

Northern Funds

MULTI-MANAGER
SMALL CAP FUND

FUND FACTS

Fund Objective: Capital Appreciation
Inception Date: June 22, 2006
Ticker Symbol: NMMSX
Cusip: 665162566
Gross Expense Ratio: 1.44%
Net Expense Ratio: 1.40%¹
Dividend Schedule: Annually
Benchmark: Russell 2000® Index
Morningstar Category: Small Growth

FUND CHARACTERISTICS

Total Net Assets: \$442 million
Number of Holdings: 247
Annual Portfolio Turnover: 185.25% (as of 3/31/09)
Weighted Average Market Cap (\$mil): \$1,834

	FUND	BENCHMARK ²
Trailing 12-month Price to Earnings Ratio	15.54	15.92
Price to Book Ratio	1.80	1.55

RISK CHARACTERISTICS

	FUND	BENCHMARK ²
Beta	0.96	1.00
Up Market Capture	87.89	100.00
Down Market Capture	98.40	100.00
Information Ratio	-0.66	0.00

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

FUND STRATEGY

- Invest in small-cap stocks through a variety of external small-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 the best combination of risk and return.

SUB-ADVISER ALLOCATION as of 6/3/10

SUB-ADVISER	TARGET ALLOCATION	ROLE IN PORTFOLIO
COPPER ROCK CAPITAL PARTNERS	22%	Growth style with small- to mid-capitalization emphasis.
RIVERBRIDGE PARTNERS, LLC	20%	Concentrated strategy focused on high-quality, growth companies.
METROPOLITAN WEST CAPITAL MANAGEMENT	20%	Relative value style with bottom-up stock selection approach.
DENVER INVESTMENT ADVISORS, LLC	20%	Value manager with focus on dividend-paying companies. Should provide attractive downside protection.
HOTCHKIS AND WILEY CAPITAL MANAGEMENT, LLC	18%	Deep value style that seeks to take advantage of short-term mispricing.

PERFORMANCE as of 3/31/10

FUND	ANNUALIZED						
	QUARTER	YTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE INCEPTION
FUND	7.02%	7.02%	59.86%	-6.11%	—	—	-1.24%
RUSSELL 2000® INDEX ²	8.85%	8.85%	62.76%	-3.99%	—	—	1.05%
MORNINGSTAR CATEGORY AVG SMALL GROWTH	7.36%	7.36%	58.97%	-3.54%	—	—	—

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. Total return is based on net change in NAV assuming reinvestment of distributions. The recent growth rate in the stock market has helped to produce short-term returns that are not typical and may not continue in the future. Because of ongoing market volatility, fund performance may be subject to substantial short-term changes.

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.

Small Cap Risk: Small capitalization funds typically carry additional risks since smaller companies generally have a higher risk of failure.

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, investment terms and index definitions.

NOT FDIC INSURED

May lose value/No bank guarantee



Managed by
Northern Trust

TOP 10 HOLDINGS

COMPANY	FUND % OF NET ASSETS
CHEMED CORP	1.3%
CEPHEID INC	1.2%
RESOURCES CONNECTION INC	1.1%
PORTFOLIO RECOVERY ASSOCIATES INC	1.1%
ULTIMATE SOFTWARE GROUP INC	1.0%
TRANSDIGM GROUP INC	0.9%
DEALERTRACK HOLDINGS INC	0.9%
PH GLATFELTER CO	0.9%
NATIONAL INSTRUMENTS CORP	0.9%
ROPER INDUSTRIES INC	0.8%
TOTAL	10.1%

SECTOR WEIGHTINGS

ECONOMIC SECTOR	FUND	BENCHMARK ²
INFORMATION TECHNOLOGY	20.5%	18.1%
INDUSTRIALS	18.5%	15.2%
FINANCIALS	18.2%	20.9%
CONSUMER DISCRETIONARY	15.2%	14.9%
HEALTH CARE	12.2%	14.3%
MATERIALS	5.5%	4.6%
ENERGY	4.0%	5.0%
CONSUMER STAPLES	2.8%	3.1%
TELECOMMUNICATION SERVICES	1.8%	0.9%
UTILITIES	1.3%	3.0%
TOTAL	100.0%	100.0%

ASSET ALLOCATION

STOCKS	95.9%
CASH	4.1%
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

	2009	2008	2007	2006	2005
FUND	30.49%	-37.78%	-1.12%	—	—
RUSSELL 2000 [®] INDEX ²	27.16%	-33.79%	-1.56%	—	—
MORNINGSTAR CATEGORY AVG SMALL GROWTH	35.46%	-41.55%	7.59%	—	—

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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 2000[®] Index** is an unmanaged index which measures the performance of the 2,000 smallest 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 the consistency of excess return.

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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