



**NORTHERN TRUST MANAGED FUNDS**  
**Annual Report and Financial Statements**

Year Ended 31 March 2014

AUDITED



**Northern Trust**

**NORTHERN TRUST MANAGED FUNDS**  
**THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)**

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**NORTHERN TRUST MANAGED FUNDS**  
**THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)**

**INVESTMENT REVIEW**

*For the period 1 April 2013 ended 31 March 2014*

For the year ending 31 March 2014, the Fund failed to keep pace with the MSCI Kokusai Index return of 20.90% as it trailed by 173 bps for the twelve-month period.

Despite strong stock selection, the Fund trailed largely due to regional and country allocations, along with fundamental positioning. Currency and industry selection aided performance for the year. Strong stock selection enhanced relative performance, as demonstrated across the consumer services, software and services, transportation and automobile and components industry groups. However, selection within the energy and bank sectors detracted from relative performance. From a regional perspective, an overweight allocation to the Asia region negatively impacted performance. Specifically, the Fund's exposure to China detracted from performance over the year.

Three of the Fund's sub-advisors outperformed the Index during the year with Altrinsic and Walter Scott being the laggards. LSV led positive contributors on the strength of its stock selection and fundamental positioning. Causeway's performance was additive due to industry allocations, currency exposure and stock selection. Axiom was able to add value through stock selection and its industry positioning. Altrinsic's regional allocation and weak selection caused it to trail the benchmark for the period. Walter Scott's fundamental positioning and weak issue selection were the largest contributor to its underperformance.

**Global Market Highlights**

Non US markets continued their advance last year as the MSCI AC World ex US Index gained 12.3 percent. Within the developed world, Continental Europe, as measured by the MSCI Europe Index, led all regions closing up 24.5 percent. From a sector perspective, telecomm services, healthcare and consumer discretionary led all sectors while materials and consumer staples were the laggards. Developed markets far outpaced the emerging markets, with the MSCI Emerging Markets Index down 1.43 percent.

Emerging markets were negative over the past 12 months with the MSCI Emerging Markets Index returning -1.43 percent during the period. Returns diverged significantly by both sector and region. From a sector perspective, information technology and consumer discretionary were up 17.5 and 12.6 percent, respectively, while the materials sector was down 10.9 percent. Regional dispersion was also high, with Brazil, Russia and Latin America ex Brazil underperforming the other markets. Brazil declined 12.8 percent while Russia fell 10.5 percent.

The U.S. economy continues to grow, but the pace of growth has shifted lower, partially due to rough weather conditions. In the first quarter of 2014, increased geopolitical risks from the Russia - Ukraine conflict and a more hawkish than expected stance from Fed Chair Janet Yellen, contributed to volatility in the US equity market, which finished the quarter up, albeit at an uneven pace. Most recently, the Europe ex U.K. region has benefited from stronger than expected corporate earnings, improving economic conditions and a continued cleansing of the financial system, resulting in the region gaining. The peripheral markets generated some of the largest gains with Ireland and Italy leading the way. Meanwhile, the U.K. fell 0.8% despite a recovering housing market and stronger consumer spending reported in the first quarter of 2014. The looming consumer sales tax increase taking effect in April and diminishing impact of fiscal and economic stimulus contributed to the negative return for the MSCI Japan Index.

*The Northern Trust Investments, Inc*

May 2014

**NORTHERN TRUST MANAGED FUNDS  
THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)  
STATEMENT OF MANAGER'S RESPONSIBILITIES**

The Manager is responsible for preparing the Annual Report and Fund's financial statements, in accordance with applicable law and regulations.

Irish law requires the Manager of the Fund to prepare financial statements for each financial year. The Manager has elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in Ireland, comprising applicable law and the accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

The financial statements are required to give a true and fair view of the state of affairs of the Fund and of the profit or loss for that period.


In preparing those financial statements, the Manager is required to:

- select suitable accounting policies and then applies them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business.

The Manager is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Fund and enable it to ensure that the financial statements comply with the Unit Trusts Act, 1990. They are also responsible for safeguarding the assets of the Company. In this regard they have entrusted the assets of the Fund to a Trustee for safe-keeping. It has general responsibility for taking such steps as are reasonably open to it to prevent and detect fraud and other irregularities.

**On behalf of the Manager**

  
John Fitzpatrick  
Director

  
Michael Boyce  
Director

23 July 2014

**NORTHERN TRUST MANAGED FUNDS  
THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)  
REPORT OF THE TRUSTEE TO THE UNITHOLDERS**

We have enquired into the conduct of the Manager in respect of the Northern Trust Managed Funds – The NTMF Foreign Equity Fund (for Qualified Institutional Investors) (“the Fund”), for the year ended 31 March 2014, in our capacity as Trustee to the Fund.

This report including the opinion has been prepared for and solely for the Unitholders in the Fund as a body, in accordance with the Central Bank’s Non - UCITS Notice 7, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

**Responsibilities of the Trustee**

Our duties and responsibilities are outlined in the Central Bank’s Non - UCITS Notice 7. One of those duties is to enquire into the conduct of the Fund in each annual accounting period and report thereon to the Unitholders.

Our report shall state whether, in our opinion, the Fund has been managed in that period in accordance with the provisions of the Fund’s Trust Deed and the Non - UCITS Notices. It is the overall responsibility of the Manager to comply with these provisions. If the Manager has not so complied, we as Trustee must state why this is the case and outline the steps which we have taken to rectify the situation.

**Basis of Trustee Opinion**

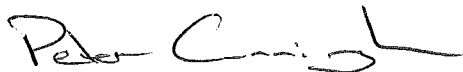
The Trustee conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Non - UCITS Notice 7 and to ensure that, in all material respects, the Fund has been managed;

- (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations; and
- (ii) otherwise in accordance with the Fund’s constitutional documentation and the appropriate regulations.

**Opinion**

In our opinion, the Fund has been managed during the year, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Fund by the trust deed and by the Central Bank under the powers granted to the Central Bank by the Unit Trusts Act, 1990; and
- (ii) otherwise in accordance with the provisions of the Trust Deed and the Unit Trusts Act, 1990.



Northern Trust Fiduciary Services (Ireland) Limited  
Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

23 July 2014



**KPMG**  
**Audit**  
1 Harbourmaster Place  
IFSC  
Dublin 1  
Ireland

## Independent Auditor's report to the Unitholders of Northern Trust Managed Funds - The NTMF Foreign Equity Fund (for Qualified Institutional Investors)

We have audited the financial statements of Northern Trust Managed Funds - The NTMF Foreign Equity Fund (for Qualified Institutional Investors) for the year ended 31 March 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Net Assets Attributable to Participating Equity Unitholders, the Statement of Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is Irish Law and Generally Accepted Accounting Practice in Ireland.

This report is made solely to the trust's Unitholder, as a body, in accordance with Section 15 of the Unit Trusts Act 1990 and the Non-UCITS Notices issued by the Central Bank of Ireland. Our audit work has been undertaken so that we might state to the trust's Unitholder those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trust and the trust's Unitholder as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of the manager and auditor of the trust

As explained more fully in the Statement of Manager's Responsibilities set out on page 2, the Manager of the trust is responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Manager of the trust; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland of the trust's state of affairs as at 31 March 2014 and of its Changes in Net Assets Attributable to Participating Equity Unitholders for the year then ended; and
- the financial statements have been properly prepared in accordance with the Unit Trust Act, 1990.

