NORTHERN FUNDS

Multi-Manager Large Cap Fund (NMMLX)

1Q 2016 Performance Review

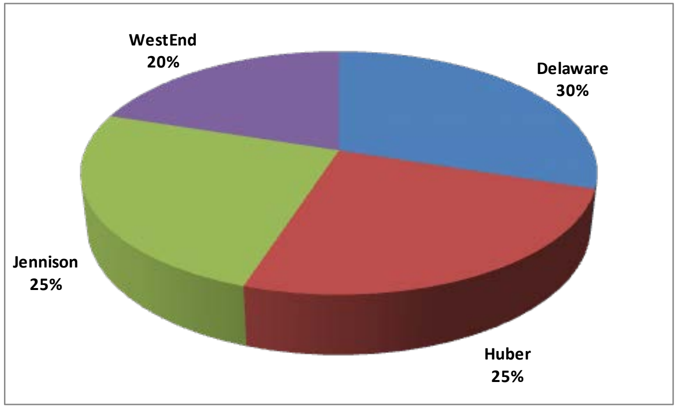
*Please carefully read the prospectus and summary prospectus and consider the investment objectives, risks, charges and expenses of Northern Funds before investing. Call **800-595-9111** to obtain a prospectus and summary prospectus, which contains this and other information about the funds.*

Multi-Manager Large Cap Fund (NMMLX)

Fund Facts

Fund Objective: Capital Appreciation
Inception Date: October 17, 2007
Ticker Symbol: NMMLX
Benchmark: Russell 1000® Index

Sub-Adviser Target Allocations*



*Actual allocations may vary.

Strategy Objectives

- Add value through the combination of sub-advisers who are specialists in their respective styles. This approach should isolate the stock selection skills of the sub-advisers as the primary source of value added for the Fund over time.
- Leverage a disciplined and consistent research process to identify sub-advisers who show high probability of success.
- Maintain the target allocations of the sub-advisers while continuously monitoring the style and characteristics of the Fund and sub-advisers to ensure that the Fund equally balances growth and value objectives while maintaining size (capitalization) characteristics similar to the Fund's market benchmark.

- ***By properly combining sub-advisers, we attempt to reduce low conviction bets, such as style and size, and focus the risk of the portfolio on higher conviction bets – the stock picking skills of the sub-advisers.***

Portfolio Characteristics

- Well diversified portfolio, benchmarked to the Russell 1000 Index.
- The Fund currently uses four sub-advisers with various investment approaches.
- Style characteristics are designed to be neutral to the Index.

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See page 12 for important disclosure information.

Glossary

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.

Weighted Average Market Capitalization: a firm's closing stock price multiplied by the number of shares.

% EPS Growth – past 5 years: a 5 year annualized earnings growth rate. Earnings per share is a part of a company's profit which is allocated to an individual outstanding share of common stock. As viewed by the investor, it is the rate of earnings which are returned on the original investment made. Also known as EPS for short, the earnings per share can be used to indicate a corporation's financial profitability.

Positive Trailing P/E: the ratio of a firm's closing stock price and its trailing 12 months' earnings per share, excluding those companies with negative earnings. A P/E ratio is generally used to provide investors with a better understanding of a company's value.

Price to Book: a ratio used to compare a stock's market value to its book value. It is calculated by dividing the current price of the stock by the latest quarter's book value per share. The higher the ratio, the higher the premium the market is willing to pay for the company above its hard assets.

Russell 1000® Index: An unmanaged index that measures the performance of the 1,000 largest companies in the Russell 3000 Index. The Russell 1000 represents approximately 92% of the total market capitalization of the Russell 3000 Index. It is not possible to invest directly in an index.

Russell 1000® Growth Index: An unmanaged index that measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. It is not possible to invest directly in an index.

Russell 1000® Value Index: An unmanaged index that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. It is not possible to invest directly in an index.

Russell 3000® Index: An unmanaged index that measures the performance of the 3,000 largest U.S. companies based on total market capitalization. These companies represent approximately 98% of the investable U.S. equity market. It is not possible to invest directly in an index.

Please refer to the Fund's prospectus for further information relating to principal risks.

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See page 12 for important disclosure information.

