

Northern Funds MULTI-MANAGER GLOBAL REAL ESTATE FUND

4Q2011

NMMGX/EQUITY

FUND FACTS

Fund Objective: Capital Appreciation and Current Income

Inception Date: November 19, 2008

Ticker Symbol: NMMGX

Gross Expense Ratio: 1.47%

Net Expense Ratio: 1.20%¹

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

Dividend Schedule: Quarterly

Benchmark: FTSE®EPRA®/NAREIT® Global Index

Morningstar Category: Global Real Estate

FUND CHARACTERISTICS

Total Net Assets: \$693 million

Number of Holdings: 144

Annual Portfolio Turnover: 54.79% (as of 3/31/11)

Weighted Average Market Cap (\$mil): \$11,256

	Fund	Benchmark ²
Trailing 12-month Price to Earnings Ratio	13.05	13.86
Price to Book Ratio	1.06	0.86

RISK CHARACTERISTICS

	Fund	Benchmark ²
Beta	0.97	1.00
Up Market Capture	97.53	100.00
Down Market Capture	98.95	100.00
Information Ratio	-0.13	0.00

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

FUND STRATEGY

- Invest at least 80% of net assets in global real estate equities, primarily in real estate investment trusts (REITs).
- 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
EII REALTY SECURITIES, INC.	40%	Opportunistic approach that may take significant off-benchmark positions, resulting in a higher level of risk relative to the benchmark. Historically, the strategy has also provided strong defensive characteristics in down markets.
CBRE CLARION SECURITIES, LLC	30%	Growth at a reasonable price (GARP) manager with a diversified strategy. The portfolio should have a small number of off-benchmark positions while maintaining attractive market up-capture and downside protection characteristics.
COHEN & STEERS CAPITAL MANAGEMENT, INC.	30%	Core manager with attractive long-term risk-adjusted return characteristics.

PERFORMANCE as of 12/31/11

	Quarter	YTD	1-Year	ANNUALIZED			
				3-Year	5-Year	10-Year	Since Inception
FUND	7.30%	-7.02%	-7.02%	14.18	—	—	22.93%
FTSE® EPRA®/NAREIT® GLOBAL INDEX ²	6.58%	-8.72%	-8.72%	14.53	—	—	22.45%
MORNINGSTAR CATEGORY AVG GLOBAL REAL ESTATE	5.88%	-10.10%	-10.10%	12.57%	—	—	—

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.

International Risk: International investing involves increased risk and volatility.

REIT/Real Estate Risk: Investments in the Fund are subject to the risks related to direct investment in real estate, such as real estate risk, regulatory risks, concentration risk and diversification risk. Investments in REITs involve certain additional unique risks. By itself the Fund does not constitute a complete investment plan and should be considered a long-term investment for investors who can afford to weather changes in the value of their investments.

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
Simon Property Group Inc	6.4%
Unibail-Rodamco SA	2.9%
Prologis Inc	2.9%
Sun Hung Kai Properties Ltd	2.8%
Boston Properties Inc	2.7%
Mitsui Fudosan Co Ltd	2.3%
Public Storage	2.3%
HCP Inc	2.3%
Essex Property Trust Inc	2.2%
Vornado Realty Trust	2.1%
TOTAL	28.9%

INDUSTRY WEIGHTINGS

Industry Sector	Fund	Benchmark ²
Real Estate Investment Trusts	62.6%	65.6%
Real Estate Mgmt/Dev	27.0%	28.0%
Real Estate	6.4%	4.5%
Hotels Restaurants & Leisure	2.7%	0.0%
MultiLine Retail	1.1%	0.0%
Healthcare Providers & Srvc	0.2%	0.0%
Household Durables	0.0%	1.9%
TOTAL	100.0%	100.0%

TOP 10 COUNTRY WEIGHTINGS

Country	Fund	Benchmark ²
United States	47.0%	43.8%
Hong Kong	12.2%	8.7%
Japan	7.7%	7.9%
Australia	7.7%	7.7%
United Kingdom	6.1%	4.5%
France	4.3%	3.3%
Singapore	4.1%	3.5%
Canada	3.4%	5.0%
China	2.8%	2.7%
Sweden	1.1%	1.0%
TOTAL	96.4%	88.1%

ASSET ALLOCATION

Stocks	96.8%
Cash	3.2%
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	-7.02%	17.49%	36.25%	-	-
FTSE® EPRA®/NAREIT® GLOBAL INDEX ²	-8.72%	19.31%	37.94%	-	-
MORNINGSTAR CATEGORY AVG GLOBAL REAL ESTATE	-10.10%	17.22%	37.01%	-	-

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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 FTSE®EPRA®/NAREIT® Global Index is a free float, market capitalization-weighted real estate index designed to represent publicly traded equity REITs and listed property companies globally. Expanded in December 2008, the FTSE®EPRA®/NAREIT® Global Index covers both developed and emerging markets, and represents 48 countries worldwide. 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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