

# NORTHERN MULTI-MANAGER FUNDS

## SUB-ADVISERS AND ALLOCATIONS

### CREATING AN OPTIMAL PORTFOLIO WITH MULTIPLE MANAGERS

In seeking to create an optimal portfolio, we begin by conducting extensive research on managers from around the world, narrowing it down to several managers for a single fund.

### Using Complementary Investment Styles

Each manager is expected to play a specific role within the fund's portfolio, utilizing its own distinct investment style — such as growth or value — in selecting securities. The managers are blended in an effort to provide an attractive combination of risk and return. It is in this combination and allocation of these managers that we strive to reduce volatility without sacrificing performance over the longer term.

### Ongoing Monitoring

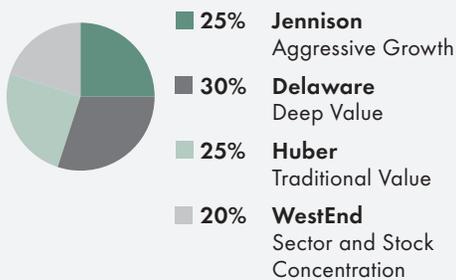
Once a fund is established, we continue to monitor each manager, as well as the overall fund, evaluating our actual experience with a manager against the factors that comprised the original decision to choose the manager.

### Experienced Management

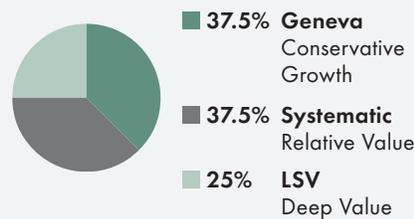
Northern Trust and its affiliates have utilized multi-manager strategies for various clients for more than 25 years. The firm conducts research on more than 500 managers worldwide, and is currently utilizing more than 250 — covering a full spectrum of investment styles.

### TARGET ALLOCATION SNAPSHOT

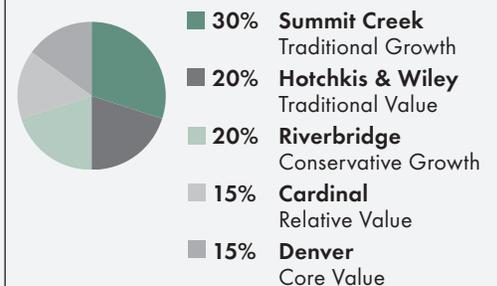
#### NORTHERN MULTI-MANAGER LARGE CAP FUND



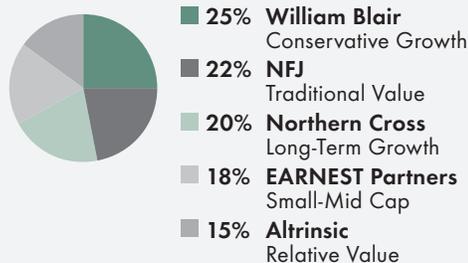
#### NORTHERN MULTI-MANAGER MID CAP FUND



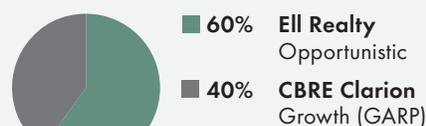
#### NORTHERN MULTI-MANAGER SMALL CAP FUND