QUARTERLY COMMENTARY

- During the first quarter, the Multi-Manager Large Cap Fund underperformed, with a return of -1.49% compared with the benchmark return of 1.17%. Stock selection drove the Fund's underperformance during the quarter, particularly within energy, health care and financials. Sector allocation was modestly negative during the period, as the Fund's overweight to health care represented a slight drag on results.

- Among the sub-advisers, growth manager Jennison materially detracted from results as their growth-oriented holdings were hit hard during the early sell-off. While Jennison benefited from a rebound at the end of the quarter, it was not enough to offset earlier declines. Delaware Investments was the strongest performer during the period as their underweight to the financial sector was additive.

PERFORMANCE (in %) as of March 31, 2016

	Quarter	YTD	1 Year	3 Years	5 Years	Inception to Date	2015	2014	2013	2012	2011
Multi-Manager Large Cap Fund - Inception 10/17/07	-1.49	-1.49	-1.43	9.92	9.09	5.04	1.46	9.61	32.04	13.23	0.06
Russell 1000	1.17	1.17	0.50	11.52	11.35	5.86	0.92	13.24	33.11	16.42	1.50
Excess Return	*-2.66*	*-2.66*	*-1.93*	*-1.60*	*-2.26*	*-0.82*	*0.54*	*-3.63*	*-1.07*	*-3.19*	*-1.44*
Annual Expense Ratio: Gross, 0.95%; Net, 0.91% [1]											

Returns quoted represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may worth more or less than their original cost. Current performance may be lower or higher. Visit northernfunds.com for returns current to the most recent month-end. Returns for periods greater than one year are annualized. Net expense ratio reflects voluntary expense reimbursements by the Fund's investment advisors that may be changed or terminated at any time. See the Appendix for additional disclosure about performance.

[1]The Gross and Net Expense Ratios are as of the most recent prospectus. The Net Expense Ratio includes contractual expense reimbursements that, if not extended, will end of July 31, 2016.

The Fund benchmark is the Russell 1000 Index.

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Multi-Manager Large Cap Fund (NMMLX)
Fund Characteristics

1Q | 2016

FUND FACTS

Fund Objective: Capital Appreciation
Inception Date: October 17, 2007
Ticker Symbol: NMMLX
Benchmark: Russell 1000® Index

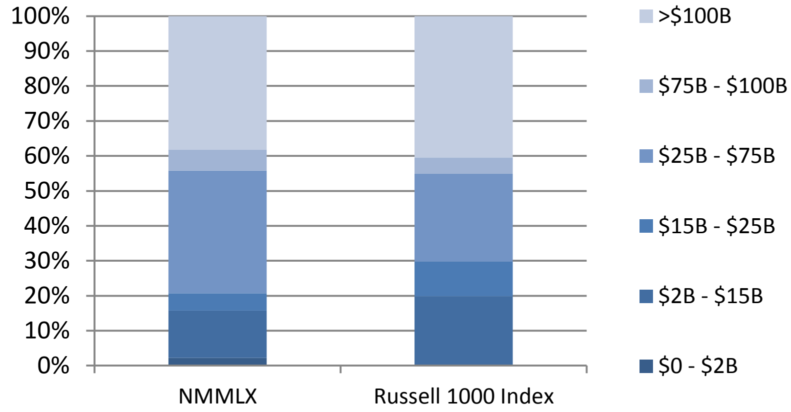
5 LARGEST HOLDINGS

Company	% of Fund
Apple Inc	2.4%
Ca Inc	2.2%
Pfizer Inc	2.0%
Mastercard Inc	2.0%
Northrop Corp	2.0%
Total*	10.6%

