

ULTRA-SHORT FIXED INCOME FUND

FUND FACTS

Fund Objective: Total Return
Inception Date: June 18, 2009
Ticker Symbol: NUSFX
Cusip: 665162467
Investment Minimum: \$250,000
Redemption Fee: 1% on shares sold or exchanged within 90 days of purchase
Gross Expense Ratio: 0.69%
Net Expense Ratio: 0.25%¹
Dividend Schedule: Monthly
Benchmark: Merrill Lynch 1-Year U.S. Treasury Note Index
Morningstar Category: U.S. Ultrashort Bond

FUND CHARACTERISTICS

Total Net Assets: \$174 million
Number of Holdings: 152
30-Day SEC Yield: 0.86%
Average Duration: 1.1 years
Average Maturity: 405 days

FUND STRATEGY

- Seek to yield more than a money market fund with potential for capital appreciation.
- Strive to maintain a 6-18 month average maturity, under normal circumstances, with a maximum security maturity of three years.
- Manage Fund in an effort to have an average portfolio quality of A or better, with all securities to be investment grade.

PERFORMANCE as of 3/31/10

FUND	QUARTER	YTD	1-YEAR	ANNUALIZED				SINCE INCEPTION
				3-YEAR	5-YEAR	10-YEAR		
	0.54%	0.54%	—	—	—	—	—	1.97%
MERRILL LYNCH 1-YEAR U.S. TREASURY NOTE INDEX ²	0.24%	0.24%	—	—	—	—	—	0.77%
MORNINGSTAR CATEGORY AVG U.S. ULTRASHORT BOND	0.89%	0.89%	—	—	—	—	—	—

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 0.51%. 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.

RISK/REWARD POSITIONING

The Fund seeks to yield more than a money market fund with less volatility than a short duration bond fund.



The Fund is not a money market fund, which maintains a \$1.00 NAV, and the Fund's share price will fluctuate with its returns.

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
Northern Trust

NOT FDIC INSURED

May lose value/No bank guarantee

MATURITY DISTRIBUTION

MATURITY RANGE	FUND
1 DAY	5.9%
2 - 15 DAYS	12.2%
16 - 30 DAYS	5.3%
31 - 60 DAYS	12.4%
61 - 97 DAYS	5.4%
98 - 180 DAYS	0.6%
181 - 270 DAYS	0.7%
271 DAYS - 1 YEAR	12.1%
1 - 2 YEARS	23.1%
2 - 3 YEARS	22.3%
TOTAL	100.0%

QUALITY DISTRIBUTION

QUALITY RATING	FUND	BENCHMARK ²
AAA(LONG TERM)	15.8%	—
AA+(LONG TERM)	4.1%	—
AA(LONG TERM)	6.6%	—
AA-(LONG TERM)	8.6%	—
A+(LONG TERM)	6.6%	—
A(LONG TERM)	12.0%	—
A-(LONG TERM)	6.1%	—
BBB+(LONG TERM)	10.6%	—
BBB(LONG TERM)	2.8%	—
A1+(SHORT TERM)	7.4%	—
A1(SHORT TERM)	8.9%	—
A2(SHORT TERM)	0.7%	—
TREASURY	2.6%	—
AGENCY	7.2%	—
TOTAL	100.0%	—

SECTOR WEIGHTINGS

ECONOMIC SECTOR	FUND	BENCHMARK ²
FIXED RATE NOTE/BOND	60.6%	—
VARIABLE RATE NOTE/BOND	27.0%	—
COMMERCIAL PAPER	4.6%	—
OTHER	4.0%	—
CERTIFICATE OF DEPOSIT	3.2%	—
DISCOUNT NOTE/TREASURY BILL	0.6%	—
TOTAL	100.0%	—

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

PORTFOLIO MANAGERS



CAROL H. SULLIVAN | Began career in 1980
With Northern Trust since 1996

Ms. Sullivan received a B.A. degree in English from St. Xavier College and an MBA in finance from DePaul University. She is also a member of the CFA Society of Chicago and the CFA Institute.

SCOTT B. WARNER | Began career in 1997
With Northern Trust since 2000

Mr. Warner received a B.S. degree in finance with honors from Arizona State University and an MBA from the University of Chicago Graduate School of Business with concentrations in accounting, economics, finance and international business. He is member of the CFA Society of Chicago and the CFA Institute.

CALENDAR YEAR RETURNS

	2009	2008	2007	2006	2005
FUND	—	—	—	—	—
MERRILL LYNCH 1-YEAR U.S. TREASURY NOTE INDEX ²	—	—	—	—	—
MORNINGSTAR CATEGORY AVG U.S. ULTRASHORT BOND	—	—	—	—	—

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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.

² **Merrill Lynch 1-Year U.S. Treasury Note Index** is composed of a single issue: the outstanding Treasury note that matures closest to, but not beyond, one year from each monthly rebalancing date. 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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