Colm Clifford

for and on behalf of

**KPMG**

Chartered Accountants, Statutory Audit Firm

1 Harbourmaster Place

IFSC

Dublin 1

Date: 23 July 2014

**NORTHERN TRUST MANAGED FUNDS**  
**THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)**

**UNAUDITED PORTFOLIO AND STATEMENT OF INVESTMENTS**

As at 31 March 2014

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value US\$</b>	<b>% of Net Assets</b>
<b>Investments in Transferable Securities</b>			
<b>Equities: 98.05% (2013: 97.43%)</b>			
<b>Australia: 2.13% (2013: 2.57%)</b>			
77,300	Arrium	96,721	0.04
56,500	Boart Longyear	15,186	0.01
11,400	Bendigo and Adelaide Bank	120,242	0.05
27,800	Challenger Financial Services	164,905	0.07
108,500	Coca-Cola Amatil	1,109,212	0.45
21,800	CSL	1,405,483	0.57
26,800	Downer EDI	124,695	0.05
11,600	Lend Lease	127,405	0.05
21,800	Metcash	52,938	0.02
11,200	Mineral Resources	119,171	0.05
19,300	Toll	93,019	0.04
14,201	Wesfarmers	542,151	0.22
35,000	Woodside Petroleum	1,265,799	0.51
<b>Total Australia</b>		<b>5,236,927</b>	<b>2.13</b>
<b>Austria: 0.11% (2013: 0.07%)</b>			
3,400	OMV	154,335	0.06
2,800	Voestalpine	123,125	0.05
<b>Total Austria</b>		<b>277,460</b>	<b>0.11</b>
<b>Belgium: 0.77% (2013: 0.59%)</b>			
5,040	Anheuser-Busch InBev	528,620	0.22
24,800	Colruyt	1,367,224	0.55
<b>Total Belgium</b>		<b>1,895,844</b>	<b>0.77</b>
<b>Brazil: 0.14% (2013: 0.54%)</b>			
9,570	Embraer ADR	339,639	0.14
<b>Total Brazil</b>		<b>339,639</b>	<b>0.14</b>
<b>Canada: 2.14% (2013: 3.05%)</b>			
1,800	Agrium	175,687	0.07
5,500	BlackBerry	44,598	0.02
2,300	Canadian Imperial Bank of Commerce	198,482	0.08
15,200	Canadian Natural Resources	583,487	0.24
1,900	Canadian Tire	179,422	0.07
6,800	Celestica	74,546	0.03
2,300	Cogeco Cable	119,506	0.05

**NORTHERN TRUST MANAGED FUNDS**  
**THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)**  
**UNAUDITED PORTFOLIO AND STATEMENT OF INVESTMENTS (continued)**

As at 31 March 2014

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value US \$</b>	<b>% of Net Assets</b>
	<b>Canada (continued)</b>		
1,500	Empire	91,964	0.04
21,800	Imperial Oil	1,016,774	0.41
69,630	Kinross Gold	288,298	0.12
2,300	Magna International	221,467	0.09
5,000	Rogers Communications	207,520	0.08
34,200	Suncor Energy	1,196,342	0.48
77,510	Talisman Energy	773,871	0.31
5,500	WestJet Airlines	122,831	0.05
	<b>Total Canada</b>	<b>5,294,795</b>	<b>2.14</b>
	<b>Denmark: 0.53% (2013: 0.65%)</b>		
29,000	Novo Nordisk	1,321,248	0.53
	<b>Total Denmark</b>	<b>1,321,248</b>	<b>0.53</b>
	<b>France: 5.57% (2013: 4.00%)</b>		
9,113	Accor	466,792	0.19
11,131	Airbus Group	797,594	0.33
165,404	Alcatel-Lucent	652,445	0.26
38,902	AXA	1,011,479	0.41
13,341	BNP Paribas	1,029,501	0.42
12,779	Carrefour	494,828	0.20
11,000	Cie Generale d'Optique Essilor International	1,109,767	0.45
8,770	Danone	620,439	0.25
3,900	Electricite de France	154,348	0.06
8,000	L'Oreal	1,319,812	0.54
36,845	Peugeot	695,454	0.28
30,509	Sanofi	3,182,270	1.29
12,508	Technip	1,291,385	0.52
12,187	Total	799,524	0.32
500	Valeo	70,463	0.03
2,100	Vivendi	58,523	0.02
	<b>Total France</b>	<b>13,754,624</b>	<b>5.57</b>
	<b>Germany: 4.72% (2013: 4.79%)</b>		
4,276	Adidas	462,867	0.19
4,627	Allianz	782,478	0.32
4,418	Bayer	597,829	0.24
3,365	Bayerische Motoren Werke	424,916	0.17
16,953	Daimler	1,602,638	0.65
1,700	Deutsche Bank	76,090	0.03
16,808	Deutsche Boerse	1,338,278	0.54
38,440	E.ON	751,785	0.31
4,900	Freenet	171,436	0.07
13,715	GEA	627,192	0.25



**NORTHERN TRUST MANAGED FUNDS**  
**THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)**  
**UNAUDITED PORTFOLIO AND STATEMENT OF INVESTMENTS (continued)**

As at 31 March 2014

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value US \$</b>	<b>% of Net Assets</b>
<b>Germany (continued)</b>			
9,075	Henkel	977,095	0.40
800	Muenchener Rueckversicherungs	174,872	0.07
794	OSRAM Licht	51,505	0.02
1,800	Rheinmetall	126,647	0.05
4,400	RWE	178,654	0.07
17,359	Siemens	2,337,476	0.95
14,992	Symrise	749,230	0.30
900	Volkswagen	228,238	0.09
<b>Total Germany</b>		<b>11,659,226</b>	<b>4.72</b>
<b>Hong Kong: 3.28% (2013: 3.18%)</b>			
478,600	AIA Group	2,270,513	0.92
33,490	Cheung Kong	555,213	0.22
63,000	Galaxy Entertainment	547,805	0.22
544,903	Hong Kong & China Gas	1,188,565	0.48
366,500	Hopewell Holdings	1,259,142	0.51
210,000	Huabao International	96,377	0.04
56,000	Hutchison Whampoa	741,416	0.30
4,800	Jardine Matheson	302,784	0.12
69,000	Kingboard Chemical	134,672	0.05
133,200	Link Reit	655,092	0.27
847,000	Pacific Andes Resources Development	82,171	0.03
412,000	Singamas Container	94,541	0.04
58,500	Yue Yuen Industrial	190,424	0.08
<b>Total Hong Kong</b>		<b>8,118,715</b>	<b>3.28</b>
<b>India: 0.22% (2013: 0.32%)</b>			
12,500	ICICI Bank ADR	547,500	0.22
<b>Total India</b>		<b>547,500</b>	<b>0.22</b>
<b>Indonesia: 0.20% (2013: 0.20%)</b>			
590,500	Bank Rakyat Indonesia Persero	497,715	0.20
<b>Total Indonesia</b>		<b>497,715</b>	<b>0.20</b>
<b>Ireland: 0.24% (2013: 0.21%)</b>			
1,415,678	Bank of Ireland	604,859	0.24
<b>Total Ireland</b>		<b>604,859</b>	<b>0.24</b>
<b>Israel: 0.09% (2013: 0.09%)</b>			
5,300	Mizrahi Tefahot Bank	72,390	0.03
3,000	Teva Pharmaceutical Industries	154,807	0.06
<b>Total Israel</b>		<b>227,197</b>	<b>0.09</b>

**NORTHERN TRUST MANAGED FUNDS**  
**THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)**  
**UNAUDITED PORTFOLIO AND STATEMENT OF INVESTMENTS (continued)**

As at 31 March 2014

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value US\$</b>	<b>% of Net Assets</b>
<b>Italy: 0.58% (2013: 0.13%)</b>			
7,300	ENI	183,215	0.08
97,654	Intesa Sanpaolo	331,095	0.13
109,100	Telecom Italia	128,714	0.05
87,496	UniCredit	799,521	0.32
<b>Total Italy</b>		<b>1,442,545</b>	<b>0.58</b>
<b>Mexico: 1.07% (2013: 0.35%)</b>			
84,600	Cemex ADR	1,068,498	0.43
47,520	Grupo Televisa ADR	1,581,941	0.64
<b>Total Mexico</b>		<b>2,650,439</b>	<b>1.07</b>
<b>Netherlands: 2.59% (2013: 2.94%)</b>			
20,470	Akzo Nobel	1,671,043	0.68
11,670	Heineken	812,573	0.33
12,200	ING	172,771	0.07
13,400	NXP Semiconductor	788,054	0.32
18,300	PostNL	83,535	0.03
60,026	Reed Elsevier	1,297,633	0.53
32,619	Royal Dutch Shell Class A	1,191,483	0.48
9,600	Royal Dutch Shell Class B	374,589	0.15
<b>Total Netherlands</b>		<b>6,391,681</b>	<b>2.59</b>
<b>New Zealand: 0.01% (2013: 0.02%)</b>			
24,060	Chorus	35,806	0.01
<b>Total New Zealand</b>		<b>35,806</b>	<b>0.01</b>
<b>Norway: 0.14% (2013: 0.10%)</b>			
7,500	DNB	130,406	0.05
2,100	Fred Olsen Energy	70,151	0.03
5,600	Statoil	158,075	0.06
<b>Total Norway</b>		<b>358,632</b>	<b>0.14</b>
<b>People's Republic of China: 2.98% (2013: 2.86%)</b>			
176,000	China Longyuan Power	177,201	0.07
350,000	China Merchants International	1,202,455	0.49
123,500	China Mobile	1,130,391	0.46
1,636,000	CNOOC	2,459,151	1.00
612,000	CSR	514,402	0.21
465,000	Industrial & Commercial Bank of China	285,940	0.12
26,000	Ping An Insurance	215,520	0.09