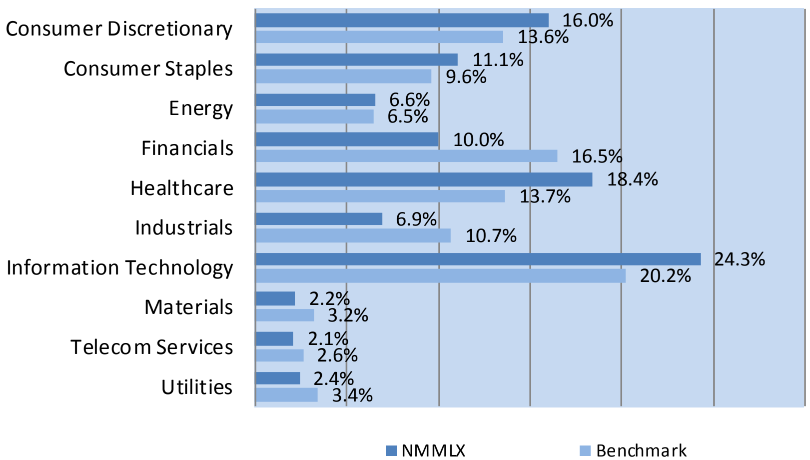
FUND CHARACTERISTICS

	NMMLX	Benchmark
Wtd Avg Market Cap	$104.5 Billion	$122.4 Billion
% EPS Growth - Past 5 yrs	5.32%	7.03%
Positive Trailing P/E	20.6x	19.6x
Price to Book	2.36	2.42
Number of Holdings**	143	1021

MARKET CAP BREAKDOWN



SECTOR ALLOCATIONS



*The "Total" column may not sum exactly due to rounding.
**Currency positions are excluded.
Portfolio composition may change at any time.
Source: Wilshire Atlas

See page 12 for important disclosure information.

Sub-Adviser 1Q 2016 Review

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Multi-Manager Large Cap Fund (NMMLX)
Sub-Adviser Allocation and Portfolio Characteristics 1Q | 2016

SUB-ADVISER ALLOCATION

Sub-Adviser	Target Allocation*	Role in Portfolio
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.

PORTFOLIO CHARACTERISTICS

	Delaware	Huber	Russell 1000 Value index	Jennison	Russell 1000 Growth Index	WestEnd	Russell 1000 Index	NMMLX	Russell 1000 Index
Wtd Avg Market Cap	$77.6 Billion	$81 Billion	$110 Billion	$152.6 Billion	$134 Billion	$113.3 Billion	$122.4 Billion	$104.5 Billion	$122.4 Billion
% EPS Growth - Past 5 yrs.	1.86%	0.63%	2.82%	10.24%	10.97%	10.43%	7.03%	5.32%	7.03%
Positive Trailing P/E	19.7x	16.x	17.4x	31.1x	22.2x	20.5x	19.6x	20.6x	19.6x
Price to Book	2.09	1.32	1.61	5.42	4.65	4.18	2.42	2.36	2.42
Number of Holdings**	34	49	685	61	636	20	1,021	143	1,021

*Actual allocations may vary.
**Currency positions are excluded.
Portfolio composition may change at any time.
Source: Wilshire Atlas

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See page 12 for important disclosure information.

DELAWARE INVESTMENTS

- At the portfolio level, sector allocation had a positive impact while stock selection had a negative impact. Investments in health care and energy caused the largest drags on relative returns. As a group, the portfolio's health care holdings trailed those in the benchmark. An overweight allocation also detracted from relative performance. In the energy sector, the portfolio's holdings also underperformed the sector more broadly. Investments in the financial and telecommunication services sectors contributed most to relative performance. The portfolio's financial stocks outperformed the sector and an underweight allocation was also beneficial. The portfolio's non-bank financial holdings helped offset some of the weakness in banks. In the telecommunication services sector, the portfolio's holdings modestly outperformed the sector. Most of the relative gain came from an overweight allocation.
- The team expects a continuation of the modest economic growth that has characterized the U.S. economy since the current recovery began in 2009. The sub-adviser notes that arly on, the need for deleveraging among consumers and financial institutions appeared to be a key impediment to economic activity. More recently, a significant build-up of debt outside of the U.S. seems to be contributing to lower demand for goods and services. U.S. stocks generally appear fully valued to the team. Price multiples for the S&P 500® Index are well above average while prospects for corporate revenue and earnings growth remain modest, in the team's view. At the end of first quarter, the price/earnings ratio for the S&P 500 Index based on 12-month trailing reported earnings was 22—its long-run average is approximately 16. Similarly, the price/cash flow ratio for the S&P Industrials Index was 14 versus a long-term average of 10 (source: Ned Davis Research). Overall, the team expects to maintain a defensive tilt in the portfolio, with overweight allocations in consumer staples, health care and telecommunication services and underweights in most of the more-cyclical areas of the market. The team is working on new investment ideas in the consumer discretionary, health care and information technology sectors.

HUBER CAPITAL MANAGEMENT

- The sub-adviser believes that a further decline in commodities and related fears regarding the impact of potential bankruptcies on global financial institutions resulted in a sharp increase in volatility early in the quarter and a concomitant decline in equities with many of the market's industrial subsectors entering bear market territory. Possibly due to dramatic declines in share prices which rendered the risk/reward opportunity too compelling to ignore, value stocks subsequently outperformed their growth counterparts and US equity market indices ended the period well off their lows. Huber notes that as indices once again approached beginning-of-year levels, the price momentum that had characterized 2014 and 2105 re-emerged, as investors returned to the few stocks perceived to have growth characteristics on concerns about slow economic growth.
- Though value outpaced growth in the quarter, Huber suggests that early volatility (reminiscent of that which occurs in "panic" markets) caused deep value stocks such as those held in the portfolio to sell off more strongly than their less "value-like" counterparts, a decline which colored the remainder of the quarter. As a result, the portfolio underperformed the Russell 1000® Value Index. Portfolio holdings in energy and financials, Huber believes all very attractive from a valuation perspective, weighed on results: the former trailing irrespective of cash coverage capability and financial strength as a further decline in the commodity prompted redemptions and, therefore, forced selling by energy and sovereign wealth funds, while the latter were weak in sympathy as investors anticipated the impact of bankruptcies on capital levels. The continued in-depth analysis of such issues as they pertain to these and all portfolio holdings (including a detailed review of financial institutions' loan portfolios) allows the sub-adviser to remain disciplined during such periods, seeking to capitalize on this dislocation by adding to positions when oversold with no material deviation in overall risk. Positive contributors to relative performance included portfolio holdings in consumer staples, utilities, and an overweight to materials.

Source: Wilshire Atlas

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JENNISON ASSOCIATES

- The portfolio underperformed the Russell 1000® Growth Index in the first quarter. Positions in health care, information technology, and consumer discretionary – sectors that contributed strongly to portfolio outperformance in 2015 – detracted from return in the quarter. In consumer staples and industrials, stock selection and underweights were detrimental. Stock selection in energy benefited absolute and relative return.
- Jennison examines company and industry prospects over the intermediate and long term, working to understand and anticipate how industries and businesses will change over time. It seeks to identify companies with sustainable above-average growth. Numerous factors, including company fundamentals, macroeconomic conditions, and market risk tolerance, cause variability in the way equity markets price securities in the short term. Jennison constantly assesses if and how these factors affect its investment thesis and company long-term value.
- The sub-adviser notes that fears of a further US slowdown waned as fourth-quarter 2015 GDP was revised up to1.4%; the pace of GDP growth in 2016 is now generally forecast at between 1.5% and 2.0%. The contributors of growth remain the same – a solid housing market, modestly rising employment, increased discretionary spending capability, and subdued input prices.
- The team remains confident that the factors driving the superior growth of portfolio holdings remain in place, as recently released financial results would attest. The drag of commodities looks likely to result in a modest decline in 2016 S&P 500 earnings. Jennison continues to believe that the 2016 earnings of portfolio holdings will grow at a mid-teens rate, driven by profit margin expansion, innovative new product introductions, and improving market share.

