

Northern Funds

MULTI-MANAGER HIGH YIELD
OPPORTUNITY FUND

FUND FACTS

Fund Objective: Total Return
Inception Date: September 23, 2009
Ticker Symbol: NMHYX
Cusip: 665162442
Gross Expense Ratio: 1.29%
Net Expense Ratio: 1.10%¹
Redemption Fee: 2% on assets sold within 30 days of purchase
Dividend Schedule: Monthly
Benchmark: Merrill Lynch High Yield Master II Constrained Index
Morningstar Category: High Yield Bond

FUND CHARACTERISTICS

Total Net Assets: \$420 million
Number of Holdings: 485
30-Day SEC Yield: 6.23%
Average Duration: 4.8 years
Average Maturity: 8.2 years

FUND STRATEGY

- Strive to maintain a highly diversified, opportunistic investment strategy that can invest in high yield corporate securities as well as foreign bonds, emerging markets, bank loans, convertibles, preferreds, mortgages, REITs, equities, municipals and closed-end high yield funds.
- Select complementary managers from a broad universe of investment managers.
- Blend managers into a single fund in an effort to provide the best combination of risk and return.

SUB-ADVISER ALLOCATION

SUB-ADVISER	TARGET ALLOCATION	ROLE IN PORTFOLIO
STONE HARBOR	60%	High-yield strategy focused on identifying attractive industries and sectors through relative value and in-depth qualitative and quantitative analyses while managing risk through issuer diversification. The portfolio will provide more consistent characteristics to the traditional high-yield sectors.
LOOMIS SAYLES	40%	Opportunistic high-yield strategy employing a bottom-up investment approach focused on attractively priced credits. Will provide exposure to out-of-benchmark sectors. The portfolio is designed to provide competitive performance in a broad range of market environments.

PERFORMANCE as of 3/31/10

FUND	ANNUALIZED						
	QUARTER	YTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE INCEPTION
FUND	3.15%	3.15%	—	—	—	—	6.96%
MERRILL LYNCH HIGH YIELD MASTER II CONSTRAINED INDEX ²	4.73%	4.73%	—	—	—	—	11.38%
MORNINGSTAR CATEGORY AVG HIGH YIELD BOND	4.26%	4.26%	—	—	—	—	—

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.

Performance calculations reflect voluntary fee waivers in effect. In the absence of fee waivers, total return, growth since inception and dividends would have been reduced. The 30-Day SEC yield would have been 6.08%. Total return is based on net change in NAV assuming reinvestment of distributions.

Bond Risk: Bond funds will tend to experience smaller fluctuations in value than stock funds. However, investors in any bond fund should anticipate fluctuations in price, especially for longer-term issues and in environments of rising interest rates.

High Yield Risk: Although a high yield fund's yield may be higher than that of fixed income funds that purchase higher-rated securities, the potentially higher yield is a function of the greater risk that a high yield fund's share price will decline.

¹ The Net Expense Ratio includes voluntary expense reimbursements by Northern Funds' investment advisers that may change or end at any time.

Please see back page for calendar year returns and index definitions.



Managed by
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NOT FDIC INSURED

May lose value/No bank guarantee

MATURITY DISTRIBUTION

MATURITY RANGE	FUND
0 - 1 YEAR	8.0%
2 - 4 YEARS	21.7%
5 - 9 YEARS	53.9%
10 - 19 YEARS	7.3%
20+ YEARS	9.1%
TOTAL	100.0%

QUALITY DISTRIBUTION

QUALITY RATING	FUND	BENCHMARK ²
AAA	1.1%	—
AA	0.1%	—
A	0.9%	—
BBB	4.2%	—
BB	35.5%	—
B	39.4%	—
CCC	11.5%	—
CC	0.1%	—
OTHER	5.2%	—
SHORT-TERM	2.0%	—
TOTAL	100.0%	—

SECTOR WEIGHTINGS

ECONOMIC SECTOR	FUND	BENCHMARK ²
INDUSTRIALS	71.8%	—
UTILITIES	8.8%	—
SHORT-TERM	6.3%	—
FINANCIALS	4.8%	—
CONVERTIBLES	4.3%	—
EMERGING MARKETS DEBT	1.1%	—
BANK LOANS	0.9%	—
SOVEREIGN	0.8%	—
ASSET-BACKED	0.5%	—
COLLATERALIZED MRTG OBLIG	0.4%	—
SUPRANATIONAL	0.3%	—
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

	2009	2008	2007	2006	2005
FUND	—	—	—	—	—
MERRILL LYNCH HIGH YIELD MASTER II CONstrained INDEX ²	—	—	—	—	—
MORNINGSTAR CATEGORY AVG HIGH YIELD BOND	—	—	—	—	—

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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 **Merrill Lynch High Yield Master II Constrained Index** is an unmanaged, market value-weighted index that limits exposure to any given issuer and tracks the public high yield debt market. It is not possible to invest directly in an index.

Average Duration: Duration is a measure of a bond fund's sensitivity to changes in interest rates. The Fund's duration is calculated using the option-adjusted formula.

Quality Distribution: Credit ratings are issued by Standard & Poor's rating services and reflect the agency's assessment of the risk of a bond based on the issuer's capacity to meet its financial commitment on the bond. The ratings range from AAA (extremely strong capacity to meet its financial commitment) to D (in default).

Please carefully read the prospectus and consider the investment objectives, risks, charges and expenses of Northern Funds before investing. Call 800-595-9111 to obtain a prospectus, which contains this and other information about the funds.

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