

Northern Funds MULTI-MANAGER LARGE CAP FUND

4Q2011

NMMLX/EQUITY

FUND FACTS

Fund Objective: Capital Appreciation
Inception Date: October 17, 2007
Ticker Symbol: NMMLX
Gross Expense Ratio: 1.20%
Net Expense Ratio: 1.10%¹
Dividend Schedule: Quarterly
Benchmark: Russell 1000[®] Index
Morningstar Category: Large Growth

FUND CHARACTERISTICS

Total Net Assets: \$1.1 billion
Number of Holdings: 163
Annual Portfolio Turnover: 69.02% (as of 3/31/11)
Weighted Average Market Cap (\$mil): N/A

	Fund	Benchmark ²
Trailing 12-month Price to Earnings Ratio	14.74	13.78
Price to Book Ratio	1.91	1.71

RISK CHARACTERISTICS

	Fund	Benchmark ²
Beta	0.94	1.00
Up Market Capture	91.14	100.00
Down Market Capture	93.04	100.00
Information Ratio	-0.20	0.00

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

FUND STRATEGY

- Invest in large-cap stocks through a variety of external large-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
NWQ INVESTMENT MANAGEMENT COMPANY, LLC	27.5%	Opportunistic value portfolio. Will look at value in absolute terms providing flexibility to look in many pockets of the market. Portfolio offers a higher beta profile.
DELAWARE MANAGEMENT COMPANY	27.5%	Deeper value approach. Will tend to protect capital in difficult markets.
MARSICO CAPITAL MANAGEMENT, LLC	25%	Conservative growth strategy, seeking to take advantage of broad growth themes. The portfolio tends to have a beta less than one and will likely provide some downside protection when growth underperforms.
JENNISON ASSOCIATES LLC	20%	Higher beta, more aggressive growth approach. Should provide strong upside during periods of market strength.

PERFORMANCE as of 12/31/11

FUND	ANNUALIZED						
	Quarter	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
FUND	10.94%	0.06%	0.06%	14.24%	—	—	-1.83%
RUSSELL 1000 [®] INDEX ²	11.84%	1.50%	1.50%	14.81%	—	—	-2.34%
MORNINGSTAR CATEGORY AVG LARGE GROWTH	9.30%	-2.46%	-2.46%	15.34%	—	—	—

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.

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
Pfizer Inc	2.2%
Apple Inc	2.1%
CA Inc	1.6%
Cisco Systems Inc	1.6%
CVS Caremark Corp	1.5%
Union Pacific Corp	1.5%
Time Warner Inc	1.4%
Raytheon Co	1.4%
Google Inc	1.4%
Starbucks Corp	1.4%
TOTAL	16.1%

SECTOR WEIGHTINGS

Economic Sector	Fund	Benchmark ²
Consumer Discretionary	18.9%	11.5%
Information Technology	17.9%	18.5%
Health Care	13.2%	11.8%
Financials	12.4%	14.4%
Energy	11.7%	11.7%
Industrials	9.0%	10.9%
Consumer Staples	7.8%	10.5%
Materials	5.4%	4.0%
Utilities	2.0%	3.9%
Telecommunication Services	1.7%	2.8%
TOTAL	100.0%	100.0%

ASSET ALLOCATION

Stocks	94.1%
Cash	5.9%
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	0.06%	15.74%	28.75%	-36.49%	-
RUSSELL 1000 [®] INDEX ²	1.50%	16.10%	28.43%	-37.60%	-
MORNINGSTAR CATEGORY AVG LARGE GROWTH	-2.46%	15.53%	35.68%	-40.67%	-

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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 **Russell 1000[®] Index** is an unmanaged index which measures the performance of the 1,000 largest companies in the Russell 3000[®] Index, based on market capitalization. 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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