**NORTHERN TRUST MANAGED FUNDS**  
**THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)**  
**UNAUDITED PORTFOLIO AND STATEMENT OF INVESTMENTS (continued)**

As at 31 March 2014

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value US \$</b>	<b>% of Net Assets</b>
	<b>People's Republic of China (continued)</b>		
6,901	Qihoo 360 Technology ADR	687,202	0.28
9,200	Tencent	639,857	0.26
	<b>Total People's Republic of China</b>	<b>7,312,119</b>	<b>2.98</b>
	<b>Republic of South Korea: 1.12% (2013: 0.52%)</b>		
28,630	Korea Electric Power Corporation	980,378	0.40
16,280	SK Hynix	550,594	0.22
6,094	SK Telecom	1,233,742	0.50
	<b>Total Republic of South Korea</b>	<b>2,764,714</b>	<b>1.12</b>
	<b>Russian Federation: 0.05% (2013: 0.00%)</b>		
13,900	Sberbank of Russia ADR	135,803	0.05
	<b>Total Russian Federation</b>	<b>135,803</b>	<b>0.05</b>
	<b>Singapore: 1.18% (2013: 1.67%)</b>		
117,197	DBS Group Holdings	1,506,958	0.61
844,179	Golden Agri-Resources	385,991	0.16
14,000	Jardine Cycle & Carriage	504,648	0.20
119,000	Vard Holdings	94,628	0.04
98,000	SembCorp Industries	427,832	0.17
	<b>Total Singapore</b>	<b>2,920,057</b>	<b>1.18</b>
	<b>South Africa: 0.20% (2013: 0.24%)</b>		
23,561	MTN	482,851	0.20
	<b>Total South Africa</b>	<b>482,851</b>	<b>0.20</b>
	<b>Spain: 0.75% (2013: 0.96%)</b>		
11,206	Inditex	1,681,924	0.68
7,100	Repsol	181,278	0.07
	<b>Total Spain</b>	<b>1,863,202</b>	<b>0.75</b>
	<b>Sweden: 0.71% (2013: 1.39%)</b>		
9,500	Boliden	144,180	0.06
28,600	Hennes & Mauritz	1,217,481	0.49
16,700	Skandinaviska Enskilda Banken	228,855	0.09
6,200	Swedbank	166,103	0.07
	<b>Total Sweden</b>	<b>1,756,619</b>	<b>0.71</b>

**NORTHERN TRUST MANAGED FUNDS**  
**THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)**  
**UNAUDITED PORTFOLIO AND STATEMENT OF INVESTMENTS (continued)**

As at 31 March 2014

Holdings	Financial assets at fair value through profit or loss	Fair Value US \$	% of Net Assets
<b>Switzerland: 7.58% (2013: 5.40%)</b>			
39,883	ABB	1,029,413	0.42
8,608	Adecco	716,724	0.29
1,500	Baloise Holdings	188,827	0.08
7,890	Compagnie Financiere Richemont	753,853	0.31
11,764	Credit Suisse	380,747	0.15
300	Helvetia	153,761	0.06
36,172	Nestle	2,725,133	1.10
56,139	Novartis	4,766,429	1.93
1,800	Pargesa	155,884	0.06
8,850	Roche Holding	2,654,950	1.07
550	SGS	1,356,710	0.55
1,600	Swatch Group	1,003,453	0.41
900	Swiss Life	221,090	0.09
2,200	Swiss Re	204,098	0.08
3,400	Syngenta	1,286,715	0.52
55,073	UBS	1,138,431	0.46
<b>Total Switzerland</b>		<b>18,736,218</b>	<b>7.58</b>
<b>Thailand: 0.08% (2013: 0.00%)</b>			
36,800	Bangkok Bank	202,491	0.08
<b>Total Thailand</b>		<b>202,491</b>	<b>0.08</b>
<b>Turkey: 0.08% (2013: 0.00%)</b>			
57,530	Turkiye Garanti Bankasi	196,858	0.08
<b>Total Turkey</b>		<b>196,858</b>	<b>0.08</b>
<b>United Kingdom: 9.66% (2013: 11.48%)</b>			
16,270	Anglo American	414,056	0.17
3,800	AstraZeneca	245,583	0.10
89,646	Aviva	712,892	0.29
30,100	BAE Systems	207,851	0.08
363,069	Barclays	1,412,748	0.57
70,900	BG Group	1,320,896	0.53
42,800	BHP Billiton	1,315,768	0.53
38,800	BP	310,490	0.13
19,013	British American Tobacco	1,057,271	0.43
13,200	BT Group	83,514	0.03
236,000	Centrica	1,297,196	0.53
75,500	Debenhams	100,633	0.04
31,192	Diageo	967,753	0.39
37,485	easyJet	1,071,757	0.43
45,847	GlaxoSmithKline	1,216,444	0.49
216,909	HSBC	2,196,480	0.89
21,400	Intermediate Capital	147,596	0.06

**NORTHERN TRUST MANAGED FUNDS**  
**THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)**  
**UNAUDITED PORTFOLIO AND STATEMENT OF INVESTMENTS (continued)**

As at 31 March 2014

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value US \$</b>	<b>% of Net Assets</b>
<b>United Kingdom (continued)</b>			
174,075	International Consolidated Airlines	1,210,753	0.49
10,400	Interserve	126,570	0.05
32,900	J Sainsbury	173,378	0.07
11,000	Liberty Global Class A	457,600	0.19
11,000	Liberty Global Class C	447,810	0.18
192,522	Michael Page International	1,575,287	0.64
16,000	Reckitt Benckiser	1,303,578	0.53
78,450	Standard Chartered	1,639,427	0.67
283,088	Taylor Wimpey	555,957	0.23
96,845	Tesco	476,939	0.19
10,600	Vesuvius	76,961	0.03
209,322	Vodafone	768,784	0.31
8,120	Vodafone ADR	298,897	0.12
50,700	WM Morrison Supermarkets	180,037	0.07
23,938	WPP	493,665	0.20
<b>Total United Kingdom</b>		<b>23,864,571</b>	<b>9.66</b>
<b>United States: 49.13% (2013: 49.02%)</b>			
2,100	AbbVie	107,940	0.04
19,400	Adobe Systems	1,275,356	0.52
2,000	Aetna	149,940	0.06
3,100	AGCO	170,996	0.07
13,450	Allstate	761,001	0.31
27,400	Altria	1,025,582	0.42
924	Amazon.com	310,944	0.13
3,500	Amdocs	162,610	0.07
63,060	American Airlines Group	2,307,996	0.93
1,300	American Financial Group	75,023	0.03
900	Ameriprise Financial	99,063	0.04
1,400	Amgen	172,676	0.07
14,500	Amphenol	1,328,925	0.54
13,300	Anadarko Petroleum	1,127,308	0.46
14,000	AO Smith	644,280	0.26
7,686	AOL	336,416	0.14
9,331	AON	786,417	0.32
9,786	Apache	811,749	0.33
29,000	Apollo	992,960	0.40
5,400	Archer-Daniels-Midland	234,306	0.09
1,500	Assurant	97,440	0.04
9,200	AT&T	322,644	0.13
2,000	Autoliv	200,700	0.08
16,200	Automatic Data Processing	1,251,612	0.51
10,000	AutoNation	532,300	0.22
11,061	Baker Hughes	719,186	0.29
3,500	Baxter International	257,530	0.10
5,200	Benchmark Electronics	117,780	0.05
8,012	BioMarin Pharmaceutical	546,499	0.22
28,300	Blackstone	940,975	0.38
15,822	Boeing	1,985,503	0.80
4,670	Brown & Brown	143,649	0.06

**NORTHERN TRUST MANAGED FUNDS**  
**THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)**  
**UNAUDITED PORTFOLIO AND STATEMENT OF INVESTMENTS (continued)**

