.73%	-1.73%	19.57%	3.32%	—	5.82%
MORNINGSTAR CATEGORY AVG MID-CAP BLEND	12.72%	-3.81%	-3.81%	17.41%	0.46%	—	—

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.

Mid Cap Risk: Mid-capitalization stocks typically carry additional risk, since smaller companies generally have higher risk of failure and, historically, their stocks have experienced a greater degree of 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.

*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 Mid Cap Index Fund received 4 stars for the 3-year rating among 378 mid-cap blend funds and 4 stars for the 5-year rating among 312 funds. The 10-year Morningstar Rating is not available.

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Northern Trust

NOT FDIC INSURED

May lose value/No bank guarantee

TOP 10 HOLDINGS

Company	Fund % of Net Assets
Kansas City Southern	0.7%
Monster Beverage Corp	0.7%
Vertex Pharmaceuticals Inc	0.7%
Ametek Inc	0.6%
Macerich Co	0.6%
Church & Dwight Co	0.6%
Green Mountain Coffee Roasters Inc	0.6%
Henry Schein Inc	0.6%
Federal Realty Investment Trust	0.5%
SL Green Realty Corp	0.5%
TOTAL	6.1%

SECTOR WEIGHTINGS

Economic Sector	Fund	Benchmark ²
Financials	20.5%	20.5%
Industrials	16.6%	16.6%
Information Technology	15.4%	15.4%
Consumer Discretionary	13.0%	13.0%
Health Care	10.1%	10.1%
Energy	7.0%	7.0%
Materials	6.8%	6.8%
Utilities	5.9%	5.9%
Consumer Staples	4.2%	4.2%
Telecommunication Services	0.5%	0.5%
TOTAL	100.0%	100.0%

ASSET ALLOCATION

Stocks	97.6%
Cash	2.4%
TOTAL	100.0%

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

PORTFOLIO MANAGERS



CHAD M. RAKVIN | Began career in 1996
With Northern Trust since 2004

Mr. Rakvin received a B.S. degree in finance from the Indiana University of PA. He is a CFA charterholder and a member of the CFA Institute.

BRENT REEDER | Began career in 1993
With Northern Trust since 1993

Mr. Reeder received a B.A. degree in economics from DePauw University and an MBA in finance from DePaul University. He is an Associated Person with the National Futures Association.

CALENDAR YEAR RETURNS

	2011	2010	2009	2008	2007
FUND	-2.05%	26.26%	37.15%	-36.56%	7.63%
S&P MIDCAP 400® INDEX ²	-1.73%	26.64%	37.38%	-36.23%	7.98%
MORNINGSTAR CATEGORY AVG MID-CAP BLEND	-3.81%	22.52%	37.39%	-39.18%	4.85%

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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 MidCap 400® Index** is an unmanaged index consisting of 400 mid-cap stocks. The S&P MidCap 400® Index covers over 7% of the U.S. equities 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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