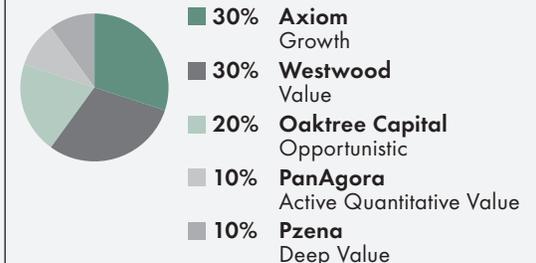
#### NORTHERN MULTI-MANAGER INTERNATIONAL EQUITY FUND



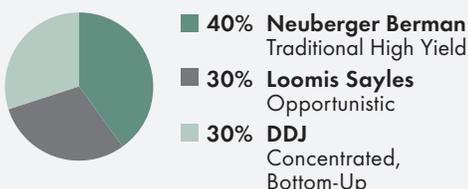
#### NORTHERN MULTI-MANAGER GLOBAL REAL ESTATE FUND



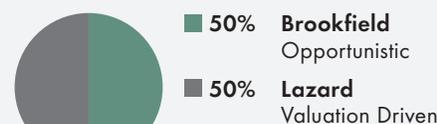
#### NORTHERN MULTI-MANAGER EMERGING MARKETS EQUITY FUND



#### NORTHERN MULTI-MANAGER HIGH YIELD OPPORTUNITY FUND



#### NORTHERN MULTI-MANAGER GLOBAL LISTED INFRASTRUCTURE FUND



#### NORTHERN MULTI-MANAGER EMERGING MARKETS DEBT OPPORTUNITY FUND



# SUB-ADVISERS AND ALLOCATIONS

SUB-ADVISER	TARGET ALLOCATION	ROLE IN PORTFOLIO
<b>NORTHERN MULTI-MANAGER LARGE CAP FUND<sup>1</sup></b>		
Delaware Management Company Inc.	30%	Deeper value approach. Will tend to protect capital in difficult markets.
Huber Capital Management, LLC	25%	Traditional value manager which will provide a higher beta than its value counterpart (Delaware) within the Fund. Should do well in down markets but also provide good upside capture ratio.
Jennison Associates, LLC	25%	Higher beta, more aggressive growth approach. Should provide strong upside during periods of market strength.
WestEnd Advisors, LLC	20%	Top-down driven approach which concentrates investments in those sectors deemed attractive on a forward-looking basis. Concentrated by sector and stock.
<b>NORTHERN MULTI-MANAGER MID CAP FUND<sup>1,2</sup></b>		
Geneva Capital Management Ltd.	37.5%	Conservative growth approach. Offers growth characteristics, with a valuation overlay.
Systematic Financial Management, LP	37.5%	Relative value approach. Seek companies that are trading at low valuations, but have some signs of positive earnings momentum.
LSV Asset Management	25%	Deep value style with quantitative approach. Systematically exploits judgmental biases and behavior weaknesses influencing investors.
<b>NORTHERN MULTI-MANAGER SMALL CAP FUND<sup>1,3</sup></b>		
Summit Creek Advisors, LLC	30%	Traditional growth approach. Strategy tends to exhibit a high quality bias and is benchmark agnostic with a bias towards traditional growth sectors.
Hotchkis and Wiley Capital Management, LLC	20%	Traditional value style that seeks to take advantage of short-term mispricing, looking for significant discounts in valuations.
Riverbridge Partners, LLC	20%	Concentrated strategy focused on high-quality, growth companies.
Cardinal Capital Management LLC	15%	Relative value strategy with a focus on future cashflows. The portfolio tends to have material exposure differences versus the benchmark.
Denver Investment Advisors LLC	15%	Value manager with focus on dividend-paying companies. Should provide attractive downside protection.
<b>NORTHERN MULTI-MANAGER INTERNATIONAL EQUITY FUND<sup>1,4,9</sup></b>		
William Blair & Company, LLC	25%	Portfolio of companies showing superior growth at reasonable valuations. Process combines bottom-up fundamental analysis with a top-down strategic overlay.
NFJ Investment Group, LLC	22%	Value manager with a focus on dividend-paying companies.
Northern Cross	20%	Core manager focusing on companies that exhibit fundamental characteristics that may lead to margin expansion over the long term. Will provide larger cap focus.
EARNEST Partners, LLC	18%	Combining quantitative techniques with deep fundamental research, this manager can provide exposure to mid- and small-cap companies with a bias towards value relative to the benchmark.
Altrinsic Global Advisors, LLC	15%	Relative value style expected to protect capital in negative markets. Favors high-quality, large-cap companies.

Please see back page for fund-specific risks.