As at 31 March 2014

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value US\$</b>	<b>% of Net Assets</b>
<b>United States (continued)</b>			
3,900	CA	120,783	0.05
16,100	Cabot Oil & Gas	545,468	0.22
1,800	Capital One Financial	138,888	0.06
38,800	Carnival	1,468,968	0.59
11,200	CBRE Group	307,216	0.12
8,300	CBS	512,940	0.21
800	CF Industries	208,512	0.08
22,500	CH Robinson Worldwide	1,178,775	0.48
3,800	Chevron	451,858	0.18
92,479	Cisco Systems	2,072,454	0.84
8,000	CIT Group	392,160	0.16
56,000	Citigroup	2,665,600	1.08
9,020	Coach	447,933	0.18
7,500	Colfax	534,975	0.22
20,400	Colgate-Palmolive	1,323,348	0.54
19,271	Comcast	963,935	0.39
3,900	ConocoPhillips	274,365	0.11
3,500	Cooper Tire & Rubber	85,050	0.03
11,800	Corning	245,676	0.10
14,621	Covidien	1,076,983	0.44
8,700	CR Bard	1,287,426	0.52
39,742	CSX	1,151,326	0.47
2,100	DIRECTV	160,482	0.06
1,500	Domtar	168,330	0.07
5,210	Dunkin' Brands	261,438	0.11
44,800	EMC	1,227,968	0.50
666	Engility	30,003	0.01
6,800	EOG Resources	1,333,956	0.54
9,200	Estee Lauder Companies	615,296	0.25
7,300	Exelis	138,773	0.06
46,620	Exelon	1,564,567	0.63
4,400	Exxon Mobil	429,792	0.17
4,160	F5 Networks	443,581	0.18
17,650	Facebook	1,063,236	0.43
25,400	Fastenal	1,252,728	0.51
11,100	Fifth Third Bancorp	254,745	0.10
40,847	First American Financial	1,084,488	0.44
7,300	Five Below	310,104	0.13
17,100	Ford Motor	266,760	0.11
4,500	Freeport-McMoRan Copper & Gold	148,815	0.06
4,700	Fresh Del Monte Produce	129,579	0.05
2,600	GameStop	106,860	0.04
3,600	Gannett	99,360	0.04
39,513	General Electric	1,022,992	0.41
20,900	General Motors	719,378	0.29
36,410	Genpact	634,262	0.26
4,300	Genworth Financial	76,239	0.03
10,870	Gilead Sciences	770,248	0.31
1,200	Goldman Sachs	196,620	0.08
2,377	Google	2,649,190	1.07
2,300	Halliburton	135,447	0.05

**NORTHERN TRUST MANAGED FUNDS**  
**THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)**  
**UNAUDITED PORTFOLIO AND STATEMENT OF INVESTMENTS (continued)**

As at 31 March 2014

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value US\$</b>	<b>% of Net Assets</b>
<b>United States (continued)</b>			
2,000	Harris	146,320	0.06
2,300	Hartford Financial Services	81,121	0.03
18,200	HCA	955,500	0.39
12,070	Healthsouth	433,675	0.18
1,500	Helmerich & Payne	161,340	0.07
7,700	Hewlett-Packard	249,172	0.10
1,600	Hyster-Yale Materials Handling	156,000	0.06
7,300	IAC	521,147	0.21
2,700	Ingredion	183,815	0.07
13,700	Intel	353,597	0.14
2,400	Intuitive Surgical	1,051,176	0.43
25,900	Johnson & Johnson	2,544,157	1.03
5,300	JPMorgan Chase	321,763	0.13
22,370	Juniper Networks	576,251	0.23
4,000	Kohl's	227,200	0.09
5,400	Kroger	235,710	0.10
1,700	L-3 Communications	200,855	0.08
12,950	Las Vegas Sands	1,046,101	0.42
1,800	Lear	150,696	0.06
3,100	Lexmark International	143,499	0.06
2,400	Lincoln National	121,608	0.05
700	Lockheed Martin	114,268	0.04
14,474	Lorillard	782,754	0.32
8,000	LyondellBasell Industries	711,520	0.29
4,400	Madison Square Garden	249,832	0.10
3,700	Marathon Oil	131,424	0.05
2,600	Marathon Petroleum	226,304	0.09
28,260	Marvell Technology	445,095	0.18
16,700	Mastercard	1,247,490	0.50
1,800	Medtronic	110,772	0.04
2,000	Merck & Co.	113,540	0.05
5,550	Michael Kors	517,649	0.21
87,800	Microsoft	3,598,922	1.46
2,545	Mohawk Industries	346,069	0.14
9,740	Molson Coors Brewing	573,296	0.23
4,405	Monsanto	501,157	0.20
18,900	Morgan Stanley	589,113	0.24
10,400	Mylan	507,832	0.21
1,400	NACCO Industries	75,894	0.03
16,900	National Oilwell Varco	1,316,003	0.53
2,500	Nelnet	102,250	0.04
10,323	Newmont Mining	241,971	0.10
18,000	Nike	1,329,480	0.54
25,320	Noble	828,977	0.34
1,700	Northrop Grumman	209,746	0.08
13,700	Occidental Petroleum	1,305,473	0.53
93,904	Oracle	3,841,613	1.56
12,530	PepsiCo	1,046,255	0.42
11,500	Pfizer	369,380	0.15
9,407	Philip Morris International	770,151	0.31
2,900	Phillips 66	223,474	0.09
4,300	Pitney Bowes	111,757	0.05

**NORTHERN TRUST MANAGED FUNDS**  
**THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)**  
**UNAUDITED PORTFOLIO AND STATEMENT OF INVESTMENTS (continued)**

As at 31 March 2014

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value US\$</b>	<b>% of Net Assets</b>
<b>United States (continued)</b>			
2,700	PNC Financial Services	234,900	0.10
9,800	Praxair	1,283,506	0.52
5,200	Precision Castparts	1,314,352	0.53
504	Priceline.com	600,713	0.24
42,500	Progressive	1,029,350	0.42
6,700	Proto Labs	453,389	0.18
8,060	Prudential Financial	682,279	0.28
17,120	Public Service Enterprise	652,957	0.26
16,600	Qualcomm	1,309,076	0.53
900	Raytheon	88,911	0.04
14,900	Regions Financial	165,539	0.07
5,400	Rocket Fuel	231,552	0.09
6,939	Rockwell Automation	864,252	0.35
9,300	RR Donnelley & Sons	166,470	0.07
22,928	Schlumberger	2,235,480	0.90
1,257	Science Applications International	46,999	0.02
3,300	Seagate Technology	185,328	0.07
11,300	Sensata Technologies	481,832	0.20
6,800	SkyWest	86,768	0.04
5,300	SLM	129,744	0.05
7,988	Splunk	571,062	0.23
30,490	Stillwater Mining	451,557	0.18
33,500	SunEdison	631,140	0.26
4,200	Susser Holdings	262,373	0.11
8,300	T Rowe Price	683,505	0.28
15,460	Target	935,485	0.38
1,500	TE Connectivity	90,315	0.04
2,100	Tech Data	128,016	0.05
4,700	Texas Capital	305,218	0.12
31,430	TIBCO Software	638,658	0.26
12,530	Time Warner	818,585	0.33
24,500	TiVo	324,135	0.13
21,300	TJX	1,291,845	0.52
3,639	Torchmark	286,389	0.12
1,700	Travelers	144,670	0.06
2,400	TRW Automotive	195,888	0.08
4,800	Tyson Foods	211,248	0.09
4,815	United Technologies	562,585	0.23
1,200	United Therapeutics	112,836	0.05
20,700	UnitedHealth	1,697,193	0.69
30,060	Unum	1,061,419	0.43
3,400	Valero Energy	180,540	0.07
3,917	Verizon Communications	186,332	0.07
2,800	Visa	604,408	0.24
9,200	Vishay Intertechnology	136,896	0.06
7,300	WABCO	770,588	0.31
11,200	Walgreen	739,535	0.30
31,547	Wal-Mart Stores	2,411,137	0.98
7,700	Walt Disney	616,539	0.25
2,300	WellPoint	228,965	0.09
30,700	Wells Fargo	1,527,018	0.62



**NORTHERN TRUST MANAGED FUNDS**  
**THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)**  
**UNAUDITED PORTFOLIO AND STATEMENT OF INVESTMENTS (continued)**

As at 31 March 2014

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value US\$</b>	<b>% of Net Assets</b>
<b>United States (continued)</b>			
2,900	Western Digital	266,278	0.11
41,200	Western Union	674,032	0.27
1,300	Whirlpool	194,298	0.08
25,385	Willis Group	1,120,240	0.45
64,200	Xerox	725,460	0.29
1,600	Zimmer	151,328	0.06
<b>Total United States</b>		<b>121,328,459</b>	<b>49.13</b>
<b>Total Equities</b>		<b>242,218,814</b>	<b>98.05</b>
<b>Warrants: 0.14% (2013: 0.52%)</b>			
<b>Switzerland: 0.14% (2013: 0.26%)</b>			
2,800	Metropolitan Bank & Trust NPV 20/04/2018	354,704	0.14
<b>Total Warrants</b>		<b>354,704</b>	<b>0.14</b>
<b>Total Investments in Transferable Securities</b>		<b>242,573,518</b>	<b>98.19</b>
<b>Cash at Bank</b>		<b>4,501,343</b>	<b>1.82</b>
<b>Net Current Liabilities</b>		<b>(36,862)</b>	<b>(0.01)</b>
<b>Net Assets Attributable to Participating Equity Unitholders</b>		<b>247,037,999</b>	<b>100.00</b>

The above entities are classified according to the country of primary economic exposure.

