

FUND OBJECTIVE

The Fund seeks to provide, to the extent consistent with the preservation of capital and prescribed portfolio standards, a high level of income exempt from regular federal income tax by investing primarily in municipal instruments.

FUND FACTS

Inception Date: April 11, 1994

Ticker Symbol: NOMXX

Cusip: 665162830

Gross Expense Ratio: 0.48%

Net Expense Ratio: 0.45%¹

Dividend Payment Schedule: Monthly

Benchmark: iMoneyNet Fund Average™ – Tax-Free Retail

FUND CHARACTERISTICS

Total Net Assets: \$6.1 billion

Number of Holdings: 439

7-Day Current Yield: 0.04%

7-Day Effective Yield: 0.04%

Tax-Equivalent 7-Day Yield: 0.06%²

Average Maturity: 16 days

FUND FEATURES

- Concentrate on income that is exempt from regular federal income tax.
- Strive to maintain 0% alternative minimum tax (AMT) securities, however, the Fund may purchase higher yielding securities subject to the federal AMT; to the extent that it invests in AMT obligations, investors who are not subject to the AMT may potentially enjoy higher, non-taxable income.
- The Fund may be attractive for investors in higher tax brackets as the Fund's taxable equivalent yield may exceed the yields of taxable funds.
- Seek to maintain an average maturity range of 20 to 60 days; this conservative range may help avoid excessive yield volatility and unnecessary risk.

HISTORICAL MONTH-END 7-DAY CURRENT YIELD

2010						2009					
JUN	MAY	APR	MAR	FEB	JAN	DEC	NOV	OCT	SEP	AUG	JUL
FUND											
0.04%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.07%

PERFORMANCE as of 6/30/10

FUND	ANNUALIZED						
	QUARTER	YTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE INCEPTION
FUND	0.01%	0.01%	0.02%	1.15%	1.81%	1.67%	2.25%
IMONEYNET FUND AVERAGE™ – TAX-FREE RETAIL ³	0.01%	0.01%	0.04%	1.11%	1.73%	1.57%	–

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 at northernfunds.com or 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 July 31, 2011. 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. The 7-day current yield more closely reflects the current earnings of the Fund than the total returns. The Fund also includes voluntary fee waivers that may change or end at any time. The 7-day current yield would have been -0.33%.

Money Market Risk: An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

Tax-Free/AMT Risk: Tax-exempt funds' income may be subject to certain state and local taxes and, depending on your tax status, the federal alternative minimum tax.

¹ The Net Expense Ratio, as reported in the most recent prospectus, includes contractual expense reimbursements that, if not extended, will end on July 31, 2011. The Fund also includes voluntary fee waivers that may change or end at any time.

² Tax-equivalent yields are based on an assumed tax rate of 35.0% for national municipal funds.

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

NOT FDIC INSURED

May lose value/No bank guarantee



Managed by
Northern Trust

MATURITY DISTRIBUTION

MATURITY RANGE	FUND
1 DAY	68.6 %
2 - 15 DAYS	22.7 %
31 - 60 DAYS	0.7 %
61 - 97 DAYS	3.9 %
181 - 270 DAYS	2.3 %
271+ DAYS	1.8 %
TOTAL	100.0 %

QUALITY DISTRIBUTION

QUALITY RATING	FUND
A1+(SHORT TERM)	56.3 %
A1(SHORT TERM)	43.7 %
TOTAL	100.0 %

SECTOR WEIGHTINGS

SECURITY TYPE	FUND
VARIABLE RATE NOTE/BOND	90.7 %
FIXED RATE NOTE/BOND	5.7 %
COMMERCIAL PAPER	2.2 %
OTHER	1.4 %
TOTAL	100.0 %

All data is as of date indicated and subject to change.

PORTFOLIO MANAGER



KURT STOEBER | Began career in 1991
With Northern Trust since 2000

Mr. Stoeber received a B.S. in finance from Illinois State University and an MBA in finance from the University of Illinois at Chicago.

CALENDAR YEAR RETURNS

	2009	2008	2007	2006	2005
FUND	0.16%	1.73%	3.15%	2.96%	1.95%
IMONEYNET FUND AVERAGE™ – TAX-FREE RETAIL ³	0.14%	1.66%	2.98%	2.77%	1.75%

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A Conservative 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.

³ iMoneyNet Fund Average™ – Tax-Free Retail category includes all retail national and state tax-free and municipal money funds. Portfolio holdings of tax-free include rated and unrated demand notes, rated and unrated general market notes, commercial paper, put bonds – 6-month and less, put bonds – over 6 months, AMT paper and other tax free holdings. The category average is the average of all funds in this category reported by iMoneyNet. It is not possible to invest directly in an index.

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.