

Northern Funds MULTI-MANAGER MID CAP FUND

4Q2011

NMMCX/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: Capital Appreciation

Inception Date: June 22, 2006

Ticker Symbol: NMMCX

Gross Expense Ratio: 1.20%

Net Expense Ratio: 1.10%¹

Dividend Schedule: Annually

Benchmark: Russell Midcap® Index

Morningstar Category: Mid-Cap Blend

FUND CHARACTERISTICS

Total Net Assets: \$994 million

Number of Holdings: 295

Annual Portfolio Turnover: 62.29% (as of 3/31/11)

Weighted Average Market Cap (\$mil): N/A

	Fund	Benchmark ²
Trailing 12-month Price to Earnings Ratio	13.45	14.54
Price to Book Ratio	1.40	1.68

RISK CHARACTERISTICS

	Fund	Benchmark ²
Beta	0.97	1.00
Up Market Capture	96.23	100.00
Down Market Capture	99.51	100.00
Information Ratio	-0.43	0.00

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

FUND STRATEGY

- Invest in mid-cap stocks through a variety of external mid-cap managers who have distinct investment styles and strategies.
- Select complementary managers from a broad universe of investment managers.
- Blend managers into a single fund in an effort to provide an attractive combination of risk and return.

SUB-ADVISER ALLOCATION

Sub-Adviser	Target Allocation	Role in Portfolio
SYSTEMATIC FINANCIAL MANAGEMENT LP	30%	Relative value approach. Seek companies that are trading at low valuations, but have some signs of positive earnings momentum.
LSV ASSET MANAGEMENT	30%	Deep value style with quantitative approach. Systematically exploits judgmental biases and behavioral weaknesses influencing investors.
GENEVA CAPITAL MANAGEMENT LTD.	20%	Conservative approach. Offers growth characteristics, with a valuation overlay.
TCW INVESTMENT MANAGEMENT COMPANY	20%	Aggressive growth approach, providing strong up-market capture during periods of market strength.

PERFORMANCE as of 12/31/11

	ANNUALIZED						
	Quarter	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
FUND	12.34%	-2.99%	-2.99%	18.99%	1.97%	—	3.27%
RUSSELL MIDCAP® INDEX ²	12.31%	-1.55%	-1.55%	20.17%	1.42%	—	3.58%
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.

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.



Managed by
Northern Trust

NOT FDIC INSURED

May lose value/No bank guarantee

TOP 10 HOLDINGS

Company	Fund % of Net Assets
Fifth Third Bancorp	1.2%
KeyCorp	1.2%
Oil States International Inc	1.0%
PPL Corp	1.0%
CBL & Associates Properties Inc	1.0%
FMC Technologies Inc	1.0%
Macy's Inc	1.0%
IHS Inc	1.0%
Discover Financial Services	0.9%
Dick's Sporting Goods Inc	0.8%
TOTAL	10.1%

SECTOR WEIGHTINGS

Economic Sector	Fund	Benchmark ²
Financials	19.5%	19.2%
Consumer Discretionary	15.7%	15.6%
Information Technology	15.0%	13.0%
Industrials	13.8%	12.7%
Energy	9.6%	8.1%
Health Care	9.6%	9.6%
Utilities	6.6%	7.5%
Consumer Staples	5.6%	6.5%
Materials	4.4%	6.6%
Telecommunication Services	0.2%	1.2%
TOTAL	100.0%	100.0%

ASSET ALLOCATION

Stocks	94.9%
Cash	5.1%
TOTAL	100.0%

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

PORTFOLIO MANAGERS



JESSICA K. HART | Began career in 1999
With Northern Trust since 2000

Ms. Hart received a B.S. degree in economics from the University of Wisconsin and an MBA from New York University, Stern School of Business.

ANDREW SMITH | Began career in 1986
With Northern Trust since 2000

Mr. Smith holds a B.A. from the University of Western Ontario. He is a CFA charterholder, registered Investment Counsel and Portfolio Manager.

CALENDAR YEAR RETURNS

	2011	2010	2009	2008	2007
FUND	-2.99%	24.32%	39.69%	-38.89%	7.05%
RUSSELL MIDCAP [®] INDEX ²	-1.55%	25.48%	40.48%	-41.46%	5.60%
MORNINGSTAR CATEGORY AVG MID-CAP BLEND	-3.81%	22.52%	37.39%	-39.18%	4.85%

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

A Risk-Managed 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 **Russell Midcap[®] Index** is an unmanaged index measuring the performance of the 800 smallest companies in the Russell 1000[®] Index. 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.

*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 Multi-Manager Mid Cap 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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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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