# SUB-ADVISERS AND ALLOCATIONS

SUB-ADVISER	TARGET ALLOCATION	ROLE IN PORTFOLIO
<b>NORTHERN MULTI-MANAGER GLOBAL REAL ESTATE FUND<sup>1,4,5</sup></b>		
Ell Realty Securities, Inc.	60%	Opportunistic approach that may take significant off-benchmark positions, resulting in a higher level of risk relative to the benchmark. Historically, the strategy has provided strong defensive characteristics in down markets.
CBRE Clarion Securities, LLC	40%	Growth at a reasonable price (GARP) approach, with a diversified strategy. The portfolio should have a small number of off-benchmark positions while maintaining attractive market up-capture and downside protection characteristics.
<b>NORTHERN MULTI-MANAGER EMERGING MARKETS EQUITY FUND<sup>1,6</sup></b>		
Axiom International Investors, LLC	30%	Opportunistic bottom-up growth strategy seeks to identify high-quality companies exhibiting signs of improvement and/or acceleration in key business drivers. Axiom also applies a qualitative top-down overlay. The portfolio should participate in earnings momentum-driven markets.
Westwood Global Investments, LLC	30%	Value oriented, opportunistic investment approach complementary to PanAgora's diversified quantitative style. This portfolio should exhibit a less benchmark-oriented approach to value investing.
Oaktree Capital Management, L.P.	20%	Opportunistic, fundamentally driven investment approach with a valuation overlay. Oaktree utilizes a bottom-up process with a focus on cash flow analysis.
PanAgora Asset Management Inc.	10%	Highly diversified quantitative value approach. Primary driver of outperformance is country weights. Expected to provide consistent risk-adjusted performance as a result of its diversified investment approach.
Pzena Investment Management	10%	A deeper value strategy approach that targets companies whose earnings are underperforming their historical average.
<b>NORTHERN MULTI-MANAGER HIGH YIELD OPPORTUNITY FUND<sup>7,8</sup></b>		
Neuberger Berman Fixed Income, LLC	40%	Traditional high yield strategy focusing on credit selection within the benchmark sectors.
Loomis Sayles & Company, LP	30%	Opportunistic high-yield strategy employing a bottom-up investment approach focused on attractively priced credits. Will provide exposure to out-of-benchmark sectors. The portfolio is designed to provide competitive performance in a broad range of market environments.
DDJ Capital Management, LLC	30%	A concentrated, bottom-up oriented strategy that specifically focuses on the middle markets segment of the high yield universe in addition to leveraged loans.
<b>NORTHERN MULTI-MANAGER GLOBAL LISTED INFRASTRUCTURE FUND<sup>1,2,3,6,10,11,12,14,15</sup></b>		
Brookfield Investment Management, Inc.	50%	Opportunistic, concentrated portfolio that may lead to non-benchmark investments resulting in higher tracking error. The portfolio may also invest up to 20% in Master Limited Partnerships.
Lazard Asset Management, LLC	50%	Benchmark agnostic, bottom-up and valuation based approach to identify long-term value in infrastructure companies.
<b>NORTHERN MULTI-MANAGER EMERGING MARKETS DEBT OPPORTUNITY FUND<sup>6,7,8,11,12,13,14,15,16</sup></b>		
Bluebay Asset Management, LLP	50%	Fundamental, bottom-up country analysis and selection focus. Relative value analysis then determines trade-offs between potential investments and risk management.
Lazard Asset Management, LLC	50%	Top down approach begins with an assessment of the global macro environment followed, by bottom-up analysis of individual countries.

Please see back page for fund-specific risks.

# SUB-ADVISERS AND ALLOCATIONS

- <sup>1</sup> **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.
- <sup>2</sup> **Mid Cap Risk:** Mid capitalization stocks typically carry additional risk, since smaller companies generally have higher risk of failure and, historically, their stocks have experienced a greater degree of volatility.
- <sup>3</sup> **Small Cap Risk:** Small capitalization funds typically carry additional risks since smaller companies generally have a higher risk of failure.
- <sup>4</sup> **International Risk:** International investing involves increased risk and volatility.
- <sup>5</sup> **REIT/Real Estate Risk:** Investments in the Fund are subject to the risks related to direct investment in real estate, such as real estate risk, regulatory risks, concentration risk, and diversification risk. By itself the Fund does not constitute a complete investment plan and should be considered a long-term investment for investors who can afford to weather changes in the value of their investments.
- <sup>6</sup> **Emerging and Frontier Markets Risk:** Emerging and frontier markets investing may be subject to additional economic, political, liquidity, and currency risks not associated with more developed countries. Additionally, frontier countries generally have smaller economies or less developed capital markets than traditional emerging markets and, as a result, the risks of investing in emerging market countries are magnified in frontier countries.
- <sup>7</sup> **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.
- <sup>8</sup> **High Yield Risk:** Although a high yield fund's yield may be higher than that of fixed income funds that purchase higher-rated securities, the potentially higher yield is a function of the greater risk that a high yield fund's share price will decline.
- <sup>9</sup> **Emerging Markets Risk:** Emerging market investing is subject to additional economic, political, liquidity, and currency risks not associated with more developed countries.
- <sup>10</sup> **Concentration Risk:** Investing a high percentage of net assets in securities in a specific industry, the Fund may be subject to greater volatility than a fund that is more broadly diversified. **Infrastructure Companies Risk:** Infrastructure companies may not realize projected revenue volumes due to; cost overruns; changes in terms making a project no longer economical; macroeconomic factors may raise the average cost of funding; government regulation; government budgetary constraints; special tariffs and/or changes in tax law and unfavorable accounting standards. **Master Limited Partnerships (MLPs) Risk:** Investing in MLPs involves certain risks related to investing in the underlying assets of the MLPs and risks associated with pooled investment vehicles. MLPs that concentrate in a particular industry or a particular geographic region are subject to risks associated with such industry or region. The benefit derived from the Fund's investment in MLPs is largely dependent on the MLPs being treated as partnerships for federal income tax purposes, treatment of an MLP (owned by the Fund) as a corporation would materially reduce the after-tax return to the Fund with respect to its investment in the MLP. The Fund must include its allocable share of the MLP's taxable income in its taxable income, whether or not it receives a distribution of cash from the MLP. In such cases, the Fund may have to liquidate securities to make required distributions to the Fund's shareholders.
- <sup>11</sup> **Currency Risk:** Foreign currencies will fluctuate in value relative to the U.S. dollar; therefore you may lose money if the local currency of a foreign market depreciates against the U.S. dollar.
- <sup>12</sup> **Foreign (Non-U.S.) Securities Risk:** Investing in foreign (non-U.S.) securities may result in the Fund experiencing more rapid and extreme changes in value than a fund that invests exclusively in securities of U.S. companies, due to less liquid markets, foreign government intervention and adverse economic, political, diplomatic, financial and regulatory factors.
- <sup>13</sup> **Interest Rate Risk:** Increases in prevailing interest rates will cause fixed income securities, including convertible securities, held by the Fund to decline in value.
- <sup>14</sup> **Liquidity Risk:** Some securities held by the Fund may be difficult to sell, or illiquid, particularly during times of market turmoil. Illiquid securities also may be difficult to value. If the Fund is forced to sell an illiquid asset to meet redemption requests or other cash needs, the Fund may be forced to sell at a loss.
- <sup>15</sup> **Non-Diversified Risk:** The Fund invests in a smaller number of securities than the average mutual fund. The change in value of a single holding may have a more pronounced effect on the Fund's net asset value and performance than for other funds.
- <sup>16</sup> **Credit/Default Risk:** is the risk that the inability or unwillingness of an issuer or guarantor of a fixed-income security to meet its payment or other financial obligations will adversely affect the value of the Fund's investments and its returns. Changes in the credit rating of a debt security held by the Fund could have a similar effect.

Managers and allocations are subject to change at any time.

**TAKE THE NEXT STEP** in diversifying your investments. Call today to learn more about how the Northern Multi-Manager Funds can fit into your investment portfolio. *Please carefully read the prospectus and summary prospectus and consider the investment objectives, risks, charges and expenses of Northern Funds before investing. Visit [northernfunds.com](http://northernfunds.com) or call your Northern Trust Relationship Manager or 800-595-9111 to obtain a prospectus and summary prospectus. The prospectus and summary prospectus contain this and other information about the funds.*

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