**NORTHERN TRUST MANAGED FUNDS**  
**THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)**

**PROFIT AND LOSS ACCOUNT**

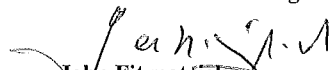
Year ended 31 March 2014


	Notes	Year ended 31 March 2014 US\$	Year ended 31 March 2013 US\$
<b>Income</b>			
<i>Income from financial assets at fair value through profit or loss:</i>			
Dividend income		7,704,730	11,082,294
<i>Gains and losses from financial assets at fair value through profit or loss:</i>			
Net realised gain on investments		42,131,825	23,773,561
Movement in net unrealised gain on investments		7,430,750	5,170,882
Net loss on forward exchange contracts		(48,560)	(18,042)
Movement in net unrealised (loss)/gain on forward exchange contracts		(1,603)	4,019
<i>Income from financial assets that are not at fair value through profit or loss:</i>			
Bank interest income	9	153	2,057
Net realised gain/(loss) on foreign currency		54,941	(89,774)
Movement in net unrealised gain/(loss) on foreign currency		2,235	(5,587)
<b>Net investment income</b>		<b>57,274,471</b>	<b>39,919,410</b>
<b>Operating expenses</b>			
Manager's fee	1,9	2,332,111	2,953,010
Audit fee	1	14,483	12,844
Operating expenses		20,712	52,270
<b>Total operating expenses before finance costs</b>		<b>2,367,306</b>	<b>3,018,124</b>
<b>Net income from operations before finance costs</b>		<b>54,907,165</b>	<b>36,901,286</b>
<b>Finance costs</b>			
Withholding taxes on dividends and other investment income		(1,430,195)	(2,163,584)
<b>Change in Net Assets Attributable to Participating Equity Unitholders</b>		<b>53,476,970</b>	<b>34,737,702</b>

The result of operations arose solely from continuing operations.

The accompanying notes form an integral part of these financial statements.

On behalf of the Manager

  
**John Fitzpatrick**  
**Director**

  
**Michael Boyce**  
**Director**

23 July 2014

**NORTHERN TRUST MANAGED FUNDS  
THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)  
BALANCE SHEET**

As at 31 March 2014


	Notes	As at 31 March 2014 US\$	As at 31 March 2013 US\$
<b>Assets</b>			
<i>Financial assets at fair value through profit or loss:</i>			
Investments in transferable securities		242,573,518	323,300,397
<i>Loans and receivables:</i>			
Cash at bank	4,9	4,501,343	3,927,195
Other assets	2	4,885,197	3,232,786
<b>Total current assets</b>		<b>251,960,058</b>	<b>330,460,378</b>
<i>Financial liabilities measured at amortised cost:</i>			
Manager's fee payable	1,9	189,332	371,134
Audit fee payable		13,296	12,435
Expenses payable		18,247	28,659
Other liabilities	2	4,701,184	604,957
<b>Total current liabilities (excluding net assets attributable to participating equity unitholders)</b>		<b>4,922,059</b>	<b>1,017,185</b>
<b>Net Assets Attributable to Participating Equity Unitholders</b>		<b>247,037,999</b>	<b>329,443,193</b>
Equivalent to a net asset value per unit of:	12	141.41	118.67
Number of units in issue:	12	1,746,943	2,776,043

The accompanying notes form an integral part of these financial statements.

On behalf of the Manager

  
John Fitzpatrick  
Director

23 July 2014

  
Michael Boyce  
Director

**NORTHERN TRUST MANAGED FUNDS**  
**THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)**  
**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO PARTICIPATING EQUITY UNITHOLDERS**

*Year ended 31 March 2014*

	<b>Year ended 31 March 2014 US\$</b>	<b>Year ended 31 March 2013 US\$</b>
Net Assets Attributable to Participating Equity Unitholders at beginning of year	329,443,193	506,343,917
Proceeds from participating equity units issued	11,304,169	39,930,472
Cost of participating equity units redeemed	(147,186,333)	(251,568,898)
Change in Net Assets Attributable to Participating Equity Unitholders	53,476,970	34,737,702
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<b>Net Assets Attributable to Participating Equity Unitholders at end of year</b>	<b>247,037,999</b>	<b>329,443,193</b>
	<hr/> <hr/>	<hr/> <hr/>
	<b>Number of Units</b>	<b>Number of Units</b>
<b>Units Transactions</b>		
Units in issue at beginning of year	2,776,043	4,729,943
Units subscribed during year	85,600	372,000
Units redeemed during year	(1,114,700)	(2,325,900)
	<hr/>	<hr/>
Units in issue at end of year	1,746,943	2,776,043
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form an integral part of these financial statements.

**NORTHERN TRUST MANAGED FUNDS  
THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)  
STATEMENT OF ACCOUNTING POLICIES**

*Year ended 31 March 2014*

**Background to the Fund**

The Northern Trust Managed Funds (“NTMF”), which was constituted on 27 November 2002, is an open-ended umbrella Unit Trust authorised by the Central Bank pursuant to the provisions of the Unit Trusts Act, 1990.

The NTMF Foreign Equity Fund (the “Fund”) is currently the only sub-fund of the NTMF. The Fund commenced operations from the period 17 January 2007, when the first subscription was made. The Fund is only open to qualified institutional investors with minimum Unit holdings and initial subscriptions of €250,000 (or US dollar equivalent). The report of the Fund is available free of charge on request from the Manager.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Fund’s financial statements.

***Basis of Accounting***

The financial statements are prepared in accordance with Generally Accepted Accounting Practice in Ireland comprising applicable law and the financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland. They are prepared on a fair value basis for financial assets and financial liabilities at fair value through profit or loss and derivative financial instruments, all other assets and liabilities are stated at amortised cost or redemption amount (participating equity Units).

***Income***

Dividends are credited to the Profit and Loss Account on the dates on which the relevant securities are listed as "ex-dividend". Dividend income is shown gross of any non-recoverable withholding taxes, which is disclosed in the Profit and Loss Account, and net of any tax credits. Dividend withholding tax reclaims are accounted for on a cash receipts basis in the Profit and Loss Account. Bank interest is accounted for on an effective yield basis.

***Fees and Charges***

In accordance with the Trust Deed, Investment Management fees, Administrator fees, Trustee fees and other operating expenses are charged to the Profit and Loss Account on an accruals basis.

***Financial Instruments***

**(i) Classification**

In accordance with FRS 25 and FRS 26 the Fund has categorised its equity investments into the financial assets at fair value through profit or loss category.

The category of financial assets and financial liabilities at fair value through profit or loss comprises:

- Financial instruments held-for-trading: These comprise equity investments. These instruments are acquired principally for the purpose of generating a profit from short-term fluctuations in price.
- Financial instruments designated at fair value through profit or loss upon initial recognition: These include financial assets that are not held for trading purposes and which may be sold.

Financial assets that are classified as loans and receivables include cash at bank and other assets.

Financial liabilities that are not at fair value through profit or loss include accrued expenses, other liabilities and financial liabilities arising on redeemable participating Units.

**(ii) Measurement**

Financial instruments are measured initially at fair value (transaction price) plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss, are measured at fair value with changes in their fair value recognised in the Profit and Loss Account. Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Profit and Loss Account.

Financial assets classified as loans and receivables are carried at amortised cost using the effective interest rate method, less impairment losses, if any.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate. Financial liabilities arising from the redeemable Units issued by the Fund are carried at the redemption amount representing the investors’ right to a residual interest in the Fund’s assets.

**NORTHERN TRUST MANAGED FUNDS  
THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)  
STATEMENT OF ACCOUNTING POLICIES (continued)**

*Year ended 31 March 2014*

***Financial Instruments (continued)***

(iii) Fair value measurement principles

The fair value of financial instruments is based on their quoted market prices on the Balance Sheet date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices while financial liabilities are priced at current ask prices.

If a quoted market price is not available on a recognised stock exchange or from a broker / dealer for non-exchange-traded financial instruments, the fair value of the instrument is estimated using valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the Balance Sheet date applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the Balance Sheet date. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of the derivatives that are not exchange-traded is estimated at the amount that the fund would receive or pay to terminate the contract at the Balance Sheet date taking into account the current market conditions (volatility, appropriate yield curve) and the credit worthiness of the counterparties. The fair value of any forward contracts is determined as a net present value of the estimated future cash flows, discounted at appropriate market rates on the valuation date.

