

# Northern Funds MULTI-MANAGER INTERNATIONAL EQUITY FUND

4Q2011

NMIEX/EQUITY

## FUND FACTS

**Fund Objective:** Capital Appreciation  
**Inception Date:** June 22, 2006  
**Ticker Symbol:** NMIEX  
**Gross Expense Ratio:** 1.42%  
**Net Expense Ratio:** 1.30%<sup>1</sup>  
**Redemption Fee:** 2% on shares sold or exchanged within 30 days of purchase  
**Dividend Schedule:** Annually  
**Benchmark:** MSCI ACWI® Ex-U.S. Index  
**Morningstar Category:** Foreign Large Blend

## FUND CHARACTERISTICS

**Total Net Assets:** \$2.2 billion  
**Number of Holdings:** 427  
**Annual Portfolio Turnover:** 123.93% (as of 3/31/11)  
**Weighted Average Market Cap (\$mil):** \$6,434

	Fund	Benchmark <sup>2</sup>
<b>Trailing 12-month Price to Earnings Ratio</b>	13.05	13.86
<b>Price to Book Ratio</b>	1.06	0.86

## RISK CHARACTERISTICS

	Fund	Benchmark <sup>2</sup>
<b>Beta</b>	0.91	1.00
<b>Up Market Capture</b>	84.69	100.00
<b>Down Market Capture</b>	94.74	100.00
<b>Information Ratio</b>	-0.48	0.00

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

## FUND STRATEGY

- Invest in companies of any size throughout the world, but primarily in developed markets and generally in securities similar to those in the MSCI ACWI® Ex-U.S. Index.
- 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
UBS GLOBAL ASSET MANAGEMENT (AMERICAS), INC.	25%	Aggressive growth style expected to provide strong up-market capture during periods of market strength. Has higher beta and volatility than other managers.
NFJ INVESTMENT GROUP, LLC	22%	Value manager with a focus on dividend-paying companies.
TRADEWINDS GLOBAL INVESTORS, LLC	20%	Value approach with focus on absolute valuations. Will seek opportunities in every area of the market, regardless of sector or country. Should offer strong downside protection.
ALTRINIC GLOBAL ADVISORS, LLC	18%	Relative value style expected to protect capital in negative markets. Favors high-quality, large-cap companies.
WILLIAM BLAIR & COMPANY, LLC	15%	Portfolio of companies showing superior growth at reasonable valuations. Process combines bottom-up fundamental analysis with a top-down strategic overlay.

## PERFORMANCE as of 12/31/11

	ANNUALIZED						
	Quarter	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
<b>FUND</b>	3.75%	-15.14%	-15.14%	6.72%	-4.36%	—	-1.27%
MSCI ACWI® EX-U.S. INDEX <sup>2</sup>	3.72%	-13.71%	-13.71%	10.70%	-2.92%	—	0.72%
MORNINGSTAR CATEGORY AVG FOREIGN LARGE BLEND	4.48%	-13.97%	-13.97%	7.79%	-4.65%	—	—

**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.

**Emerging Markets Risk:** Emerging market investing is subject to additional economic, political, liquidity and currency risks not associated with more developed countries.

**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 December 31, 2012.

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



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NOT FDIC INSURED

May lose value/No bank guarantee

## TOP 10 HOLDINGS

Company	Fund % of Net Assets
Sanofi SA	1.3%
Diageo PLC	1.3%
AstraZeneca PLC	1.2%
GlaxoSmithKline PLC	1.1%
SK Telecom Co Ltd	1.0%
Saneamento Basico do Estado de Sao Paolo	0.9%
Nestle SA	0.9%
Axis Capital Holdings Ltd	0.8%
Royal Dutch Petroleum Co	0.8%
Sasol Ltd	0.8%
<b>TOTAL</b>	<b>10.1%</b>

## SECTOR WEIGHTINGS

Economic Sector	Fund	Benchmark <sup>2</sup>
Financials	17.1%	22.9%
Consumer Discretionary	12.5%	9.0%
Energy	12.2%	11.8%
Materials	12.1%	11.7%
Industrials	11.5%	10.5%
Consumer Staples	9.3%	10.0%
Health Care	8.1%	7.2%
Information Technology	7.4%	6.4%
Telecommunication Services	6.1%	6.4%
Utilities	3.7%	4.1%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

## TOP 10 COUNTRY WEIGHTINGS

Country	Fund	Benchmark <sup>2</sup>
United Kingdom	18.4%	15.9%
Japan	18.2%	14.8%
Canada	8.2%	8.4%
France	6.0%	5.9%
China	4.8%	6.1%
Germany	4.6%	5.3%
Switzerland	4.6%	5.9%
Brazil	4.4%	3.5%
South Korea	3.7%	3.5%
United States	3.1%	0.1%
<b>TOTAL</b>	<b>76.0%</b>	<b>69.4%</b>

## ASSET ALLOCATION

Stocks	98.2%
Cash	1.8%
<b>TOTAL</b>	<b>100.0%</b>

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
<b>FUND</b>	<b>-15.14%</b>	<b>12.14%</b>	<b>27.74%</b>	<b>-39.97%</b>	<b>9.67%</b>
MSCI ACWI <sup>®</sup>					
EX-U.S. INDEX <sup>2</sup>	-13.71%	11.15%	41.45%	-45.53%	16.65%
MORNINGSTAR					
CATEGORY AVG					
FOREIGN LARGE BLEND	-13.97%	10.24%	31.24%	-43.99%	12.71%

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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.

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