WESTEND

- The portfolio is a macroeconomic-based investment strategy. The strategy underperformed the Russell 1000 Index in Q1 2016. The largest positive contributor to relative performance of the portfolio was the avoidance of the financial sector, the second-worst performing sector in the Russell 1000 Index. The one of the largest negative contributors to relative performance of the portfolio during Q1 was stock selection within the information technology sector. The sub-adviser continues to believe stocks they own in the information technology sector should perform well in the economic and market environment we see ahead. Our overweight to the health care sector also contributed negatively to relative performance.
- WestEnd sees continued slow-to-moderate growth ahead in the U.S. and even more sluggish growth for overseas economies as the most likely scenario. With this outlook, they expect the energy and materials sectors are unlikely to sustain recent outperformance. Muted global economic growth and U.S. dollar strength (tied to accommodative monetary policy outside the U.S.) should keep downward pressure on commodity prices and, in turn, commodity-related equities. Additionally, for energy stocks, low oil prices may force oil producers to maintain or increase already-high production levels to meet their budgetary and cash-flow obligations, increasing downward pressure on oil. Other economically sensitive sectors, like industrials and financials, are also likely to face challenges in the subdued growth environment they anticipate.
- In contrast, they believe the consumer discretionary, information technology and health care sectors are well positioned to take advantage of the areas of economic strength WestEnd sees ahead, including consumer spending (even if somewhat subdued versus its growth over the past few years), business investment and health care spending.
- At the same time, the narrowing of economic strength and a recent decline in corporate profits in the U.S. raise the risk that growth weakens more severely. They remain focused on the economic data and the long-term economic trends, despite the equity market volatility to the start the year. Likewise, the portfolio remains positioned for the subdued growth environment they see ahead, even as they continue to closely watch and evaluate new data to determine if and when changes are warranted.

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See page 12 for important disclosure information.

Multi-Manager Large Cap Fund (NMMLX)
Sub-Adviser Market Capitalization & Sector Allocations 1Q | 2016

MARKET CAP BREAKDOWN

SECTOR ALLOCATIONS

	Delaware	Huber	Russell 1000 Value index	Jennison	Russell 1000 Growth Index	WestEnd	Russell 1000 Index	NMMLX	Russell 1000 Index
Consumer Discretionary	6.1%	6.0%	5.3%	30.5%	21.3%	25.1%	13.6%	16.0%	13.6%
Consumer Staples	12.2%	12.2%	7.4%	5.5%	11.8%	15.2%	9.6%	11.1%	9.6%
Energy	13.9%	7.7%	12.8%	1.7%	0.5%	0.0%	6.5%	6.6%	6.5%
Financials	12.3%	22.1%	28.1%	3.2%	5.6%	0.0%	16.5%	10.0%	16.5%
Healthcare	21.4%	13.7%	11.7%	15.4%	15.5%	24.0%	13.7%	18.4%	13.7%
Industrials	9.3%	13.1%	10.4%	3.3%	11.0%	0.0%	10.7%	6.9%	10.7%
Information Technology	12.3%	14.3%	11.6%	39.6%	28.3%	35.6%	20.2%	24.3%	20.2%
Materials	3.2%	4.1%	2.8%	0.8%	3.5%	0.0%	3.2%	2.2%	3.2%
Telecom Services	6.2%	0.9%	2.9%	0.0%	2.4%	0.0%	2.6%	2.1%	2.6%
Utilities	3.1%	5.9%	7.0%	0.0%	0.1%	0.0%	3.4%	2.4%	3.4%
Total*	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*The “Total” column may not sum exactly due to rounding.
Portfolio composition may change at any time.
Source: Wilshire Atlas

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See page 12 for important disclosure information.

Appendix

- Disclosure of additional information

Appendix: Disclosures

- **Past performance does not guarantee future results.**
- Total return is based on net change in NAV, assuming reinvestment of all distributions. Returns for periods greater than one year are annualized. Returns of an index do not reflect the deduction of any management fees, transaction costs or other expenses. Direct investment in an index is not possible.
- This presentation is provided for informational purposes only and does not constitute an offer or solicitation to purchase or sell any funds. Information should not be considered investment advice, a recommendation to buy or sell any security or an endorsement of any underlying sub-advisers' investment strategies. There is no assurance that the securities discussed are still in the Funds' portfolio or that securities sold have not been repurchased. It should not be assumed that any of the securities transactions or holdings discussed was or will be profitable, or that the investment decisions made in the future will be profitable or will equal the investment performance of the securities discussed herein.
- Portfolio sector and characteristics comparisons are provided to illustrate sector allocations and characteristics for each Fund/sub-adviser's strategy versus their respective benchmarks as of the date indicated. The information in this presentation reflects prevailing market conditions and our judgment as of this date, which are subject to change. In preparing this presentation we have relied upon and assumed without independent verification, the accuracy and completeness of all information available from public sources.
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