(iv) Impairment

Financial assets that are stated at cost or amortised cost are reviewed at each Balance Sheet date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised in the Profit and Loss Account as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the Profit and Loss Account.

(v) Recognition and De-recognition

The Fund recognises financial assets and financial liabilities when all significant rights and access to the benefits from the assets and the exposure to the risks inherent in those benefits are transferred to the Fund. The Fund derecognises financial assets and financial liabilities when all such benefits and risks are transferred from the Fund.

(vi) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liability simultaneously.

(vii) Transaction Costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

***Net Gains and Losses on Investments***

Realised gains or losses on disposal of investments held for trading or classified at fair value through profit or loss and unrealised gains and losses on valuation of investments held for trading or classified at fair value through profit or loss at the period end are calculated on a weighted average cost basis and included in the Profit and Loss Account.

***Participating Equity Units***

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

A puttable financial instrument that includes a contractual obligation for the Fund to repurchase or redeem that instrument for cash or another financial asset is classified as equity if it meets all of the following conditions:

- it entitles a holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- apart from the contractual obligation for the Fund to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and

**NORTHERN TRUST MANAGED FUNDS  
THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)  
STATEMENT OF ACCOUNTING POLICIES (continued)**

*Year ended 31 March 2014*

***Participating Equity Units (continued)***

- the total expected cashflows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.

The Fund's redeemable Units meet these conditions and are classified as equity.

***Foreign Currency***

The functional currency of the Fund is US Dollars as the Directors of the Manager have determined that this reflects the Fund's primary economic environment. The presentation currency of the Fund is also US Dollars. Transactions in foreign currencies are translated at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to US Dollars at the foreign currency closing exchange rate. Non monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the foreign currency exchange rates at the dates that the values were determined. Foreign currency exchange differences relating to investments at fair value through profit or loss are included in the realised net gains and losses on investments at fair value through profit or loss and change in unrealised net gain and loss on investments at fair value through profit or loss. All other foreign currency exchange differences relating to monetary items, including cash, are presented in the Profit and Loss Account.

Foreign exchange gains and losses on financial assets and financial liabilities at fair value through profit or loss are recognised together with other changes in the fair value.

***Forward Foreign Exchange Contracts***

The unrealised gain or loss on open forward foreign exchange contracts, if any, is calculated by reference to the difference between the contracted rate and the rate to close out the contract. Realised gains or losses include net gains on contracts which have been settled or offset by other contracts.

***Taxation***

The Fund will not be liable to tax in respect of its income and gains, other than on the occurrence of a chargeable event. Generally a chargeable event arises on any distribution, redemption, repurchase, cancellation, transfer of Units or on the ending of a "Relevant Period", a "Relevant Period" being an eight year period beginning with the acquisition of the Units by the Unitholder and each subsequent period of eight years beginning immediately after the preceding Relevant Period.

A chargeable event does not include:

- (i) any transactions in relation to Units held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or
- (ii) an exchange of Units representing one Sub-Fund for another Sub-Fund of the Fund; or
- (iii) an exchange of Units arising on a qualifying amalgamation or reconstruction of the Fund with another fund; or
- (iv) certain exchanges of Units between spouses and former spouses.

A chargeable event will not occur in respect of Unitholders who are neither resident nor ordinarily resident in Ireland and who have provided the Fund with a relevant declaration to that effect.

In the absence of an appropriate declaration, the Fund will be liable to Irish tax on the occurrence of a chargeable event.

There were no chargeable events during the year under review.

Capital gains, dividends and interest received may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the Fund or its Unitholders.

***Use of Estimates***

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the year. Actual results could differ from those estimates.

***Cash at bank***

Cash comprises current deposits with banks. Cash is valued at amortised cost plus accrued interest which approximates fair value.

***Dividend Policy***

There are no dividend entitlements for the Class A Units of the Fund. There were no other class of Units in issue as at 31 March 2014.

**NORTHERN TRUST MANAGED FUNDS**  
**THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Year ended 31 March 2014

**1. Fees**

The Manager will be entitled to receive out of the assets of the Fund an annual fee of 0.65% per annum of up to first US\$300 million of the net assets, 0.625% per annum of the amount over US\$300 million up to US\$600 million of the same net assets (if any), and 0.60% per annum of the amount over US\$600 million of the same net assets (if any), attributable to the Class A Units (plus VAT, if any). This fee will accrue and be calculated on each Dealing Day and be payable monthly in arrears. The Manager will discharge the fees of the Investment Manager, the Portfolio Managers, Trustee and Administrator.

The Manager shall also be entitled to be reimbursed out of the assets of the Fund for the reasonable out of pocket costs and expenses incurred by the Manager in the performance of his duties.

Audit fees of €7,850 (ex VAT) were incurred in relation to the statutory audit of the financial statements of the Fund for the year end 31 March 2014 (2013: €7,850 (ex VAT)).

**2. Other Assets and Liabilities**

	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>US\$</b>	<b>US\$</b>
<i>Other Assets</i>		
Dividends receivable	451,614	691,607
Securities sold receivable	4,432,632	2,540,601
Other receivables	951	578
	<u>4,885,197</u>	<u>3,232,786</u>
<i>Other Liabilities</i>		
Securities purchased payable	1,063,662	600,415
Capital shares payable	3,633,240	-
Other payables	4,282	4,542
	<u>4,701,184</u>	<u>604,957</u>

**3. Dividends Declared**

No dividend was declared during the year or in the prior year.

**4. Cash at bank**

From 6 July 2013, all cash is held with the Northern Trust Company, London Branch. Prior to 6 July 2013, all cash was held with the Northern Trust (Guernsey) Limited.

**5. Soft Commission Arrangements**

There were no soft commission arrangements during the year or in the prior year.

**6. Financial Reporting Standard No. 1**

Under Financial Reporting Standard No.1, the Fund is exempt from the requirement to prepare a cash flow statement, as it complies with the conditions for open ended investment funds.

**7. Financial Reporting Standard No. 3**

Other than set out in the Profit and Loss Account, there are no other recognised trading gains or losses for the period, and thus a separate statement as required by Financial Reporting Standard No.3, is not considered necessary. The change in Net assets attributable to holders of redeemable participating Units arose solely from continuing operations.

**8. Units in Issue**

At 31 March 2014 only Class A Units were in issue.

*Voting Rights*

Subject to any rights or restrictions for the time being attached to any class or classes of Units, on a show of hands every equity Unitholder who is present in person or by proxy shall have one vote. On a poll every equity Unitholder present in person or by representative or proxy shall have one vote for every Unit for which is registered in the name of the equity Unitholder. Such voting rights may be amended in the same manner as any other provision of the Trust Deed.

*Distribution on winding up*

Units in the Fund are entitled to participate equally in the profits and distributions of the Fund and in its assets in the event of termination.

The Fund does not have any externally imposed capital requirements.



**NORTHERN TRUST MANAGED FUNDS**  
**THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**

Year ended 31 March 2014

**9. Related Party Transactions**

The following transactions were entered into during the year by the Fund in the ordinary course of business and on normal commercial terms:

Northern Trust Fund Managers (Ireland) Limited as “Manager” earned a fee of US\$2,332,111 (March 2013: US\$2,953,010) of which US\$189,332 (March 2013: US\$371,134) was payable at the year end.

The Fund had a cash balance of US\$4,501,343 on deposit with Northern Trust Company, London Branch at the year end. As at 31 March 2013 the Fund had a cash balance of US\$3,927,195 with Northern Trust (Guernsey) Limited. During the year the Fund received bank interest of US\$153 (March 2013: US\$2,057).

The Unitholder Japan Trustee Services Bank Ltd. holds 100% of the Units of the Fund at 31 March 2014 and 2013 and is considered a related party of the Fund.

Malcolm Palmer (resigned 28 June 2013), Penelope Biggs and Liam Butler, Directors of the Manager, are employees of Northern Trust.

**10. Financial Instruments and Associated Risks**

The Fund’s activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Fund’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Fund’s financial performance. The Fund may use derivative financial instruments to moderate certain risk exposures.

The investment objective of the Fund is to provide a level of investment return (including capital appreciation and income) which will exceed the MSCI Kokusai Index, also known as MSCI World (ex-Japan) Index, before taxes and with dividends reinvested (namely total return), denominated in US dollar (the Index). The Fund invests globally in freely transferable equity and equity related securities of companies listed or traded on a regulated stock exchange or market.

**Price Risk**

Price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

The Fund’s investments are susceptible to price risk arising from uncertainties about future prices of the instruments. The Fund’s price risk is managed by investing in freely transferable equity and equity related securities primarily of companies listed or traded on a regulated stock exchange or market.

The Fund may use the following derivative instruments solely for efficient portfolio management purposes: spot and forward currency contracts, options and futures on stock indices, and options and futures on currencies.

The Fund’s overall market positions are monitored on a daily basis by the Fund’s Investment Manager and are reviewed on a periodic basis by the Manager.

The following table details the breakdown of the investment assets held by the Fund at the Balance Sheet date:

	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>% of Net Assets</b>	<b>% of Net Assets</b>
<b>Investment assets</b>		
Investments in equities	98.05	97.43
Structured products	-	0.19
Warrants	0.14	0.52
<b>Total investment assets</b>	<u>98.19</u>	<u>98.14</u>

Refer to the Portfolio and Statement of Investments for the break down of these investments by country.

At 31 March 2014, the Fund’s market risk may be affected by three main components: changes in actual market prices, interest rate and foreign currency movements. Interest rate and foreign currency movements are covered below. If the value of the underlying securities at 31 March 2014 had increased or decreased by 25% with all other variables held constant, this would have increased or reduced net assets attributable to holders of redeemable Units by approximately US\$60,643,380 (March 2013: US\$80,825,099). The Manager believes that a movement of 25% is reasonably possible.

**NORTHERN TRUST MANAGED FUNDS**  
**THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**

Year ended 31 March 2014

**10. Financial Instruments and Associated Risks (continued)**

**Interest Rate Risk**

The majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

**Currency Risk**

The Fund holds assets denominated in currencies other than the US Dollar, the functional currency. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

The Fund may enter into foreign exchange transactions in an attempt to protect against changes in foreign exchange rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions. The Fund may also enter into forward contracts to hedge against a change in such foreign exchange rates that would cause a decline in the value of existing investments denominated or principally traded in a currency other than the base currency of the Fund. To do this, the Fund would enter into a forward contract to sell the currency in which the investment is denominated or principally traded in exchange for the base currency of the Fund.

**31 March 2014**

<i>All amounts stated in US \$'000's</i>	<b>Total</b>	<b>Australian Dollar</b>	<b>Canadian Dollar</b>	<b>Danish Krone</b>	<b>Euro</b>	<b>Hong Kong Dollar</b>	<b>Indo Rupiah</b>	<b>Israel Shekel</b>	<b>Korean Won</b>
<i>Monetary assets</i>	2,998	100	88	-	927	479	41	-	38
<i>Non -monetary assets</i>	114,338	5,238	5,312	1,332	35,539	16,555	498	227	2,765
<i>Monetary liabilities</i>	(2,571)	(8)	(95)	(10)	(928)	(416)	-	-	-
<b>Net currency exposure</b>	<b>114,765</b>	<b>5,330</b>	<b>5,305</b>	<b>1,322</b>	<b>35,538</b>	<b>16,618</b>	<b>539</b>	<b>227</b>	<b>2,803</b>

<i>All amounts stated in US \$'000's</i>	<b>Norwegian Krone</b>	<b>New Zealand Dollar</b>	<b>Singapore Dollar</b>	<b>South African Rand</b>	<b>Sterling Pound</b>	<b>Swedish Krona</b>	<b>Swiss Franc</b>	<b>Turkish Lira</b>	<b>Turkish Lira</b>
<i>Monetary assets</i>	-	-	208	50	639	52	376	-	-
<i>Non -monetary assets</i>	359	38	3,014	483	22,069	1,766	18,744	202	197
<i>Monetary liabilities</i>	-	-	(202)	(36)	(448)	(44)	(384)	-	-
<b>Net currency exposure</b>	<b>359</b>	<b>38</b>	<b>3,020</b>	<b>497</b>	<b>22,260</b>	<b>1,774</b>	<b>18,736</b>	<b>202</b>	<b>197</b>

**31 March 2013**

<i>All amounts stated in US \$'000's</i>	<b>Total</b>	<b>Australian Dollar</b>	<b>Canadian Dollar</b>	<b>Danish Krone</b>	<b>Euro</b>	<b>Hong Kong Dollar</b>	<b>Indo Rupiah</b>	<b>Israel Shekel</b>	<b>Korean Won</b>
<i>Monetary assets</i>	1,250	165	95	21	245	74	-	14	24
<i>Non -monetary assets</i>	149,568	8,541	9,514	2,148	41,314	21,907	654	288	1,690
<i>Monetary liabilities</i>	(597)	-	-	(30)	(249)	-	-	-	-
<b>Net currency exposure</b>	<b>150,221</b>	<b>8,706</b>	<b>9,609</b>	<b>2,139</b>	<b>41,310</b>	<b>21,981</b>	<b>654</b>	<b>302</b>	<b>1,714</b>

**NORTHERN TRUST MANAGED FUNDS**  
**THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**

Year ended 31 March 2014

**10. Financial Instruments and Associated Risks (continued)**

**Currency Risk (continued)**

**31 March 2013 (continued)**

<i>All amounts stated in US \$'000's</i>	<b>Malaysian Ringgit</b>	<b>Norwegian Krone</b>	<b>New Zealand Dollar</b>	<b>Singapore Dollar</b>	<b>South African Rand</b>	<b>Sterling Pound</b>	<b>Swedish Krona</b>	<b>Swiss Franc</b>
<i>Monetary assets</i>	-	9	4	-	62	469	68	-
<i>Non -monetary assets</i>	311	336	58	5,620	782	34,763	4,594	17,048
<i>Monetary liabilities</i>	-	-	-	(3)	(40)	(204)	(64)	(7)
<b>Net currency exposure</b>	<b>311</b>	<b>345</b>	<b>62</b>	<b>5,617</b>	<b>804</b>	<b>35,028</b>	<b>4,598</b>	<b>17,041</b>

At 31 March 2014, had the exchange rate between the US Dollar and other currencies to which the Fund is exposed increased or decreased by 5% with all other variables held constant, the decrease or increase respectively in Net Assets Attributable to Participating Equity Unitholders would amount to approximately US\$5,738,261 (March 2013: US\$7,511,076).

In accordance with the Fund's policy, the Investment Manager monitors the Fund's currency position on a daily basis. If there are material issues the Manager is notified by the Investment Manager.

**Credit Risk**

The Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred by the Balance Sheet date, if any. The carrying amounts of financial assets best represent the maximum credit risk exposure at the Balance Sheet date. This relates also to financial assets carried at amortised cost, as they have a short-term to maturity.

The Fund's financial assets exposed to credit risk amounted to the following at the Balance Sheet date:

	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>US\$</b>	<b>US\$</b>
Cash at bank	4,501,343	3,927,195
Other assets	4,885,197	3,232,786
<b>Total</b>	<b>9,386,540</b>	<b>7,159,981</b>

The amounts in the above table are based on the carrying value of all accounts except for gross settled derivative financial assets, if any, which are presented as the gross principal amount.

The Fund's Manager analyses credit concentration based on the counterparty, industry and geographical location of the financial assets that the Fund holds.

Substantially all of the cash assets are held with Northern Trust Company, London Branch (NTC). Cash deposited with NTC is deposited as banker and is held on its Balance Sheet. Accordingly, in accordance with usual banking practice, NTC liability to the Fund in respect of such cash deposits shall be that of debtor and the Fund will rank as a general creditor of NTC. The financial assets are held with the Custodian, Northern Trust Fiduciary Services (Ireland) Limited. These assets are held distinct and separately from the proprietary assets of the Custodian. Securities are clearly recorded to ensure they are held on behalf of the Fund. Bankruptcy or insolvency of the Custodian and or one of its agents or affiliates may cause the Fund's rights with respect to the securities held by the Custodian to be delayed.

Both Northern Trust Fiduciary Services (Ireland) Limited and Northern Trust Company, London Branch are wholly owned subsidiaries of Northern Trust Corporation.

Credit risk is managed by monitoring the credit quality and financial positions of the Custodian the Fund uses.

**NORTHERN TRUST MANAGED FUNDS  
THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**

Year ended 31 March 2014

**10. Financial Instruments and Associated Risks (continued)**

**Credit Risk (continued)**

Northern Trust acts as its own sub-custodian in the U.S., the U.K., Ireland and Canada. In all other markets Northern Trust appoints a local sub - custodian. Northern Trust continually reviews its sub-custodian network to ensure clients have access to the most efficient, creditworthy and cost-effective provider in each market.

The credit rating of the Northern Trust Corporation at 31 March 2014 was A+ (March 2013: A+).

All transactions in equities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. In accordance with the Fund's policy, the Investment Manager monitors the Fund's credit position on a daily basis, and the Manager reviews it on a periodic basis.

**Liquidity Risk**

The main liability of the Fund is the redemption of any Units that Unitholders wish to sell. The Fund's constitution provides for the daily creation and cancellation of Units and it is therefore exposed to the liquidity risk of meeting Unitholder redemptions at any time. The Fund's financial instruments include investments in equities and derivatives. Equities held by the Fund normally can be easily liquidated at an amount close to fair value in order to meet liquidity requirements. Derivatives may not be easily liquidated at an amount close to fair value in order to meet liquidity requirements.

The Fund may temporarily borrow money in an amount up to 10% of its net assets only to finance reasonable short-term needs including payment for subscription of newly-issued stocks and facilitation of liquidity.

In accordance with the Fund's policy, the Investment Manager monitors the Fund's liquidity risk on a daily basis, and the Manager reviews it on a regular basis. The residual contractual maturities of financial liabilities at the Balance Sheet date are shown in the table below:

All amounts stated in US Dollar	<b>Less than 1 month</b>	<b>1-3 months</b>	<b>3 months to 1 year</b>
<b>31 March 2014</b>			
<i>Financial liabilities</i>			
Other liabilities	(4,701,184)	-	-
Accrued expenses	-	(220,875)	-
Net assets attributable to holders of redeemable participating units	-	-	-
	(4,701,184)	(220,875)	-
<b>31 March 2013</b>			
<i>Financial liabilities</i>			
Other liabilities	(604,957)	-	-
Accrued expenses	-	(412,228)	-
Net assets attributable to holders of redeemable participating units	-	-	-
	(604,957)	(412,228)	-

**Fair Value of Financial Assets and Liabilities**

The Fund's investments in transferrable securities are carried at fair value on the Balance Sheet. Usually the fair value of the financial instruments can be reliably determined within a reasonable range of estimates. For certain other financial instruments, including other assets, accrued expenses and other liabilities the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments. The carrying value of all the Fund's financial assets and liabilities at the Balance Sheet date approximated their fair values.

**11. Fair value Estimation**

The amendment to FRS29 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

**NORTHERN TRUST MANAGED FUNDS**  
**THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**

Year ended 31 March 2014

**11. Fair value Estimation (continued)**

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes ‘observable’ requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables analyses within the fair value hierarchy the financial assets measured at fair value at 31 March 2014.

Assets	Level 1	Level 2	Level 3	Total
Financial assets held for trading:				
– transferable securities	242,573,518	-	-	242,573,518
Total assets	242,573,518	-	-	242,573,518

The following table analyses within the fair value hierarchy the financial assets measured at fair value at 31 March 2013.

Assets	Level 1	Level 2	Level 3	Total
Financial assets held for trading:				
– transferable securities	323,300,397	-	-	323,300,397
Total assets	323,300,397	-	-	323,300,397

There have been no transfers between levels during the year.

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources<sup>1</sup> supported by observable inputs are classified within level 2. These include investment-grade listed equities and over-the-counter derivatives. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include private equity and corporate debt securities. As observable prices are not available for these securities, the Fund has used valuation techniques to derive the fair value. There were no investments classified as level 3 during the year ended 31 March 2014 and 31 March 2013.

**12. Net Asset Value per Unit**

	Total Net Assets (US\$)	NAV per Unit (US\$)	No. of Units in issue
31 March 2014	247,037,999	141.41	1,746,943
31 March 2013	329,443,193	118.67	2,776,043
31 March 2012	506,343,917	107.05	4,729,643

**13. Efficient Portfolio Management**

The Fund may use the following derivative instruments solely for efficient portfolio management purposes: spot and forward currency contracts, options and futures on stock indices, and options and futures on currencies.

Spot currency contracts as at 31 March 2014 and 31 March 2013 are stated in Note 2 on page 22.

**NORTHERN TRUST MANAGED FUNDS**  
**THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**

Year ended 31 March 2014

**14. Exchange Rates**

The exchange rates to US Dollar (\$) are:

	<b>31 March 2014</b>	<b>31 March 2013</b>
Australian Dollar	1.0789	0.9592
British Sterling Pound	0.5998	0.6586
Canadian Dollar	1.1038	1.0160
Danish Krone	5.4170	5.8055
Euro	0.7256	0.7788
Hong Kong Dollar	7.7571	7.7627
Indonesian Rupiah	11,360.0000	9,717.5000
Israeli Shekel	3.4902	3.6343
Korean Won	1,064.4500	1,112.6000
Malaysian Ringgit	3.2655	3.0965
Mexican New Peso	13.0488	12.3392
New Zealand Dollar	1.1524	1.1933
Norwegian Krone	5.9871	5.8325
Singapore Dollar	1.2576	1.2406
South African Rand	10.5179	9.1745
Swedish Krona	6.4836	6.5020
Swiss Franc	0.8834	0.9470
Thai Baht	32.4400	29.2850
Turkish Lira	2.1392	1.8095
United States Dollar	1.0000	1.0000

**15. Allocation of Portfolio Managers**

The Investment Manager may delegate its powers of investment management of some or all of the assets of the Fund to relevant Portfolio Managers.

Allocation of Portfolio Managers as at 31 March 2014:

Sub-Advisor	% of Gross Assets
Walter Scott	26.80
Altrinsic Global Advisors	19.88
Axiom	20.57
LSV Asset Management	11.11
Causeway	21.64
	100.00

Allocation of Portfolio Managers as at 31 March 2013:

Sub-Advisor	% of Gross Assets
Walter Scott	30.08
Altrinsic Global Advisors	20.49
Axiom	19.97
LSV Asset Management	9.77
Causeway	19.69
	100.00

**NORTHERN TRUST MANAGED FUNDS**  
**THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**

*Year ended 31 March 2014*

**16. Comparative Figures**

Comparative figures are for the year ended 31 March 2013.

**17. Portfolio Changes**

A complete listing of the purchases and sales during the year is available upon request from the administrator free of cost.

**18. Events during the year**

Malcolm Palmer resigned as Director of the Manager on 28 June 2013 and Michael Griffin resigned as Director of the Manager on 31 March 2014.

Northern Trust Investments, Inc replaced The Northern Trust Company of Connecticut as Investment Manager effective from 1 January 2014.

There were no other material events during the year.

**19. Subsequent Events**

On 22 July 2014 The Fund was reauthorised by the Central Bank of Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011.

Northern Trust Global Investment Ltd was appointed as investment manager in place of Northern Trust Investments, Inc effective from 22 July 2014. Northern Trust Investments, Inc was appointed as sub investment manager effective as at the same date.

There were no other material events subsequent to the year end date.

**20. Commitments and Contingencies**

There were no significant commitments or contingencies as at 31 March 2014 or as at 31 March 2013.

**21. Approval of Financial Statements**

The financial statements were approved by the Directors of the Manager on 23 July 2014.

**NORTHERN TRUST MANAGED FUNDS  
THE NTMF FOREIGN EQUITY FUND (For Qualified Institutional Investors)**

**MANAGEMENT AND OTHER INFORMATION**

**Manager:** Northern Trust Fund Managers (Ireland) Limited  
Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

**Directors of the Manager:**

Penelope Biggs	British	
Michael Boyce	Irish	Independent
Gerry Brady	Irish	Independent
Liam Butler	Irish	
John Fitzpatrick	Irish	Independent
Michael Griffin (resigned 31 March 2014)	Irish	Independent
Malcolm Palmer (resigned 28 June 2013)	British	

**Investment Manager:** Northern Trust Investments, Inc (from 1 January 2014)  
50 South LaSalle Street,  
Chicago,  
Illinois 60603,  
USA

The Northern Trust Company of Connecticut (up to 1 January 2014)  
300 Atlantic St., Ste. 400  
Stamford  
CT 06901-3522  
USA

**Trustee:** Northern Trust Fiduciary Services (Ireland) Limited  
Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

**Administrator:** Northern Trust International Fund Administration Services (Ireland) Limited  
Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

**Independent Auditor:** KPMG  
Chartered Accountants  
1 Harbourmaster Place  
International Financial Services Centre  
Dublin 1  
Ireland

**Legal Advisor:** Maples and Calder  
75 St. Stephen's Green  
Dublin 1  
Ireland

**Secretary of the Manager:** Northern Trust International Fund Administration Services (Ireland) Limited  
Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland