



NORTHERN MULTI-MANAGER FUNDS

ANNUAL REPORT

MARCH 31, 2011

TRUST NORTHERN FOR WHAT REALLY MATTERS



Managed by
Northern Trust



A MESSAGE FROM
BOB BROWNE

CHIEF INVESTMENT OFFICER

The world equity markets delivered robust results during the 12-month period ended March 31, 2011, thanks largely to the steady improvement in global growth and the highly accommodative policies of the world's major central banks. Most notably, the U.S. Federal Reserve boosted investor sentiment by enacting the policy of quantitative easing — i.e., increasing the money supply — that became known as “QE2.” By announcing its intention to inject \$600 billion into the U.S. economy, the Fed essentially gave investors a green light to take on more risk in their portfolios — a distinct positive for equities.

The reporting period also brought favorable news on the economic front, with improving data from the world's developed economies and continued robust growth in the emerging markets. The U.S. labor market started to show signs of improvement, raising the likelihood of a self-sustaining economic recovery. Global purchasing manager surveys also indicated continued strength in both the manufacturing and services sectors. And China's too-rapid economic growth showed some signs of moderation — a longer-term positive for the markets.

The global expansion, in turn, helped propel U.S. corporate earnings by

boosting top-line revenues, which helped offset increased cost pressures. Fourth-quarter 2010 corporate earnings, which were reported in the first quarter of 2011, exceeded expectations with a double-digit increase. The improving health of corporate America fueled a rise in capital expenditures, share buybacks, and merger and acquisition activity — all of which helped to boost stock prices.

With this as the backdrop, the prospects for a global economic recovery more than offset the impact of potentially disruptive headline news events, including the weakening of government finances worldwide, turmoil in the Middle East and the catastrophe in Japan. Consistent with an environment of elevated investor risk appetite and improving global growth, the best performance came from the higher-risk areas of the market, with small caps outpacing large caps, growth outperforming value, and emerging markets equities delivering a return well in excess of their developed-market counterparts. The positive climate also favored the areas of the market with the highest degree of economic sensitivity and the largest exposure to commodity prices, including stocks in the energy, materials and industrials sectors.

Conversely, the more defensive areas of the market — such as health care and utilities — fell short of the returns for the broader indices.

Looking ahead, the confluence of North African and Middle East unrest, the European sovereign debt crisis and the Japanese earthquake has raised questions about the prospects for global growth. However, while the recent earthquake in Japan represented a truly horrific event in terms of the human cost, it is not expected to have a material impact on the continued revival in global industrial production, personal income and manufacturing. We therefore think the most likely scenario remains a continuing global economic expansion that has the potential to favor stocks over the long term. While the possibility of rising inflation represents a potential headwind, we believe equities remain attractive given the stable economic outlook, strength in corporate profits and stock valuation levels. Nevertheless, we will continue to analyze the current exogenous shocks and their potential effect on financial markets.

Bob Browne
Chief Investment Officer
Northern Trust

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The report has been prepared for the general information of Northern Funds shareholders. It is not authorized for distribution to prospective investors unless accompanied or preceded by a current Northern Funds prospectus, which contains more complete information about Northern Funds' investment policies, management fees and expenses. Investors are reminded to read the prospectus carefully before investing or sending money.

Performance calculations reflect fee waivers and reimbursements in effect. In the absence of fee waivers and reimbursements, total return would have been reduced. Total return is based on net change in net asset value assuming reinvestment of all dividends and distributions.

Northern Funds' performance is compared to various market indices. Unlike a mutual fund, the performance of an index assumes no transaction costs, taxes, management fees or other expenses. A direct investment in an index is not possible.

The recent growth rate in the stock market has helped to produce short-term returns that are not typical and may not continue in the future. Because of ongoing market volatility, Northern Funds' performance may be subject to substantial short-term changes.

This report contains certain forward-looking statements about factors that may affect the performance of Northern Funds in the future. These statements are based on Northern Funds' management predictions and expectations concerning certain future events, such as performance of the economy as a whole and of specific industry sectors, changes in the levels of interest rates, the impact of developing world events, and other factors. Management believes these forward-looking statements to be reasonable, although they are inherently uncertain and difficult to predict. Actual events may cause adjustments in Northern Funds' management strategies from those currently expected to be employed.

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MULTI-MANAGER EMERGING MARKETS EQUITY FUND

PORTFOLIO MANAGEMENT COMMENTARY

Emerging markets equities delivered strong returns during the 12-month period ended March 31, 2011, returning 18.46%, as measured by the MSCI Emerging Markets IndexSM, and outperforming the 10.42% return of the developed international markets, as measured by the MSCI EAFE[®] Index. Russia, which gained over 30%, was the top performer among the major emerging markets. India and China, on the other hand, lagged the asset class with returns of just over 9%.

During the 12-month period, the Multi-Manager Emerging Markets Fund returned 20.88% and outperformed its benchmark, the MSCI Emerging Markets IndexSM. The primary driver of results came from effective stock selection by the Fund's sub-advisers. Fund performance was particularly robust in Brazil, China and the Middle East. From a sector perspective, an overweight allocation to consumer discretionary stocks added value, as did stock selection in technology and financials. We held a marginal amount of cash for liquidity purposes, which also detracted from returns given the market's substantial rally. Three of the Fund's four sub-advisers outperformed the benchmark during the period.

We did not make any changes to the Fund's sub-advisers during the period, as all four performed within expectations. We continue to monitor the Fund and its sub-advisers to ensure that the portfolio maintains style neutrality as expected. We maintain our conviction in the long-term effectiveness of our focus on risk-adjusted return and individual stock selection, and are constantly reviewing the Fund's sub-advisers and structure for any areas of improvement.

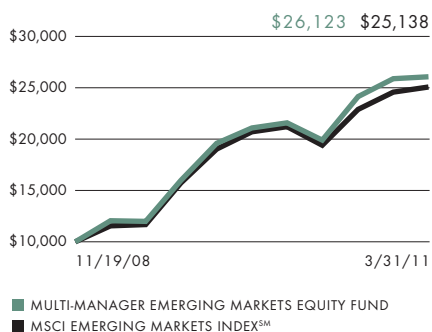
INVESTMENT PERFORMANCE

AVERAGE ANNUAL RETURNS for periods ended March 31, 2011

TOTAL RETURN	ONE YEAR	SINCE INCEPTION
MULTI-MANAGER EMERGING MARKETS EQUITY	20.88%	50.17%
MSCI EMERGING MARKETS INDEX SM	18.46	47.75

Performance reflects voluntary and contractual fee waivers and reimbursements in effect. In their absence, performance would be reduced. Performance quoted represents past performance and does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown here. Performance data current to the most recent month-end is available at northernfunds.com.

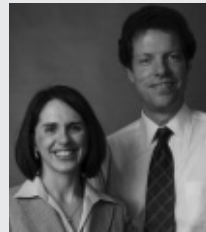
GROWTH OF A \$10,000 INVESTMENT



The MSCI Emerging Markets IndexSM is a free-float adjusted market capitalization index designed to measure the equity market performance in the global emerging markets.

Information about Investment Considerations can be found on page 107.

PORTFOLIO MANAGERS



JESSICA K. HART

With Northern Trust since 2000

ANDREW SMITH, CIO, NTCC

With Northern Trust since 2000

FUND FACTS (as of 3/31/11)

TICKER SYMBOL	NMMEX
INCEPTION DATE	11/19/08
NET ASSETS	\$2.5 BILLION
NET ASSET VALUE	\$23.13
DIVIDEND SCHEDULE	ANNUALLY
GROSS EXPENSE RATIO ⁽¹⁾	1.58%
NET EXPENSE RATIO	1.45%

(1) The Gross Expense Ratio presented is based on the gross expense ratio as reported in the Fund's current prospectus, which may differ from the gross expense ratio presented in the Fund's financial highlights.

The graph and table do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. Unlike the Index, the Fund's total returns are reduced by operating expenses, such as transaction costs and management fees.

MULTI-MANAGER GLOBAL REAL ESTATE FUND

PORTFOLIO MANAGEMENT COMMENTARY

Global equity markets delivered very strong absolute performance during the 12-month period ended March 31, 2011 and the public real estate securities market was no exception. The FTSE® EPRA®/NAREIT® Global Index — the Fund's benchmark — gained 17.63% during the period. North American securities delivered the highest returns, followed closely by companies in Continental Europe. From a sector perspective, all parts of the benchmark delivered double-digit results, with residential real estate providing the best absolute returns. The global real estate market has delivered robust results since the Fund's inception in November 2008, with an annualized return of 36.79% during this period.

The Multi-Manager Global Real Estate Fund returned 16.59% for the 12-month period ended March 31, 2011, underperforming its benchmark. Security selection in the retail and specialty real estate sectors represented the primary driver of underperformance. The Fund's modest allocation to cash, which we held for liquidity purposes, also detracted given double-digit returns for equities during the period. Among the Fund's sub-advisers, European Investors — which delivered strong results in Asia and the United Kingdom — was the best performer. Cohen & Steers underperformed the benchmark primarily due to security selection in North America.

We did not make any changes to the Fund's sub-advisers during the year, as all three of the sub-advisers performed within expectations. We continue to monitor the Fund and its sub-advisers to ensure that the portfolio maintains style neutrality as expected. We also continue to focus on risk-adjusted return and individual stock selection. We maintain our conviction in this approach, and are constantly reviewing the Fund's sub-advisers and structure for any areas of improvement.

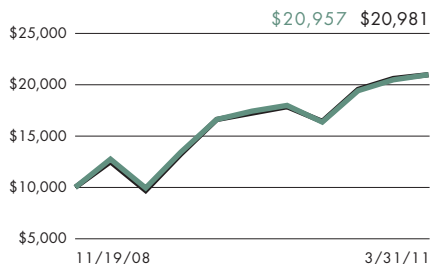
INVESTMENT PERFORMANCE

AVERAGE ANNUAL RETURNS for periods ended March 31, 2011

TOTAL RETURN	ONE YEAR	SINCE INCEPTION
MULTI-MANAGER GLOBAL REAL ESTATE	16.59%	36.79%
FTSE®EPRA®/NAREIT® GLOBAL INDEX	17.63	36.86

Performance reflects voluntary and contractual fee waivers and reimbursements in effect. In their absence, performance would be reduced. Performance quoted represents past performance and does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown here. Performance data current to the most recent month-end is available at northernfunds.com.

GROWTH OF A \$10,000 INVESTMENT

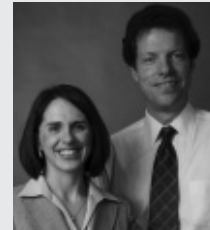


■ MULTI-MANAGER GLOBAL REAL ESTATE FUND
■ FTSE® EPRA®/NAREIT® GLOBAL INDEX

The FTSE®EPRA®/NAREIT® Global Index is a free float-adjusted market capitalization weighted index that is designed to reflect the stock performance of real estate companies and REITs engaged in specific aspects of North American, European and Asian real estate markets.

Information about Investment Considerations can be found on page 107.

PORTFOLIO MANAGERS



JESSICA K. HART
With Northern Trust since 2000
ANDREW SMITH, CIO, NTCC
With Northern Trust since 2000

FUND FACTS (as of 3/31/11)

TICKER SYMBOL	NMMGX
INCEPTION DATE	11/19/08
NET ASSETS	\$820 MILLION
NET ASSET VALUE	\$18.20
DIVIDEND SCHEDULE	QUARTERLY
GROSS EXPENSE RATIO ⁽¹⁾	1.48%
NET EXPENSE RATIO	1.29%

(1) The Gross Expense Ratio presented is based on the gross expense ratio as reported in the Fund's current prospectus, which may differ from the gross expense ratio presented in the Fund's financial highlights.

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MULTI-MANAGER INTERNATIONAL EQUITY FUND

PORTFOLIO MANAGEMENT COMMENTARY

Global equity markets delivered solid performance during the 12-month period ended March 31, 2011, as gauged by the 13.15% return of the Multi-Manager International Equity Fund's benchmark, the MSCI ACWI® Ex-U.S. Index. Emerging markets outperformed developed markets by a wide margin, with the MSCI Emerging Markets IndexSM rising 18.46% versus the 10.42% return of the MSCI EAFE® Index. Japan, which lagged sharply in the first quarter of 2011, was the clear outlier in terms of performance. From a sector perspective, energy, technology and materials drove the benchmark's return.

The Fund returned 11.49% for the 12-month period ended March 31, 2011, lagging the 13.15% return of the benchmark. The Fund's overweight allocation to Japan was the single largest detractor from performance. As of the end of March, the Fund held approximately 20% of its assets in Japan compared to 14% in the benchmark. Although the overweight allocation to Japan represented a drag on performance, the Fund's holdings in the country outperformed the broader Japanese market. The Fund's positioning in Japan did not change in the wake of the March disaster, but the sub-advisers continue to evaluate the longer-term impact of recent events. Stock selection, particularly in Canada and the emerging markets, had a positive impact on performance. The Fund's underweight allocation in financials also added value.

We made one change to the Fund's sub-advisers during the reporting period, adding NFJ Investment Group, LLC as a fifth manager in the Fund during the third quarter of 2010. NFJ offers a consistent value footprint to add diversification within the Fund's value segment. In managing the Fund, we continue to focus on risk-adjusted return and individual stock selection. We maintain our conviction in this approach, and are constantly reviewing the Fund's sub-advisers and structure for any areas of improvement.

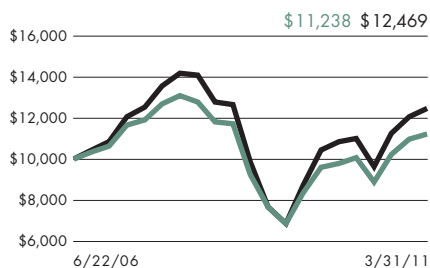
INVESTMENT PERFORMANCE

AVERAGE ANNUAL RETURNS for periods ended March 31, 2011

TOTAL RETURN	ONE YEAR	THREE YEAR	SINCE INCEPTION
MULTI-MANAGER INTERNATIONAL EQUITY	11.49%	-1.67%	2.48%
MSCI ACWI® EX-U.S. INDEX	13.15	-0.85	4.73

Performance reflects voluntary and contractual fee waivers and reimbursements in effect. In their absence, performance would be reduced. Performance quoted represents past performance and does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown here. Performance data current to the most recent month-end is available at northernfunds.com.

GROWTH OF A \$10,000 INVESTMENT

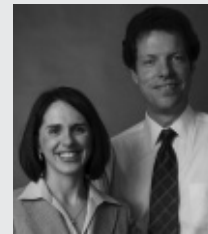


■ MULTI-MANAGER INTERNATIONAL EQUITY FUND
■ MSCI ACWI® EX-U.S. INDEX

The MSCI ACWI® Ex-U.S. Index is a free-float adjusted market capitalization index designed to measure the equity performance in the global developed and emerging markets, excluding the U.S.

Information about Investment Considerations can be found on page 107.

PORTFOLIO MANAGERS



JESSICA K. HART
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ANDREW SMITH, CIO, NTCC
With Northern Trust since 2000

FUND FACTS (as of 3/31/11)

TICKER SYMBOL	NMIEX
INCEPTION DATE	06/22/06
NET ASSETS	\$3.5 BILLION
NET ASSET VALUE	\$10.17
DIVIDEND SCHEDULE	ANNUALLY
GROSS EXPENSE RATIO ⁽¹⁾	1.45%
NET EXPENSE RATIO	1.38%

(1) The Gross Expense Ratio presented is based on the gross expense ratio as reported in the Fund's current prospectus, which may differ from the gross expense ratio presented in the Fund's financial highlights.

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MULTI-MANAGER LARGE CAP FUND

PORTFOLIO MANAGEMENT COMMENTARY

Despite a bout of volatility in the second quarter of 2010, the 12-month period ended March 31, 2011 was characterized by strong absolute performance for the U.S. equity market. The Russell 1000® Index gained 16.69% during the period, but underperformed the mid- and small-cap markets, as measured by the Russell MidCap® Index and Russell 2000® Index, respectively. Sector performance was highly divergent, with the best results coming from the energy sector, which returned 40%, and telecommunications services, which gained 28%. The bottom-performing sectors delivered single-digit results, with financials up just over 4% and health care gaining approximately 7%. Growth outperformed value within the large-cap universe, as the Russell 1000® Growth Index returned 18.26%, versus 15.15% for the Russell 1000® Value Index.

The Multi-Manager Large Cap Fund returned 17.36% during the 12-month period ended March 31, 2011, outperforming the 16.69% return of its benchmark, the Russell 1000® Index. While the Fund benefited to a certain extent from sector positioning, strong stock selection was the primary driver of performance. Stock selection in the information technology sector, where the sub-advisers Marsico Capital and Delaware Investments both outperformed, was particularly effective. The energy sector was also an area of strength during the period. Delaware Investments, whose portfolio gained over 21% during the period, was the top performer among the Fund's sub-advisers.

We made one change to the Fund's sub-advisers during the 12-month period, removing the value manager Metropolitan West Capital Management, replaced by NWQ Investment Management. NWQ employs an opportunistic value strategy that seeks undervalued companies with identifiable catalysts that they expect will improve company profitability and generate above-market returns. NWQ began managing assets in the Fund effective February 1, 2011. Overall, we continue to focus on risk-adjusted return and individual stock selection. We maintain our conviction in this approach, and are constantly reviewing the Fund's sub-advisers and structure for any areas of improvement.

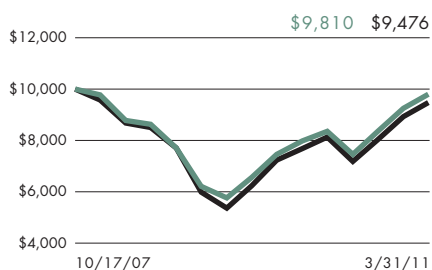
INVESTMENT PERFORMANCE

AVERAGE ANNUAL RETURNS for periods ended March 31, 2011

TOTAL RETURN	ONE YEAR	THREE YEAR	SINCE INCEPTION
MULTI-MANAGER LARGE CAP	17.36%	3.73%	-0.55%
RUSSELL 1000® INDEX	16.69	2.98	-1.55

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GROWTH OF A \$10,000 INVESTMENT

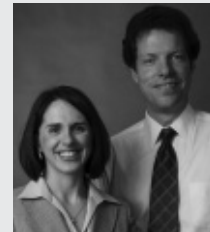


■ MULTI-MANAGER LARGE CAP FUND
■ RUSSELL 1000® INDEX

The Russell 1000® Index is an unmanaged index measuring the performance of the 1,000 largest companies in the Russell 3000 Index.

Information about Investment Considerations can be found on page 107.

PORTFOLIO MANAGERS



JESSICA K. HART

With Northern Trust since 2000

ANDREW SMITH, CIO, NTCC

With Northern Trust since 2000

FUND FACTS (as of 3/31/11)

TICKER SYMBOL	NMMLX
INCEPTION DATE	10/17/07
NET ASSETS	\$1.0 BILLION
NET ASSET VALUE	\$9.56
DIVIDEND SCHEDULE	QUARTERLY
GROSS EXPENSE RATIO ⁽¹⁾	1.20%
NET EXPENSE RATIO	1.19%

(1) The Gross Expense Ratio presented is based on the gross expense ratio as reported in the Fund's current prospectus, which may differ from the gross expense ratio presented in the Fund's financial highlights.

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Unlike the Index, the Fund's total returns are reduced by operating expenses, such as transaction costs and management fees.

MULTI-MANAGER MID CAP FUND

PORTFOLIO MANAGEMENT COMMENTARY

Mid-cap equities delivered strong absolute performance during the 12-month period ended March 31, 2011. The Russell MidCap® Index, the Multi-Manager Mid Cap Fund's benchmark, gained 24.27% during the period, outperforming large-cap stocks but finishing slightly behind the smaller-capitalization Russell 2000® Index. All sectors delivered double-digit gains, with particular strength in the industrials and energy sectors. The financial sector, which rose 17%, was the weakest area of the market. From a style perspective, growth outperformed value, with the Russell MidCap® Growth Index returning 26.60%, compared with 22.26% for the Russell Mid-Cap® Value Index.

The Fund performed in line with its benchmark during the 12-month period ended March 31, 2011, returning 24.28%. Stock selection in the information technology sector continued to be strong, thanks largely to the outperformance of the sub-adviser TCW. The Fund also benefited from its overweight allocation to the energy and industrial sectors, two top-performing areas of the market. The portfolio's largest margin of underperformance occurred in the financial sector, where each of the sub-advisers struggled to add value. Among the sub-advisers, the growth manager Geneva Capital led performance with a return of over 32% during the 12-month period. Geneva's strong stock selection in multiple areas of the market drove their robust results.

We did not make any manager changes to the Fund during the reporting period. All four sub-advisers delivered performance within expectations given market conditions. In managing the Fund, we continue to focus on risk-adjusted return and individual stock selection. We maintain our conviction in this approach, and are constantly reviewing the Fund's sub-advisers and structure for any areas of improvement.

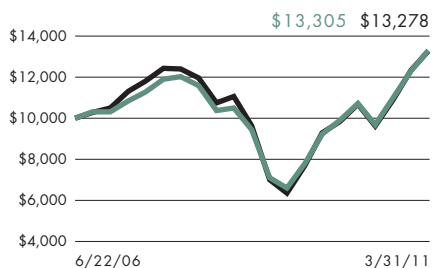
INVESTMENT PERFORMANCE

AVERAGE ANNUAL RETURNS for periods ended March 31, 2011

TOTAL RETURN	ONE YEAR	THREE YEAR	SINCE INCEPTION
MULTI-MANAGER MID CAP	24.28%	8.64%	6.17%
RUSSELL MIDCAP® INDEX	24.27	7.25	6.12

Performance reflects voluntary and contractual fee waivers and reimbursements in effect. In their absence, performance would be reduced. Performance quoted represents past performance and does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown here. Performance data current to the most recent month-end is available at northernfunds.com.

GROWTH OF A \$10,000 INVESTMENT

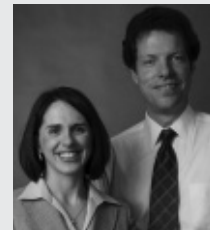


■ MULTI-MANAGER MID CAP FUND
■ RUSSELL MIDCAP® INDEX

The Russell MidCap® Index is an unmanaged index measuring the performance of the 800 smallest companies in the Russell 1000 Index.

Information about Investment Considerations can be found on page 107.

PORTFOLIO MANAGERS



JESSICA K. HART
With Northern Trust since 2000
ANDREW SMITH, CIO, NTCC
With Northern Trust since 2000

FUND FACTS (as of 3/31/11)

TICKER SYMBOL	NMMCX
INCEPTION DATE	06/22/06
NET ASSETS	\$1.1 BILLION
NET ASSET VALUE	\$12.59
DIVIDEND SCHEDULE	ANNUALLY
GROSS EXPENSE RATIO ⁽¹⁾	1.20%
NET EXPENSE RATIO	1.19%

(1) The Gross Expense Ratio presented is based on the gross expense ratio as reported in the Fund's current prospectus, which may differ from the gross expense ratio presented in the Fund's financial highlights.

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MULTI-MANAGER SMALL CAP FUND

PORTFOLIO MANAGEMENT COMMENTARY

Despite unfavorable market performance in the second quarter of 2010, the 12 months ended March 31, 2011 were characterized by strong absolute returns for small-cap equities. The Russell 2000® Index — the Multi-Manager Small Cap Fund's benchmark — gained 25.79% during the period. All sectors delivered double-digit gains, with particular strength in the information technology and energy sectors. The financial sector, which gained 12%, was the weakest area of the market. From a style perspective, growth was the clear winner, with the Russell 2000® Growth Index returning 31.04% and outpacing the 20.63% return of the Russell 2000® Value Index. The Fund returned 25.79% during the 12-month period ended March 31, 2011, matching the return of the benchmark. The Fund's underweight to the financial sector, combined with strong stock selection in financials, contributed to results. However, performance in the industrials sector lagged. Among the Fund's sub-advisers, CopperRock Capital Partner's growth strategy significantly underperformed during most of the period.

We made several changes to the Fund's sub-advisers during the reporting period. During the second quarter of 2010, we removed the quantitative manager OFI Institutional and replaced OFI with two new managers, Denver Investment Advisors and Hotchkis & Wiley. By adding these two sub-advisers, we increased the Fund's overall value exposure and created an improved style balance in the portfolio. Later, in the first quarter of 2011, we removed the growth manager CopperRock Capital, which was replaced by Allianz Global Investors Capital. In addition, we removed Metropolitan West Capital Management, which was replaced by Cardinal Capital Management.

The Fund experienced a higher level of sub-adviser turnover during the 12-month period than we would typically expect. The changes occurred for a variety of reasons, including performance issues as well as personnel and organizational changes at the sub-advisers. We were very proactive in addressing challenges, and the Fund's performance improved following these changes. In fact, the Fund outperformed the benchmark during the fourth quarter of 2010 and the first quarter of 2011. Even with the sub-adviser shifts, the portfolio's profile has not changed. We believe that the Fund continues to deliver a core, well-diversified and risk-managed approach to small-cap investing.

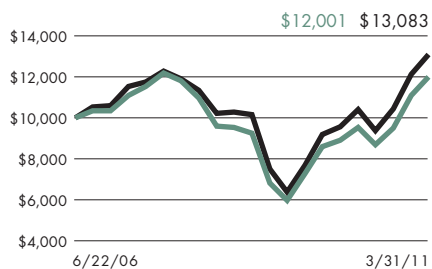
INVESTMENT PERFORMANCE

AVERAGE ANNUAL RETURNS for periods ended March 31, 2011

TOTAL RETURN	ONE YEAR	THREE YEAR	SINCE INCEPTION
MULTI-MANAGER SMALL CAP	25.79%	7.77%	3.90%
RUSSELL 2000® INDEX	25.79	8.57	5.79

Performance reflects voluntary and contractual fee waivers and reimbursements in effect. In their absence, performance would be reduced. Performance quoted represents past performance and does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown here. Performance data current to the most recent month-end is available at northernfunds.com.

GROWTH OF A \$10,000 INVESTMENT

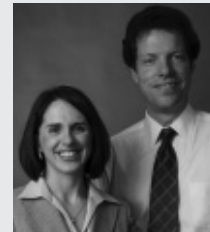


■ MULTI-MANAGER SMALL CAP FUND
■ RUSSELL 2000® INDEX

The Russell 2000® Index is an unmanaged index that measures the performance of the 2,000 smallest of the 3,000 largest U.S. companies, based on market capitalization.

Information about Investment Considerations can be found on page 107.

PORTFOLIO MANAGERS



JESSICA K. HART

With Northern Trust since 2000

ANDREW SMITH, CIO, NTCC

With Northern Trust since 2000

FUND FACTS (as of 3/31/11)

TICKER SYMBOL	NMMSX
INCEPTION DATE	06/22/06
NET ASSETS	\$592 MILLION
NET ASSET VALUE	\$11.12
DIVIDEND SCHEDULE	ANNUALLY
GROSS EXPENSE RATIO ⁽¹⁾	1.41%
NET EXPENSE RATIO	1.39%

(1) The Gross Expense Ratio presented is based on the gross expense ratio as reported in the Fund's current prospectus, which may differ from the gross expense ratio presented in the Fund's financial highlights.

The graph and table do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

Unlike the Index, the Fund's total returns are reduced by operating expenses, such as transaction costs and management fees.

MULTI-MANAGER HIGH YIELD OPPORTUNITY FUND

PORTFOLIO MANAGEMENT COMMENTARY

The high-yield bond market performed well during the 12 months ended March 31, 2011, as investors' search for yield led to continued inflows of cash into the asset class. The Merrill Lynch High Yield Master II Constrained Index, the Multi-Manager High Yield Opportunity Fund's benchmark, advanced 14.14%. While significantly less than the prior year's return, this gain underscores the continued strength within the asset class.

The Fund slightly underperformed the benchmark with a return of 13.58% during the 12-month period ended March 31, 2011. The Fund benefited from its overweight allocation to convertible bonds, which outperformed. This exposure is largely held within the portion of the Fund sub-advised by Loomis Sayles, which continues to see value in these positions. The marginal amount of cash held in the Fund for liquidity purposes — less than 2% of assets — represented a drag on returns in a rising market.

We did not make any changes to the Fund's sub-advisers, as both sub-advisers performed within expectations. We continue to monitor the Fund and its sub-advisers to ensure that the Fund maintains style neutrality as expected. In managing the Fund, we continue to focus on risk-adjusted return and individual stock selection. We maintain our conviction in this approach, and are constantly reviewing the Fund's sub-advisers and structure for any areas of improvement.

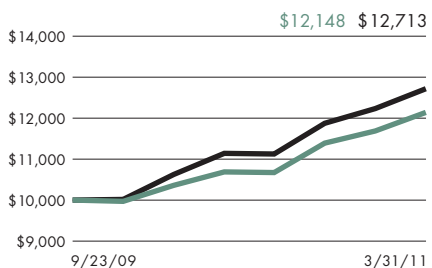
INVESTMENT PERFORMANCE

AVERAGE ANNUAL RETURNS for periods ended March 31, 2011

TOTAL RETURN	ONE YEAR	SINCE INCEPTION
MULTI-MANAGER HIGH YIELD OPPORTUNITY	13.58%	13.68%
MERRILL LYNCH HIGH YIELD MASTER II CONSTRAINED INDEX	14.14	17.13

Performance reflects voluntary and contractual fee waivers and reimbursements in effect. In their absence, performance would be reduced. Performance quoted represents past performance and does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown here. Performance data current to the most recent month-end is available at northernfunds.com.

GROWTH OF A \$10,000 INVESTMENT

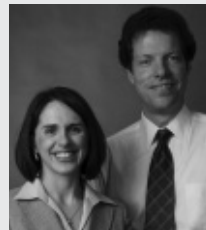


■ MULTI-MANAGER HIGH YIELD OPPORTUNITY FUND
 ■ MERRILL LYNCH HIGH YIELD MASTER II CONSTRAINED INDEX

Merrill Lynch High Yield Master II Constrained Index is an unmanaged, market value-weighted index that limits exposure to any given issuer and tracks the public high yield debt market.

Information about Investment Considerations can be found on page 107.

PORTFOLIO MANAGERS



JESSICA K. HART

With Northern Trust since 2000

ANDREW SMITH, CIO, NTCC

With Northern Trust since 2000

FUND FACTS (as of 3/31/11)

TICKER SYMBOL	NMHYX
INCEPTION DATE	9/23/09
NET ASSETS	\$649 MILLION
NET ASSET VALUE	\$10.98
DIVIDEND SCHEDULE	MONTHLY
GROSS EXPENSE RATIO ⁽¹⁾	1.21%
NET EXPENSE RATIO	1.08%

(1) The Gross Expense Ratio presented is based on the gross expense ratio as reported in the Fund's current prospectus, which may differ from the gross expense ratio presented in the Fund's financial highlights.

The graph and table do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

Unlike the Index, the Fund's total returns are reduced by operating expenses, such as transaction costs and management fees.

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STATEMENTS OF ASSETS AND LIABILITIES

Amounts in thousands, except per share data	MULTI-MANAGER EMERGING MARKETS EQUITY FUND	MULTI-MANAGER GLOBAL REAL ESTATE FUND	MULTI-MANAGER INTERNATIONAL EQUITY FUND
ASSETS:			
Investments, at cost ⁽¹⁾	\$1,994,427	\$620,615	\$3,066,685
Investments, at value ⁽²⁾	\$2,477,535	\$817,536	\$3,443,241
Foreign currencies, at value (cost \$10,702, \$52, \$5,943, respectively)	10,722	53	6,048
Dividend income receivable	4,146	2,194	13,610
Interest income receivable	—	—	4
Receivable for foreign tax reclaimable	19	283	2,431
Receivable for securities sold	6,093	3,552	17,518
Receivable for variation margin on futures contracts	—	—	3
Receivable for fund shares sold	2,753	1,101	5,559
Receivable from investment adviser	48	31	67
Unrealized gain on forward foreign currency exchange contracts	5	2	135
Prepaid and other assets	4	1	5
Total Assets	2,501,325	824,753	3,488,621
LIABILITIES:			
Unrealized loss on forward foreign currency exchange contracts	1	1	2,077
Payable for securities purchased	27,158	3,894	32,207
Payable for when-issued securities	—	—	—
Payable for variation margin on futures contracts	—	—	288
Payable for fund shares redeemed	3,042	140	1,217
Payable to affiliates:			
Investment advisory fees	533	171	675
Administration fees	70	23	98
Custody and accounting fees	50	19	69
Shareholder servicing fees	2	—	3
Transfer agent fees	46	16	65
Trustee fees	—	—	4
Accrued other liabilities	64	17	113
Total Liabilities	30,966	4,281	36,816
Net Assets	\$2,470,359	\$820,472	\$3,451,805
ANALYSIS OF NET ASSETS:			
Capital stock	\$1,860,713	\$607,339	\$3,256,312
Accumulated undistributed net investment income (loss)	(3,410)	1,675	6,855
Accumulated undistributed net realized gain (loss)	129,857	14,531	(188,561)
Net unrealized appreciation	483,199	196,927	377,199
Net Assets	\$2,470,359	\$820,472	\$3,451,805
Shares Outstanding (\$.0001 par value, unlimited authorization)	106,789	45,085	339,528
Net Asset Value, Redemption and Offering Price Per Share	\$23.13	\$18.20	\$10.17

(1) Amounts include cost from the Diversified Assets Portfolio of the Northern Institutional Funds of \$67,513, \$32,987, \$150,589, \$60,191, \$39,522, \$26,965 and \$30,007, respectively.

(2) Amounts include value from the Diversified Assets Portfolio of the Northern Institutional Funds of \$67,513, \$32,987, \$150,589, \$60,191, \$39,522, \$26,965 and \$30,007, respectively.

See Notes to the Financial Statements.

MULTI-MANAGER LARGE CAP FUND	MULTI-MANAGER MID CAP FUND	MULTI-MANAGER SMALL CAP FUND	MULTI-MANAGER HIGH YIELD OPPORTUNITY FUND
\$884,376	\$894,235	\$509,122	\$608,791
\$1,048,143	\$1,136,571	\$593,043	\$642,970
—	—	—	—
1,056	830	374	7
—	—	—	12,178
—	—	—	—
627	16,440	3,923	3,262
—	132	38	—
2,326	1,849	158	920
21	14	19	58
—	—	—	1
2	2	8	1
1,052,175	1,155,838	597,563	659,397
—	—	—	44
2,483	16,692	5,121	6,062
—	—	328	3,836
42	—	1	—
578	450	199	142
177	191	122	99
30	32	17	19
8	10	3	16
—	3	—	1
20	21	11	12
1	5	1	—
26	36	13	17
3,365	17,440	5,816	10,248
\$1,048,810	\$1,138,398	\$591,747	\$649,149
\$875,435	\$888,189	\$467,685	\$607,894
100	(5)	(1)	1,074
9,066	7,033	39,785	6,033
164,209	243,181	84,278	34,148
\$1,048,810	\$1,138,398	\$591,747	\$649,149
109,677	90,434	53,204	59,139
\$9.56	\$12.59	\$11.12	\$10.98

See Notes to the Financial Statements.

STATEMENTS OF OPERATIONS

Amounts in thousands	MULTI-MANAGER EMERGING MARKETS EQUITY FUND	MULTI-MANAGER GLOBAL REAL ESTATE FUND
INVESTMENT INCOME:		
Dividend income ⁽¹⁾	\$41,456 ⁽²⁾	\$15,929 ⁽²⁾
Interest income	2	—
Total Investment Income	41,458	15,929
EXPENSES:		
Investment advisory fees	25,565	7,813
Administration fees	3,317	1,065
Custody fees	2,029	677
Accounting fees	241	91
Transfer agent fees	2,212	710
Registration fees	39	24
Printing fees	59	20
Professional fees	76	18
Shareholder servicing fees	9	3
Trustee fees	26	7
Other	54	13
Total Expenses	33,627	10,441
Less expenses reimbursed by investment adviser	(1,574)	(1,281)
Net Expenses	32,053	9,160
Net Investment Income (Loss)	9,405	6,769
NET REALIZED AND UNREALIZED GAINS (LOSSES):		
Net realized gains (losses) on:		
Investments	239,949	60,772
Futures contracts	—	—
Foreign currency transactions	(905)	(39)
Net change in unrealized appreciation (depreciation) on:		
Investments	168,977	43,921
Futures contracts	—	—
Forward foreign currency exchange contracts	(155)	2
Translation of other assets and liabilities denominated in foreign currencies	250	17
Net Gains	408,116	104,673
Net Increase in Net Assets Resulting from Operations	\$417,521	\$111,442

(1) Amount includes dividend income from Diversified Assets Portfolio of the Northern Institutional Funds of \$21, \$9, \$42, \$11, \$9, \$60 and \$10, respectively.

(2) Net of \$4,797, \$820, \$6,028, \$111, \$13, \$3 and \$30, respectively in non-reclaimable foreign withholding taxes.

See Notes to the Financial Statements.

MULTI-MANAGER INTERNATIONAL EQUITY FUND	MULTI-MANAGER LARGE CAP FUND	MULTI-MANAGER MID CAP FUND	MULTI-MANAGER SMALL CAP FUND	MULTI-MANAGER HIGH YIELD OPPORTUNITY FUND
\$63,395 ⁽²⁾	\$13,011 ⁽²⁾	\$9,875 ⁽²⁾	\$4,866 ⁽²⁾	\$301
11	2	2	2	40,185 ⁽²⁾
63,406	13,013	9,877	4,868	40,486
31,067	6,867	7,511	5,809	4,298
4,480	1,144	1,253	792	806
2,726	139	155	158	522
319	96	104	73	74
2,986	763	835	528	537
42	27	28	24	22
120	28	39	28	17
113	38	38	18	18
18	4	47	2	3
39	13	13	7	7
63	22	22	13	11
41,973	9,141	10,045	7,452	6,315
(827)	(99)	(100)	(118)	(493)
41,146	9,042	9,945	7,334	5,822
22,260	3,971	(68)	(2,466)	34,664
188,102	76,102	78,785	105,771	11,486
1,580	2,498	3,132	253	—
(2,146)	—	—	—	(40)
118,418	47,800	113,814	24,829	22,516
1,662	217	833	262	—
(2,691)	—	—	—	(43)
631	—	—	—	10
305,556	126,617	196,564	131,115	33,929
\$327,816	\$130,588	\$196,496	\$128,649	\$68,593

See Notes to the Financial Statements.

STATEMENTS OF CHANGES IN NET ASSETS

Amounts in thousands	MULTI-MANAGER EMERGING MARKETS EQUITY FUND		MULTI-MANAGER GLOBAL REAL ESTATE FUND	
	2011	2010	2011	2010
OPERATIONS:				
Net investment income (loss)	\$9,405	\$2,671	\$6,769	\$6,914
Net realized gains	239,044	140,542	60,733	45,477
Net change in unrealized appreciation	169,072	290,860	43,940	152,088
Net Increase in Net Assets Resulting from Operations	417,521	434,073	111,442	204,479
CAPITAL SHARE TRANSACTIONS:				
Net increase (decrease) in net assets resulting from capital share transactions	367,197	1,247,594	138,966	265,852
Net Increase (Decrease) in Net Assets Resulting from Capital Share Transactions	367,197	1,247,594	138,966	265,852
DISTRIBUTIONS PAID:				
From net investment income	(16,700)	(6,499)	(8,914)	(6,630)
From net realized gains	(194,080)	(47,097)	(54,822)	(15,326)
Total Distributions Paid	(210,780)	(53,596)	(63,736)	(21,956)
Total Increase in Net Assets	573,938	1,628,071	186,672	448,375
NET ASSETS:				
Beginning of period	1,896,421	268,350	633,800	185,425
End of period	\$2,470,359	\$1,896,421	\$820,472	\$633,800
Accumulated Undistributed Net Investment Income (Loss)	\$(3,410)	\$(4,375)	\$1,675	\$1,161

(1) Commenced investment operations on September 23, 2009.

See Notes to the Financial Statements.

MULTI-MANAGER INTERNATIONAL EQUITY FUND		MULTI-MANAGER LARGE CAP FUND		MULTI-MANAGER MID CAP FUND		MULTI-MANAGER SMALL CAP FUND		MULTI-MANAGER HIGH YIELD OPPORTUNITY FUND	
2011	2010	2011	2010	2011	2010	2011	2010	2011	2010 ⁽¹⁾
\$22,260	\$14,956	\$3,971	\$4,643	\$(68)	\$1,241	\$(2,466)	\$(1,654)	\$34,664	\$9,175
187,536	8,586	78,600	3,915	81,917	31,806	106,024	53,348	11,446	598
118,020	591,161	48,017	180,620	114,647	228,040	25,091	108,110	22,483	11,665
327,816	614,703	130,588	189,178	196,496	261,087	128,649	159,804	68,593	21,438
244,616	1,254,729	211,763	196,824	355,131	(48,340)	20,488	52,763	200,857	407,039
244,616	1,254,729	211,763	196,824	355,131	(48,340)	20,488	52,763	200,857	407,039
(23,400)	(15,000)	(4,163)	(4,405)	(893)	(1,300)	—	—	(34,349)	(8,490)
—	—	—	—	—	—	—	—	(5,813)	(126)
(23,400)	(15,000)	(4,163)	(4,405)	(893)	(1,300)	—	—	(40,162)	(8,616)
549,032	1,854,432	338,188	381,597	550,734	211,447	149,137	212,567	229,288	419,861
2,902,773	1,048,341	710,622	329,025	587,664	376,217	442,610	230,043	419,861	—
\$3,451,805	\$2,902,773	\$1,048,810	\$710,622	\$1,138,398	\$587,664	\$591,747	\$442,610	\$649,149	\$419,861
\$6,855	\$8,473	\$100	\$292	\$(5)	\$511	\$(1)	\$(1)	\$1,074	\$679

See Notes to the Financial Statements.

FINANCIAL HIGHLIGHTS

MULTI-MANAGER EMERGING MARKETS EQUITY FUND			
Selected per share data	2011	2010	2009 ⁽¹⁾
Net Asset Value, Beginning of Period	\$20.85	\$12.03	\$10.00
INCOME FROM INVESTMENT OPERATIONS:			
Net investment income	0.10	0.05	0.01
Net realized and unrealized gains	4.20	9.49	2.02
Total from Investment Operations	4.30	9.54	2.03
LESS DISTRIBUTIONS PAID:			
From net investment income ⁽²⁾	(0.16)	(0.09)	—
From net realized gains	(1.86)	(0.63)	—
Total Distributions Paid	(2.02)	(0.72)	—
Net Asset Value, End of Period	\$23.13	\$20.85	\$12.03
Total Return⁽³⁾	20.88%	79.65%	20.30%
SUPPLEMENTAL DATA AND RATIOS:			
Net assets, in thousands, end of period	\$2,470,359	\$1,896,421	\$268,350
Ratio to average net assets of: ⁽⁴⁾			
Expenses, net of reimbursements and credits	1.45% ⁽⁵⁾	1.48%	1.50%
Expenses, before reimbursements and credits	1.52%	1.55%	1.68%
Net investment income, net of reimbursements and credits	0.42% ⁽⁵⁾	0.25%	0.54% ⁽⁶⁾
Net investment income, before reimbursements and credits	0.35%	0.18%	0.36% ⁽⁶⁾
Portfolio Turnover Rate	76.35%	115.05%	23.99%

(1) Commenced investment operations on November 19, 2008.

(2) Distributions to shareholders from net investment income include amounts relating to foreign currency transactions which are treated as ordinary income for federal income tax purposes.

(3) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at net asset value at the end of the period. Total return is not annualized for periods less than one year.

(4) Annualized for periods less than one year.

(5) The net expenses and net investment income ratios include additional reimbursements of advisory fees incurred in connection with the investment of uninvested cash in affiliated money market funds of approximately \$149,000, which represents 0.01 percent of average net assets for the fiscal year ended March 31, 2011. Absent the additional reimbursements, net investment income and reimbursements would have been decreased by a corresponding amount.

(6) As the Fund commenced investment operations on November 19, 2008, annualized net investment income ratios may not be reflective of amounts that an investor should expect on an annual basis prospectively.

See Notes to the Financial Statements.

MULTI-MANAGER GLOBAL REAL ESTATE FUND			
Selected per share data	2011	2010	2009 ⁽¹⁾
Net Asset Value, Beginning of Period	\$17.08	\$9.87	\$10.00
INCOME (LOSS) FROM INVESTMENT OPERATIONS:			
Net investment income	0.17	0.23	0.15
Net realized and unrealized gains (losses)	2.56	7.66	(0.17)
Total from Investment Operations	2.73	7.89	(0.02)
LESS DISTRIBUTIONS PAID:			
From net investment income ⁽²⁾	(0.23)	(0.22)	(0.09)
From net realized gains	(1.38)	(0.46)	(0.02)
Total Distributions Paid	(1.61)	(0.68)	(0.11)
Net Asset Value, End of Period	\$18.20	\$17.08	\$9.87
Total Return⁽³⁾	16.59%	80.53%	(0.43)%
SUPPLEMENTAL DATA AND RATIOS:			
Net assets, in thousands, end of period	\$820,472	\$633,800	\$185,425
Ratio to average net assets of: ⁽⁴⁾			
Expenses, net of reimbursements and credits	1.29% ⁽⁵⁾	1.30%	1.30%
Expenses, before reimbursements and credits	1.47%	1.48%	1.55%
Net investment income, net of reimbursements and credits	0.95% ⁽⁵⁾	1.53%	3.68% ⁽⁶⁾
Net investment income, before reimbursements and credits	0.77%	1.35%	3.43% ⁽⁶⁾
Portfolio Turnover Rate	54.79%	71.54%	55.99%

(1) Commenced investment operations on November 19, 2008.

(2) Distributions to shareholders from net investment income include amounts relating to foreign currency transactions which are treated as ordinary income for federal income tax purposes.

(3) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at net asset value at the end of the period. Total return is not annualized for periods less than one year.

(4) Annualized for periods less than one year.

(5) The net expenses and net investment income ratios include additional reimbursements of advisory fees incurred in connection with the investment of uninvested cash in affiliated money market funds of approximately \$77,000, which represents 0.01 percent of average net assets for the fiscal year ended March 31, 2011. Absent the additional reimbursements, net investment income and reimbursements would have been decreased by a corresponding amount.

(6) As the Fund commenced investment operations on November 19, 2008, annualized net investment income ratios may not be reflective of amounts that an investor should expect on an annual basis prospectively.

See Notes to the Financial Statements.

FINANCIAL HIGHLIGHTS *continued*

MULTI-MANAGER INTERNATIONAL EQUITY FUND					
Selected per share data	2011	2010	2009	2008	2007 ⁽¹⁾
Net Asset Value, Beginning of Period	\$9.19	\$6.28	\$11.15	\$11.89	\$10.00
INCOME (LOSS) FROM INVESTMENT OPERATIONS:					
Net investment income	0.07	0.03	0.11	0.11	0.03
Net realized and unrealized gains (losses)	0.98	2.93	(4.79)	(0.16)	1.89
Total from Investment Operations	1.05	2.96	(4.68)	(0.05)	1.92
LESS DISTRIBUTIONS PAID:					
From net investment income ⁽²⁾	(0.07)	(0.05)	(0.09)	(0.10)	(0.03)
From net realized gains	—	—	(0.10)	(0.59)	—
Total Distributions Paid	(0.07)	(0.05)	(0.19)	(0.69)	(0.03)
Net Asset Value, End of Period	\$10.17	\$9.19	\$6.28	\$11.15	\$11.89
Total Return⁽³⁾	11.49%	47.16%	(42.04)%	(0.84)%	19.19%
SUPPLEMENTAL DATA AND RATIOS:					
Net assets, in thousands, end of period	\$3,451,805	\$2,902,773	\$1,048,341	\$1,504,189	\$1,088,091
Ratio to average net assets of: ⁽⁴⁾					
Expenses, net of reimbursements and credits	1.38% ⁽⁵⁾	1.41%	1.44%	1.45%	1.45%
Expenses, before reimbursements and credits	1.41%	1.42%	1.47%	1.47%	1.48%
Net investment income, net of reimbursements and credits	0.74% ⁽⁵⁾	0.71%	1.27%	0.96%	0.47% ⁽⁶⁾
Net investment income, before reimbursements and credits	0.71%	0.70%	1.24%	0.94%	0.44% ⁽⁶⁾
Portfolio Turnover Rate	123.93%	59.84%	69.98%	77.15%	40.59%

(1) Commenced investment operations on June 22, 2006.

(2) Distributions to shareholders from net investment income include amounts relating to foreign currency transactions which are treated as ordinary income for federal income tax purposes.

(3) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at net asset value at the end of the period. Total return is not annualized for periods less than one year.

(4) Annualized for periods less than one year.

(5) The net expenses and net investment income ratios include additional reimbursements of advisory fees incurred in connection with the investment of uninvested cash in affiliated money market funds of approximately \$374,000, which represents 0.01 percent of average net assets for the fiscal year ended March 31, 2011. Absent the additional reimbursements, net investment income and reimbursements would have been decreased by a corresponding amount.

(6) As the Fund commenced investment operations on June 22, 2006, annualized net investment income ratios may not be reflective of amounts that an investor should expect on an annual basis prospectively.

See Notes to the Financial Statements.

MULTI-MANAGER LARGE CAP FUND				
Selected per share data	2011	2010	2009	2008⁽¹⁾
Net Asset Value, Beginning of Period	\$8.19	\$5.68	\$8.76	\$10.00
INCOME (LOSS) FROM INVESTMENT OPERATIONS:				
Net investment income	0.04	0.06	0.07	0.03
Net realized and unrealized gains (losses)	1.38	2.50	(3.08)	(1.24)
Total from Investment Operations	1.42	2.56	(3.01)	(1.21)
LESS DISTRIBUTIONS PAID:				
From net investment income	(0.05)	(0.05)	(0.07)	(0.03)
Total Distributions Paid	(0.05)	(0.05)	(0.07)	(0.03)
Net Asset Value, End of Period	\$9.56	\$8.19	\$5.68	\$8.76
Total Return⁽²⁾	17.36%	45.25%	(34.53)%	(12.10)%
SUPPLEMENTAL DATA AND RATIOS:				
Net assets, in thousands, end of period	\$1,048,810	\$710,622	\$329,025	\$262,216
Ratio to average net assets of: ⁽³⁾				
Expenses, net of reimbursements and credits	1.19% ⁽⁴⁾	1.20%	1.20%	1.20%
Expenses, before reimbursements and credits	1.20%	1.20%	1.23%	1.36%
Net investment income, net of reimbursements and credits	0.52% ⁽⁴⁾	0.81%	1.01%	1.11% ⁽⁵⁾
Net investment income, before reimbursements and credits	0.51%	0.81%	0.98%	0.95% ⁽⁵⁾
Portfolio Turnover Rate	69.02%	48.85%	57.53%	15.71%

(1) Commenced investment operations on October 17, 2007.

(2) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at net asset value at the end of the period. Total return is not annualized for periods less than one year.

(3) Annualized for periods less than one year.

(4) The net expenses and net investment income ratios include additional reimbursements of advisory fees incurred in connection with the investment of uninvested cash in affiliated money market funds of approximately \$99,000, which represents 0.01 percent of average net assets for the fiscal year ended March 31, 2011. Absent the additional reimbursements, net investment income and reimbursements would have been decreased by a corresponding amount.

(5) As the Fund commenced investment operations on October 17, 2007, annualized net investment income ratios may not be reflective of amounts that an investor should expect on an annual basis prospectively.

See Notes to the Financial Statements.

FINANCIAL HIGHLIGHTS *continued*

MULTI-MANAGER MID CAP FUND					
Selected per share data	2011	2010	2009	2008	2007 ⁽¹⁾
Net Asset Value, Beginning of Period	\$10.14	\$6.26	\$9.99	\$11.25	\$10.00
INCOME (LOSS) FROM INVESTMENT OPERATIONS:					
Net investment income (loss)	— ⁽²⁾	0.02	0.05	0.03	0.02
Net realized and unrealized gains (losses)	2.46	3.88	(3.68)	(0.88)	1.25
Total from Investment Operations	2.46	3.90	(3.63)	(0.85)	1.27
LESS DISTRIBUTIONS PAID:					
From net investment income	(0.01)	(0.02)	(0.05)	(0.02)	(0.02)
From net realized gains	—	—	(0.05)	(0.39)	—
Total Distributions Paid	(0.01)	(0.02)	(0.10)	(0.41)	(0.02)
Net Asset Value, End of Period	\$12.59	\$10.14	\$6.26	\$9.99	\$11.25
Total Return⁽³⁾	24.28%	62.34%	(36.44)%	(7.91)%	12.67%
SUPPLEMENTAL DATA AND RATIOS:					
Net assets, in thousands, end of period	\$1,138,398	\$587,664	\$376,217	\$450,531	\$343,971
Ratio to average net assets of: ⁽⁴⁾					
Expenses, net of reimbursements and credits	1.19% ⁽⁵⁾	1.20%	1.20%	1.20%	1.20%
Expenses, before reimbursements and credits	1.20%	1.20%	1.21%	1.21%	1.29%
Net investment income (loss), net of reimbursements and credits	(0.01)% ⁽⁵⁾	0.22%	0.59%	0.29%	0.29% ⁽⁶⁾
Net investment income (loss), before reimbursements and credits	(0.02)%	0.22%	0.58%	0.28%	0.20% ⁽⁶⁾
Portfolio Turnover Rate	62.29%	103.02%	123.45%	35.17%	16.95%

(1) Commenced investment operations on June 22, 2006.

(2) Per share amount from net investment loss was less than \$0.01 per share.

(3) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at net asset value at the end of the period. Total return is not annualized for periods less than one year.

(4) Annualized for periods less than one year.

(5) The net expenses and net investment income (loss) ratios include additional reimbursements of advisory fees incurred in connection with the investment of uninvested cash in affiliated money market funds of approximately \$68,000, which represents 0.01 percent of average net assets for the fiscal year ended March 31, 2011. Absent the additional reimbursements, net investment income (loss) and reimbursements would have been decreased by a corresponding amount.

(6) As the Fund commenced investment operations on June 22, 2006, annualized net investment income ratios may not be reflective of amounts that an investor should expect on an annual basis prospectively.

See Notes to the Financial Statements.

MULTI-MANAGER SMALL CAP FUND					
Selected per share data	2011	2010	2009	2008	2007 ⁽¹⁾
Net Asset Value, Beginning of Period	\$8.85	\$5.53	\$8.90	\$11.47	\$10.00
INCOME (LOSS) FROM INVESTMENT OPERATIONS:					
Net investment loss	(0.05)	(0.03)	(0.02)	(0.04)	(0.03)
Net realized and unrealized gains (losses)	2.32	3.35	(3.34)	(1.80)	1.55
Total from Investment Operations	2.27	3.32	(3.36)	(1.84)	1.52
LESS DISTRIBUTIONS PAID:					
From net realized gains	—	—	(0.01)	(0.73)	(0.05)
Total Distributions Paid	—	—	(0.01)	(0.73)	(0.05)
Net Asset Value, End of Period	\$11.12	\$8.85	\$5.53	\$8.90	\$11.47
Total Return⁽²⁾	25.79%	59.86%	(37.76)%	(16.80)%	15.25%
SUPPLEMENTAL DATA AND RATIOS:					
Net assets, in thousands, end of period	\$591,747	\$442,610	\$230,043	\$292,068	\$226,753
Ratio to average net assets of: ⁽³⁾					
Expenses, net of reimbursements and credits	1.39% ⁽⁴⁾	1.40%	1.40%	1.40%	1.40%
Expenses, before reimbursements and credits	1.41%	1.41%	1.44%	1.44%	1.54%
Net investment loss, net of reimbursements and credits	(0.47)% ⁽⁴⁾	(0.44)%	(0.31)%	(0.46)%	(0.51)% ⁽⁵⁾
Net investment loss, before reimbursements and credits	(0.49)%	(0.45)%	(0.35)%	(0.50)%	(0.65)% ⁽⁵⁾
Portfolio Turnover Rate	192.09%	187.71%	185.25%	185.20%	70.83%

(1) Commenced investment operations on June 22, 2006.

(2) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at net asset value at the end of the period. Total return is not annualized for periods less than one year.

(3) Annualized for periods less than one year.

(4) The net expenses and net investment loss ratios include additional reimbursements of advisory fees incurred in connection with the investment of uninvested cash in affiliated money market funds of approximately \$58,000, which represents 0.01 percent of average net assets for the fiscal year ended March 31, 2011. Absent the additional reimbursements, net investment loss and reimbursements would have been decreased by a corresponding amount.

(5) As the Fund commenced investment operations on June 22, 2006, annualized net investment loss ratios may not be reflective of amounts that an investor should expect on an annual basis prospectively.

See Notes to the Financial Statements.

MULTI-MANAGER HIGH YIELD OPPORTUNITY FUND		
Selected per share data	2011	2010 ⁽¹⁾
Net Asset Value, Beginning of Period	\$10.41	\$10.00
INCOME FROM INVESTMENT OPERATIONS:		
Net investment income	0.68	0.29
Net realized and unrealized gains	0.68	0.40
Total from Investment Operations	1.36	0.69
LESS DISTRIBUTIONS PAID:		
From net investment income ⁽²⁾	(0.68)	(0.27)
From net realized gains	(0.11)	(0.01)
Total Distributions Paid	(0.79)	(0.28)
Net Asset Value, End of Period	\$10.98	\$10.41
Total Return⁽³⁾	13.58%	6.96%
SUPPLEMENTAL DATA AND RATIOS:		
Net assets, in thousands, end of period	\$649,149	\$419,861
Ratio to average net assets of: ⁽⁴⁾		
Expenses, net of reimbursements and credits	1.08% ⁽⁵⁾	1.10%
Expenses, before reimbursements and credits	1.18%	1.21%
Net investment income, net of reimbursements and credits	6.46% ⁽⁵⁾	6.04% ⁽⁶⁾
Net investment income, before reimbursements and credits	6.36%	5.93% ⁽⁶⁾
Portfolio Turnover Rate	43.11%	20.46%

(1) Commenced investment operations on September 23, 2009.

(2) Distributions to shareholders from net investment income include amounts relating to foreign currency transactions which are treated as ordinary income for federal income tax purposes.

(3) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at net asset value at the end of the period. Total return is not annualized for periods less than one year.

(4) Annualized for periods less than one year.

(5) The net expenses and net investment income ratios include additional reimbursements of advisory fees incurred in connection with the investment of uninvested cash in affiliated money market funds of approximately \$88,000, which represents 0.02 percent of average net assets for the fiscal year ended March 31, 2011. Absent the additional reimbursements, net investment income and reimbursements would have been decreased by a corresponding amount.

(6) As the Fund commenced investment operations on September 23, 2009, annualized net investment income ratios may not be reflective of amounts that an investor should expect on an annual basis prospectively.

See Notes to the Financial Statements.

MULTI-MANAGER EMERGING MARKETS EQUITY FUND

MARCH 31, 2011

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 91.7%		
Brazil - 10.4%		
Banco Bradesco S.A. ADR	1,308,072	\$27,143
Banco do Brasil S.A.	227,307	4,114
Banco Santander Brasil S.A. ADR	564,647	6,923
BR Malls Participacoes S.A.	568,853	5,923
Brasil Telecom S.A.	38,418	416
CCR S.A.	194,693	5,652
CETIP S.A. - Balcao Organizado de Ativos e Derivativos	553,700	9,157
Cielo S.A.	77,737	659
Cosan SA Industria e Comercio	145,826	2,269
EcoRodovias Infraestrutura e Logistica S.A.	953,300	7,743
EDP - Energias do Brasil S.A.	16,502	401
Embraer S.A. ADR	179,300	6,042
Equatorial Energia S.A.	71,582	557
Fibria Celulose S.A.*	1,349,800	21,785
Gafisa S.A. ADR	333,697	4,285
Gerdau S.A. ADR	743,945	9,299
Light S.A.	133,396	2,304
Localiza Rent a Car S.A.	932,739	14,968
MRV Engenharia e Participacoes S.A.	726,367	5,810
OGX Petroleo e Gas Participacoes S.A.*	552,600	6,651
PDG Realty S.A. Empreendimentos e Participacoes	1,152,000	6,463
Petroleo Brasileiro S.A. - Petrobras	226,302	4,521
Petroleo Brasileiro S.A. ADR	1,093,947	44,228
Petroleo Brasileiro S.A. ADR	466,243	16,570
Souza Cruz S.A.	298,420	3,107
Sul America S.A.	129,542	1,619
Tele Norte Leste Participacoes S.A. ADR	94,844	1,663
Tractebel Energia S.A.	182,107	3,079
Vale S.A.	77,325	2,527
Vale S.A. ADR	930,224	31,023
		256,901
Chile - 0.4%		
Banco de Chile	3,845,726	529
Banco Santander Chile ADR	49,869	4,326
Cencosud S.A.	193,981	1,387
Cia Cervecerias Unidas S.A.	129,011	1,517
Enersis S.A. ADR	42,439	884
ENTEL Chile S.A.	71,710	1,173
Lan Airlines S.A. ADR	54,921	1,405
		11,221

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 91.7% continued		
China - 13.8%		
Agricultural Bank of China Ltd., Class H*	7,471,000	\$4,228
Anhui Conch Cement Co. Ltd., Class H	866,498	5,445
Baidu, Inc. ADR*	75,364	10,386
Bank of China Ltd., Class H	14,236,000	7,912
Belle International Holdings Ltd.	3,969,260	7,267
Bosideng International Holdings Ltd.	4,662,000	1,386
Central China Real Estate Ltd.	1,444,883	401
Cheung Kong Holdings Ltd.	132,000	2,147
China Communications Construction Co. Ltd., Class H	2,840,931	2,722
China Construction Bank Corp., Class H	27,189,939	25,473
China Mengniu Dairy Co. Ltd.	1,280,000	3,393
China Merchants Bank Co. Ltd., Class H	4,493,000	12,424
China Mobile Ltd.	3,883,992	35,882
China Petroleum & Chemical Corp., Class H	5,348,000	5,377
China Pharmaceutical Group Ltd.	4,056,000	2,404
China Shenhua Energy Co. Ltd., Class H	2,855,337	13,427
China Unicom Hong Kong Ltd.	1,186,000	1,969
CNOOC Ltd.	12,954,270	32,757
CNOOC Ltd. ADR	45,526	11,520
Cosco International Holdings Ltd.	1,652,461	1,060
Dongfeng Motor Group Co. Ltd., Class H	6,036,747	10,340
Fosun International Ltd.	194,802	150
Fushan International Energy Group Ltd.	6,708,149	4,816
Great Wall Motor Co. Ltd., Class H	1,606,500	2,962
Guangzhou Automobile Group Co. Ltd. Class H	15,151,421	18,447
GZI Real Estate Investment Trust	614,000	320
Harbin Power Equipment Co. Ltd., Class H	1,248,000	1,294
Hengan International Group Co. Ltd.	154,000	1,140
Hengdeli Holdings Ltd.	15,996,000	8,463
Hopson Development Holdings Ltd.*	1,366,168	1,547
Huabao International Holdings Ltd.	2,902,554	4,467
Industrial & Commercial Bank of China, Class H	12,451,159	10,325
Jiangxi Cooper Co. Ltd., Class H	2,040,000	6,780
Lianhua Supermarket Holdings Co. Ltd., Class H	362,560	1,445
Longtop Financial Technologies Ltd. ADR*	206,600	6,491
Mindray Medical International Ltd. ADR*	90,265	2,275
Parkson Retail Group Ltd.	2,388,937	3,280
PetroChina Co. Ltd. ADR	60,532	9,216
Renhe Commercial Holdings Co. Ltd.	31,817,437	5,924
Sateri Holdings Ltd.*	7,269,000	6,258

See Notes to the Financial Statements.

MULTI-MANAGER EMERGING MARKETS EQUITY FUND *continued*

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 91.7% <i>continued</i>		
China - 13.8% <i>continued</i>		
Shenzhen Investment Ltd.	6,264,000	\$2,085
Sina Corp.*	28,356	3,035
Sinolink Worldwide Holdings Ltd.	3,061,274	367
Sinotrans Shipping Ltd.	511,522	166
SITC International Holdings Co. Ltd.*	11,031,176	6,819
Soho China Ltd.	3,476,000	2,975
Tencent Holdings Ltd.	466,994	11,341
TPV Technology Ltd.	2,660,000	1,598
Want Want China Holdings Ltd.	2,240,000	1,756
Weichai Power Co. Ltd., Class H	163,286	990
Yangzijiang Shipbuilding Holdings Ltd.	2,881,148	4,141
Yanzhou Coal Mining Co. Ltd., Class H	2,515,098	9,128
Zhaojin Mining Industry Co. Ltd., Class H	248,500	1,115
Zhejiang Expressway Co. Ltd., Class H	1,856,600	1,688
		340,724
Colombia - 0.2%		
BanColombia S.A. ADR	48,217	3,021
Ecopetrol S.A.	507,950	1,055
		4,076
Czech Republic - 1.4%		
Central European Media Enterprises Ltd., Class A*	422,547	8,915
Komerční Banka A.S.	104,295	26,321
		35,236
Egypt - 0.7%		
Commercial International Bank Egypt S.A.E.*	2,630,919	14,413
Orascom Construction Industries	79,194	3,268
		17,681
Hungary - 0.4%		
Egis Gyógyszergyár Nyrt	2,207	234
OTP Bank PLC*	331,226	9,805
		10,039
India - 5.5%		
Allahabad Bank	534,376	2,740
Andhra Bank	775,887	2,620
Balrampur Chini Mills Ltd.*	1,491,842	2,338
Bank of Baroda	162,916	3,522
Bank of India	107,468	1,142
Bharti Airtel Ltd.	684,496	5,472
Canara Bank	218,151	3,063
Corp Bank	34,893	497
Dena Bank	652,161	1,515

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 91.7% <i>continued</i>		
India - 5.5% <i>continued</i>		
Dr. Reddy's Laboratories Ltd. ADR	196,400	\$7,326
Grasim Industries Ltd.	26,047	1,432
Great Eastern Shipping (The) Co. Ltd.	27,043	159
HDFC Bank Ltd. ADR	54,764	9,307
Hindalco Industries Ltd.	574,497	2,685
Housing Development Finance Corp.	223,020	3,494
IDBI Bank Ltd.	688,536	2,193
Indian Bank	389,688	2,032
Indian Overseas Bank	420,752	1,354
Infosys Technologies Ltd. ADR	91,186	6,538
IRB Infrastructure Developers Ltd.	441,918	2,094
Oil & Natural Gas Corp. Ltd.	456,472	2,973
Oriental Bank of Commerce	332,286	2,890
Power Finance Corp. Ltd.	503,567	2,816
Punjab National Bank Ltd.	46,088	1,250
State Bank of India GDR	60,503	7,810
Sterlite Industries India Ltd.	1,467,547	5,696
Syndicate Bank	210,395	579
Tata Chemicals Ltd.	139,836	1,068
Tata Consultancy Services Ltd.	204,808	5,421
Tata Motors Ltd. ADR	401,100	11,147
Union Bank Of India	282,586	2,198
Unitech Ltd.	2,740,781	2,477
Vijaya Bank	1,265,673	2,246
Wipro Ltd.	2,331,684	25,035
		135,129
Indonesia - 1.9%		
Astra International Tbk PT	834,000	5,449
Bank Mandiri Tbk PT	3,217,284	2,520
Bank Rakyat Indonesia Persero Tbk PT	13,109,170	8,637
Indika Energy Tbk PT	5,288,629	2,407
Indo Tambangraya Megah PT	447,000	2,367
Kalbe Farma Tbk PT	8,789,695	3,428
Semen Gresik Persero Tbk PT	8,510,231	8,895
Tambang Batubara Bukit Asam Tbk PT	1,050,951	2,531
United Tractors Tbk PT	4,013,625	10,006
		46,240
Israel - 0.2%		
Israel Chemicals Ltd.	379,951	6,244
Luxembourg - 1.5%		
Tenaris S.A. ADR	603,090	29,829
Ternium S.A. ADR	215,300	7,738
		37,567

See Notes to the Financial Statements.

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 91.7% continued		
Malaysia - 1.8%		
Axiata Group Bhd.*	4,857,900	\$7,674
CIMB Group Holdings Bhd.	2,520,254	6,817
Genting Malaysia Bhd.	2,670,300	3,240
Hong Leong Bank Bhd.	529,600	1,723
Hong Leong Financial Group Bhd.	380,800	1,132
KLCC Property Holdings Bhd.	152,322	168
Lafarge Malayan Cement Bhd.	414,300	1,012
Malayan Banking Bhd.	1,445,700	4,263
Petronas Chemicals Group Bhd.*	3,097,900	7,399
PLUS Expressways Bhd.	1,315,521	1,945
RHB Capital Bhd.	1,384,700	3,919
Tenaga Nasional Bhd.	1,294,950	2,671
Top Glove Corp. Bhd.	783,928	1,391
		43,354
Mexico - 6.3%		
Alfa S.A.B. de C.V., Class A*	313,910	4,088
America Movil S.A.B. de C.V., Series L ADR	920,470	53,479
America Movil S.A.B. de C.V., Series L	2,001,023	5,807
Coca-Cola Femsa S.A.B. de C.V.	6,536	503
Corporacion GEO S.A.B. de C.V., Series B*	1,952,741	5,470
Desarrolladora Homex S.A.B. de C.V. ADR*	158,527	4,320
Embotelladoras Arca S.A.B. de C.V.	1,605,945	9,300
Fomento Economico Mexicano S.A.B. de C.V. ADR	85,187	5,001
Genomma Lab Internacional S.A.B. de C.V., Class B*	3,582,200	8,110
Grupo Bimbo S.A.B. de C.V., Series A	1,096,868	9,237
Grupo Carso S.A.B. de C.V., Series A1	287,813	959
Grupo Continental S.A.B. de C.V.	113,335	383
Grupo Financiero Banorte S.A.B. de C.V., Class O	2,448,798	11,524
Grupo Financiero Galicia S.A. ADR*	458,600	5,700
Grupo Mexico S.A.B. de C.V., Series B	2,283,700	8,537
Grupo Televisa S.A. ADR*	910,574	22,336
Industrias C.H. S.A.B. de C.V., Series B*	100,044	409
Minera Frisco S.A.B. de C.V., Series A1*	86,658	378
Telefonos de Mexico S.A.B. de C.V. ADR, Series L	37,371	682
		156,223
Panama - 0.3%		
Copa Holdings S.A., Class A	130,600	6,896

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 91.7% continued		
Peru - 0.8%		
Banco Continental S.A.	183,964	\$459
Cia de Minas Buenaventura S.A. ADR	124,600	5,354
Credicorp Ltd.	123,070	12,914
Intergroup Financial Services Corp.	14,124	408
Sociedad Minera Cerro Verde SAA	12,521	567
		19,702
Philippines - 0.1%		
SM Investments Corp.	172,634	2,063
Poland - 0.7%		
Asseco Poland S.A.	26,912	511
KGHM Polska Miedz S.A.	82,615	5,239
Polski Koncern Naftowy Orlen S.A.*	223,111	4,134
Powszechna Kasa Oszczednosci Bank Polski S.A.	462,088	7,113
		16,997
Portugal - 0.2%		
Jeronimo Martins SGPS S.A.	249,230	4,009
Russia - 6.0%		
CTC Media, Inc.	370,939	8,743
Federal Grid Co. Unified Energy System JSC*	253,867,775	3,706
Gazprom OAO ADR	909,738	29,484
Hydraulic Machines and Systems Group PLC GDR ^{(1) (2)} *	694,534	5,518
Lukoil OAO ADR	294,138	21,092
Magnit OJSC GDR (Registered)	225,754	6,849
Magnitogorsk Iron & Steel Works GDR (Registered)	200,393	2,933
Mail.ru Group Ltd. GDR (Registered)*	162,090	4,862
MMC Norilsk Nickel JSC ADR	271,665	7,174
Mobile Telesystems OJSC ADR	259,017	5,499
NovaTek OAO GDR (Registered)	74,986	10,440
Novolipetsk Steel OJSC GDR (Registered)	128,812	5,667
Pharmstandard GDR (Registered)*	21,730	607
Rosneft Oil Co. GDR (Registered)	260,943	2,378
Sberbank of Russia	6,236,411	23,448
Severstal OAO GDR (Registered)	167,874	3,295
Surgutneftegas OJSC ADR	181,703	1,978
Tatneft ADR	12,863	568
TMK OAO GDR (Registered)*	173,908	3,666
		147,907

See Notes to the Financial Statements.

MULTI-MANAGER EMERGING MARKETS EQUITY FUND *continued*

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 91.7% <i>continued</i>		
Singapore - 0.1%		
China Yuchai International Ltd.*	89,011	\$2,611
South Africa - 7.4%		
ABSA Group Ltd.	394,589	7,958
African Bank Investments Ltd.	373,850	2,094
Aspen Pharmacare Holdings Ltd.*	630,688	7,360
Barloworld Ltd.	2,077,712	22,916
Emira Property Fund	335,421	641
Exxaro Resources Ltd.	400,900	9,780
FirstRand Ltd.	4,402,996	13,080
Fountainhead Property Trust	894,641	817
Gold Fields Ltd.	270,074	4,718
Imperial Holdings Ltd.	151,451	2,556
Investec Ltd.	206,326	1,610
Kumba Iron Ore Ltd.	31,034	2,190
Life Healthcare Group Holdings Pte Ltd.	258,695	607
Massmart Holdings Ltd.	669,957	13,856
MMI Holdings Ltd.	851,797	2,098
MTN Group Ltd.	277,491	5,599
Nampak Ltd.	100,777	327
Naspers Ltd., Class N	436,554	23,415
Netcare Ltd.	600,975	1,288
Redefine Properties Ltd.	834,385	926
Reunert Ltd.	81,299	704
Sanlam Ltd.	819,626	3,340
Standard Bank Group Ltd.	1,210,106	18,584
Truworths International Ltd.	3,582,591	37,290
		183,754
South Korea - 15.3%		
BS Financial Group, Inc.*	909,112	13,177
Celltrion, Inc.	222,219	7,045
Daegu Bank Ltd.	49,372	809
Daelim Industrial Co. Ltd.	26,645	2,594
Daishin Securities Co. Ltd.*	43,937	590
Daum Communications Corp.	52,283	4,665
Dongbu Insurance Co. Ltd.*	5,799	264
GS Holdings	103,307	8,786
Halla Climate Control Corp.	146,252	2,788
Hana Financial Group, Inc.	94,470	4,095
Hankook Tire Co. Ltd.	535,411	17,472
Hanwha Chem Corp.	174,390	6,868
Honam Petrochemical Corp.	16,918	5,965
Hyundai Marine & Fire Insurance Co. Ltd.*	82,760	2,309
Hyundai Motor Co.	142,797	26,505
Kangwon Land, Inc.	88,850	2,068

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 91.7% <i>continued</i>		
South Korea - 15.3% <i>continued</i>		
KB Financial Group, Inc. ADR*	330,582	\$17,246
Korea Exchange Bank	154,170	1,361
KP Chemical Corp.	153,360	3,772
KT Corp.	26,863	952
LG Chem Ltd.	30,997	12,986
LG Corp.	47,344	3,526
LG Display Co. Ltd.	86,810	2,718
LG Electronics, Inc.	27,057	2,585
LG Household & Health Care Ltd.	21,504	8,065
LG International Corp.	55,473	2,137
MegaStudy Co. Ltd.	6,548	1,008
NCSOFT Corp.	231,072	52,773
Neowiz Games Corp.*	51,383	2,353
NHN Corp.*	53,274	9,294
POSCO	3,174	1,457
Samsung Electronics Co. Ltd.	102,382	86,859
Samsung Engineering Co. Ltd.	34,211	6,509
Samsung Heavy Industries Co. Ltd.	232,820	8,469
Shinhan Financial Group Co. Ltd.	657,788	29,893
Shinsegae Co. Ltd.	38,640	9,186
SK Holdings Co. Ltd.	6,512	984
SK Innovation Co. Ltd.	10,995	2,098
Woongjin Coway Co. Ltd.	174,620	6,025
		378,256
Taiwan - 8.0%		
Acer, Inc.	688,236	1,405
Asustek Computer, Inc.	261,080	2,257
Cheng Shin Rubber Industry Co. Ltd.	614,051	1,424
Chunghwa Telecom Co. Ltd.	663,522	2,067
Coretronic Corp.	1,676,000	2,705
Delta Electronics, Inc.	1,495,698	5,927
Eternal Chemical Co. Ltd.	1,458,550	1,722
Farglory Land Development Co. Ltd.	453,000	966
Fubon Financial Holding Co. Ltd.	2,704,548	3,593
Hon Hai Precision Industry Co. Ltd.	6,329,505	22,182
Huaku Development Co. Ltd.	1,369,000	3,832
Largan Precision Co. Ltd.	351,296	9,493
Lite-On Technology Corp.	2,256,675	2,779
Macronix International	2,425,665	1,609
Novatek Microelectronics Corp.	202,034	594
Pegatron Corp.*	540,636	613
Pou Chen Corp.	2,535,000	2,341
President Chain Store Corp.	4,759,408	21,106
Radiant Opto-Electronics Corp.	373,000	899

See Notes to the Financial Statements.

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 91.7% continued		
Taiwan - 8.0% continued		
Silitech Technology Corp.	467,566	\$1,179
Soft-World International Corp.	399,935	1,544
Synnex Technology International Corp.	2,115,511	4,931
Taiwan Cement Corp.	11,762,868	14,194
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	1,677,188	20,428
Taiwan Semiconductor Manufacturing Co. Ltd.	14,918,270	35,769
Teco Electric and Machinery Co. Ltd.	4,218,000	2,952
TSRC Corp.	555,000	1,423
U-Ming Marine Transport Corp.	950,360	2,022
Unimicron Technology Corp.	3,448,664	5,868
Uni-President Enterprises Corp.	1,983,068	2,716
United Microelectronics Corp.	6,219,000	3,232
Wintek Corp.*	1,046,399	1,855
Wistron Corp.	1,319,208	2,089
WPG Holdings Co. Ltd.	687,924	1,159
Yageo Corp.	17,432,000	8,533
		197,408

Thailand - 3.2%

Bangkok Bank PCL (Registered)	1,154,516	6,616
Bangkok Bank PCL NVDR	1,581,407	8,995
Banpu PCL (Registered)	401,931	10,194
Banpu PCL NVDR	336,800	8,472
Charoen Pokphand Foods PCL (Registered)	4,226,610	3,563
Kasikornbank PCL (Registered)	1,648,033	7,154
Kasikornbank PCL NVDR	2,770,374	11,631
Krung Thai Bank PCL (Registered)	1,136,734	692
Land and Houses PCL (Registered)	683,300	157
Land and Houses PCL NVDR	33,622,221	7,733
PTT PCL NVDR	781,600	9,114
Thanachart Capital PCL (Registered)	1,581,045	1,699
Tisco Financial Group PCL (Registered)	731,400	949
Total Access Communication PCL NVDR	931,000	1,478
		78,447

Turkey - 2.6%

Anadolu Efes Biracilik Ve Malt Sanayii A.S.	166,555	2,355
Ford Otomotiv Sanayi A.S.	1,025,443	9,800
Haci Omer Sabanci Holding A.S.	1,024,967	4,767
KOC Holding A.S.	311,394	1,446
Tofas Turk Otomobil Fabrikasi A.S.	214,640	1,213
Tupras Turkiye Petrol Rafinerileri A.S.	813,781	23,877
Turkiye Garanti Bankasi A.S.	1,333,143	6,235

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 91.7% continued		
Turkey - 2.6% continued		
Turkiye Halk Bankasi A.S.	196,515	\$1,521
Turkiye Sinai Kalkinma Bankasi A.S.	4,918,800	8,603
Turkiye Sise ve Cam Fabrikalari A.S.*	1,369,544	3,087
Ulker Biskuvi Sanayi A.S.	181,614	661
		63,565
United Kingdom - 1.9%		
Anglo American PLC	544,914	28,257
BHP Billiton PLC	172,965	6,888
Eurasia Drilling Co. Ltd. GDR (Registered)	146,608	4,992
Evrax Group S.A. GDR (Registered)*	48,185	1,914
SABMiller PLC	151,653	5,432
		47,483
United States - 0.6%		
Cognizant Technology Solutions Corp., Class A*	84,000	6,838
Eurasia Drilling Co. Ltd. GDR ^{(1) (2)}	31,377	1,067
First Cash Financial Services, Inc.*	200,300	7,731
		15,636

Total Common Stocks ⁽³⁾**(Cost \$1,807,779) 2,265,369****PREFERRED STOCKS - 4.2%**

Brazil - 4.2%		
Banco Bradesco S.A.	118,009	2,411
Banco do Estado do Rio Grande do Sul	108,280	1,333
Bradespar S.A.	78,097	2,047
Brasil Telecom S.A.	134,687	1,201
Cia Brasileira de Distribuicao Grupo Pao de Acucar	36,496	1,500
Cia de Bebidas das Americas ADR	518,352	14,675
Confab Industrial S.A.	308,788	832
Eletropaulo Metropolitana Eletricidade de Sao Paulo S.A.	82,644	1,827
Gol Linhas Aereas Inteligentes S.A.*	48,619	650
Itau Unibanco Holding S.A.	17,744	423
Itau Unibanco Holding S.A. ADR	1,865,949	44,876
Itausa Investimentos Itau S.A.	167,275	1,311
Klabin S.A.	779,322	3,150
Metalurgica Gerdau S.A.	171,436	2,558
Petroleo Brasileiro S.A. - Petrobras	528,267	9,225
Suzano Papel e Celulose S.A.	306,946	2,830
Tam S.A.	51,336	991
Telecomunicacoes de Sao Paulo S.A.	38,853	934

See Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS

MULTI-MANAGER EMERGING MARKETS EQUITY FUND *continued*

	NUMBER OF SHARES	VALUE (000S)
PREFERRED STOCKS - 4.2% <i>continued</i>		
Brazil - 4.2% <i>continued</i>		
Usinas Siderurgicas de Minas Gerais S.A., Class A	220,220	\$2,664
Vale S.A., Class A	265,607	7,710
		103,148
Total Preferred Stocks ⁽³⁾		103,148
(Cost \$84,177)		103,148

	NUMBER OF WARRANTS	VALUE (000S)
WARRANTS - 1.4%		
Taiwan - 0.9%		
HSBC Bank PLC, Exp. 1/6/21*	1,414,000	\$3,940
HSBC Bank PLC, Exp. 2/18/14*	334,000	936
JPM Chinatrust Financial Holding Co. Ltd., Exp. 3/9/16, \$ 0.01*	9,384,000	7,939
TPK Holding Co Ltd*	322,000	8,871
United States - 0.5%		
HTC Corp., Exp. 11/1/13*	309,000	12,084
Total Warrants ⁽³⁾		33,770
(Cost \$30,386)		33,770

	NUMBER OF SHARES	VALUE (000S)
RIGHTS - 0.3%		
Chile - 0.0%		
Banco de Chile*	154,780	\$1
Philippines - 0.3%		
Metropolitan Bank & Trust*	5,231,417	7,734
Total Rights ⁽³⁾		7,735
(Cost \$4,572)		7,735

INVESTMENT COMPANIES - 2.7%		
Northern Institutional Funds - Diversified Assets Portfolio ^{(4) (5)}	67,512,574	67,513
Total Investment Companies		67,513
(Cost \$67,513)		67,513

Total Investments - 100.3%		2,477,535
(Cost \$1,994,427)		2,477,535
Liabilities less Other Assets - (0.3)%		(7,176)
NET ASSETS - 100.0%		\$2,470,359

- (1) Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may not be publicly sold without registration under the Securities Act of 1933. The value of these securities is determined by valuations supplied by a pricing service or brokers, or, if not available, in accordance with procedures established by the Trustees of Northern Funds.
- (2) Restricted security that has been deemed illiquid. At March 31, 2011, the value of these restricted illiquid securities amounted to approximately \$6,585,000 or 0.3% of net assets. Additional information on each restricted illiquid security is as follows:

SECURITY	ACQUISITION AND ENFORCEABLE DATE	ACQUISITION COST (000S)
Eurasia Drilling Co. Ltd. GDR	1/28/11	\$944
Hydraulic Machines and Systems Group PLC GDR	2/8/11-3/14/11	5,658

- (3) In accordance with the Fund's prospectus, adjustment factors were provided by an independent evaluation service to determine the value of certain foreign securities.
- (4) At March 31, 2010, the value of the Fund's investment in the Diversified Assets Portfolio of the Northern Institutional Funds was approximately \$81,266,000 with net sales of approximately \$13,753,000 during the fiscal year ended March 31, 2011.
- (5) Investment in affiliated Portfolio. Northern Trust Investments, Inc. is an investment adviser of the Fund and the investment adviser to the Northern Institutional Funds.
- * Non-Income Producing Security

Percentages shown are based on Net Assets. The classifications shown on the Schedule of Investments and in the tables herein are unaudited.

At March 31, 2011, the industry sectors (unaudited) for the Multi-Manager Emerging Markets Equity Fund were:

INDUSTRY SECTOR	% OF LONG-TERM INVESTMENTS
Consumer Discretionary	11.3%
Consumer Staples	5.8
Energy	14.6
Financials	25.0
Health Care	1.8
Industrials	6.6
Information Technology	16.0
Materials	12.6
Telecommunication Services	5.6
Utilities	0.7
Total	100.0%

See Notes to the Financial Statements.

At March 31, 2011, the Multi-Manager Emerging Markets Equity Fund's investments were denominated in the following currencies (unaudited):

CONCENTRATION BY CURRENCY	% OF LONG-TERM INVESTMENTS
United States Dollar	29.5%
Korean Won	15.0
Hong Kong Dollar	12.2
South African Rand	9.3
Taiwan Dollar	7.3
Brazilian Real	6.4
All other currencies less than 5%	20.3
Total	100.0%

At March 31, 2011, the Multi-Manager Emerging Markets Equity Fund had outstanding forward foreign currency exchange contracts as follows:

CONTRACTS TO DELIVER CURRENCY	AMOUNT (LOCAL CURRENCY) (000S)	IN EXCHANGE FOR CURRENCY	AMOUNT (LOCAL CURRENCY) (000S)	SETTLEMENT DATE	UNREALIZED GAIN (LOSS) (000S)
United States Dollar	4,645	Hong Kong Dollar	36,163	4/1/11	\$4
United States Dollar	2,808	Hong Kong Dollar	21,848	4/4/11	1
United States Dollar	185	Indonesian Rupiah	1,598,680	4/5/11	(1)
Total					\$4

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three levels listed below:

Level 1 - Unadjusted quoted market prices in active markets for identical securities on the measurement date.

Level 2 - Other observable inputs (e.g., quoted prices in active markets for similar securities, securities valuations based on commonly quoted benchmark interest rates and yield curves, and/or securities indices). The Fund adjusted the price of certain foreign equity securities held in its portfolio on March 31, 2011 using adjustment factors designed to reflect more accurately the fair value of the securities. See Note 2 for a discussion of this procedure. The fair valuation of these securities resulted in their categorization as Level 2 investments.

Level 3 - Valuations based on inputs that are unobservable and significant. The Fund utilized the following valuation techniques on Level 3 investments: The Fund valued certain securities using evaluated prices, based on broker quotes, from a single primary pricing source.

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities and other financial instruments, if any. Following is a summary of the inputs used in valuing the Multi-Manager Emerging Markets Equity Fund's investments and other financial instruments, which are carried at fair value, as of March 31, 2011:

INVESTMENTS	LEVEL 1 (000S)	LEVEL 2 (000S)	LEVEL 3 (000S)	TOTAL (000S)
Common Stocks				
Consumer Discretionary	\$ 66,343	\$200,411	\$ —	\$266,754
Consumer Staples	32,705	87,871	—	120,576
Energy	124,657	212,400	—	337,057
Financials	128,044	411,630	—	539,674

See Notes to the Financial Statements.

INVESTMENTS	LEVEL 1 (000S)	LEVEL 2 (000S)	LEVEL 3 (000S)	TOTAL (000S)
Healthcare	\$ 17,710	\$ 24,366	\$ —	\$ 42,076
Industrials	61,511	93,694	5,518	160,723
Information Technology	54,375	322,872	—	377,247
Materials	87,617	190,231	—	277,848
Telecommunication				
Services	68,718	61,094	—	129,812
Utilities	7,225	6,377	—	13,602
Preferred Stocks				
Consumer Staples	16,175	—	—	16,175
Energy	9,225	—	—	9,225
Financials	50,354	—	—	50,354
Industrials	1,641	—	—	1,641
Materials	21,791	—	—	21,791
Telecommunication				
Services	2,135	—	—	2,135
Utilities	1,827	—	—	1,827
Warrants				
Financials	8,875	3,940	—	12,815
Information Technology	20,955	—	—	20,955
Rights				
Financials	1	7,734	—	7,735
Investment Companies	67,513	—	—	67,513
Total Investments	\$849,397	\$1,622,620	\$5,518	\$2,477,535

OTHER FINANCIAL INSTRUMENTS

Assets				
Forward Foreign				
Currency Exchange				
Contracts	\$ —	\$ 5	\$ —	\$ 5
Liabilities				
Forward Foreign				
Currency Exchange				
Contracts	—	(1)	—	(1)
Total Other Financial Investments	\$ —	\$ 4	\$ —	\$ 4

There were no significant transfers between Level 1 and Level 2 during the fiscal year ended March 31, 2011, based on an analysis of the inputs used in the fair valuation of the Fund's investments for the fiscal years ended March 31, 2010 and March 31, 2011.

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

	BALANCE AS OF 3/31/10 (000S)	NET REALIZED GAIN(LOSS) (000S)	NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) (000S)	NET PURCHASES (SALES) (000S)	TRANSFERS IN AND/OR (OUT) OF LEVEL 3 (000S)	BALANCE AS OF 3/31/11 (000S)
Common Stocks						
Industrials	\$ —	\$(37)	\$(140)	\$5,695	\$—	\$5,518

See *Notes to the Financial Statements*.

MULTI-MANAGER GLOBAL REAL ESTATE FUND

MARCH 31, 2011

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 95.6%		
Australia - 6.3%		
BGP Holdings PLC - (Fractional Shares)*	3,277,404	\$ —
Dexus Property Group	2,775,257	2,441
FKP Property Group	737,850	649
Goodman Group	6,696,609	4,744
GPT Group	3,404,989	11,059
ING Office Fund	2,697,600	1,730
Mirvac Group	2,001,975	2,578
Stockland	3,856,443	14,801
Westfield Group	1,126,910	10,878
Westfield Retail Trust	1,098,351	2,975
		51,855
Brazil - 0.5%		
BR Properties S.A.	204,761	2,151
MRV Engenharia e Participacoes S.A.	64,527	516
PDG Realty S.A. Empreendimentos e Participacoes	106,301	596
Sonae Sierra Brasil*	35,600	506
		3,769
Canada - 2.4%		
Boardwalk Real Estate Investment Trust	39,078	1,939
Brookfield Asset Management, Inc., Class A	22,300	724
Calloway Real Estate Investment Trust	75,200	2,001
Canadian Real Estate Investment Trust	12,900	461
Cominar Real Estate Investment Trust	30,700	719
Dundee Real Estate	15,648	482
Dundee Real Estate Investment Trust	55,584	1,898
H&R Real Estate Investment Trust	100,196	2,273
Primaris Retail Real Estate Investment Trust	164,594	3,616
RioCan Real Estate Investment Trust	205,514	5,397
		19,510
China - 1.2%		
Agile Property Holdings Ltd.	800,000	1,259
Evergrande Real Estate Group Ltd.*	1,367,000	750
Guangzhou R&F Properties Co. Ltd., Class H	2,100,000	3,119
KWG Property Holding Ltd.	1,718,389	1,389
Longfor Properties Co. Ltd.	491,000	831
Shimao Property Holdings Ltd.	1,938,000	2,750
		10,098
Finland - 0.3%		
Sponda OYJ	435,096	2,472

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 95.6% continued		
France - 5.6%		
Accor S.A.	25,020	\$1,123
Gecina S.A.	21,124	2,914
ICADE	63,300	7,809
Klepierre	95,168	3,863
Mercialys S.A.	30,299	1,208
Nexity S.A.	26,250	1,302
Societe Immobiliere de Location pour l'Industrie et le Commerce	7,400	1,037
Unibail-Rodamco S.E.	122,351	26,511
		45,767
Germany - 0.3%		
Alstria Office REIT A.G.	46,502	647
Deutsche Wohnen A.G. (Bearer)*	117,827	1,700
IVG Immobilien A.G.*	47,030	390
		2,737
Hong Kong - 14.5%		
Cheung Kong Holdings Ltd.	58,100	945
China Overseas Land & Investment Ltd.	6,495,440	13,268
Glorious Property Holdings Ltd.	2,249,144	618
Great Eagle Holdings Ltd.	142,900	477
Hang Lung Properties Ltd.	3,288,200	14,417
Hongkong Land Holdings Ltd.	2,900,000	20,313
Hysan Development Co. Ltd.	2,121,852	8,743
Kerry Properties Ltd.	1,796,100	9,009
Lifestyle International Holdings Ltd.	3,444,400	8,253
Link REIT (The)	974,300	3,052
New World Development Ltd.	649,732	1,145
Shangri-La Asia Ltd.	2,945,135	7,593
Sino Land Co. Ltd.	246,158	438
Sun Hung Kai Properties Ltd.	1,234,885	19,519
Swire Pacific Ltd., Class A	128,000	1,877
Wharf Holdings Ltd.	1,307,680	9,027
		118,694
Japan - 8.4%		
Advance Residence Investment Corp.	415	816
Aeon Mall Co. Ltd.	315,000	6,764
Daiwa House Industry Co. Ltd.	525,000	6,412
Frontier Real Estate Investment Corp.	134	1,189
Japan Prime Realty Investment Corp.	53	142
Japan Real Estate Investment Corp.	227	2,135
Japan Retail Fund Investment Corp.	448	701
Kenedix Realty Investment Corp.	96	392
Mitsubishi Estate Co. Ltd.	1,039,680	17,587

See Notes to the Financial Statements.

MULTI-MANAGER GLOBAL REAL ESTATE FUND *continued*

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 95.6% <i>continued</i>		
Japan - 8.4% <i>continued</i>		
Mitsui Fudosan Co. Ltd.	1,332,596	\$21,636
Nippon Accommodations Fund, Inc.	84	603
Nippon Building Fund, Inc.	229	2,221
Nomura Real Estate Holdings, Inc.	175,900	2,667
Nomura Real Estate Office Fund, Inc.	50	338
Sumitomo Realty & Development Co. Ltd.	173,300	3,467
Tokyu Land Corp.	99,000	431
United Urban Investment Corp.	804	1,004
		68,505
Netherlands - 1.0%		
Corio N.V.	77,799	5,449
Eurocommercial Properties N.V.	52,400	2,599
Wereldhave N.V.	4,850	518
		8,566
Norway - 0.2%		
Norwegian Property ASA*	955,949	1,756
Philippines - 0.3%		
SM Prime Holdings, Inc.	9,568,943	2,468
Singapore - 4.7%		
Ascendas Real Estate Investment Trust	600,000	971
CapitaCommercial Trust	3,996,558	4,403
CapitaLand Ltd.	3,839,545	10,062
CapitaMall Trust	670,100	998
CapitaMalls Asia Ltd.	1,162,711	1,643
City Developments Ltd.	877,900	8,038
Global Logistic Properties Ltd.*	2,332,100	3,462
Keppel Land Ltd.	2,404,020	8,547
Suntec Real Estate Investment Trust	396,000	484
		38,608
Spain - 0.9%		
Sol Melia S.A.	624,000	7,171
Sweden - 0.8%		
Castellum AB	261,003	3,804
Fabege AB	216,403	2,342
Hufvudstaden AB, Class A	42,580	507
		6,653
Switzerland - 0.1%		
Swiss Prime Site A.G. (Registered)*	12,870	1,015
Thailand - 0.6%		
Central Pattana PCL	5,250,000	4,947

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 95.6% <i>continued</i>		
United Kingdom - 5.7%		
British Land Co. PLC	689,607	\$6,121
Derwent London PLC	322,441	8,497
Grainger PLC	235,470	406
Great Portland Estates PLC	1,400,711	8,678
Hammerson PLC	669,633	4,807
Land Securities Group PLC	984,631	11,598
Safestore Holdings PLC	330,300	811
Segro PLC	685,161	3,538
Shaftesbury PLC	340,000	2,580
		47,036
United States - 41.8%		
Alexandria Real Estate Equities, Inc.	34,300	2,674
AMB Property Corp.	261,800	9,417
American Assets Trust, Inc.	42,805	910
American Campus Communities, Inc.	143,200	4,726
Apartment Investment & Management Co., Class A	172,343	4,390
AvalonBay Communities, Inc.	126,915	15,240
BioMed Realty Trust, Inc.	73,738	1,402
Boston Properties, Inc.	255,927	24,275
BRE Properties, Inc.	54,700	2,581
Brookfield Properties Corp.*	177,400	3,144
Developers Diversified Realty Corp.*	501,543	7,022
Douglas Emmett, Inc.*	230,300	4,318
DuPont Fabros Technology, Inc.	74,539	1,808
Equity Residential	285,227	16,090
Essex Property Trust, Inc.	70,100	8,692
Federal Realty Investment Trust	125,100	10,203
First Industrial Realty Trust, Inc.*	67,362	801
Forest City Enterprises, Inc., Class A*	181,931	3,426
General Growth Properties, Inc.*	491,499	7,608
HCP, Inc.	286,400	10,866
Health Care REIT, Inc.	109,753	5,755
Hersha Hospitality Trust*	194,161	1,153
Highwoods Properties, Inc.	136,500	4,779
Home Properties, Inc.	2,894	171
Host Hotels & Resorts, Inc.	892,143	15,711
Hyatt Hotels Corp., Class A*	52,691	2,268
Kimco Realty Corp.	165,350	3,033
Liberty Property Trust	214,577	7,060
Macerich (The) Co.	108,421	5,370
Mack-Cali Realty Corp.	61,479	2,084
Nationwide Health Properties, Inc.	165,900	7,056
Pebblebrook Hotel Trust	30,800	682

See Notes to the Financial Statements.

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 95.6% continued		
United States - 41.8% continued		
Post Properties, Inc. *	93,955	\$3,688
ProLogis	876,792	14,011
PS Business Parks, Inc.	21,854	1,266
Public Storage	159,664	17,708
Regency Centers Corp.	55,600	2,417
Simon Property Group, Inc.	374,197	40,099
SL Green Realty Corp.	146,184	10,993
Starwood Hotels & Resorts Worldwide, Inc.	162,100	9,421
Sunstone Hotel Investors, Inc. *	288,489	2,940
Tanger Factory Outlet Centers, Inc.	46,000	1,207
Taubman Centers, Inc.	101,200	5,422
UDR, Inc.	316,848	7,722
Ventas, Inc.	257,798	13,998
Vornado Realty Trust	197,868	17,313
		342,920
Total Common Stocks ⁽¹⁾		
(Cost \$587,628)		784,547
INVESTMENT COMPANIES - 4.0%		
Northern Institutional Funds - Diversified Assets Portfolio ^{(2) (3)}	32,986,499	32,987
Total Investment Companies		
(Cost \$32,987)		32,987
	NUMBER OF WARRANTS	VALUE (000S)
WARRANTS - 0.0%		
Hong Kong - 0.0%		
Henderson Land Development Co. Ltd. *	40,600	\$2
Total Warrants		
(Cost \$ —)		2
Total Investments - 99.6%		
(Cost \$620,615)		817,536
Other Assets less Liabilities - 0.4%		2,936
NET ASSETS - 100.0%		
		\$820,472

(1) In accordance with the Fund's prospectus, adjustment factors were provided by an independent evaluation service to determine the value of certain foreign securities.

(2) At March 31, 2010, the value of the Fund's investment in the Diversified Assets Portfolio of the Northern Institutional Funds was approximately \$29,244,000 with net purchases of approximately \$3,742,000 during the fiscal year ended March 31, 2011.

See Notes to the Financial Statements.

(3) Investment in affiliated Portfolio. Northern Trust Investments, Inc. is an investment adviser of the Fund and the investment adviser to the Northern Institutional Funds.

* Non-Income Producing Security

Percentages shown are based on Net Assets. The classifications shown on the Schedule of Investments and in the tables herein are unaudited.

At March 31, 2011, the industry sectors (unaudited) for the Multi-Manager Global Real Estate Fund were:

INDUSTRY SECTOR	% OF LONG-TERM INVESTMENTS
Hotel Restaurants & Leisure	3.5%
Household Durables	0.3
MultiLine Retail	1.1
Real Estate	6.9
Real Estate Investment Trusts	58.4
Real Estate Management/Development	29.8
Total	100.0%

At March 31, 2011, the Multi-Manager Global Real Estate Fund's investments were denominated in the following currencies (unaudited):

CONCENTRATION BY CURRENCY	% OF LONG-TERM INVESTMENTS
United States Dollar	46.4%
Hong Kong Dollar	13.8
Japanese Yen	8.7
Euro	8.5
Australian Dollar	6.6
British Pound	6.0
All other currencies less than 5%	10.0
Total	100.0%

At March 31, 2011, the Multi-Manager Global Real Estate Fund had outstanding forward foreign currency exchange contracts as follows:

CONTRACTS TO DELIVER CURRENCY	AMOUNT (LOCAL CURRENCY) (000S)	IN EXCHANGE FOR CURRENCY	AMOUNT (LOCAL CURRENCY) (000S)	SETTLEMENT DATE	UNREALIZED GAIN (LOSS) (000S)
Hong Kong Dollar	632	United States Dollar	81	4/1/11	\$—
Norwegian Krone	6	United States Dollar	1	4/1/11	—
Singapore Dollar	11	United States Dollar	9	4/1/11	—
United States Dollar	211	British Pound	132	4/1/11	—
United States Dollar	155	Euro	110	4/1/11	1
United States Dollar	35	Japanese Yen	2,876	4/1/11	—
Euro	25	United States Dollar	35	4/4/11	—
British Pound	3	United States Dollar	5	4/4/11	—
Japanese Yen	10,332	United States Dollar	124	4/4/11	1
Norwegian Krone	86	United States Dollar	16	4/4/11	—
United States Dollar	157	British Pound	98	4/4/11	—
United States Dollar	627	Euro	442	4/4/11	(1)
United States Dollar	14	Japanese Yen	1,130	4/4/11	—
Euro	18	United States Dollar	26	4/5/11	—
British Pound	2	United States Dollar	2	4/5/11	—
Japanese Yen	8,992	United States Dollar	109	4/5/11	—
Total					\$1

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three levels listed below:

Level 1 - Unadjusted quoted market prices in active markets for identical securities on the measurement date.

Level 2 - Other observable inputs (e.g., quoted prices in active markets for similar securities, securities valuations based on commonly quoted benchmark interest rates and yield curves, and/or securities indices). The Fund adjusted the price of certain foreign equity securities held in its portfolio on March 31, 2011 using adjustment factors designed to reflect more accurately the fair value of the securities. See Note 2 for a discussion of this procedure. The fair valuation of these securities resulted in their categorization as Level 2 investments.

Level 3 - Significant unobservable inputs (e.g., information about assumptions, including risk, market participants would use in pricing a security).

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities and other financial instruments, if any. Following is a summary of the inputs used in valuing the Multi-Manager Global Real Estate Fund's investments and other financial instruments, which are carried at fair value, as of March 31, 2011:

INVESTMENTS	LEVEL 1 (000S)	LEVEL 2 (000S)	LEVEL 3 (000S)	TOTAL (000S)
Common Stocks				
Consumer Discretionary	\$ 12,802	\$ 25,442	\$ —	\$ 38,244
Financials	353,397	392,906	—	746,303
Investment Companies	32,987	—	—	32,987
Warrants				
Financials	2	—	—	2
Total Investments	\$399,188	\$418,348	\$—	\$817,536
OTHER FINANCIAL INSTRUMENTS				
Assets				
Forward Foreign Currency Exchange Contracts	\$ —	\$ 2	\$ —	\$ 2
Liabilities				
Forward Foreign Currency Exchange Contracts	—	(1)	—	(1)
Total Other Financial Investments	\$ —	\$ 1	\$ —	\$ 1

There were no significant transfers between Level 1 and Level 2 during the fiscal year ended March 31, 2011, based on an analysis of the inputs used in the fair valuation of the Fund's investments for the fiscal years ended March 31, 2010 and March 31, 2011.

See Notes to the Financial Statements.

MULTI-MANAGER INTERNATIONAL EQUITY FUND

MARCH 31, 2011

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 93.8%		
Australia - 2.1%		
Alumina Ltd.	6,697,047	\$17,057
Australia & New Zealand Banking Group Ltd.	532,145	13,094
Iluka Resources Ltd.	71,404	980
Incitec Pivot Ltd.	3,166,154	14,153
Mount Gibson Iron Ltd.*	1,957,634	4,021
Newcrest Mining Ltd.	418,250	17,281
Telstra Corp. Ltd.	2,454,700	7,155
		73,741
Austria - 0.0%		
Schoeller-Bleckmann Oilfield Equipment A.G.	9,642	949
Belgium - 1.3%		
Anheuser-Busch InBev N.V.	167,748	9,568
Belgacom S.A.	308,677	11,967
Colruyt S.A.	45,417	2,393
Delhaize Group S.A.	249,100	20,290
		44,218
Brazil - 3.4%		
Banco Bradesco S.A. ADR	660,700	13,710
BM&FBOVESPA S.A.	41,700	303
BR Malls Participacoes S.A.	138,200	1,439
BR Properties S.A.	65,600	689
CCR S.A.	59,600	1,730
Centrais Eletricas Brasileiras S.A.	645,968	9,761
Cia de Saneamento Basico do Estado de Sao Paulo ADR	500,400	29,394
Cia Hering	51,776	952
Cia Paranaense de Energia ADR	763,200	21,209
Drogasil S.A.	118,060	923
Embraer S.A.	817,190	6,757
lochpe-Maxion S.A.	62,600	831
Localiza Rent a Car S.A.	15,900	255
Mills Estruturas e Servicos de Engenharia S.A.	106,960	1,176
Natura Cosméticos S.A.	105,600	2,975
Odontoprev S.A.	90,215	1,474
Petroleo Brasileiro S.A. ADR	184,000	7,439
Sul America S.A.	27,300	341
Vale S.A. ADR	437,300	14,584
		115,942
Canada - 7.1%		
Agrium, Inc.	174,890	16,135
Alimentation Couche Tard, Inc., Class B	74,151	1,949

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 93.8% continued		
Canada - 7.1% continued		
Barrick Gold Corp.	502,002	\$26,059
Brookfield Asset Management, Inc., Class A	244,200	7,927
Cameco Corp.	112,544	3,381
Canadian National Railway Co.	42,700	3,222
Canadian Natural Resources Ltd.	279,000	13,796
Canadian Western Bank	49,700	1,597
Cenovus Energy, Inc.	182,719	7,218
CI Financial Corp.	47,477	1,129
EnCana Corp.	201,759	6,978
Home Capital Group, Inc.	11,522	676
Kinross Gold Corp.	1,094,815	17,243
Laurentian Bank of Canada	14,126	738
Nexen, Inc.	1,143,899	28,506
Pacific Rubiales Energy Corp.	100,499	2,788
PetroBakken Energy Ltd., Class A	106,635	2,019
Petrominerales Ltd.	29,799	1,129
Royal Bank of Canada	143,800	8,898
Saputo, Inc.	63,204	2,853
Suncor Energy, Inc.	210,300	9,431
Suncor Energy, Inc. (New York Exchange)	368,727	16,534
Teck Resources Ltd., Class B	168,900	8,953
Tim Hortons, Inc.	61,045	2,768
TMX Group, Inc.	165,380	6,622
Toronto-Dominion Bank (The)	95,400	8,443
Toronto-Dominion Bank (The) (New York Exchange)	165,500	14,662
Trican Well Service Ltd.	390,900	8,826
Yamana Gold, Inc.	1,308,410	16,106
		246,586
Chile - 0.1%		
Banco Santander Chile ADR	23,341	2,025
Lan Airlines S.A.	27,619	712
		2,737
China - 3.0%		
Baidu, Inc. ADR*	197,400	27,204
China National Building Material Co. Ltd., Class H	3,184,000	11,655
China Petroleum & Chemical Corp., Class H	6,304,100	6,338
China Shenhua Energy Co. Ltd., Class H	688,000	3,235
Dongfang Electric Corp. Ltd., Class H	2,604,000	8,863
Dongfeng Motor Group Co. Ltd., Class H	5,006,331	8,575
Focus Media Holding Ltd. ADR*	141,500	4,340

See Notes to the Financial Statements.

MULTI-MANAGER INTERNATIONAL EQUITY FUND *continued*

	NUMBER OF SHARES	VALUE (000S)		NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 93.8% <i>continued</i>			COMMON STOCKS - 93.8% <i>continued</i>		
China - 3.0% <i>continued</i>			France - 5.6% <i>continued</i>		
Great Wall Motor Co. Ltd., Class H	1,095,750	\$2,020	Publicis Groupe S.A.	73,067	\$4,096
Haitian International Holdings Ltd.	683,000	878	Sanofi-Aventis	268,298	18,843
Hollysys Automation Technologies Ltd.*	48,532	645	Schneider Electric S.A.	29,012	4,959
Huaneng Power International, Inc., Class H	12,468,000	7,286	SEB S.A.	13,697	1,349
Industrial & Commercial Bank of China, Class H	11,391,000	9,446	Societe Generale	100,818	6,555
Li Ning Co. Ltd.	1,025,276	1,723	Suez Environnement Co.	80,499	1,665
Shanghai Electric Group Co. Ltd., Class H	3,304,000	1,657	Thales S.A.	333,535	13,319
Weichai Power Co. Ltd., Class H	170,000	1,031	Total S.A.	332,252	20,226
Yanzhou Coal Mining Co. Ltd. ADR	211,600	7,675	UBISOFT Entertainment*	532,301	5,445
Zhuzhou CSR Times Electric Co. Ltd., Class H	132,000	502	Valeo S.A.*	72,581	4,230
		103,073			192,989
Denmark - 0.5%			Germany - 3.8%		
Coloplast A/S, Class B	19,601	2,837	Adidas A.G.	89,780	5,670
Novo Nordisk A/S, Class B	116,732	14,631	Aixtron S.E.	242,927	10,624
SimCorp A/S	4,718	756	Allianz S.E. (Registered)	139,870	19,624
		18,224	BASF S.E.	116,815	10,128
Egypt - 0.0%			Bayer A.G. (Registered)	105,856	8,197
Commercial International Bank Egypt S.A.E.*	188,731	1,034	Dialog Semiconductor PLC*	186,950	3,897
Egyptian Financial Group-Hermes Holding	150,604	553	E.ON A.G.	379,980	11,610
		1,587	GEA Group A.G.	268,860	8,852
Finland - 1.0%			Gerry Weber International A.G.	3,438	200
Kone OYJ, Class B	58,339	3,357	Infineon Technologies A.G.	340,143	3,487
Nokia OYJ	1,053,901	8,967	Lanxess A.G.	31,173	2,332
Nokia OYJ ADR	2,157,811	18,363	MTU Aero Engines Holding A.G.	27,228	1,845
Nokian Renkaat OYJ	47,054	2,004	SAP A.G.	297,688	18,263
UPM-Kymmene OYJ*	86,869	1,837	Siemens A.G. (Registered)	148,917	20,399
		34,528	Symrise A.G.	203,515	5,968
France - 5.6%			Wincor Nixdorf A.G.	22,075	1,786
Air Liquide S.A.	22,699	3,020			132,882
Alstom S.A.	52,450	3,102	Greece - 0.1%		
Areva S.A.	147,738	6,550	National Bank of Greece S.A.*	198,989	1,766
AXA S.A.	267,738	5,598	Hong Kong - 2.1%		
BNP Paribas	277,567	20,311	Cathay Pacific Airways Ltd.	5,704,800	13,632
Carrefour S.A.	462,366	20,493	Cheung Kong Holdings Ltd.	485,607	7,897
Cie Generale d'Optique Essilor International S.A.	72,409	5,380	China Overseas Land & Investment Ltd.	1,366,000	2,790
EDF Energies Nouvelles S.A.	54,170	2,855	CNOOC Ltd.	4,357,522	11,019
EDF S.A.	221,553	9,183	Fushan International Energy Group Ltd.	6,996,000	5,022
France Telecom S.A.	962,803	21,597	Hong Kong Exchanges and Clearing Ltd.	399,600	8,678
L'Oreal S.A.	122,032	14,213	Hutchison Telecommunications Hong Kong Holdings Ltd.	2,207,148	700
			Lonking Holdings Ltd.	1,962,000	1,382
			New World Development Ltd.	3,830,900	6,755
			Noble Group Ltd.	2,009,000	3,404

See Notes to the Financial Statements.

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 93.8% continued		
Hong Kong - 2.1% continued		
Shangri-La Asia Ltd.	2,366,000	\$6,100
Sun Hung Kai Properties Ltd.	246,000	3,888
Value Partners Group Ltd.	731,000	692
		71,959
India - 1.1%		
HDFC Bank Ltd. ADR	16,313	2,772
ICICI Bank Ltd. ADR	167,700	8,356
Infosys Technologies Ltd. ADR	55,690	3,993
Tata Motors Ltd. ADR	857,600	23,833
		38,954
Indonesia - 0.6%		
Astra International Tbk PT	366,500	2,395
Bank Rakyat Indonesia Persero Tbk PT	3,329,774	2,194
Harum Energy Tbk PT*	32,000	33
Indo Tambangraya Megah PT	338,000	1,790
Indofood Sukses Makmur Tbk PT	3,961,000	2,453
Kalbe Farma Tbk PT	3,468,000	1,352
Telekomunikasi Indonesia Tbk PT ADR	204,091	6,853
United Tractors Tbk PT	1,292,500	3,222
		20,292
Ireland - 1.4%		
Coviden PLC	266,490	13,841
CRH PLC	469,190	10,768
Experian PLC	381,990	4,732
Paddy Power PLC	28,946	1,268
Shire PLC	287,075	8,335
WPP PLC	769,967	9,494
		48,438
Israel - 0.4%		
Israel Chemicals Ltd.	220,681	3,627
Teva Pharmaceutical Industries Ltd. ADR	195,154	9,791
		13,418
Italy - 1.4%		
Ansaldo STS S.p.A.	89,073	1,305
DiaSorin S.p.A.	29,810	1,312
Enel S.p.A.	601,910	3,794
ENI S.p.A.	251,572	6,175
Saipem S.p.A.	371,094	19,708
Telecom Italia S.p.A. (RSP)	12,278,169	16,536
		48,830
Japan - 19.8%		
Amada Co. Ltd.	405,609	3,384

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 93.8% continued		
Japan - 19.8% continued		
Asahi Glass Co. Ltd.	1,452,600	\$18,267
Bank of Yokohama (The) Ltd.	2,427,399	11,527
Canon, Inc.	374,489	16,298
Coca-Cola West Co. Ltd.	1,057,800	19,959
CyberAgent, Inc.	593	2,067
Dai Nippon Printing Co. Ltd.	1,444,000	17,586
Daichi Sankyo Co. Ltd.	171,800	3,317
Daito Trust Construction Co. Ltd.	22,400	1,527
Dena Co. Ltd.	83,800	3,027
Denki Kagaku Kogyo K.K.	1,624,000	8,005
Disco Corp.	140,700	9,516
Exedy Corp.	55,200	1,658
FANUC Corp.	124,854	18,768
Fast Retailing Co. Ltd.	16,500	2,065
FCC Co. Ltd.	39,300	937
Fuji Heavy Industries Ltd.	798,500	5,145
FUJIFILM Holdings Corp.	362,600	11,229
Fujitsu Ltd.	1,011,000	5,713
Gree, Inc.	102,600	1,721
Inpex Corp.	1,510	11,359
Isuzu Motors Ltd.	2,074,000	8,203
Japan Steel Works (The) Ltd.	424,000	3,263
JS Group Corp.	126,700	3,290
Kakaku.com, Inc.	274	1,517
Kao Corp.	243,000	6,062
KDDI Corp.	1,100	6,751
Keyence Corp.	30,097	7,630
Komatsu Ltd.	455,500	15,371
K's Holdings Corp.	61,600	1,777
Mabuchi Motor Co. Ltd.	237,200	11,184
Makino Milling Machine Co. Ltd.*	873,000	7,410
Makita Corp.	71,200	3,313
Miraca Holdings, Inc.	32,100	1,229
MISUMI Group, Inc.	60,800	1,509
Mitsubishi Corp.	729,203	20,242
Mitsubishi Electric Corp.	401,000	4,678
Mitsubishi Estate Co. Ltd.	221,000	3,738
Mitsubishi UFJ Financial Group, Inc.	2,202,533	10,168
Mitsui & Co. Ltd.	802,800	14,390
MS&AD Insurance Group Holdings, Inc.	957,684	21,806
Murata Manufacturing Co. Ltd.	51,900	3,737
Nabtesco Corp.	65,000	1,622
Nintendo Co. Ltd.	80,214	21,669
Nippon Telegraph & Telephone Corp. ADR	868,234	19,527

See Notes to the Financial Statements.

MULTI-MANAGER INTERNATIONAL EQUITY FUND *continued*

	NUMBER OF SHARES	VALUE (000S)		NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 93.8%			COMMON STOCKS - 93.8%		
<i>continued</i>			<i>continued</i>		
Japan - 19.8%			Mexico - 0.6%		
<i>continued</i>			<i>continued</i>		
Nippon Yusen Kabushiki Kaisha	5,113,700	\$19,980	America Movil S.A.B. de C.V. ADR, Series L	92,827	\$5,393
Nissan Motor Co. Ltd.	1,212,300	10,756	Coca-Cola Femsa S.A.B de C.V. ADR	90,000	6,929
Nitori Holdings Co. Ltd.	39,050	3,409	Compartamos S.A.B. de C.V.*	779,600	1,403
Nitto Denko Corp.	355,000	18,582	Fomento Economico Mexicano S.A.B. de C.V. ADR	57,700	3,387
NKSJ Holdings, Inc.	1,205,366	7,749	Genomma Lab Internacional S.A.B. de C.V., Series B*	416,900	944
Nomura Research Institute Ltd.	196,796	4,344	Grupo Mexico S.A.B. de C.V., Series B	732,000	2,737
ORIX Corp.	109,620	10,266			20,793
Osaka Securities Exchange Co. Ltd.	201	1,009			
OSAKA Titanium Technologies Co.	151,400	10,448			
Panasonic Corp.	590,500	7,511			
Point, Inc.	15,120	633			
Rohm Co. Ltd.	139,800	8,681			
Sankyo Co. Ltd.	175,800	9,014			
Sawai Phamaceutical Co. Ltd.	11,900	1,027			
Secom Co. Ltd.	122,619	5,664			
Sekisui House Ltd.	1,037,000	9,653			
Seven & I Holdings Co. Ltd.	970,341	24,754			
Shiseido Co. Ltd.	518,000	8,968			
SMC Corp.	58,211	9,484			
Softbank Corp.	259,600	10,264			
Sony Financial Holdings, Inc.	196,200	3,854			
Sugi Holdings Co. Ltd.	271,749	6,302			
Sumitomo Metal Mining Co. Ltd.	457,060	7,863			
Sumitomo Mitsui Financial Group, Inc.	461,300	14,342			
Sumitomo Mitsui Trust Holdings, Inc.	5,408,590	19,182			
Suzuki Motor Corp.	544,901	12,178			
Takeda Pharmaceutical Co. Ltd.	62,800	2,929			
THK Co. Ltd.	519,819	12,948			
Tokyu Land Corp.	1,121,000	4,879			
Toshiba Corp.	897,000	4,389			
Toyota Motor Corp. ADR	133,630	10,724			
USS Co. Ltd.	16,980	1,321			
Wacoal Holdings Corp.	886,000	11,163			
West Japan Railway Co.	1,721	6,586			
Yahoo! Japan Corp.	19,413	6,946			
Yamada Denki Co. Ltd.	42,120	2,805			
		683,768			
Malaysia - 0.2%			Netherlands - 3.3%		
Genting Bhd.	835,600	3,041	ASML Holding N.V.*	52,631	2,321
Sime Darby Bhd.	996,805	3,041	Fugro N.V. - CVA	82,479	7,265
Top Glove Corp. Bhd	354,900	630	Gemalto N.V.	138,648	6,821
		6,712	Heineken N.V.	223,104	12,190
			ING Groep N.V. - CVA*	490,531	6,226
			Royal Dutch Shell PLC ADR	263,211	19,278
			Royal Dutch Shell PLC, Class A (Amsterdam Exchange)	577,100	20,974
			Royal Dutch Shell PLC, Class A (London Exchange)	354,659	12,866
			Royal KPN N.V.	845,630	14,420
			Wolters Kluwer N.V.	425,019	9,950
					112,311
			Norway - 1.0%		
			Norwegian Air Shuttle AS*	48,200	936
			Statoil ASA	1,166,546	32,371
					33,307
			Peru - 0.1%		
			Credicorp Ltd.	28,620	3,003
			Philippines - 0.2%		
			Megaworld Corp.	132,756,000	6,464
			Portugal - 0.1%		
			EDP - Energias de Portugal S.A.	1,262,369	4,920
			Russia - 1.4%		
			Gazprom OAO ADR	228,024	7,390
			LSR Group OJSC GDR (Registered)	401,545	3,848
			Mechel ADR	472,600	14,551
			NovaTek OAO GDR (Registered)	73,094	10,177
			VTB Bank OJSC GDR (Registered)	1,776,108	12,447
					48,413
			Singapore - 1.8%		
			Biosensors International Group Ltd.*	7,346,000	6,887

See Notes to the Financial Statements.

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 93.8% continued		
Singapore - 1.8% continued		
CapitaLand Ltd.	1,111,000	\$2,911
CapitaMalls Asia Ltd.	1,808,000	2,555
DBS Group Holdings Ltd.	650,287	7,561
Global Logistic Properties Ltd.*	1,371,000	2,035
Golden Agri-Resources Ltd.	22,628,244	12,358
Keppel Corp. Ltd.	1,284,000	12,539
Midas Holdings Ltd.	765,000	455
United Overseas Bank Ltd.	883,700	13,179
		60,480
South Africa - 2.1%		
AngloGold Ashanti Ltd. ADR	374,338	17,949
Aspen Pharmacare Holdings Ltd.*	352,318	4,112
Clicks Group Ltd.	225,392	1,416
Gold Fields Ltd.	781,049	13,645
MTN Group Ltd.	467,200	9,427
Sasol Ltd. ADR	391,700	22,699
Shoprite Holdings Ltd.	98,031	1,502
Wilson Bayly Holmes-Ovcon Ltd.	61,161	974
		71,724
South Korea - 3.1%		
Halla Climate Control Corp.	32,980	629
Hyundai Heavy Industries Co. Ltd.	5,387	2,540
Hyundai Mobis	40,522	12,105
Hyundai Motor Co.	20,645	3,832
Korea Electric Power Corp. ADR*	808,849	9,900
LG Chem Ltd.	34,389	14,407
POSCO ADR	121,000	13,829
Samsung Electronics Co. Ltd.	5,938	5,038
Samsung Engineering Co. Ltd.	12,705	2,417
SK Telecom Co. Ltd. ADR	1,948,170	36,645
Woori Finance Holdings Co. Ltd. ADR*	162,500	6,415
		107,757
Spain - 1.1%		
Banco Santander S.A.	1,029,783	12,002
Inditex S.A.	135,532	10,880
Prosegur CIA de Seguridad S.A. (Registered)	25,523	1,520
Tecnicas Reunidas S.A.	24,568	1,477
Telefonica S.A.	413,672	10,357
		36,236
Sweden - 1.8%		
Atlas Copco AB, Class A	180,805	4,806
Elektro AB, Class B	44,262	1,770

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 93.8% continued		
Sweden - 1.8% continued		
Hexagon AB, Class B	188,981	\$4,509
JM AB	34,826	927
Skandinaviska Enskilda Banken AB, Class A	971,754	8,670
Svenska Cellulosa AB, Class B	804,300	12,940
Swedish Match AB	264,175	8,780
Telefonaktiebolaget LM Ericsson, Class B	845,511	10,873
Volvo AB, Class B*	467,139	8,208
		61,483
Switzerland - 4.6%		
Cie Financiere Richemont S.A., Class A (Bearer)	199,203	11,503
Credit Suisse Group A.G. (Registered)	290,800	12,358
Foster Wheeler A.G.*	231,265	8,700
GAM Holding A.G.*	495,149	9,408
Nestle S.A. (Registered)	534,228	30,654
Noble Corp.	192,630	8,788
Novartis A.G. (Registered)	147,866	8,017
Orascom Development Holding A.G.*	24,457	1,139
Partners Group Holding A.G.	13,644	2,609
Roche Holding A.G. (Genusschein)	99,540	14,219
SGS S.A. (Registered)	2,360	4,205
Sika A.G. (Bearer)	839	2,020
Swatch Group (The) A.G. (Registered)	97,265	7,731
UBS A.G. (Registered)*	418,973	7,562
Zurich Financial Services A.G.*	101,772	28,494
		157,407
Taiwan - 0.6%		
HTC Corp.	74,000	2,896
Powertech Technology, Inc.	274,000	857
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	1,527,200	18,601
		22,354
Thailand - 0.3%		
Bangkok Bank PCL (Registered)	495,985	2,843
Bangkok Dusit Medical Services Public Co. Ltd., Class F*	319,700	547
Italian-Thai Development PCL (Registered)*	43,185,500	5,997
Kasikornbank PCL (Registered)	531,500	2,307
		11,694
Turkey - 0.3%		
KOC Holding A.S. ADR	80,200	1,874
Petkim Petrokimya Holding A.S.*	1,713,245	2,605
Tofas Turk Otomobil Fabrikasi A.S.	219,891	1,242

See Notes to the Financial Statements.

MULTI-MANAGER INTERNATIONAL EQUITY FUND *continued*

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 93.8% <i>continued</i>		
Turkey - 0.3% <i>continued</i>		
Turkiye Garanti Bankasi A.S.	741,860	\$3,470
Turkiye Halk Bankasi A.S.	220,335	1,706
		10,897
United Kingdom - 14.8%		
Abcam PLC	256,973	1,553
Admiral Group PLC	90,161	2,249
Afren PLC*	4,018,378	10,493
Aggreko PLC	71,709	1,813
AMEC PLC	130,121	2,488
Amlin PLC	318,398	1,950
Anglo American PLC	205,415	10,562
Antofagasta PLC	252,025	5,496
Ashmore Group PLC	101,185	538
AstraZeneca PLC	778,613	35,796
Aveva Group PLC	68,222	1,767
Babcock International Group PLC	320,227	3,188
BAE Systems PLC	2,349,400	12,259
Barclays PLC	1,519,513	6,817
Berkeley Group Holdings PLC*	124,951	2,089
BG Group PLC	767,164	19,058
BHP Billiton PLC	255,261	10,118
BP PLC ADR	153,054	6,756
British American Tobacco PLC	353,400	14,202
Britvic PLC	188,263	1,194
Carphone Warehouse Group PLC*	349,019	2,038
Centrica PLC	1,403,252	7,319
Chemring Group PLC	199,085	2,211
Diageo PLC	1,352,880	25,748
Dunelm Group Plc	169,023	1,041
EnQuest PLC*	494,657	1,081
GlaxoSmithKline PLC	2,708,094	51,675
Hargreaves Lansdown PLC	66,636	652
Home Retail Group PLC	2,113,079	6,546
HSBC Holdings PLC	867,694	8,923
IG Group Holdings PLC	214,271	1,570
J. Sainsbury PLC	687,147	3,695
Johnson Matthey PLC	145,623	4,344
Jupiter Fund Management PLC	157,285	725
Lancashire Holdings Ltd.	157,876	1,514
Legal & General Group PLC	1,050,224	1,944
Marks & Spencer Group PLC	1,143,300	6,174
Meggitt PLC	229,704	1,264
Michael Page International PLC	109,709	904
Next PLC	93,617	2,974

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 93.8% <i>continued</i>		
United Kingdom - 14.8% <i>continued</i>		
Ocado Group PLC*	271,494	\$993
Pearson PLC	782,000	13,854
Petrofac Ltd.	156,696	3,747
Reckitt Benckiser Group PLC	165,541	8,502
Reed Elsevier PLC	1,306,369	11,313
Restaurant Group PLC	120,798	581
Rio Tinto PLC	277,214	19,560
Rolls-Royce Group PLC*	420,488	4,175
Rotork PLC	68,330	1,914
RPS Group PLC	284,639	977
Sage Group (The) PLC	1,397,300	6,241
Scottish & Southern Energy PLC	300,306	6,075
Spirax-Sarco Engineering PLC	57,622	1,792
Standard Chartered PLC	559,180	14,505
Subsea 7 S.A.	376,693	9,507
Telecity Group PLC*	134,624	1,098
Tullow Oil PLC	852,917	19,835
Ultra Electronics Holdings PLC	67,048	1,854
Unilever PLC	448,200	13,669
Victrex PLC	62,935	1,362
Vodafone Group PLC	11,961,402	33,867
Vodafone Group PLC ADR	404,596	11,632
Weir Group (The) PLC	102,485	2,846
Whitbread PLC	98,797	2,618
Willis Group Holdings PLC	309,675	12,499
Xstrata PLC	933,544	21,797
		509,541
United States - 1.6%		
Axis Capital Holdings Ltd.	657,837	22,972
Bunge Ltd.	118,590	8,578
Philip Morris International, Inc.	105,496	6,924
RenaissanceRe Holdings Ltd.	210,300	14,508
Schlumberger Ltd.	25,640	2,391
		55,373
Total Common Stocks ⁽¹⁾		
		(Cost \$2,866,015)
		3,235,750
PREFERRED STOCKS - 0.7%		
Brazil - 0.5%		
Centrais Eletricas Brasileiras S.A. ADR	144,684	2,798
Itau Unibanco Holding S.A. ADR	215,432	5,181
Tele Norte Leste Participacoes S.A. ADR	625,800	10,971
		18,950

See Notes to the Financial Statements.

	NUMBER OF SHARES	VALUE (000S)
PREFERRED STOCKS - 0.7% continued		
France - 0.0%		
Areva S.A.*	11,405	\$474
Germany - 0.2%		
Henkel A.G. & Co. KGaA	89,498	5,541
Total Preferred Stocks ⁽¹⁾		
(Cost \$17,968)		24,965

	NUMBER OF WARRANTS	VALUE (000S)
WARRANTS - 0.6%		
Russia - 0.3%		
Sberbank of Russia*	2,305,228	\$8,529
Taiwan - 0.3%		
Wintek Corp.*	6,561,425	11,625
Total Warrants ⁽¹⁾		
(Cost \$20,368)		20,154

	NUMBER OF SHARES	VALUE (000S)
INVESTMENT COMPANIES - 4.5%		
iShares FTSE A50 China Index ETF	2,042,400	\$3,498
Northern Institutional Funds - Diversified Assets Portfolio ^{(2) (3)}	150,588,946	150,589
Total Investment Companies		
(Cost \$154,050)		154,087

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
SHORT-TERM INVESTMENTS - 0.2%		
U.S. Treasury Bill, 0.17%, 5/5/11 ⁽⁴⁾	\$8,285	\$8,285
Total Short-Term Investments		
(Cost \$8,284)		8,285
Total Investments - 99.8%		
(Cost \$3,066,685)		3,443,241
Other Assets less Liabilities - 0.2%		8,564
NET ASSETS - 100.0%		\$3,451,805

(1) In accordance with the Fund's prospectus, adjustment factors were provided by an independent evaluation service to determine the value of certain foreign securities.

(2) At March 31, 2010, the value of the Fund's investment in the Diversified Assets Portfolio of the Northern Institutional Funds was approximately \$111,659,000 with net purchases of approximately \$38,930,000 during the fiscal year ended March 31, 2011.

(3) Investment in affiliated Portfolio. Northern Trust Investments, Inc. is an investment adviser of the Fund and the investment adviser to the Northern Institutional Funds.

(4) Security pledged as collateral to cover margin requirements for open futures contracts.

* Non-Income Producing Security

Percentages shown are based on Net Assets. The classifications shown on the Schedule of Investments and in the tables herein are unaudited.

At March 31, 2011, the Multi-Manager International Equity Fund had open futures contracts as follows:

TYPE	NUMBER OF CONTRACTS	NOTIONAL AMOUNT (000S)	CONTRACT POSITION	CONTRACT EXP.	UNREALIZED GAIN (LOSS) (000S)
E-Mini MSCI EAFE Index	713	\$60,142	Long	6/11	\$1,902

MULTI-MANAGER INTERNATIONAL EQUITY FUND *continued*

At March 31, 2011, the industry sectors (unaudited) for the Multi-Manager International Equity Fund were:

INDUSTRY SECTOR	% OF LONG-TERM INVESTMENTS
Consumer Discretionary	8.5%
Consumer Staples	9.4
Energy	12.6
Financials	17.1
Health Care	6.8
Industrials	13.4
Information Technology	8.1
Materials	13.0
Telecommunication Services	7.2
Utilities	3.9
Total	100.0%

At March 31, 2011, the Multi-Manager International Equity Fund's investments were denominated in the following currencies (unaudited):

CONCENTRATION BY CURRENCY	% OF LONG-TERM INVESTMENTS
United States Dollar	23.1%
Japanese Yen	19.9
Euro	17.6
British Pound	15.3
All other currencies less than 5%	24.1
Total	100.0%

At March 31, 2011, the Multi-Manager International Equity Fund had outstanding forward foreign currency exchange contracts as follows:

CONTRACTS TO DELIVER CURRENCY	AMOUNT (LOCAL CURRENCY) (000S)	IN EXCHANGE FOR CURRENCY	AMOUNT (LOCAL CURRENCY) (000S)	SETTLEMENT DATE	UNREALIZED GAIN (LOSS) (000S)
Australian Dollar	1,418	United States Dollar	1,455	4/1/11	\$(12)
Canadian Dollar	2	United States Dollar	3	4/1/11	—
Danish Krone	239	United States Dollar	45	4/1/11	—
Hong Kong Dollar	8,270	United States Dollar	1,062	4/1/11	(1)
Norwegian Krone	12,289	United States Dollar	2,198	4/1/11	(24)
South African Rand	1,964	United States Dollar	286	4/1/11	(4)
United States Dollar	51	Australian Dollar	49	4/1/11	1
United States Dollar	124	Australian Dollar	120	4/1/11	1
United States Dollar	726	British Pound	452	4/1/11	—
United States Dollar	76	British Pound	47	4/1/11	—

See Notes to the Financial Statements.

CONTRACTS TO DELIVER CURRENCY	AMOUNT (LOCAL CURRENCY) (000S)	IN EXCHANGE FOR CURRENCY	AMOUNT (LOCAL CURRENCY) (000S)	SETTLEMENT DATE	UNREALIZED GAIN (LOSS) (000S)
United States Dollar	52	Canadian Dollar	51	4/1/11	\$—
United States Dollar	112	Canadian Dollar	109	4/1/11	—
United States Dollar	19	Hong Kong Dollar	151	4/1/11	—
United States Dollar	6,664	Japanese Yen	549,297	4/1/11	(60)
United States Dollar	221	Japanese Yen	18,220	4/1/11	(2)
United States Dollar	35	Japanese Yen	2,891	4/1/11	—
United States Dollar	418	Korean Won	458,667	4/1/11	—
United States Dollar	95	Singapore Dollar	120	4/1/11	—
United States Dollar	820	Swiss Franc	756	4/1/11	3
Australian Dollar	1,438	United States Dollar	1,483	4/4/11	(3)
Australian Dollar	1,850	United States Dollar	1,913	4/4/11	—
British Pound	2,400	United States Dollar	3,846	4/4/11	(4)
Norwegian Krone	6,219	United States Dollar	1,115	4/4/11	(9)
Norwegian Krone	6,687	United States Dollar	1,209	4/4/11	—
South African Rand	2,187	United States Dollar	318	4/4/11	(5)
United States Dollar	2,188	British Pound	1,361	4/4/11	(5)
United States Dollar	187	British Pound	116	4/4/11	—
United States Dollar	19	Hong Kong Dollar	145	4/4/11	—
United States Dollar	3,233	Japanese Yen	267,851	4/4/11	(13)
United States Dollar	65	Japanese Yen	5,398	4/4/11	—
United States Dollar	1,519	Swiss Franc	1,395	4/4/11	1
South African Rand	578	United States Dollar	84	4/5/11	(1)
United States Dollar	832	British Pound	518	4/5/11	(2)
United States Dollar	282	Japanese Yen	23,383	4/5/11	(1)
United States Dollar	1,960	Swiss Franc	1,796	4/5/11	(5)
South African Rand	870	United States Dollar	127	4/6/11	(1)
South African Rand	1,144	United States Dollar	169	4/7/11	—

CONTRACTS TO DELIVER CURRENCY	AMOUNT (LOCAL CURRENCY) (000S)	IN EXCHANGE FOR CURRENCY	AMOUNT (LOCAL CURRENCY) (000S)	SETTLEMENT DATE	UNREALIZED GAIN (LOSS) (000S)
Euro	41,899	United States Dollar	57,779	6/13/11	\$(1,512)
United States Dollar	7,100	Euro	5,027	6/13/11	24
Japanese Yen	3,938,587	United States Dollar	47,467	6/14/11	94
Swiss Franc	5,898	United States Dollar	6,252	6/15/11	(174)
Swiss Franc	1,648	United States Dollar	1,776	6/15/11	(20)
United States Dollar	2,461	Swiss Franc	2,226	6/15/11	(36)
Canadian Dollar	4,266	United States Dollar	4,341	6/16/11	(51)
British Pound	39,652	United States Dollar	63,551	6/17/11	11
United States Dollar	10,297	British Pound	6,344	6/17/11	(132)
Total					\$(1,942)

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three levels listed below:

Level 1 - Unadjusted quoted market prices in active markets for identical securities on the measurement date.

Level 2 - Other observable inputs (e.g., quoted prices in active markets for similar securities, securities valuations based on commonly quoted benchmark interest rates and yield curves, and/or securities indices). The Fund adjusted the price of certain foreign equity securities held in its portfolio on March 31, 2011 using adjustment factors designed to reflect more accurately the fair value of the securities. See Note 2 for a discussion of this procedure. The fair valuation of these securities resulted in their categorization as Level 2 investments.

Level 3 - Significant unobservable inputs (e.g., information about assumptions, including risk, market participants would use in pricing a security).

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities and other financial instruments, if any. Following is a summary of the inputs used in valuing the Multi-Manager International Equity Fund's investments and other financial instruments, which are carried at fair value, as of March 31, 2011:

INVESTMENTS	LEVEL 1 (000S)	LEVEL 2 (000S)	LEVEL 3 (000S)	TOTAL (000S)
Common Stocks				
Consumer Discretionary	\$ 18,784	\$257,061	\$ —	\$275,845
Consumer Staples	34,518	267,949	—	302,467
Energy	175,631	239,561	—	415,192
Financials	148,688	399,552	—	548,240
Health Care	26,050	194,596	—	220,646
Industrials	49,091	388,821	—	437,912
Information Technology	68,806	194,527	—	263,333
Materials	148,147	275,906	—	424,053
Telecommunication				
Services	80,051	143,041	—	223,092
Utilities	70,264	54,707	—	124,971
Preferred Stocks				
Consumer Staples	—	5,541	—	5,541
Financials	5,181	—	—	5,181
Industrials	—	474	—	474
Telecommunication				
Services	10,970	—	—	10,970
Utilities	2,798	—	—	2,798

See Notes to the Financial Statements.

INVESTMENTS	LEVEL 1 (000S)	LEVEL 2 (000S)	LEVEL 3 (000S)	TOTAL (000S)
Warrants				
Financials	\$ 8,529	\$ —	\$ —	\$ 8,529
Information Technology	11,625	—	—	11,625
Investment Companies	150,589	3,498	—	154,087
Short-Term Investments	—	8,285	—	8,285
Total Investments	\$1,009,722	\$2,433,519	\$ —	\$3,443,241
OTHER FINANCIAL INSTRUMENTS				
Assets				
Futures Contracts	\$ 1,902	\$ —	\$ —	\$ 1,902
Forward Foreign				
Currency Exchange Contracts	—	135	—	135
Liabilities				
Forward Foreign				
Currency Exchange Contracts	—	(2,077)	—	(2,077)
Total Other Financial Instruments	\$ 1,902	\$ (1,942)	\$ —	\$ (40)

There were no significant transfers between Level 1 and Level 2 during the fiscal year ended March 31, 2011, based on an analysis of the inputs used in the fair valuation of the Fund's investments for the fiscal years ended March 31, 2010 and March 31, 2011.

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

	BALANCE AS OF 3/31/10 (000S)	NET REALIZED GAIN(LOSS) (000S)	NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) (000S)	NET PURCHASES (SALES) (000S)	NET TRANSFERS IN AND/OR (OUT) OF LEVEL 3 (000S)	BALANCE AS OF 3/31/11 (000S)
Common Stocks						
Energy	\$366	\$(121)	\$228	\$(473)	\$—	\$—

See Notes to the Financial Statements.

MULTI-MANAGER LARGE CAP FUND

MARCH 31, 2011

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 93.6%		
Aerospace/Defense - 2.5%		
Boeing (The) Co.	36,051	\$2,665
General Dynamics Corp.	67,044	5,133
Lockheed Martin Corp.	40,000	3,216
Northrop Grumman Corp.	123,600	7,751
Raytheon Co.	80,000	4,070
United Technologies Corp.	34,490	2,919
		25,754
Agriculture - 1.2%		
Archer-Daniels-Midland Co.	228,000	8,210
Philip Morris International, Inc.	63,700	4,181
		12,391
Apparel - 1.6%		
Burberry Group PLC ADR	35,237	1,332
Coach, Inc.	45,118	2,348
NIKE, Inc., Class B	131,807	9,978
Polo Ralph Lauren Corp.	25,495	3,152
		16,810
Auto Manufacturers - 0.7%		
Bayerische Motoren Werke A.G. ADR	77,445	2,157
General Motors Co.*	170,000	5,275
		7,432
Auto Parts & Equipment - 0.2%		
BorgWarner, Inc.*	25,536	2,035
Banks - 6.1%		
Bank of New York Mellon (The) Corp.	283,600	8,471
Citigroup, Inc.*	3,019,077	13,344
Goldman Sachs Group (The), Inc.	81,459	12,909
JPMorgan Chase & Co.	104,500	4,817
PNC Financial Services Group, Inc.	89,029	5,608
U.S. Bancorp	305,737	8,081
Wells Fargo & Co.	351,730	11,150
		64,380
Biotechnology - 1.9%		
Alexion Pharmaceuticals, Inc.*	6,435	635
Amgen, Inc.*	173,700	9,284
Celgene Corp.*	58,251	3,351
Gilead Sciences, Inc.*	25,505	1,082
Illumina, Inc.*	37,013	2,594
Vertex Pharmaceuticals, Inc.*	54,429	2,609
		19,555

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 93.6% continued		
Chemicals - 4.4%		
Dow Chemical (The) Co.	265,196	\$10,011
E.I. du Pont de Nemours & Co.	213,959	11,761
Monsanto Co.	154,233	11,145
PPG Industries, Inc.	57,431	5,468
Praxair, Inc.	74,867	7,607
		45,992
Commercial Services - 0.4%		
Mastercard, Inc., Class A	15,921	4,008
Computers - 4.3%		
Apple, Inc.*	60,781	21,179
Cognizant Technology Solutions Corp., Class A*	26,424	2,151
EMC Corp.*	97,839	2,598
International Business Machines Corp.	95,100	15,508
NetApp, Inc.*	77,550	3,736
		45,172
Cosmetics/Personal Care - 0.6%		
Estee Lauder (The) Cos., Inc., Class A	61,905	5,965
Distribution/Wholesale - 0.2%		
Li & Fung Ltd. ADR	295,163	1,535
Diversified Financial Services - 0.4%		
American Express Co.	52,146	2,357
Charles Schwab (The) Corp.	118,073	2,129
		4,486
Electric - 2.0%		
Edison International	225,400	8,247
NRG Energy, Inc.*	200,000	4,308
Progress Energy, Inc.	170,800	7,881
		20,436
Electronics - 0.6%		
Agilent Technologies, Inc.*	142,222	6,369
Environmental Control - 0.8%		
Waste Management, Inc.	222,700	8,316
Food - 2.2%		
Kraft Foods, Inc., Class A	264,600	8,298
Kroger (The) Co.	109,600	2,627
Safeway, Inc.	364,462	8,580
Whole Foods Market, Inc.	59,945	3,950
		23,455
Healthcare - Products - 1.6%		
Baxter International, Inc.	153,400	8,248

See Notes to the Financial Statements.

MULTI-MANAGER LARGE CAP FUND *continued*

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 93.6% <i>continued</i>		
Healthcare - Products - 1.6% <i>continued</i>		
Johnson & Johnson	140,200	\$8,307
		16,555
Healthcare - Services - 0.8%		
Quest Diagnostics, Inc.	153,100	8,837
Holding Companies - Diversified - 0.1%		
LVMH Moet Hennessy Louis Vuitton S.A.	39,903	1,263
Household Products/Wares - 0.8%		
Kimberly-Clark Corp.	124,800	8,146
Insurance - 7.0%		
Allstate (The) Corp.	262,500	8,342
AON Corp.	117,300	6,212
Genworth Financial, Inc., Class A*	560,000	7,538
Harford Financial Services Group, Inc.	270,000	7,271
Lincoln National Corp.	125,000	3,755
Loews Corp.	175,000	7,541
Marsh & McLennan Cos., Inc.	281,200	8,382
MetLife, Inc.	175,000	7,828
Travelers (The) Cos., Inc.	141,200	8,399
Unum Group	305,000	8,006
		73,274
Internet - 4.6%		
Amazon.com, Inc.*	86,468	15,576
Baidu, Inc. ADR*	98,841	13,621
F5 Networks, Inc.*	22,026	2,259
Google, Inc., Class A*	9,354	5,483
Mail.ru Group Ltd. GDR ^{(1) (2) *}	21,254	637
priceline.com, Inc.*	16,847	8,532
Tencent Holdings Ltd. ADR	63,700	1,555
Youku.com, Inc. ADR*	15,922	757
		48,420
Lodging - 0.2%		
Marriott International, Inc., Class A	69,937	2,488
Marriott International, Inc., Class A - (Fractional Shares)*	9,000	—
		2,488
Machinery - Diversified - 0.9%		
Cummins, Inc.	28,166	3,087
Deere & Co.	35,411	3,431
Rockwell Automation, Inc.	29,580	2,800
		9,318

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 93.6% <i>continued</i>		
Media - 3.4%		
Comcast Corp., Class A	336,900	\$8,328
Time Warner, Inc.	296,228	10,575
Viacom, Inc., Class B	255,000	11,863
Walt Disney (The) Co.	117,046	5,044
		35,810
Metal Fabrication/Hardware - 0.8%		
Precision Castparts Corp.	59,032	8,688
Mining - 2.7%		
AngloGold Ashanti Ltd. ADR	245,000	11,748
Barrick Gold Corp.	200,000	10,382
BHP Billiton PLC ADR	25,788	2,052
Freeport-McMoRan Copper & Gold, Inc.	78,483	4,360
		28,542
Miscellaneous Manufacturing - 1.7%		
Danaher Corp.	79,199	4,110
Eaton Corp.	91,162	5,054
Ingersoll-Rand PLC*	184,374	8,907
		18,071
Office/Business Equipment - 1.2%		
Pitney Bowes, Inc.	155,500	3,995
Xerox Corp.	804,700	8,570
		12,565
Oil & Gas - 8.2%		
Anadarko Petroleum Corp.	78,157	6,403
Apache Corp.	92,000	12,045
Canadian Natural Resources Ltd.	145,000	7,167
Chevron Corp.	81,600	8,766
Concho Resources, Inc.*	11,348	1,218
ConocoPhillips	108,100	8,633
Continental Resources, Inc.*	26,837	1,918
EOG Resources, Inc.	42,776	5,069
Hess Corp.	50,000	4,261
Marathon Oil Corp.	162,800	8,679
Noble Energy, Inc.	60,000	5,799
Occidental Petroleum Corp.	116,414	12,164
Talisman Energy, Inc.	175,000	4,322
		86,444
Oil & Gas Services - 2.6%		
Halliburton Co.	239,825	11,953
National Oilwell Varco, Inc.	103,500	8,204
Schlumberger Ltd.	78,958	7,364
		27,521

See Notes to the Financial Statements.

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 93.6% continued		
Pharmaceuticals - 7.0%		
Allergan, Inc.	39,525	\$2,807
Cardinal Health, Inc.	205,200	8,440
Express Scripts, Inc.*	67,528	3,755
Mead Johnson Nutrition Co.	62,159	3,601
Merck & Co., Inc.	375,800	12,405
Novo-Nordisk A/S ADR	16,909	2,118
Pfizer, Inc.	1,155,302	23,464
Sanofi-Aventis S.A. ADR	300,000	10,566
Shire PLC ADR	36,447	3,175
Teva Pharmaceutical Industries Ltd. ADR	55,241	2,771
		73,102
Pipelines - 0.8%		
Williams (The) Cos., Inc.	270,300	8,428
Retail - 6.1%		
Bed Bath & Beyond, Inc.*	20,853	1,007
Chipotle Mexican Grill, Inc.*	11,433	3,114
Cie Financiere Richemont S.A. ADR	904,919	5,212
Costco Wholesale Corp.	41,011	3,007
CVS Caremark Corp.	394,700	13,546
Lowe's Cos., Inc.	312,100	8,249
McDonald's Corp.	68,516	5,213
Starbucks Corp.	222,328	8,215
Tiffany & Co.	105,952	6,510
TJX Cos., Inc.	120,260	5,980
Urban Outfitters, Inc.*	26,946	804
Yum! Brands, Inc.	54,546	2,803
		63,660
Semiconductors - 1.8%		
Atmel Corp.*	82,673	1,127
Avago Technologies Ltd.	44,671	1,389
Broadcom Corp., Class A*	216,373	8,521
Intel Corp.	405,700	8,183
		19,220
Shipbuilding - 0.1%		
Huntington Ingalls Industries, Inc.*	20,600	855
Software - 4.6%		
CA, Inc.	660,000	15,959
Microsoft Corp.	200,000	5,072
Oracle Corp.	451,804	15,077
Red Hat, Inc.*	56,450	2,562
Salesforce.com, Inc.*	46,052	6,151

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 93.6% continued		
Software - 4.6% continued		
VMware, Inc., Class A*	41,674	\$3,398
		48,219
Telecommunications - 5.0%		
Acme Packet, Inc.*	21,109	1,498
American Tower Corp., Class A*	52,562	2,724
AT&T, Inc.	292,600	8,954
Juniper Networks, Inc.*	97,130	4,087
Motorola Mobility Holdings, Inc.*	217,700	5,312
Motorola Solutions, Inc.*	402,914	18,006
QUALCOMM, Inc.	59,587	3,267
Verizon Communications, Inc.	222,600	8,579
		52,427
Transportation - 1.5%		
Expeditors International of Washington, Inc.	17,791	892
Union Pacific Corp.	139,835	13,750
United Parcel Service, Inc., Class B	16,147	1,200
		15,842
Total Common Stocks		
(Cost \$819,181)		981,786
PREFERRED STOCKS - 0.4%		
Banks - 0.4%		
Itau Unibanco Holding S.A. ADR	134,200	3,227
Wells Fargo & Co.*	34,675	974
		4,201
Total Preferred Stocks		
(Cost \$3,039)		4,201
INVESTMENT COMPANIES - 5.7%		
Northern Institutional Funds - Diversified Assets Portfolio ^{(3) (4)}	60,190,640	60,191
Total Investment Companies		
(Cost \$60,191)		60,191

See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
SHORT-TERM INVESTMENTS - 0.2%		
U.S. Treasury Bill, 0.17%, 5/5/11 ⁽⁵⁾	\$1,965	\$1,965
Total Short-Term Investments		
(Cost \$1,965)		1,965
Total Investments - 99.9%		
(Cost \$884,376)		1,048,143
Other Assets less Liabilities - 0.1%		667
NET ASSETS - 100.0%		\$1,048,810

(1) Restricted security that has been deemed illiquid. At March 31, 2011, the value of the restricted illiquid security amounted to approximately \$637,000 or 0.1% of net assets. Additional information on the restricted illiquid security is as follows:

SECURITY	ACQUISITION AND ENFORCEABLE DATE	ACQUISITION COST (000S)
Mail.ru Group Ltd. GDR	11/5/10-11/17/10	\$741

- (2) Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may not be publicly sold without registration under the Securities Act of 1933. The value of these securities is determined by valuations supplied by a pricing service or brokers, or, if not available, in accordance with procedures established by the Trustees of Northern Funds.
- (3) At March 31, 2010, the value of the Fund's investment in the Diversified Assets Portfolio of the Northern Institutional Funds was approximately \$32,643,000 with net purchases of approximately \$27,548,000 during the fiscal year ended March 31, 2011.
- (4) Investment in affiliated Portfolio. Northern Trust Investments, Inc. is an investment adviser of the Fund and the investment adviser to the Northern Institutional Funds.
- (5) Security pledged as collateral to cover margin requirements for open futures contracts.

* Non-Income Producing Security

Percentages shown are based on Net Assets. The classifications shown on the Schedule of Investments and in the tables herein are unaudited.

At March 31, 2011, the Multi-Manager Large Cap Fund had open futures contracts as follows:

TYPE	NUMBER OF CONTRACTS	NOTIONAL AMOUNT (000S)	CONTRACT POSITION	CONTRACT EXP.	UNREALIZED GAIN (LOSS) (000S)
S&P 500	65	\$21,466	Long	6/11	\$442

At March 31, 2011, the industry sectors (unaudited) for the Multi-Manager Large Cap Fund were:

INDUSTRY SECTOR	% OF LONG-TERM INVESTMENTS
Consumer Discretionary	14.1%
Consumer Staples	7.1
Energy	12.4
Financials	14.9
Health Care	12.3
Industrials	9.2
Information Technology	18.2
Materials	7.6
Telecommunication Services	2.1
Utilities	2.1
Total	100.0%

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three levels listed below:

Level 1 - Unadjusted quoted market prices in active markets for identical securities on the measurement date.

Level 2 - Other observable inputs (e.g., quoted prices in active markets for similar securities, securities valuations based on commonly quoted benchmark interest rates and yield curves, and/or securities indices).

Level 3 - Significant unobservable inputs (e.g., information about assumptions, including risk, market participants would use in pricing a security).

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities and other financial instruments, if any. Following is a summary of the inputs used in valuing the Multi-Manager Large Cap Fund's investments and other financial instruments, which are carried at fair value, as of March 31, 2011:

INVESTMENTS	LEVEL 1 (000S)	LEVEL 2 (000S)	LEVEL 3 (000S)	TOTAL (000S)
Common Stocks	\$ 981,786 ⁽¹⁾	\$ —	\$ —	\$ 981,786
Preferred Stocks	4,201	—	—	4,201
Investment Companies	60,191	—	—	60,191
Short-Term Investments	—	1,965	—	1,965
Total Investments	\$1,046,178	\$1,965	\$ —	\$1,048,143

OTHER FINANCIAL INSTRUMENTS

Assets				
Futures Contracts	\$ 442	\$ —	\$ —	\$ 442

(1) Classifications as defined in the Schedule of Investments.

There were no significant transfers between Level 1 and Level 2 during the fiscal year ended March 31, 2011, based on an analysis of the inputs used in the fair valuation of the Fund's investments for the fiscal years ended March 31, 2010 and March 31, 2011.

See Notes to the Financial Statements.

MULTI-MANAGER MID CAP FUND

MARCH 31, 2011

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 96.2%		
Aerospace/Defense - 1.8%		
Aerovironment, Inc.*	124,085	\$4,339
BE Aerospace, Inc.*	41,759	1,484
L-3 Communications Holdings, Inc.	47,700	3,735
Northrop Grumman Corp.	51,100	3,205
Raytheon Co.	41,500	2,111
Teledyne Technologies, Inc.*	34,200	1,769
Triumph Group, Inc.	38,950	3,445
		20,088
Agriculture - 0.4%		
Archer-Daniels-Midland Co.	98,100	3,533
Reynolds American, Inc.	40,000	1,421
		4,954
Airlines - 0.1%		
Skywest, Inc.	68,200	1,154
Apparel - 1.3%		
Coach, Inc.	84,625	4,404
Deckers Outdoor Corp.*	48,435	4,172
Gildan Activewear, Inc.	106,500	3,490
Jones Group (The), Inc.	42,900	590
Timberland (The) Co., Class A*	51,100	2,110
		14,766
Auto Manufacturers - 0.2%		
Oshkosh Corp.*	70,900	2,508
Auto Parts & Equipment - 1.3%		
Autoliv, Inc.	48,000	3,563
Cooper Tire & Rubber Co.	91,000	2,343
Lear Corp.	114,000	5,571
TRW Automotive Holdings Corp.*	65,864	3,628
		15,105
Banks - 3.7%		
Banco Latinoamericano de Comercio Exterior S.A., Class E	57,900	1,011
Capital One Financial Corp.	52,916	2,750
City Holding Co.	410	14
City National Corp.	28,679	1,636
CVB Financial Corp.	191,900	1,787
East West Bancorp, Inc.	132,860	2,918
Fifth Third Bancorp	720,900	10,006
FNB Corp.	80,300	846
Huntington Bancshares, Inc.	600,000	3,984
International Bancshares Corp.	55,300	1,014
KeyCorp	1,138,300	10,108

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 96.2% continued		
Banks - 3.7% continued		
PrivateBancorp, Inc.	68,300	\$1,044
Regions Financial Corp.	111,000	806
Signature Bank*	47,105	2,657
State Street Corp.	28,300	1,272
		41,853
Beverages - 1.4%		
Coca-Cola Enterprises, Inc.	71,700	1,957
Constellation Brands, Inc., Class A*	254,300	5,157
Green Mountain Coffee Roasters, Inc.*	127,500	8,238
		15,352
Biotechnology - 1.5%		
Biogen Idec, Inc.*	59,100	4,337
Dendreon Corp.*	113,900	4,263
Human Genome Sciences, Inc.*	125,447	3,444
Medicines (The) Co.*	62,900	1,025
Vertex Pharmaceuticals, Inc.*	90,700	4,347
		17,416
Building Materials - 0.1%		
Owens Corning*	26,900	968
Chemicals - 2.6%		
Agrium, Inc.	28,000	2,583
Arch Chemicals, Inc.	26,500	1,102
Ashland, Inc.	40,500	2,339
CF Industries Holdings, Inc.	28,500	3,899
Eastman Chemical Co.	14,000	1,391
Huntsman Corp.	224,000	3,893
Lubrizol Corp.	37,900	5,077
NewMarket Corp.	18,300	2,895
PolyOne Corp.	112,700	1,602
Sigma-Aldrich Corp.	52,010	3,310
Stepan Co.	18,790	1,362
		29,453
Coal - 0.6%		
Peabody Energy Corp.	66,600	4,793
Walter Energy, Inc.	16,400	2,221
		7,014
Commercial Services - 4.2%		
Advance America Cash Advance Centers, Inc.	116,100	615
Alliance Data Systems Corp.*	45,800	3,934
Capella Education Co.*	56,700	2,823
China Real Estate Information Corp. ADR*	149,425	1,167

See Notes to the Financial Statements.

MULTI-MANAGER MID CAP FUND *continued*

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 96.2% <i>continued</i>		
Commercial Services - 4.2% <i>continued</i>		
Convergys Corp.*	203,200	\$2,918
Gartner, Inc.*	52,003	2,167
Green Dot Corp., Class A*	78,700	3,377
Hertz Global Holdings, Inc.*	235,825	3,686
Pre-Paid Legal Services, Inc.*	11,700	772
R.R. Donnelley & Sons Co.	94,600	1,790
Resources Connection, Inc.	254,800	4,941
Robert Half International, Inc.	148,000	4,529
SAIC, Inc.*	50,900	861
SEI Investments Co.	181,700	4,339
ServiceSource International, Inc.*	4,700	57
Strayer Education, Inc.	29,100	3,797
SuccessFactors, Inc.*	102,750	4,016
Weight Watchers International, Inc.	34,375	2,410
		48,199
Computers - 2.8%		
Cognizant Technology Solutions Corp., Class A*	80,715	6,570
Computer Sciences Corp.	60,000	2,924
IHS, Inc., Class A*	95,740	8,497
Lexmark International, Inc., Class A*	41,000	1,519
MICROS Systems, Inc.*	116,239	5,746
NCR Corp.*	119,700	2,255
Seagate Technology PLC*	155,700	2,242
Western Digital Corp.*	45,600	1,700
		31,453
Distribution/Wholesale - 1.4%		
Fastenal Co.	77,035	4,994
Fossil, Inc.*	40,400	3,783
Ingram Micro, Inc., Class A*	55,300	1,163
LKQ Corp.*	161,396	3,890
United Stationers, Inc.	21,800	1,549
		15,379
Diversified Financial Services - 3.7%		
Affiliated Managers Group, Inc.*	33,370	3,650
Ameriprise Financial, Inc.	75,300	4,599
Discover Financial Services	240,000	5,789
Eaton Vance Corp.	62,785	2,024
GFI Group, Inc.	158,800	797
IntercontinentalExchange, Inc.*	29,275	3,617
Invesco Ltd.	277,000	7,080
Janus Capital Group, Inc.	347,400	4,332
Knight Capital Group, Inc., Class A*	80,200	1,075

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 96.2% <i>continued</i>		
Diversified Financial Services - 3.7% <i>continued</i>		
Raymond James Financial, Inc.	121,025	\$4,628
T.Rowe Price Group, Inc.	71,900	4,775
		42,366
Electric - 2.9%		
Ameren Corp.	89,000	2,498
American Electric Power Co., Inc.	61,700	2,168
CMS Energy Corp.	449,100	8,820
DPL, Inc.	95,600	2,621
DTE Energy Co.	37,400	1,831
El Paso Electric Co.*	92,200	2,803
Entergy Corp.	9,600	645
GenOn Energy, Inc.*	396,049	1,509
MDU Resources Group, Inc.	57,865	1,329
Portland General Electric Co.	151,700	3,606
PPL Corp.	86,300	2,184
Public Service Enterprise Group, Inc.	77,700	2,448
		32,462
Electrical Components & Equipment - 0.3%		
AMETEK, Inc.	85,300	3,742
Electronics - 2.1%		
Amphenol Corp., Class A	87,000	4,732
Benchmark Electronics, Inc.*	34,600	656
Dolby Laboratories, Inc., Class A*	37,470	1,844
FLIR Systems, Inc.	72,590	2,512
Gentex Corp.	71,030	2,149
Pulse Electronics Corp.	33,600	203
TE Connectivity Ltd.	85,400	2,974
Tech Data Corp.*	25,700	1,307
Trimble Navigation Ltd.*	94,625	4,782
Vishay Intertechnology, Inc.*	76,700	1,361
Waters Corp.*	17,563	1,526
		24,046
Engineering & Construction - 1.2%		
KBR, Inc.	224,400	8,475
McDermott International, Inc.*	126,000	3,199
Tutor Perini Corp.	98,100	2,390
		14,064
Environmental Control - 0.5%		
Stericycle, Inc.*	63,035	5,589
Food - 1.5%		
Cal-Maine Foods, Inc.	24,000	708
Chiquita Brands International, Inc.*	65,800	1,009

See Notes to the Financial Statements.

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 96.2% continued		
Food - 1.5% continued		
ConAgra Foods, Inc.	126,600	\$3,007
Dean Foods Co.*	88,200	882
Fresh Del Monte Produce, Inc.	42,800	1,118
Hain Celestial Group (The), Inc.*	115,125	3,716
Safeway, Inc.	99,700	2,347
Smithfield Foods, Inc.*	170,000	4,090
SUPERVALU, Inc.	67,800	605
		17,482
Forest Products & Paper - 0.9%		
Boise, Inc.	199,900	1,831
International Paper Co.	189,900	5,731
MeadWestvaco Corp.	99,850	3,029
		10,591
Gas - 1.2%		
Atmos Energy Corp.	53,400	1,821
Energen Corp.	48,400	3,055
NiSource, Inc.	315,000	6,042
Questar Corp.	116,000	2,024
Southern Union Co.	43,800	1,253
		14,195
Hand/Machine Tools - 0.2%		
Lincoln Electric Holdings, Inc.	30,485	2,314
Healthcare - Products - 3.1%		
C.R. Bard, Inc.	26,420	2,624
DENTSPLY International, Inc.	59,910	2,216
IDEXX LABORATORIES, Inc.*	59,890	4,625
Intuitive Surgical, Inc.*	15,688	5,231
Kinetic Concepts, Inc.*	27,600	1,502
ResMed, Inc.*	125,374	3,761
Varian Medical Systems, Inc.*	59,550	4,028
Volcano Corp.*	121,300	3,105
Zimmer Holdings, Inc.*	133,200	8,063
		35,155
Healthcare - Services - 1.9%		
Aetna, Inc.	125,200	4,686
CIGNA Corp.	66,800	2,958
Coventry Health Care, Inc.*	55,400	1,767
Health Management Associates, Inc., Class A*	590,000	6,431
Health Net, Inc.*	171,000	5,592
		21,434

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 96.2% continued		
Home Furnishings - 0.7%		
Harman International Industries, Inc.	89,628	\$4,196
Whirlpool Corp.	37,600	3,210
		7,406
Household Products/Wares - 0.6%		
American Greetings Corp., Class A	31,900	753
Blyth, Inc.	12,175	395
Central Garden and Pet Co., Class A*	99,100	913
Church & Dwight Co., Inc.	54,243	4,304
		6,365
Housewares - 0.1%		
Newell Rubbermaid, Inc.	67,100	1,284
Insurance - 5.4%		
ACE Ltd.	78,200	5,060
Aflac, Inc.	13,700	723
Allied World Assurance Co. Holdings Ltd.	11,890	745
Allstate (The) Corp.	55,200	1,754
American Financial Group, Inc.	49,800	1,744
Aspen Insurance Holdings Ltd.	30,700	846
Assurant, Inc.	83,000	3,196
Chubb Corp.	59,400	3,642
Endurance Specialty Holdings Ltd.	53,153	2,595
Everest Re Group Ltd.	23,100	2,037
Genworth Financial, Inc., Class A*	35,900	483
Hartford Financial Services Group, Inc.	292,200	7,869
Lincoln National Corp.	243,800	7,324
Marsh & McLennan Cos., Inc.	125,400	3,738
Meadowbrook Insurance Group, Inc.	173,800	1,799
Montpelier Re Holdings Ltd.	33,200	587
PartnerRe Ltd.	10,700	848
Presidential Life Corp.	44,400	423
Tower Group, Inc.	139,500	3,352
Unum Group	100,500	2,638
Validus Holdings Ltd.	32,200	1,073
W.R. Berkley Corp.	45,900	1,479
XL Group PLC	296,700	7,299
		61,254
Internet - 2.6%		
Akamai Technologies, Inc.*	54,690	2,078
Baidu, Inc. ADR*	40,600	5,595
Ctrip.com International Ltd. ADR*	88,153	3,657
E-Commerce China Dangdang, Inc. ADR*	130,388	2,690
F5 Networks, Inc.*	42,565	4,366
Qihoo 360 Technology Co. Ltd. ADR*	5,000	148

See Notes to the Financial Statements.

MULTI-MANAGER MID CAP FUND *continued*

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 96.2% <i>continued</i>		
Internet - 2.6% <i>continued</i>		
Symantec Corp.*	212,125	\$3,933
TIBCO Software, Inc.*	103,103	2,810
Youku.com, Inc. ADR*	96,480	4,584
		29,861
Iron/Steel - 0.1%		
Cliffs Natural Resources, Inc.	9,700	953
Leisure Time - 0.2%		
Royal Caribbean Cruises Ltd.*	47,259	1,950
Lodging - 0.3%		
Marriott International, Inc., Class A - Fractional Shares*	34,801	—
Wyndham Worldwide Corp.	94,650	3,011
		3,011
Machinery - Diversified - 1.8%		
Albany International Corp., Class A	6,100	152
Flowserve Corp.	40,320	5,193
Gardner Denver, Inc.	25,755	2,010
IDEX Corp.	63,985	2,793
NACCO Industries, Inc., Class A	7,929	877
Rockwell Automation, Inc.	43,600	4,127
Roper Industries, Inc.	66,041	5,710
		20,862
Media - 1.0%		
CBS Corp., Class B (Non Voting)	87,375	2,188
DISH Network Corp., Class A*	47,700	1,162
FactSet Research Systems, Inc.	42,920	4,495
Gannett Co., Inc.	130,900	1,994
Viacom, Inc., Class B	37,000	1,721
		11,560
Metal Fabrication/Hardware - 0.5%		
Timken (The) Co.	111,500	5,831
Mining - 0.6%		
Alcoa, Inc.	338,000	5,966
USEC, Inc.*	172,000	757
		6,723
Miscellaneous Manufacturing - 1.4%		
Crane Co.	77,200	3,739
Eaton Corp.	82,500	4,574
EnPro Industries, Inc.*	42,200	1,532
ITT Corp.	41,100	2,468

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 96.2% <i>continued</i>		
Miscellaneous Manufacturing - 1.4% <i>continued</i>		
Pentair, Inc.	105,000	\$3,968
		16,281
Office/Business Equipment - 0.5%		
Xerox Corp.	558,125	5,944
Oil & Gas - 5.4%		
Atwood Oceanics, Inc.*	56,300	2,614
Brigham Exploration Co.*	135,300	5,030
Chesapeake Energy Corp.	142,400	4,773
Concho Resources, Inc.*	44,940	4,822
Denbury Resources, Inc.*	188,000	4,587
Hess Corp.	47,200	4,022
Murphy Oil Corp.	36,300	2,665
Newfield Exploration Co.*	34,000	2,584
Noble Corp.	54,200	2,473
Noble Energy, Inc.	13,443	1,299
Plains Exploration & Production Co.*	81,100	2,938
Range Resources Corp.	57,340	3,352
Tesoro Corp.*	81,200	2,179
Ultra Petroleum Corp.*	71,300	3,512
Valero Energy Corp.	185,600	5,535
W&T Offshore, Inc.	164,600	3,751
Western Refining, Inc.*	209,600	3,553
Whiting Petroleum Corp.*	20,800	1,528
		61,217
Oil & Gas Services - 4.0%		
CARBO Ceramics, Inc.	43,650	6,160
Complete Production Services, Inc.*	22,200	706
Core Laboratories N.V.	65,200	6,661
FMC Technologies, Inc.*	78,170	7,386
Helix Energy Solutions Group, Inc.*	6,600	114
Hornbeck Offshore Services, Inc.*	5,585	172
Oceaneering International, Inc.*	100,605	8,999
Oil States International, Inc.*	118,930	9,055
SEACOR Holdings, Inc.	8,000	740
Superior Energy Services, Inc.*	139,000	5,699
		45,692
Packaging & Containers - 0.2%		
Sonoco Products Co.	57,900	2,098
Pharmaceuticals - 2.4%		
AmerisourceBergen Corp.	83,000	3,284
Cardinal Health, Inc.	55,500	2,283
Cephalon, Inc.*	43,700	3,312

See Notes to the Financial Statements.

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 96.2% continued		
Pharmaceuticals - 2.4% continued		
Endo Pharmaceuticals Holdings, Inc.*	41,700	\$1,591
Forest Laboratories, Inc.*	52,300	1,689
Ironwood Pharmaceuticals, Inc.*	90,800	1,271
McKesson Corp.	28,000	2,213
Mylan, Inc.*	222,338	5,040
Par Pharmaceutical Cos., Inc.*	62,763	1,951
SXC Health Solutions Corp.*	77,860	4,267
		26,901
Pipelines - 0.3%		
Spectra Energy Corp.	138,000	3,751
Real Estate Investment Trusts - 3.3%		
Annaly Capital Management, Inc.	84,600	1,476
BioMed Realty Trust, Inc.	132,000	2,511
Brandywine Realty Trust	164,200	1,993
Capstead Mortgage Corp.	111,100	1,420
CBL & Associates Properties, Inc.	366,500	6,385
CommonWealth REIT	81,875	2,126
DuPont Fabros Technology, Inc.	85,000	2,061
Home Properties, Inc.	107,500	6,337
Hospitality Properties Trust	127,700	2,956
Lexington Realty Trust	254,500	2,380
MFA Financial, Inc.	341,900	2,804
Parkway Properties, Inc.	53,600	911
Vornado Realty Trust	53,900	4,716
		38,076
Retail - 7.7%		
American Eagle Outfitters, Inc.	132,500	2,105
Bob Evans Farms, Inc.	22,700	740
Brinker International, Inc.	93,600	2,368
CarMax, Inc.*	132,300	4,247
Cheesecake Factory (The), Inc.*	40,230	1,211
Children's Place Retail Stores (The), Inc.*	46,200	2,302
Chipotle Mexican Grill, Inc.*	17,455	4,754
Copart, Inc.*	85,085	3,687
Dick's Sporting Goods, Inc.*	138,490	5,537
Dillard's, Inc., Class A	53,900	2,162
Dollar Tree, Inc.*	29,805	1,655
GameStop Corp., Class A*	79,000	1,779
Gap (The), Inc.	188,400	4,269
Kohl's Corp.	17,900	949
Macy's, Inc.	231,625	5,619
Nu Skin Enterprises, Inc., Class A	85,800	2,467
O'Reilly Automotive, Inc.*	90,490	5,200

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 96.2% continued		
Retail - 7.7% continued		
Panera Bread Co., Class A*	50,950	\$6,471
Phillips-Van Heusen Corp.	86,135	5,601
Pier 1 Imports, Inc.*	69,375	704
RadioShack Corp.	109,800	1,648
Ruby Tuesday, Inc.*	71,600	939
Rue21, Inc.*	141,233	4,068
Signet Jewelers Ltd.*	107,000	4,924
Tractor Supply Co.	99,250	5,941
Urban Outfitters, Inc.*	92,026	2,745
Williams-Sonoma, Inc.	83,354	3,376
		87,468
Savings & Loans - 0.6%		
First Niagara Financial Group, Inc.	390,000	5,296
Hudson City Bancorp, Inc.	132,000	1,278
		6,574
Semiconductors - 2.5%		
Altera Corp.	54,964	2,419
ARM Holdings PLC ADR	241,200	6,795
Atmel Corp.*	425,000	5,793
Cavium Networks, Inc.*	98,505	4,426
Fairchild Semiconductor International, Inc.*	189,300	3,445
KLA-Tencor Corp.	46,400	2,198
Micron Technology, Inc.*	151,200	1,733
ON Semiconductor Corp.*	168,420	1,662
		28,471
Shipbuilding - 0.0%		
Huntington Ingalls Industries, Inc.*	8,517	353
Software - 5.0%		
ANSYS, Inc.*	126,455	6,853
athenahealth, Inc.*	102,935	4,645
Cerner Corp.*	45,834	5,097
Citrix Systems, Inc.*	62,520	4,593
Cornerstone OnDemand, Inc.*	9,412	172
Fiserv, Inc.*	43,135	2,705
Intuit, Inc.*	99,530	5,285
MSCI, Inc. Class A*	113,946	4,195
Progress Software Corp.*	164,000	4,771
QLIK Technologies, Inc.*	172,081	4,474
Red Hat, Inc.*	33,750	1,532
Salesforce.com, Inc.*	50,500	6,746
VMware, Inc., Class A*	76,602	6,246
		57,314

See Notes to the Financial Statements.

MULTI-MANAGER MID CAP FUND *continued*

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 96.2% <i>continued</i>		
Telecommunications - 2.3%		
Alcatel-Lucent ADR*	853,250	\$4,957
Aruba Networks, Inc.*	142,200	4,812
Cincinnati Bell, Inc.*	483,300	1,295
Finisar Corp.*	71,000	1,747
Harris Corp.	74,900	3,715
MetroPCS Communications, Inc.*	136,500	2,217
Millicom International Cellular S.A.	9,648	928
NII Holdings, Inc.*	40,447	1,686
Qwest Communications International, Inc.*	340,000	2,322
RF Micro Devices, Inc.*	273,700	1,754
USA Mobility, Inc.	41,200	597
		26,030
Transportation - 2.8%		
Atlas Air Worldwide Holdings, Inc.*	52,000	3,626
C.H. Robinson Worldwide, Inc.	100,650	7,461
CSX Corp.	22,954	1,804
Expeditors International of Washington, Inc.	188,960	9,475
Genesee & Wyoming, Inc., Class A*	37,655	2,192
J.B. Hunt Transport Services, Inc.	31,206	1,417
Overseas Shipholding Group, Inc.	35,600	1,144
Ryder System, Inc.	85,400	4,321
Tidewater, Inc.	4,200	251
		31,691
Trucking & Leasing - 0.3%		
Aircastle Ltd.	138,300	1,669
AMERCO, Inc.*	17,500	1,698
		3,367
Water - 0.7%		
American Water Works Co., Inc.	280,000	7,854
Total Common Stocks		
		(Cost \$852,908) 1,095,244
INVESTMENT COMPANIES - 3.5%		
Northern Institutional Funds - Diversified Assets Portfolio ^{(1) (2)}	39,522,001	39,522
Total Investment Companies		
		(Cost \$39,522) 39,522

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
SHORT-TERM INVESTMENTS - 0.1%		
U.S. Treasury Bill, 0.17%, 5/5/11 ⁽³⁾	\$1,805	\$1,805
Total Short-Term Investments		
	(Cost \$1,805)	1,805
Total Investments - 99.8%		
	(Cost \$894,235)	1,136,571
Other Assets less Liabilities - 0.2%		1,827
NET ASSETS - 100.0%		
		\$1,138,398

- (1) Investment in affiliated Portfolio. Northern Trust Investments, Inc. is an investment adviser of the Fund and the investment adviser to the Northern Institutional Funds.
- (2) At March 31, 2010, the value of the Fund's investment in the Diversified Assets Portfolio of the Northern Institutional Funds was approximately \$12,567,000 with net purchases of approximately \$26,955,000 during the fiscal year ended March 31, 2011.
- (3) Security pledged as collateral to cover margin requirements for open futures contracts.
- * Non-Income Producing Security

Percentages shown are based on Net Assets. The classifications shown on the Schedule of Investments and in the tables herein are unaudited.

At March 31, 2011, the Multi-Manager Mid Cap Fund had open futures contracts as follows:

TYPE	NUMBER OF CONTRACTS	NOTIONAL AMOUNT (000S)	CONTRACT POSITION	CONTRACT EXP.	UNREALIZED GAIN (LOSS) (000S)
S&P Mid Cap 400 E-mini	276	\$27,249	Long	6/11	\$845

At March 31, 2011, the Industry Sectors (Unaudited) for the Multi-Manager Mid Cap Fund were:

INDUSTRY SECTOR	% OF LONG-TERM INVESTMENTS
Consumer Discretionary	14.6%
Consumer Staples	4.1
Energy	11.3
Financials	18.5
Health Care	10.2
Industrials	14.4
Information Technology	16.6
Materials	4.6
Telecommunication Services	0.8
Utilities	4.9
Total	100.0%

See Notes to the Financial Statements.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three levels listed below:

Level 1 - Unadjusted quoted market prices in active markets for identical securities on the measurement date.

Level 2 - Other observable inputs (e.g., quoted prices in active markets for similar securities, securities valuations based on commonly quoted benchmark interest rates and yield curves, and/or securities indices).

Level 3 - Significant unobservable inputs (e.g., information about assumptions, including risk, market participants would use in pricing a security).

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities and other financial instruments, if any. Following is a summary of the inputs used in valuing the Multi-Manager Mid Cap Fund's investments and other financial instruments, which are carried at fair value, as of March 31, 2011:

INVESTMENTS	LEVEL 1 (000S)	LEVEL 2 (000S)	LEVEL 3 (000S)	TOTAL (000S)
Common Stocks	\$1,095,244 ⁽¹⁾	\$ —	\$ —	\$1,095,244
Investment Companies	39,522	—	—	39,522
Short-Term Investments	—	1,805	—	1,805
Total Investments	\$1,134,766	\$1,805	\$ —	\$1,136,571

OTHER FINANCIAL INTRUMENTS

Assets				
Futures Contracts	\$ 845	\$ —	\$ —	\$ 845

(1) Classifications as defined in the Schedule of Investments.

There were no significant transfers between Level 1 and Level 2 during the fiscal year ended March 31, 2011, based on an analysis of the inputs used in the fair valuation of the Fund's investments for the fiscal years ended March 31, 2010 and March 31, 2011.

See Notes to the Financial Statements.

MULTI-MANAGER SMALL CAP FUND

	NUMBER OF SHARES	VALUE (000S)		NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 95.5%			COMMON STOCKS - 95.5% continued		
Advertising - 0.5%			Banks - 2.9% continued		
Interpublic Group of Cos. (The), Inc.	65,000	\$817	Wintrust Financial Corp.	56,710	\$2,084
MDC Partners, Inc., Class A	118,526	1,988			17,331
		2,805			
Aerospace/Defense - 2.2%			Biotechnology - 0.2%		
Alliant Techsystems, Inc.	58,200	4,113	Emergent Biosolutions, Inc.*	56,610	1,368
Curtiss-Wright Corp.	30,200	1,061			
Embraer S.A.	13,700	462	Chemicals - 1.0%		
Kaman Corp.	113,885	4,009	Arch Chemicals, Inc.	31,000	1,289
Teledyne Technologies, Inc.*	61,700	3,190	Cabot Corp.	48,111	2,227
		12,835	Innophos Holdings, Inc.	40,468	1,866
			Landec Corp.*	119,515	777
Airlines - 0.3%					6,159
Copa Holdings S.A., Class A	34,790	1,837	Commercial Services - 12.7%		
			AerCap Holdings N.V.*	278,326	3,499
Apparel - 1.7%			American Public Education, Inc.*	72,719	2,941
Columbia Sportswear Co.	30,708	1,825	Capella Education Co.*	21,497	1,070
CROCS, Inc.*	97,890	1,746	CBIZ, Inc.*	334,161	2,409
Jones Group (The), Inc.	249,000	3,424	CDI Corp.	30,533	452
Quiksilver, Inc.*	433,300	1,915	Chemed Corp.	112,865	7,518
Steven Madden Ltd.*	22,150	1,039	Convergys Corp.*	180,200	2,588
		9,949	Corporate Executive Board (The) Co.	30,340	1,225
Auto Manufacturers - 0.2%			CoStar Group, Inc.*	25,500	1,598
Wabash National Corp.*	118,915	1,377	Forrester Research, Inc.	52,745	2,020
Auto Parts & Equipment - 1.6%			Global Cash Access Holdings, Inc.*	146,112	478
Cooper Tire & Rubber Co.	98,164	2,528	Global Payments, Inc.	21,400	1,047
Goodyear Tire & Rubber (The) Co.*	192,500	2,883	Grand Canyon Education, Inc.*	74,404	1,079
Miller Industries, Inc.	244,892	3,977	Heidrick & Struggles International, Inc.	73,300	2,040
		9,388	Hudson Highland Group, Inc.*	261,055	1,697
Banks - 2.9%			Huron Consulting Group, Inc.*	37,220	1,031
Associated Banc-Corp.	79,000	1,173	iSoftstone Holdings Ltd. ADR*	61,555	1,139
CapitalSource, Inc.*	234,800	1,653	KAR Auction Services, Inc.*	165,323	2,536
Cass Information Systems, Inc.	39,665	1,559	Kenexa Corp.*	25,900	715
Community Bank System, Inc.	38,550	936	Manpower, Inc.	24,400	1,534
First Horizon National Corp.	131,985	1,480	MAXIMUS, Inc.	59,730	4,848
First Horizon National Corp. - Fractional Shares*	63,966	—	Parexel International Corp.*	51,770	1,289
First Interstate Bancsystem, Inc.	91,337	1,242	PHH Corp.*	142,300	3,098
Fulton Financial Corp.	181,075	2,012	R.R. Donnelley & Sons Co.	159,400	3,016
Synovus Financial Corp.	206,400	495	Rent-A-Center, Inc.	46,100	1,609
Trustmark Corp.	46,000	1,077	Resources Connection, Inc.	184,875	3,585
Webster Financial Corp.	77,200	1,654	Ritchie Bros. Auctioneers, Inc.	129,352	3,641
Westamerica Bancorporation	35,632	1,830	Rollins, Inc.	215,825	4,381
Wilmington Trust Corp.	30,100	136	United Rentals, Inc.*	45,680	1,520
			Universal Technical Institute, Inc.	36,130	703
			Valassis Communications, Inc.*	221,700	6,460

See Notes to the Financial Statements.

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 95.5% continued		
Commercial Services - 12.7% continued		
VistaPrint N.V.*	48,922	\$2,539
		75,305
Computers - 2.1%		
Ciber, Inc.*	360,305	2,414
Echelon Corp.*	152,139	1,541
Keyw Holding (The) Corp.*	75,438	927
Ness Technologies, Inc.*	240,327	1,538
RealD, Inc.*	29,325	802
Stratasys, Inc.*	42,284	1,987
Syntel, Inc.	35,015	1,829
Telvent GIT S.A.*	42,620	1,241
		12,279
Distribution/Wholesale - 1.3%		
Beacon Roofing Supply, Inc.*	111,880	2,290
LKQ Corp.*	120,415	2,902
Owens & Minor, Inc.	74,576	2,422
Titan Machinery, Inc.*	6,401	162
		7,776
Diversified Financial Services - 2.0%		
Affiliated Managers Group, Inc.*	25,700	2,811
Financial Engines, Inc.*	67,024	1,847
Nelnet, Inc., Class A	186,856	4,079
Portfolio Recovery Associates, Inc.*	37,898	3,226
		11,963
Electric - 2.2%		
EnerNOC, Inc.*	44,073	842
Great Plains Energy, Inc.	238,800	4,781
Portland General Electric Co.	174,600	4,150
UIL Holdings Corp.	51,060	1,558
Westar Energy, Inc.	57,400	1,517
		12,848
Electrical Components & Equipment - 0.6%		
Belden, Inc.	41,831	1,571
GrafTech International Ltd.*	84,300	1,739
		3,310
Electronics - 2.7%		
Coherent, Inc.*	11,400	662
CTS Corp.	98,147	1,060
FARO Technologies, Inc.*	41,395	1,656
Gentex Corp.	153,505	4,644
National Instruments Corp.	146,100	4,788
Park Electrochemical Corp.	47,955	1,547

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 95.5% continued		
Electronics - 2.7% continued		
SRS Labs, Inc.*	72,254	\$617
Stoneridge, Inc.*	79,440	1,161
		16,135
Engineering & Construction - 0.3%		
EMCOR Group, Inc.*	15,900	493
Insituform Technologies, Inc., Class A*	38,400	1,027
		1,520
Entertainment - 0.6%		
Lakes Entertainment, Inc.*	55,300	149
Shuffle Master, Inc.*	104,580	1,117
Six Flags Entertainment Corp.	35,578	2,562
		3,828
Food - 1.4%		
Lancaster Colony Corp.	23,910	1,449
Overhill Farms, Inc.*	399,352	2,428
Ralcorp Holdings, Inc.*	13,500	924
United Natural Foods, Inc.*	75,484	3,383
		8,184
Gas - 0.5%		
South Jersey Industries, Inc.	47,581	2,663
Hand/Machine Tools - 0.4%		
Franklin Electric Co., Inc.	50,920	2,353
Healthcare - Products - 5.7%		
Abaxis, Inc.*	131,189	3,783
Align Technology, Inc.*	99,695	2,042
Angiodynamics, Inc.*	129,220	1,954
Cepheid, Inc.*	195,753	5,485
Cooper (The) Cos., Inc.	35,768	2,484
Kinetic Concepts, Inc.*	62,400	3,396
Masimo Corp.	52,120	1,725
Medtox Scientific, Inc.	35,380	580
Meridian Bioscience, Inc.	72,406	1,737
NuVasive, Inc.*	93,910	2,378
STERIS Corp.	38,854	1,342
Techne Corp.	29,395	2,105
Teleflex, Inc.	37,900	2,197
West Pharmaceutical Services, Inc.	31,759	1,422
Zoll Medical Corp.*	26,240	1,176
		33,806
Healthcare - Services - 1.4%		
Amedisys, Inc.*	27,225	953
Bio-Reference Labs, Inc.*	65,560	1,471

See Notes to the Financial Statements.

MULTI-MANAGER SMALL CAP FUND *continued*

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 95.5% <i>continued</i>		
Healthcare - Services - 1.4% <i>continued</i>		
IPC The Hospitalist Co., Inc.*	43,175	\$1,960
LifePoint Hospitals, Inc.*	27,900	1,121
Mednax, Inc.*	45,305	3,018
		8,523
Home Furnishings - 0.4%		
Furniture Brands International, Inc.*	225,800	1,027
Tempur-Pedic International, Inc.*	31,420	1,592
		2,619
Household Products/Wares - 0.8%		
Ennis, Inc.	65,287	1,112
Helen of Troy Ltd.*	36,900	1,085
Tupperware Brands Corp.	45,145	2,695
		4,892
Housewares - 0.3%		
Toro (The) Co.	27,719	1,836
Insurance - 4.5%		
Alterra Capital Holdings Ltd.	80,224	1,792
American Equity Investment Life Holding Co.	172,677	2,265
CNO Financial Group, Inc.*	366,300	2,751
Employers Holdings, Inc.	68,200	1,409
Endurance Specialty Holdings Ltd.	35,800	1,748
Global Indemnity Plc*	163,748	3,599
Hanover Insurance Group (The), Inc.	15,600	706
MGIC Investment Corp.*	262,705	2,335
Platinum Underwriters Holdings Ltd.	47,639	1,815
Primerica, Inc.	1,600	41
Protective Life Corp.	63,400	1,683
StanCorp Financial Group, Inc.	29,696	1,370
Symetra Financial Corp.	287,710	3,913
Unitrin, Inc.	37,500	1,158
		26,585
Internet - 3.9%		
Ancestry.com, Inc.*	44,925	1,593
BroadSoft, Inc.*	78,000	3,720
Constant Contact, Inc.*	131,751	4,598
DealerTrack Holdings, Inc.*	77,560	1,781
IAC/InterActiveCorp*	89,800	2,774
j2 Global Communications, Inc.*	123,300	3,638
Liquidity Services, Inc.*	54,200	968
ReachLocal, Inc.*	39,500	790

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 95.5% <i>continued</i>		
Internet - 3.9% <i>continued</i>		
Shutterfly, Inc.*	57,290	\$3,000
		22,862
Investment Companies - 0.4%		
Hercules Technology Growth Capital, Inc.	200,437	2,205
Iron/Steel - 0.5%		
Schnitzer Steel Industries, Inc., Class A	25,915	1,685
Universal Stainless & Alloy*	43,600	1,470
		3,155
Leisure Time - 0.5%		
Life Time Fitness, Inc.*	78,855	2,942
Machinery - Construction & Mining - 0.2%		
Terex Corp.*	37,900	1,404
Media - 0.8%		
DG FastChannel, Inc.*	73,300	2,362
Dolan (The) Co.*	178,094	2,162
		4,524
Metal Fabrication/Hardware - 0.7%		
CIRCOR International, Inc.	24,100	1,133
Dynamic Materials Corp.	56,815	1,588
Haynes International, Inc.	24,865	1,379
		4,100
Mining - 1.8%		
Globe Specialty Metals, Inc.	110,990	2,526
Horsehead Holding Corp.*	153,060	2,610
Noranda Aluminium Holding Corp.*	280,200	4,497
Silvercorp Metals, Inc.	81,100	1,182
		10,815
Miscellaneous Manufacturing - 1.4%		
A.O. Smith Corp.	49,550	2,197
Brink's (The) Co.	99,734	3,302
Hexcel Corp.*	66,200	1,304
Polypore International, Inc.*	23,905	1,376
		8,179
Oil & Gas - 5.7%		
Berry Petroleum Co., Class A	26,600	1,342
Carrizo Oil & Gas, Inc.*	37,240	1,375
Cobalt International Energy, Inc.*	161,200	2,710
Comstock Resources, Inc.*	150,145	4,645
Goodrich Petroleum Corp.*	131,610	2,924
Holly Corp.	18,513	1,125
Oasis Petroleum, Inc.*	43,700	1,382

See Notes to the Financial Statements.

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 95.5% continued		
Oil & Gas - 5.7% continued		
Penn Virginia Corp.	106,900	\$1,813
Petrohawk Energy Corp.*	195,030	4,786
Petroquest Energy, Inc.*	42,000	393
Quicksilver Resources, Inc.*	169,435	2,425
Resolute Energy Corp.*	103,500	1,878
SM Energy Co.	31,942	2,370
Stone Energy Corp.*	130,300	4,348
Venoco, Inc.*	27,500	470
		33,986
Oil & Gas Services - 0.2%		
North American Energy Partners, Inc.*	77,475	955
Packaging & Containers - 1.2%		
Silgan Holdings, Inc.	121,182	4,622
Temple-Inland, Inc.	96,519	2,258
		6,880
Pharmaceuticals - 1.7%		
Cardiome Pharma Corp.*	123,946	531
Direct Corp.*	385,098	1,386
Medicis Pharmaceutical Corp., Class A	38,600	1,237
Neogen Corp.*	76,285	3,157
Pozen, Inc.*	176,152	946
Salix Pharmaceuticals Ltd.*	62,245	2,180
USANA Health Sciences, Inc.*	16,085	555
		9,992
Real Estate - 0.6%		
MI Developments, Inc., Class A	125,600	3,640
Real Estate Investment Trusts - 3.9%		
American Campus Communities, Inc.	33,806	1,116
BioMed Realty Trust, Inc.	67,100	1,276
Brandywine Realty Trust	152,430	1,851
CapLease, Inc.*	71,700	393
Cypress Sharpridge Investments, Inc.	203,090	2,575
Entertainment Properties Trust	40,500	1,896
Equity Lifestyle Properties, Inc.	24,532	1,414
First Potomac Realty Trust	79,690	1,255
Government Properties Income Trust	130,768	3,512
Hatteras Financial Corp.	46,800	1,316
LTC Properties, Inc.	26,600	754
Mack-Cali Realty Corp.	36,293	1,230
Medical Properties Trust, Inc.	122,300	1,415
MFA Financial, Inc.	194,330	1,594
Starwood Property Trust, Inc.	62,600	1,396

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 95.5% continued		
Real Estate Investment Trusts - 3.9% continued		
Walter Investment Management Corp.	7,800	\$126
		23,119
Retail - 4.8%		
99 Cents Only Stores*	17,300	339
AFC Enterprises, Inc.*	55,825	845
American Eagle Outfitters, Inc.	89,500	1,422
Ascena Retail Group, Inc.*	60,700	1,967
Bob Evans Farms, Inc.	63,825	2,081
Cabela's, Inc.*	65,435	1,637
Cash America International, Inc.	118,452	5,455
Cheesecake Factory (The), Inc.*	86,400	2,600
Finish Line (The), Inc., Class A	128,963	2,560
Jack in the Box, Inc.*	21,400	485
Regis Corp.	89,895	1,595
Stage Stores, Inc.	199,974	3,843
Wendy's/Arby's Group, Inc., Class A	146,300	736
World Fuel Services Corp.	71,300	2,895
		28,460
Savings & Loans - 0.7%		
Astoria Financial Corp.	119,691	1,720
First Financial Holdings, Inc.	34,100	385
Northwest Bancshares, Inc.	168,400	2,112
		4,217
Semiconductors - 3.3%		
Cabot Microelectronics Corp.*	51,430	2,687
Inphi Corp.*	71,872	1,510
Netlogic Microsystems, Inc.*	75,420	3,169
ON Semiconductor Corp.*	85,600	845
Power Integrations, Inc.	74,689	2,863
Rubicon Technology, Inc.*	83,030	2,298
Semtech Corp.*	133,455	3,339
Teradyne, Inc.*	144,005	2,565
		19,276
Shipbuilding - 0.1%		
Huntington Ingalls Industries, Inc. ⁽¹⁾ *	12,300	510
Software - 6.2%		
ACI Worldwide, Inc.*	34,184	1,121
Acxiom Corp.*	140,700	2,019
Allscripts Healthcare Solutions, Inc.*	115,790	2,431
ANSYS, Inc.*	25,508	1,382
athenahealth, Inc.*	16,907	763
Blackbaud, Inc.	80,624	2,196

See Notes to the Financial Statements.

MULTI-MANAGER SMALL CAP FUND *continued*

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 95.5% <i>continued</i>		
Software - 6.2% <i>continued</i>		
Broadridge Financial Solutions, Inc.	45,700	\$1,037
CommVault Systems, Inc.*	43,780	1,746
Concur Technologies, Inc.*	24,080	1,335
Digi International, Inc.*	180,965	1,911
ePocrates, Inc.*	46,800	927
Guidance Software, Inc.*	85,323	715
Innerworkings, Inc.*	421,601	3,111
NetSuite, Inc.*	32,095	933
Progress Software Corp.*	104,700	3,046
Quality Systems, Inc.	31,990	2,666
Rosetta Stone, Inc.*	94,471	1,248
Taleo Corp., Class A*	35,575	1,268
Ultimate Software Group, Inc.*	75,775	4,452
Verint Systems, Inc.*	63,746	2,285
		36,592
Storage/Warehousing - 0.6%		
Mobile Mini, Inc.*	151,668	3,643
Telecommunications - 2.0%		
Arris Group, Inc.*	213,400	2,719
Ciena Corp.*	107,145	2,781
InterDigital, Inc.	47,600	2,271
Plantronics, Inc.	46,250	1,694
Sycamore Networks, Inc.	107,320	2,622
		12,087
Transportation - 3.5%		
Atlas Air Worldwide Holdings, Inc.*	62,800	4,379
Bristow Group, Inc.*	8,800	416
CAI International, Inc.*	40,850	1,056
Celadon Group, Inc.*	89,078	1,447
Con-way, Inc.	116,400	4,573
Echo Global Logistics, Inc.*	48,828	641
Forward Air Corp.	41,785	1,280
Knight Transportation, Inc.	79,860	1,537
Saia, Inc.*	18,500	303
Scorpio Tankers, Inc.*	107,791	1,113
Teekay Tankers Ltd., Class A*	81,800	856
Tidewater, Inc.	32,086	1,920
Vitrin Corp., Inc.*	79,861	1,125
		20,646

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 95.5% <i>continued</i>		
Trucking & Leasing - 0.3%		
GATX Corp.	45,010	\$1,740
Total Common Stocks		
(Cost \$481,482)		565,403
INVESTMENT COMPANIES - 4.6%		
Northern Institutional Funds - Diversified Assets Portfolio ^{(2) (3)}	26,965,155	26,965
Total Investment Companies		
(Cost \$26,965)		26,965
SHORT-TERM INVESTMENTS - 0.1%		
U.S. Treasury Bill, 0.13%, 5/5/11 ⁽⁴⁾	\$675	\$675
Total Short-Term Investments		
(Cost \$675)		675
Total Investments - 100.2%		
(Cost \$509,122)		593,043
Liabilities less Other Assets - (0.2)%		(1,296)
NET ASSETS - 100.0%		\$591,747

(1) When-Issued Security.

(2) Investment in affiliated Portfolio. Northern Trust Investments, Inc. is an investment adviser of the Fund and the investment adviser to the Northern Institutional Funds.

(3) At March 31, 2010, the value of the Fund's investment in the Diversified Assets Portfolio of the Northern Institutional Funds was approximately \$16,336,000 with net purchases of approximately \$10,629,000 during the fiscal year ended March 31, 2011.

(4) Security pledged as collateral to cover margin requirements for open futures contracts.

* Non-Income Producing Security

Percentages shown are based on Net Assets. The classifications shown on the Schedule of Investments and in the tables herein are unaudited.

At March 31, 2011, the Multi-Manager Small Cap Fund had open futures contracts as follows:

TYPE	NUMBER OF CONTRACTS	NOTIONAL AMOUNT (000S)	CONTRACT POSITION	CONTRACT EXP.	UNREALIZED GAIN (000S)
Russell 2000 Mini	129	\$10,858	Long	6/11	\$357

See Notes to the Financial Statements.

At March 31, 2011, the industry sectors (unaudited) for the Multi-Manager Small Cap Fund were:

INDUSTRY SECTOR	% OF LONG-TERM INVESTMENTS
Consumer Discretionary	13.6%
Consumer Staples	1.7
Energy	7.6
Financials	17.1
Health Care	12.5
Industrials	18.9
Information Technology	20.9
Materials	5.0
Telecommunication Services	0.1
Utilities	2.6
Total	100.0%

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three levels listed below:

Level 1 - Unadjusted quoted market prices in active markets for identical securities on the measurement date.

Level 2 - Other observable inputs (e.g., quoted prices in active markets for similar securities, securities valuations based on commonly quoted benchmark interest rates and yield curves, and/or securities indices).

Level 3 - Significant unobservable inputs (e.g., information about assumptions, including risk, market participants would use in pricing a security).

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities and other financial instruments, if any. Following is a summary of the inputs used in valuing the Multi-Manager Small Cap Fund's investments and other financial instruments, which are carried at fair value, as of March 31, 2011:

INVESTMENTS	LEVEL 1 (000S)	LEVEL 2 (000S)	LEVEL 3 (000S)	TOTAL (000S)
Common Stocks	\$565,403 ⁽¹⁾	\$ —	\$ —	\$565,403
Investment Companies	26,965	—	—	26,965
Short-Term Investments	—	675	—	675
Total Investments	\$592,368	\$675	\$ —	\$593,043

OTHER FINANCIAL INSTRUMENTS

Assets				
Futures Contracts	\$ 357	\$ —	\$ —	\$ 357

(1) Classifications as defined in the Schedule of Investments.

There were no significant transfers between Level 1 and Level 2 during the fiscal year ended March 31, 2011, based on an analysis of the inputs used in the fair valuation of the Fund's investments for the fiscal years ended March 31, 2010 and March 31, 2011.

See Notes to the Financial Statements.

MULTI-MANAGER HIGH YIELD OPPORTUNITY FUND

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
ASSET-BACKED SECURITIES - 1.4%		
Home Equity - 0.2%		
Asset Backed Securities Corp., Series 2006-HE7, Class A4, 0.40%, 11/25/36	\$1,525	\$631
Option One Mortgage Loan Trust, Series 2007-1, Class 2A2, 0.35%, 1/25/37	819	528
		1,159
Other - 0.4%		
Ameriquest Mortgage Securities, Inc., Series 2005-R11, Class M1, 0.70%, 1/25/36	300	203
Countrywide Asset-Backed Certificates, Series 2004-13, Class AF5B, 5.10%, 5/25/35	225	179
Countrywide Asset-Backed Certificates, Series 2004-4, Class M1, 0.97%, 7/25/34	150	116
DSC Floorplan Master Owner Trust, Series 2011-1, Class B, 8.11%, 3/15/16 ⁽¹⁾	500	500
First Franklin Mortgage Loan Asset Backed Certificates, Series 2006-FF10, Class A4, 0.40%, 7/25/36	585	429
Fremont Home Loan Trust, Series 2006-D, Class 2A3, 0.40%, 11/25/36	1,387	567
Park Place Securities, Inc., Series 2004-WCW2, Class M2, 0.90%, 10/25/34	375	292
Saxon Asset Securities Trust, Series 2004-3, Class M2, 0.90%, 12/26/34	330	276
Structured Asset Investment Loan Trust, 0.90%, 10/25/34	388	246
		2,808

Whole Loan - 0.8%

Adjustable Rate Mortgage Trust, Series 2005-10, Class 5A1, 0.51%, 1/25/36	177	118
Countrywide Alternative Loan Trust, Series 2005-14, Class 2A1, 0.46%, 5/25/35	433	288
Countrywide Alternative Loan Trust, Series 2005-38, Class A3, 0.60%, 9/25/35	318	202

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
ASSET-BACKED SECURITIES - 1.4% continued		
Whole Loan - 0.8% continued		
Countrywide Home Loan Mortgage Pass Through Trust, Series 2005-11, Class 3A3, 3.29%, 4/25/35	\$628	\$321
Countrywide Home Loan Mortgage Pass Through Trust, Series 2005-2, Class 2A3, 0.59%, 3/25/35	647	408
Impac CMB Trust, Series 2005-3, Class A1, 0.73%, 8/25/35	224	165
Indymac Index Mortgage Loan Trust, Series 2006-AR7, Class 4A1, 5.53%, 5/25/36	613	342
Lehman Mortgage Trust, Series 2005-3, Class 1A6, 0.75%, 1/25/36	296	205
Lehman Mortgage Trust, Series 2007-8, Class 2A1, 6.50%, 9/25/37	643	539
Luminant Mortgage Trust, Series 2006-6, Class A1, 0.45%, 10/25/46	796	545
Mastr Adjustable Rate Mortgages Trust, Series 2005-2, Class 3A1, 2.65%, 3/25/35	568	399
Mastr Adjustable Rate Mortgages Trust, Series 2005-2, Class 5A1, 2.64%, 3/25/35	179	160
Mastr Adjustable Rate Mortgages Trust, Series 2007-1, Class 12A1, 0.41%, 1/25/47	1,061	625
WaMu Mortgage Pass Through Certificates, Series 2006-AR11, Class 2A, 2.98%, 9/25/46	660	537
Washington Mutual Alternative Mortgage Pass-Through Certificates, Series 2007-OC1, Class A1, 0.49%, 1/25/47	1,146	522
		5,376
Total Asset-Backed Securities		9,343
(Cost \$9,010)		

CONVERTIBLE BONDS - 7.1%**Aerospace/Defense - 0.0%**

Alliant Techsystems, Inc., 2.75%, 9/15/11	220	221
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See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CONVERTIBLE BONDS - 7.1% continued		
Airlines - 0.3%		
AirTran Holdings, Inc., 5.25%, 11/1/16	\$83	\$118
AMR Corp., 6.25%, 10/15/14	210	219
United Continental Holdings, Inc., 4.50%, 6/30/21	1,525	1,542
		1,879
Auto Manufacturers - 0.2%		
Ford Motor Co., 4.25%, 11/15/16	790	1,432
Auto Parts & Equipment - 0.1%		
Meritor, Inc., 4.00%, 2/15/27	590	597
TRW Automotive, Inc., 3.50%, 12/1/15 ^{(1) (2)}	87	174
		771
Biotechnology - 0.8%		
Amylin Pharmaceuticals, Inc., 3.00%, 6/15/14	1,659	1,431
Dendreon Corp., 2.88%, 1/15/16	31	31
Gilead Sciences, Inc., 0.50%, 5/1/11	405	445
	222	249
Life Technologies Corp., 3.25%, 6/15/25	352	392
PDL BioPharma, Inc., 2.00%, 2/15/12	135	135
Vertex Pharmaceuticals, Inc., 3.35%, 10/1/15	1,990	2,415
		5,098
Building Materials - 0.0%		
Cemex S.A.B. de C.V., 3.25%, 3/15/16 ^{(1) (2)}	87	90
	89	92
		182
Coal - 0.2%		
Peabody Energy Corp., 4.75%, 12/15/41	1,045	1,390

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CONVERTIBLE BONDS - 7.1% continued		
Commercial Services - 0.2%		
Kendle International, Inc., 3.38%, 7/15/12	\$1,360	\$1,287
Computers - 0.0%		
Mentor Graphics Corp., 4.00%, 4/1/31 ⁽¹⁾	31	32
SanDisk Corp., 1.50%, 8/15/17	113	128
		160
Food - 0.1%		
Smithfield Foods, Inc., 4.00%, 6/30/13	120	152
Tyson Foods, Inc., 3.25%, 10/15/13	245	319
		471
Healthcare - Products - 0.3%		
Hologic, Inc., 2.00%, 12/15/37	2,051	1,979
	115	140
		2,119
Home Builders - 0.0%		
Lennar Corp., 2.00%, 12/1/20 ^{(1) (2)}	105	106
Insurance - 0.0%		
Old Republic International Corp., 3.75%, 3/15/18	28	28
Radian Group, Inc., 3.00%, 11/15/17	58	53
		81
Internet - 0.2%		
Digital River, Inc., 2.00%, 11/1/30 ⁽¹⁾	140	147
Earthlink, Inc., 3.25%, 11/15/26	301	321
Level 3 Communications, Inc., 7.00%, 3/15/15	485	571
WebMD Health Corp., 2.25%, 3/31/16 ^{(1) (2)}	32	31
	91	92
		1,162

See Notes to the Financial Statements.

MULTI-MANAGER HIGH YIELD OPPORTUNITY FUND *continued*

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CONVERTIBLE BONDS - 7.1% <i>continued</i>		
Investment Companies - 0.0%		
Ares Capital Corp., 5.13%, 6/1/16 ^{(1) (2)}	\$15	\$15
Lodging - 0.0%		
Home Inns & Hotels Management, Inc., 2.00%, 12/15/15 ⁽¹⁾	75	76
Machinery - Diversified - 0.0%		
Altra Holdings, Inc., 2.75%, 3/1/31 ^{(1) (2)}	57	62
Metal Fabrication/Hardware - 0.0%		
RTI International Metals, Inc., 3.00%, 12/1/15	114	132
Miscellaneous Manufacturing - 0.4%		
Trinity Industries, Inc., 3.88%, 6/1/36	2,140	2,333
Oil & Gas - 1.0%		
Chesapeake Energy Corp., 2.50%, 5/15/37	2,430	2,637
2.25%, 12/15/38	2,625	2,405
InterOil Corp., 2.75%, 11/15/15	7	7
Penn Virginia Corp., 4.50%, 11/15/12	985	1,012
Quicksilver Resources, Inc., 1.88%, 11/1/24	149	160
		6,221
Oil & Gas Services - 0.1%		
Newpark Resources, Inc., 4.00%, 10/1/17	174	187
Subsea 7 S.A., 2.25%, 10/11/13	200	247
		434
Packaging & Containers - 0.3%		
Owens-Brockway Glass Container, Inc., 3.00%, 6/1/15 ⁽¹⁾	1,939	1,966
Pharmaceuticals - 0.6%		
Nektar Therapeutics, 3.25%, 9/28/12	170	170
Omnicare, Inc., 3.75%, 12/15/25	735	935
3.25%, 12/15/35	2,315	2,147
Savient Pharmaceuticals, Inc., 4.75%, 2/1/18	30	35

See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CONVERTIBLE BONDS - 7.1% <i>continued</i>		
Pharmaceuticals - 0.6% <i>continued</i>		
Shire PLC, 2.75%, 5/9/14	\$425	\$481
Teva Pharmaceutical Finance Co. LLC, 0.25%, 2/1/26	165	190
		3,958
Real Estate Investment Trusts - 0.0%		
Boston Properties L.P., 3.75%, 5/15/36	29	34
Semiconductors - 1.2%		
Intel Corp., 2.95%, 12/15/35	5,575	5,735
Micron Technology, Inc., 1.88%, 6/1/14	1,125	1,225
1.88%, 6/1/27	70	85
ON Semiconductor Corp., (0.07)%, 4/15/24 ⁽³⁾	263	294
2.63%, 12/15/26	213	250
Photronics, Inc., 3.25%, 4/1/16 ^{(1) (2)}	13	15
Veeco Instruments, Inc., 4.13%, 4/15/12	50	92
Xilinx, Inc., 3.13%, 3/15/37	190	220
		7,916
Telecommunications - 1.1%		
Alcatel-Lucent USA, Inc., 2.88%, 6/15/23	310	276
2.88%, 6/15/25	1,080	1,056
Ciena Corp., 4.00%, 3/15/15 ^{(1) (2)}	315	462
0.88%, 6/15/17	4,945	4,827
3.75%, 10/15/18 ^{(1) (2)}	20	30
Comtech Telecommunications Corp., 3.00%, 5/1/29	173	181
		6,832
Trucking & Leasing - 0.0%		
Greenbrier Cos., Inc., 3.50%, 4/1/18 ⁽¹⁾	44	46
Total Convertible Bonds		
(Cost \$40,402)		46,384

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CORPORATE BONDS - 69.3%		
Advertising - 0.6%		
Lamar Media Corp., 6.63%, 8/15/15	\$900	\$918
7.88%, 4/15/18	1,500	1,609
Visant Corp., 10.00%, 10/1/17	1,095	1,182
		3,709
Aerospace/Defense - 0.6%		
TransDigm, Inc., 7.75%, 12/15/18 ⁽¹⁾	2,250	2,416
Triumph Group, Inc., 8.63%, 7/15/18	1,050	1,158
		3,574
Airlines - 0.3%		
Continental Airlines, Inc., Series 1998-1, Class B, Pass Through Trust, 6.75%, 3/15/17	17	17
Continental Airlines, Inc., Series 1999-1, Class B, Pass Through Trust, 6.80%, 8/2/18	1,097	1,075
Continental Airlines, Inc., Series 1999-2, Class B, Pass Through Trust, 7.57%, 3/15/20	159	158
Continental Airlines, Inc., Series 2000-1, Class A-1, Pass Through Trust, 8.05%, 11/1/20	238	259
Continental Airlines, Inc., Series 2001-1, Class A-1, Pass Through Trust, 6.70%, 6/15/21	145	151
Continental Airlines, Inc., Series 2007-1, Class B, Pass Through Trust, 6.90%, 4/19/22	113	114
United AirLines, Inc., Series 2009-1, Pass Through Trust, 10.40%, 11/1/16	293	335
		2,109
Apparel - 0.4%		
Jones Apparel Group (The), Inc., 6.13%, 11/15/34	1,010	806
Levi Strauss & Co., 8.88%, 4/1/16	700	730
7.63%, 5/15/20	150	150
Quiksilver, Inc., 6.88%, 4/15/15	925	911
		2,597

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CORPORATE BONDS - 69.3% continued		
Auto Manufacturers - 0.8%		
Ford Motor Co., 7.45%, 7/16/31	\$4,185	\$4,531
Oshkosh Corp., 8.25%, 3/1/17	535	588
		5,119
Auto Parts & Equipment - 1.0%		
Allison Transmission, Inc., 11.00%, 11/1/15 ⁽¹⁾	500	542
11.25%, 11/1/15 ⁽¹⁾	500	543
Goodyear Tire & Rubber (The) Co., 8.25%, 8/15/20	1,210	1,295
7.00%, 3/15/28	80	75
Meritor, Inc., 8.13%, 9/15/15	520	541
Pinafore LLC/Pinafore, Inc., 9.00%, 10/1/18 ⁽¹⁾	1,300	1,411
Tenneco, Inc., 7.75%, 8/15/18	400	427
TRW Automotive, Inc., 8.88%, 12/1/17 ⁽¹⁾	475	532
Uncle Acquisition 2010 Corp., 8.63%, 2/15/19 ⁽¹⁾	1,000	1,050
		6,416
Banks - 1.4%		
Ally Financial, Inc., 8.30%, 2/12/15	1,725	1,891
6.25%, 12/1/17 ⁽¹⁾	550	560
7.50%, 9/15/20 ⁽¹⁾	1,000	1,066
8.00%, 11/1/31	1,565	1,706
CIT Group, Inc., 7.00%, 5/1/17	2,540	2,543
Provident Funding Associates L.P./ PFG Finance Corp., 10.25%, 4/15/17 ⁽¹⁾	515	574
10.13%, 2/15/19 ^{(1) (2)}	675	705
		9,045
Beverages - 0.3%		
Constellation Brands, Inc., 7.25%, 5/15/17	400	434
Cott Beverages, Inc., 8.38%, 11/15/17	1,175	1,254
		1,688

See Notes to the Financial Statements.

MULTI-MANAGER HIGH YIELD OPPORTUNITY FUND *continued*

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CORPORATE BONDS - 69.3% <i>continued</i>		
Building Materials - 0.7%		
Associated Materials LLC, 9.13%, 11/1/17 ⁽¹⁾	\$175	\$187
Interline Brands, Inc., 7.00%, 11/15/18	400	410
Masco Corp., 6.50%, 8/15/32	200	180
Owens Corning, Inc., 7.00%, 12/1/36	1,055	1,059
USG Corp., 6.30%, 11/15/16	2,417	2,272
9.75%, 1/15/18	250	262
	4,370	
Chemicals - 1.3%		
Hexion US Finance Corp./Hexion Nova Scotia Finance ULC, 8.88%, 2/1/18	535	566
9.00%, 11/15/20 ^{(1) (2)}	685	710
Lyondell Chemical Co., 8.00%, 11/1/17 ⁽¹⁾	273	301
MacDermid, Inc., 9.50%, 4/15/17 ⁽¹⁾	1,275	1,355
Momentive Performance Materials, Inc., 11.50%, 12/1/16	400	429
9.00%, 1/15/21 ⁽¹⁾	3,035	3,137
Nalco Co., 8.25%, 5/15/17	500	546
NewMarket Corp., 7.13%, 12/15/16	500	515
Reichhold Industries, Inc., 9.00%, 8/15/14 ^{(1) (2)}	895	789
	8,348	
Coal - 0.8%		
Cloud Peak Energy Resources LLC/Cloud Peak Energy Finance Corp., 8.25%, 12/15/17	175	191
8.50%, 12/15/19	825	914
Consol Energy, Inc., 8.00%, 4/1/17	775	849
8.25%, 4/1/20	475	527
Drummond Co., Inc., 9.00%, 10/15/14 ⁽¹⁾	200	212
7.38%, 2/15/16	675	695

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CORPORATE BONDS - 69.3% <i>continued</i>		
Coal - 0.8% <i>continued</i>		
Penn Virginia Resource Partners L.P./Penn Virginia Resource Finance Corp., 8.25%, 4/15/18	\$1,650	\$1,765
	5,153	
Commercial Services - 3.6%		
ARAMARK Corp., 8.50%, 2/1/15	2,500	2,606
Brickman Group Holdings, Inc., 9.13%, 11/1/18 ⁽¹⁾	850	910
Cenveo Corp., 7.88%, 12/1/13	2,459	2,391
10.50%, 8/15/16 ⁽¹⁾	275	276
8.88%, 2/1/18	1,025	1,028
Corrections Corp. of America, 7.75%, 6/1/17	1,325	1,439
Education Management LLC/Education Management Finance Corp., 8.75%, 6/1/14	1,700	1,740
Geo Group (The), Inc., 7.75%, 10/15/17	1,100	1,173
Interactive Data Corp., 10.25%, 8/1/18 ⁽¹⁾	1,500	1,665
Iron Mountain, Inc., 8.75%, 7/15/18	1,350	1,421
8.38%, 8/15/21	1,357	1,469
PHH Corp., 9.25%, 3/1/16 ⁽¹⁾	750	816
RSC Equipment Rental, Inc./RSC Holdings III LLC, 9.50%, 12/1/14	1,345	1,409
ServiceMaster (The) Co., 10.75%, 7/15/15 ⁽¹⁾	1,150	1,222
7.45%, 8/15/27	1,730	1,397
Trans Union LLC/TransUnion Financing Corp., 11.38%, 6/15/18 ⁽¹⁾	775	885
United Rentals North America, Inc., 8.38%, 9/15/20	1,700	1,777
	23,624	
Computers - 0.3%		
SunGard Data Systems, Inc., 7.38%, 11/15/18 ⁽¹⁾	1,200	1,227
7.63%, 11/15/20 ^{(1) (2)}	425	437
	1,664	

See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CORPORATE BONDS - 69.3% continued		
Cosmetics/Personal Care - 0.1%		
Elizabeth Arden, Inc., 7.38%, 3/15/21	\$635	\$663
Distribution/Wholesale - 0.2%		
American Tire Distributors, Inc., 9.75%, 6/1/17	550	605
Baker & Taylor, Inc., 11.50%, 7/1/13 ⁽¹⁾	675	584
		1,189
Diversified Financial Services - 3.0%		
E*Trade Financial Corp., 12.50%, 11/30/17	1,254	1,495
Ford Motor Credit Co. LLC, 8.70%, 10/1/14	1,825	2,072
8.13%, 1/15/20	555	636
International Lease Finance Corp., 9.00%, 3/15/17 ⁽¹⁾	1,350	1,519
8.25%, 12/15/20	1,175	1,288
Pinnacle Foods Finance LLC/Pinnacle Foods Finance Corp., 9.25%, 4/1/15	1,825	1,905
10.63%, 4/1/17	500	536
8.25%, 9/1/17 ⁽¹⁾	825	862
Residential Capital LLC, 9.63%, 5/15/15	1,420	1,432
SLM Corp., 5.00%, 6/15/18	45	42
8.45%, 6/15/18	885	991
Springleaf Finance Corp., 5.63%, 8/17/11	100	100
5.20%, 12/15/11	100	100
0.49%, 7/15/12	375	289
4.88%, 7/15/12	1,300	1,277
5.90%, 9/15/12	300	297
5.38%, 10/1/12	800	787
3.25%, 1/16/13	550	702
5.85%, 6/1/13	1,375	1,344
5.75%, 9/15/16	215	194
6.50%, 9/15/17	300	267
6.90%, 12/15/17	1,500	1,371
		19,506
Electric - 4.3%		
AES (The) Corp., 9.75%, 4/15/16	1,725	1,979

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CORPORATE BONDS - 69.3% continued		
Electric - 4.3% continued		
8.00%, 10/15/17	\$1,820	\$1,957
8.00%, 6/1/20	2,285	2,468
Calpine Corp., 7.88%, 7/31/20 ⁽¹⁾	1,575	1,674
7.50%, 2/15/21 ⁽¹⁾	3,265	3,379
CMS Energy Corp., 6.55%, 7/17/17	220	240
Dynegy Holdings, Inc., 8.38%, 5/1/16	1,850	1,549
7.75%, 6/1/19	2,635	2,045
Edison Mission Energy, 7.75%, 6/15/16	1,091	927
7.00%, 5/15/17	825	662
7.20%, 5/15/19	1,100	858
7.63%, 5/15/27	1,735	1,293
GenOn Energy, Inc., 9.50%, 10/15/18 ⁽¹⁾	1,200	1,248
9.88%, 10/15/20 ⁽¹⁾	1,600	1,672
NRG Energy, Inc., 7.38%, 2/1/16	190	197
8.50%, 6/15/19	3,125	3,289
8.25%, 9/1/20 ⁽¹⁾	1,125	1,170
Texas Competitive Electric Holdings Co. LLC, 10.25%, 11/1/15	2,125	1,243
		27,850
Electronics - 0.0%		
Sensus USA, Inc., 8.63%, 12/15/13	200	203
Engineering & Construction - 0.2%		
American Residential Services LLC, 12.00%, 4/15/15 ⁽¹⁾	1,225	1,344
Entertainment - 2.4%		
AMC Entertainment, Inc., 8.00%, 3/1/14	450	455
8.75%, 6/1/19	1,275	1,383
9.75%, 12/1/20 ⁽¹⁾	1,775	1,899
American Casino & Entertainment Properties LLC, 11.00%, 6/15/14	605	644
Cinemark USA, Inc., 8.63%, 6/15/19	1,000	1,092
Isle of Capri Casinos, Inc., 7.00%, 3/1/14	1,525	1,514

See Notes to the Financial Statements.

MULTI-MANAGER HIGH YIELD OPPORTUNITY FUND *continued*

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CORPORATE BONDS - 69.3% <i>continued</i>		
Entertainment - 2.4% <i>continued</i>		
7.75%, 6/15/19 ^{(1) (2)}	\$1,075	\$1,070
Jacobs Entertainment, Inc.,		
9.75%, 6/15/14	150	152
Penn National Gaming, Inc.,		
8.75%, 8/15/19	300	331
Pinnacle Entertainment, Inc.,		
7.50%, 6/15/15	1,225	1,246
8.63%, 8/1/17	1,025	1,117
8.75%, 5/15/20	1,250	1,300
Regal Cinemas Corp.,		
8.63%, 7/15/19	1,150	1,235
Regal Entertainment Group,		
9.13%, 8/15/18	1,900	2,033
		15,471
Environmental Control - 0.4%		
Casella Waste Systems, Inc.,		
7.75%, 2/15/19	550	550
Clean Harbors, Inc.,		
7.63%, 8/15/16	1,149	1,219
7.63%, 8/15/16 ^{(1) (2)}	600	637
		2,406
Food - 2.0%		
B&G Foods, Inc.,		
7.63%, 1/15/18	1,050	1,131
Blue Merger Sub, Inc.,		
7.63%, 2/15/19 ⁽¹⁾	4,175	4,232
Dean Foods Co.,		
7.00%, 6/1/16	3,510	3,348
6.90%, 10/15/17	340	315
9.75%, 12/15/18 ⁽¹⁾	1,425	1,462
Dole Food Co., Inc.,		
8.00%, 10/1/16 ⁽¹⁾	550	584
Michael Foods, Inc.,		
9.75%, 7/15/18 ⁽¹⁾	500	546
Pilgrim's Pride Corp.,		
7.88%, 12/15/18 ⁽¹⁾	750	728
Smithfield Foods, Inc.,		
10.00%, 7/15/14	454	535
		12,881
Forest Products & Paper - 0.8%		
Boise Paper Holdings LLC/Boise Co.- Issuer Co.,		
8.00%, 4/1/20	1,200	1,296

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CORPORATE BONDS - 69.3% <i>continued</i>		
Forest Products & Paper - 0.8% <i>continued</i>		
Georgia-Pacific LLC,		
7.13%, 1/15/17 ⁽¹⁾	\$500	\$531
7.75%, 11/15/29	315	346
Mercer International, Inc.,		
9.50%, 12/1/17 ⁽¹⁾	1,250	1,369
NewPage Corp.,		
11.38%, 12/31/14	915	916
Verso Paper Holdings LLC/ Verson Paper, Inc.,		
11.38%, 8/1/16	420	445
Westvaco Corp.,		
8.20%, 1/15/30	400	427
		5,330
Gas - 0.2%		
Sabine Pass LNG L.P.,		
7.25%, 11/30/13	1,275	1,304
7.50%, 11/30/16	225	231
		1,535
Healthcare - Products - 0.6%		
Alere, Inc.,		
7.88%, 2/1/16	1,425	1,488
9.00%, 5/15/16	1,050	1,118
Biomet, Inc.,		
11.63%, 10/15/17	1,150	1,282
		3,888
Healthcare - Services - 5.1%		
American Renal Holdings Co., Inc.,		
8.38%, 5/15/18	1,375	1,451
CHS/Community Health Systems, Inc.,		
8.88%, 7/15/15	2,775	2,928
DaVita, Inc.,		
6.63%, 11/1/20	500	506
Gentiva Health Services, Inc.,		
11.50%, 9/1/18	365	413
HCA Holdings, Inc.,		
7.75%, 5/15/21 ⁽¹⁾	1,290	1,345
HCA, Inc.,		
9.25%, 11/15/16	1,000	1,076
9.63%, 11/15/16	2,875	3,098
8.36%, 4/15/24	680	680
7.50%, 11/6/33	3,465	3,179
7.75%, 7/15/36	420	393

See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CORPORATE BONDS - 69.3% continued		
Healthcare - Services - 5.1% continued		
HCA., Inc.,		
7.19%, 11/15/15	\$1,015	\$1,020
7.50%, 12/15/23	260	246
7.69%, 6/15/25	545	519
7.58%, 9/15/25	225	212
7.05%, 12/1/27	65	58
Healthsouth Corp.,		
8.13%, 2/15/20	1,100	1,191
IASIS Healthcare LLC/IASIS Capital Corp.,		
8.75%, 6/15/14	1,300	1,328
Multiplan, Inc.,		
9.88%, 9/1/18 ⁽¹⁾	1,400	1,498
Radiation Therapy Services, Inc.,		
9.88%, 4/15/17	1,750	1,785
Surgical Care Affiliates, Inc.,		
8.88%, 7/15/15 ⁽¹⁾	150	153
10.00%, 7/15/17 ⁽¹⁾	1,600	1,656
Tenet Healthcare Corp.,		
8.00%, 8/1/20	1,625	1,694
6.88%, 11/15/31	1,375	1,139
United Surgical Partners International, Inc.,		
9.25%, 5/1/17	1,150	1,216
Vanguard Health Holding Co. II LLC/Vanguard Holding Co. II, Inc.,		
8.00%, 2/1/18	3,800	3,890
Vanguard Health Systems, Inc.,		
0.24%, 2/1/16 ^{(1) (3)}	900	571
		33,245
Holding Companies - Diversified - 0.2%		
Atlantic Broadband Finance LLC,		
9.38%, 1/15/14	300	304
Express LLC/Express Finance Corp.,		
8.75%, 3/1/18	1,150	1,248
		1,552
Home Builders - 0.9%		
KB Home,		
7.25%, 6/15/18	2,425	2,376
Lennar Corp.,		
5.50%, 9/1/14 ^{(1) (2)}	1,100	1,100
6.95%, 6/1/18	15	15
Pulte Group, Inc.,		
7.88%, 6/15/32	2,015	1,859

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CORPORATE BONDS - 69.3% continued		
Home Builders - 0.9% continued		
6.38%, 5/15/33	\$390	\$317
6.00%, 2/15/35	290	227
		5,894
Home Furnishings - 0.2%		
Norcraft Cos. L.P./Norcraft Finance Corp.,		
10.50%, 12/15/15	1,050	1,122
Norcraft Holdings L.P./Norcraft Capital Corp.,		
9.75%, 9/1/12	275	272
		1,394
Household Products/Wares - 1.5%		
ACCO Brands Corp.,		
7.63%, 8/15/15	1,965	2,004
Armored Autogroup, Inc.,		
9.25%, 11/1/18 ⁽¹⁾	775	789
Central Garden and Pet Co.,		
8.25%, 3/1/18	325	340
Diversey, Inc.,		
8.25%, 11/15/19	310	332
Jarden Corp.,		
7.50%, 1/15/20	1,250	1,313
Reynolds Group Issuer, Inc./Reynolds Group Issuer LLC/Reynolds Group Issuer Lu,		
7.75%, 10/15/16 ⁽¹⁾	1,525	1,613
8.50%, 5/15/18 ⁽¹⁾	675	683
9.00%, 4/15/19 ⁽¹⁾	1,675	1,734
8.25%, 2/15/21 ⁽¹⁾	1,100	1,089
		9,897
Housewares - 0.3%		
American Standard Americas,		
10.75%, 1/15/16 ⁽¹⁾	535	571
Libbey Glass, Inc.,		
10.00%, 2/15/15	1,057	1,152
		1,723
Insurance - 0.3%		
American International Group, Inc.,		
8.18%, 5/15/58	1,240	1,335
CNO Financial Group, Inc.,		
9.00%, 1/15/18 ⁽¹⁾	800	848
		2,183

See Notes to the Financial Statements.

MULTI-MANAGER HIGH YIELD OPPORTUNITY FUND *continued*

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CORPORATE BONDS - 69.3% <i>continued</i>		
Internet - 0.2%		
GXS Worldwide, Inc., 9.75%, 6/15/15	\$1,575	\$1,603
Investment Companies - 0.2%		
Fox Acquisition Sub LLC, 13.38%, 7/15/16 ⁽¹⁾	1,375	1,533
Iron/Steel - 0.9%		
AK Steel Corp., 7.63%, 5/15/20	430	439
Atkore International, Inc., 9.88%, 1/1/18 ⁽¹⁾	1,940	2,071
JMC Steel Group, 8.25%, 3/15/18 ^{(1) (2)}	1,300	1,329
United States Steel Corp., 6.65%, 6/1/37	2,305	2,120
		5,959
Lodging - 2.3%		
Ameristar Casinos, Inc., 9.25%, 6/1/14	750	824
7.50%, 4/15/21 ^{(1) (4)}	1,225	1,228
Boyd Gaming Corp., 9.13%, 12/1/18 ⁽¹⁾	1,525	1,574
Caesar's Entertainment Operating Co., Inc., 12.75%, 4/15/18 ⁽¹⁾	900	909
10.00%, 12/15/18	2,865	2,614
MGM Resorts International, 5.88%, 2/27/14	2,840	2,712
6.88%, 4/1/16	885	823
7.50%, 6/1/16	1,480	1,399
10.00%, 11/1/16 ⁽¹⁾	775	816
7.63%, 1/15/17	1,080	1,019
9.00%, 3/15/20	1,160	1,272
		15,190
Machinery - Construction & Mining - 0.0%		
Terex Corp., 8.00%, 11/15/17	310	327
Machinery - Diversified - 0.5%		
Case New Holland, Inc., 7.88%, 12/1/17 ⁽¹⁾	1,325	1,472
Manitowoc (The) Co., Inc., 9.50%, 2/15/18	1,100	1,216

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CORPORATE BONDS - 69.3% <i>continued</i>		
Machinery - Diversified - 0.5% <i>continued</i>		
8.50%, 11/1/20	\$375	\$402
		3,090
Media - 3.7%		
Cablevision Systems Corp., 8.63%, 9/15/17	425	473
7.75%, 4/15/18	2,387	2,578
CCO Holdings LLC/CCO Holdings Capital Corp., 7.25%, 10/30/17	2,240	2,341
7.88%, 4/30/18	610	648
Cequel Communications Holdings I LLC and Cequel Capital Corp., 8.63%, 11/15/17 ⁽¹⁾	1,300	1,355
Citadel Broadcasting Corp., 7.75%, 12/15/18 ⁽¹⁾	325	352
Clear Channel Communications, Inc., 5.00%, 3/15/12	1,590	1,578
5.75%, 1/15/13	1,010	1,000
CSC Holdings LLC, 8.63%, 2/15/19	1,425	1,632
DISH DBS Corp., 6.63%, 10/1/14	400	423
7.13%, 2/1/16	1,750	1,868
7.88%, 9/1/19	2,525	2,733
Insight Communications Co., Inc., 9.38%, 7/15/18 ⁽¹⁾	450	500
McClatchy (The) Co., 11.50%, 2/15/17	800	900
Mediacom Broadband LLC/Mediacom Broadband Corp., 8.50%, 10/15/15	275	285
Mediacom LLC/Mediacom Capital Corp., 9.13%, 8/15/19	300	321
Nielsen Finance LLC / Nielsen Finance Co., 7.75%, 10/15/18 ⁽¹⁾	325	349
Radio One, Inc., 6.38%, 2/15/13	1,073	1,129
Sinclair Television Group, Inc., 9.25%, 11/1/17 ⁽¹⁾	575	641
8.38%, 10/15/18 ⁽¹⁾	1,975	2,089
Univision Communications, Inc., 8.50%, 5/15/21 ⁽¹⁾	825	854
		24,049

See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CORPORATE BONDS - 69.3% continued		
Miscellaneous Manufacturing - 1.0%		
Griffon Corp., 7.13%, 4/1/18 ^{(1) (2)}	\$1,575	\$1,603
Koppers, Inc., 7.88%, 12/1/19	1,130	1,226
Park-Ohio Industries, Inc., 8.13%, 4/1/21 ⁽¹⁾	1,025	1,025
RBS Global, Inc./Rexnord LLC, 8.50%, 5/1/18	2,600	2,808
		6,662
Office Furnishings - 0.2%		
Interface, Inc., 7.63%, 12/1/18 ⁽¹⁾	1,400	1,456
Office/Business Equipment - 0.4%		
Xerox Capital Trust I, 8.00%, 2/1/27	2,415	2,457
Oil & Gas - 3.9%		
Concho Resources, Inc., 7.00%, 1/15/21	1,125	1,184
Denbury Resources, Inc., 8.25%, 2/15/20	1,619	1,809
Forest Oil Corp., 7.25%, 6/15/19	1,140	1,191
Hercules Offshore, Inc., 10.50%, 10/15/17 ⁽¹⁾	1,699	1,742
	105	103
Linn Energy LLC/Linn Energy Finance Corp., 7.75%, 2/1/21 ⁽¹⁾	2,300	2,455
Newfield Exploration Co., 6.88%, 2/1/20	350	369
NFR Energy LLC/NFR Energy Finance Corp., 9.75%, 2/15/17 ⁽¹⁾	1,050	1,040
	175	173
Parker Drilling Co., 9.13%, 4/1/18	1,440	1,548
Penn Virginia Corp., 10.38%, 6/15/16	1,125	1,271
Pioneer Drilling Co., 9.88%, 3/15/18	480	516
Pioneer Natural Resources Co., 6.65%, 3/15/17	300	326
	175	190
	1,005	1,048

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CORPORATE BONDS - 69.3% continued		
Oil & Gas - 3.9% continued		
Plains Exploration & Production Co., 7.63%, 6/1/18	\$100	\$107
	1,150	1,231
Quicksilver Resources, Inc., 8.25%, 8/1/15	570	597
	375	437
SandRidge Energy, Inc., 8.00%, 6/1/18 ⁽¹⁾	2,065	2,163
	300	327
	2,625	2,723
Swift Energy Co., 7.13%, 6/1/17	1,720	1,759
Venoco, Inc., 8.88%, 2/15/19 ^{(1) (2)}	875	875
		25,184
Oil & Gas Services - 1.1%		
Allis-Chalmers Energy, Inc., 9.00%, 1/15/14	700	715
	1,280	1,373
Aquilex Holdings LLC/Aquilex Finance Corp., 11.13%, 12/15/16	380	401
Basic Energy Services, Inc., 7.13%, 4/15/16	1,175	1,193
Complete Production Services, Inc., 8.00%, 12/15/16	1,325	1,398
Exterran Holdings, Inc., 7.25%, 12/1/18 ⁽¹⁾	925	944
Hornbeck Offshore Services, Inc., 6.13%, 12/1/14	75	75
	1,075	1,110
		7,209
Packaging & Containers - 1.4%		
BWAY Holding Co., 10.00%, 6/15/18 ⁽¹⁾	1,475	1,622
Graham Packaging Co. L.P./GPC Capital Corp. I, 8.25%, 10/1/18	1,625	1,743
Graphic Packaging International, Inc., 9.50%, 6/15/17	2,150	2,386
Greif, Inc., 6.75%, 2/1/17	175	185
	925	1,011

See Notes to the Financial Statements.

MULTI-MANAGER HIGH YIELD OPPORTUNITY FUND *continued*

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CORPORATE BONDS - 69.3% <i>continued</i>		
Packaging & Containers - 1.4% <i>continued</i>		
Owens-Illinois, Inc., 7.80%, 5/15/18	\$1,630	\$1,779
Solo Cup Co., 8.50%, 2/15/14	290	259
		8,985
Pharmaceuticals - 0.6%		
NBTY, Inc., 9.00%, 10/1/18 ⁽¹⁾	1,595	1,731
Quintiles Transnational Corp., 9.50%, 12/30/14 ^{(1) (2)}	1,010	1,033
Valeant Pharmaceuticals International, 7.00%, 10/1/20 ^{(1) (2)}	185	179
	280	266
	445	430
		3,639
Pipelines - 2.1%		
Atlas Pipeline Partners L.P., 8.13%, 12/15/15	125	130
	1,525	1,639
Copano Energy LLC/Copano Energy Finance Corp., 7.13%, 4/1/21 ⁽⁴⁾	900	911
Crosstex Energy L.P./Crosstex Energy Finance Corp., 8.88%, 2/15/18	1,400	1,526
El Paso Corp., 7.25%, 6/1/18	825	927
	1,600	1,621
	1,075	1,193
	725	813
MarkWest Energy Partners L.P./MarkWest Energy Finance Corp., 8.75%, 4/15/18	225	245
	1,350	1,348
Regency Energy Partners L.P./Regency Energy Finance Corp., 9.38%, 6/1/16	1,225	1,394
	75	80
Southern Star Central Corp., 6.75%, 3/1/16	350	355
	75	76
Targa Resources Partners L.P./Targa Resources Partners Finance Corp., 8.25%, 7/1/16	545	574

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CORPORATE BONDS - 69.3% <i>continued</i>		
Pipelines - 2.1% <i>continued</i>		
	\$450	\$475
	175	173
		13,480
Real Estate - 0.5%		
CB Richard Ellis Services, Inc., 11.63%, 6/15/17	875	1,032
Colonial Realty L.P., 6.25%, 6/15/14	250	263
	2,200	2,241
		3,536
Real Estate Investment Trusts - 0.4%		
Felcor Lodging L.P., 10.00%, 10/1/14	695	794
Host Hotels & Resorts L.P., 6.88%, 11/1/14	440	456
	1,335	1,363
		2,613
Retail - 5.1%		
Bon-Ton Department Stores (The), Inc., 10.25%, 3/15/14	1,060	1,086
Claire's Stores, Inc., 9.25%, 6/1/15	650	642
	662	660
	1,100	1,051
Dillard's, Inc., 7.88%, 1/1/23	330	322
	495	475
	465	439
DineEquity, Inc., 9.50%, 10/30/18 ⁽¹⁾	725	787
Dunkin Finance Corp., 9.63%, 12/1/18 ⁽¹⁾	1,216	1,239
Inergy L.P./Inergy Finance Corp., 8.75%, 3/1/15	390	421
	925	962
	1,650	1,720
J.C. Penney Corp., Inc., 6.38%, 10/15/36	598	539
	750	714
Limited Brands, Inc., 7.00%, 5/1/20	800	847
	1,050	1,074
	1,775	1,757

See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CORPORATE BONDS - 69.3% continued		
Retail - 5.1% continued		
Macy's Retail Holdings, Inc., 8.13%, 8/15/35	\$575	\$585
7.88%, 8/15/36	625	636
Michaels Stores, Inc., 11.38%, 11/1/16	1,350	1,472
7.75%, 11/1/18 ⁽¹⁾	600	612
Neiman Marcus Group (The), Inc., 9.00%, 10/15/15	441	461
10.38%, 10/15/15	1,150	1,212
New Albertsons, Inc., 7.45%, 8/1/29	4,875	3,851
8.70%, 5/1/30	950	815
8.00%, 5/1/31	2,375	1,948
Petco Animal Supplies, Inc., 9.25%, 12/1/18 ⁽¹⁾	925	990
Phillips-Van Heusen Corp., 7.75%, 11/15/23	290	318
QVC, Inc., 7.50%, 10/1/19 ⁽¹⁾	800	840
Sbarro, Inc., 10.38%, 2/1/15 ⁽⁵⁾	350	80
Toys R US - Delaware, Inc., 7.38%, 9/1/16 ⁽¹⁾	425	445
Toys R Us Property Co. I LLC, 10.75%, 7/15/17	1,550	1,759
Toys R US, Inc., 7.38%, 10/15/18	2,160	2,165
		32,924
Semiconductors - 0.5%		
Advanced Micro Devices, Inc., 8.13%, 12/15/17	250	260
7.75%, 8/1/20	200	206
Amkor Technology, Inc., 7.38%, 5/1/18	1,000	1,035
Freescale Semiconductor, Inc., 8.88%, 12/15/14	295	306
MEMC Electronic Materials, Inc., 7.75%, 4/1/19 ^{(1) (2)}	1,400	1,433
		3,240
Shipbuilding - 0.2%		
Huntington Ingalls Industries, Inc., 6.88%, 3/15/18 ^{(1) (2)}	385	402

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CORPORATE BONDS - 69.3% continued		
Shipbuilding - 0.2% continued		
7.13%, 3/15/21 ^{(1) (2)}	\$800	\$834
		1,236
Software - 0.7%		
Fidelity National Information Services, Inc., 7.63%, 7/15/17	400	433
First Data Corp., 8.25%, 1/15/21 ^{(1) (2)}	1,160	1,157
12.63%, 1/15/21 ^{(1) (2)}	960	1,042
JDA Software Group, Inc., 8.00%, 12/15/14	325	356
SSI Investments II/SSI Co-Issuer LLC, 11.13%, 6/1/18	1,125	1,260
		4,248
Storage/Warehousing - 0.3%		
Niska Gas Storage US LLC/Niska Gas Storage Canada ULC, 8.88%, 3/15/18	1,525	1,658
Telecommunications - 8.1%		
Alcatel-Lucent USA, Inc., 6.50%, 1/15/28	50	43
6.45%, 3/15/29	3,360	2,890
Buccaneer Merger Sub, Inc., 9.13%, 1/15/19 ⁽¹⁾	310	329
Cincinnati Bell Telephone Co. LLC, 6.30%, 12/1/28	50	40
Cincinnati Bell, Inc., 7.00%, 2/15/15	1,365	1,382
8.25%, 10/15/17	1,350	1,360
8.75%, 3/15/18	990	934
CommScope, Inc., 8.25%, 1/15/19 ⁽¹⁾	2,250	2,351
CPI International Acquisition, Inc., 8.00%, 2/15/18 ⁽¹⁾	1,700	1,708
Crown Castle International Corp., 9.00%, 1/15/15	1,925	2,122
7.13%, 11/1/19	1,300	1,362
Frontier Communications Corp., 7.88%, 1/15/27	1,830	1,748
9.00%, 8/15/31	3,570	3,650
7.45%, 7/1/35	10	9
GCI, Inc., 8.63%, 11/15/19	875	960

See Notes to the Financial Statements.

MULTI-MANAGER HIGH YIELD OPPORTUNITY FUND *continued*

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CORPORATE BONDS - 69.3% <i>continued</i>		
Telecommunications - 8.1% <i>continued</i>		
Hughes Network Systems LLC/HNS Finance Corp., 9.50%, 4/15/14	\$850	\$878
9.50%, 4/15/14	600	620
ITC Deltacom, Inc., 10.50%, 4/1/16	1,425	1,571
Ixia, 3.00%, 12/15/15 ⁽¹⁾	265	292
Level 3 Financing, Inc., 9.25%, 11/1/14	1,485	1,518
8.75%, 2/15/17	800	794
10.00%, 2/1/18	1,550	1,552
MetroPCS Wireless, Inc., 7.88%, 9/1/18	725	776
6.63%, 11/15/20	1,300	1,298
Nextel Communications, Inc., 5.95%, 3/15/14	1,620	1,624
7.38%, 8/1/15	1,200	1,204
NII Capital Corp., 8.88%, 12/15/19	265	292
7.63%, 4/1/21	940	961
Qwest Capital Funding, Inc., 6.50%, 11/15/18	755	770
7.63%, 8/3/21	260	270
6.88%, 7/15/28	650	645
Qwest Communications International, Inc., 7.50%, 2/15/14	175	178
7.13%, 4/1/18	350	378
Qwest Corp., 7.50%, 6/15/23	215	216
7.20%, 11/10/26	925	930
6.88%, 9/15/33	1,690	1,692
7.13%, 11/15/43	1,950	1,921
Sprint Capital Corp., 6.88%, 11/15/28	3,480	3,210
8.75%, 3/15/32	2,825	3,005
West Corp., 8.63%, 10/1/18 ⁽¹⁾	1,475	1,552
Windstream Corp., 7.88%, 11/1/17	740	794
7.75%, 10/15/20 ⁽¹⁾	515	529
7.75%, 10/1/21 ^{(1) (2)}	1,400	1,423
7.50%, 4/1/23 ⁽¹⁾	605	596
		52,377

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
CORPORATE BONDS - 69.3% <i>continued</i>		
Transportation - 0.2%		
Bristow Group, Inc., 7.50%, 9/15/17	\$400	\$421
PHI, Inc., 8.63%, 10/15/18	1,000	1,046
		1,467
Total Corporate Bonds		
(Cost \$425,756)		449,692
FOREIGN ISSUER BONDS - 13.3%		
Banks - 2.0%		
Barclays Bank PLC, 3.68%, 8/20/15 ⁽⁶⁾	2,790,000	2,487
Export-Import Bank of Korea, 6.60%, 11/4/13 ⁽⁷⁾	62,300,000	6,939
4.00%, 11/26/15 ⁽⁸⁾	151,800	3,373
		12,799
Building Materials - 0.3%		
Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 ⁽¹⁾	1,498	1,515
Urbi Desarrollos Urbanos S.A.B. de C.V., 9.50%, 1/21/20 ^{(1) (2)}	115	129
		1,644
Chemicals - 0.5%		
Ineos Group Holdings PLC, 8.50%, 2/15/16 ⁽¹⁾	1,690	1,705
Nova Chemicals Corp., 8.38%, 11/1/16	1,250	1,372
		3,077
Commercial Services - 0.3%		
DP World Ltd., 6.85%, 7/2/37 ^{(1) (2)}	2,100	1,932
Distribution/Wholesale - 0.1%		
Marfrig Overseas Ltd., 9.50%, 5/4/20 ^{(1) (2)}	900	938
Diversified Financial Services - 0.1%		
Ally Credit Canada Ltd., 7.13%, 9/13/11	305	313
Electric - 0.2%		
Emgesa S.A. ESP, 8.75%, 1/25/21 ^{(1) (2) (9)}	1,045,000	590

See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
FOREIGN ISSUER BONDS - 13.3% continued		
Electric - 0.2% continued		
Empresas Publicas de Medellin ESP, 8.38%, 2/1/21 ^{(1) (2) (9)}	\$782,000	\$430
		1,020
Electronics - 0.3%		
Hon Hai Precision Industry Co. Ltd., 0.00%, 10/12/13 ^{(1) (3)}	100	104
NXP B.V./NXP Funding LLC, 9.75%, 8/1/18 ⁽¹⁾	1,550	1,736
		1,840
Engineering & Construction - 0.0%		
Odebrecht Finance Ltd., 7.00%, 4/21/20 ^{(1) (2)}	200	219
Food - 0.1%		
Corp Pesquera Inca SAC, 9.00%, 2/10/17 ^{(1) (2)}	420	447
Forest Products & Paper - 0.8%		
Cascades, Inc., 7.75%, 12/15/17	1,050	1,109
	650	686
Catalyst Paper Corp., 11.00%, 12/15/16 ⁽¹⁾	670	673
Fibria Overseas Finance Ltd., 7.50%, 5/4/20 ^{(1) (2)}	739	802
	1,050	1,084
Millar Western Forest Products Ltd., 7.75%, 11/15/13	590	598
		4,952
Internet - 0.3%		
eAccess Ltd., 8.25%, 4/1/18 ^{(1) (2) (4)}	800	813
UPC Holding B.V., 9.88%, 4/15/18 ⁽¹⁾	1,300	1,436
		2,249
Investment Companies - 0.1%		
Offshore Group Investments Ltd., 11.50%, 8/1/15 ⁽¹⁾	380	422
Iron/Steel - 0.5%		
Algoma Acquisition Corp., 9.88%, 6/15/15 ^{(1) (2)}	1,505	1,385
APERAM, 7.38%, 4/1/16 ^{(1) (2)}	675	687

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
FOREIGN ISSUER BONDS - 13.3% continued		
Iron/Steel - 0.5% continued		
7.75%, 4/1/18 ^{(1) (2)}	\$1,250	\$1,275
		3,347
Leisure Time - 0.1%		
Royal Caribbean Cruises Ltd., 7.50%, 10/15/27	945	937
Media - 0.3%		
Ono Finance II PLC, 10.88%, 7/15/19 ⁽¹⁾	475	508
Unitymedia Hessen GmbH & Co. K.G./Unitymedia NRW GmbH, 8.13%, 12/1/17 ⁽¹⁾	300	316
Videotron Ltee, 9.13%, 4/15/18	1,250	1,403
		2,227
Mining - 0.5%		
FMG Resources August 2006 Pty Ltd., 7.00%, 11/1/15 ⁽¹⁾	875	908
	850	886
Novelis, Inc., 8.38%, 12/15/17 ⁽¹⁾	1,550	1,678
		3,472
Miscellaneous Manufacturing - 0.4%		
Bombardier, Inc., 7.45%, 5/1/34 ⁽¹⁾	2,500	2,400
Multi-National - 0.8%		
European Bank for Reconstruction & Development, 9.25%, 9/10/12 ⁽¹⁰⁾	4,250	2,608
European Investment Bank, 8.30%, 4/24/13 ^{(1) (3) (7)}	4,605,000	464
Inter-American Development Bank, 4.75%, 1/10/14 ⁽¹¹⁾	49,400	1,080
International Bank for Reconstruction & Development, 2.30%, 2/26/13 ⁽⁶⁾	1,000,000	913
		5,065
Oil & Gas - 0.9%		
Connacher Oil and Gas Ltd., 10.25%, 12/15/15 ⁽¹⁾	1,580	1,675
MEG Energy Corp., 6.50%, 3/15/21 ^{(1) (2)}	1,575	1,601
Petroplus Finance Ltd., 7.00%, 5/1/17 ^{(1) (2)}	1,500	1,425

See Notes to the Financial Statements.

MULTI-MANAGER HIGH YIELD OPPORTUNITY FUND *continued*

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
FOREIGN ISSUER BONDS - 13.3% <i>continued</i>		
Oil & Gas - 0.9% <i>continued</i>		
9.38%, 9/15/19 ⁽¹⁾	\$1,225	\$1,240
9.38%, 9/15/19 ⁽¹⁾	20	19
		5,960
Oil & Gas Services - 0.3%		
MBPS Finance Co., 11.25%, 11/15/15 ^{(1) (2)}	1,080	1,064
Trinidad Drilling Ltd., 7.88%, 1/15/19 ⁽¹⁾	850	897
		1,961
Packaging & Containers - 0.2%		
Ardagh Packaging Finance PLC, 9.13%, 10/15/20 ⁽¹⁾	1,425	1,543
Pharmaceuticals - 0.3%		
ConvaTec Healthcare E S.A., 10.50%, 12/15/18 ⁽¹⁾	1,700	1,785
Sovereign - 1.6%		
Brazilian Government International Bond, 5.81%, 1/10/28 ⁽¹⁰⁾	6,000	3,677
Hellenic Republic Government Bond, 4.60%, 7/20/18 ⁽¹²⁾	70	62
4.70%, 3/20/24 ⁽¹²⁾	200	172
2.30%, 7/25/30 ⁽¹²⁾	70	53
Indonesia Treasury Bond, 10.50%, 8/15/30 ⁽⁷⁾	7,049,000	896
Ireland Government Bond, 4.50%, 10/18/18 ⁽¹²⁾	175	178
4.50%, 4/18/20 ⁽¹²⁾	70	68
5.00%, 10/18/20 ⁽¹²⁾	25	25
5.40%, 3/13/25 ⁽¹²⁾	665	643
Korea Treasury Bond, 5.00%, 9/10/14 ⁽⁶⁾	972,050	913
Mexican Bonos, 8.00%, 12/7/23 ⁽¹³⁾	16,500	1,409
Philippine Government International Bond, 4.95%, 1/15/21 ⁽⁸⁾	10,000	227
6.25%, 1/14/36 ⁽⁸⁾	40,000	890
Portugal Obrigacoes do Tesouro OT, 4.80%, 6/15/20 ⁽¹²⁾	25	27
3.85%, 4/15/21 ⁽¹²⁾	25	25
3.85%, 4/15/21 ⁽¹²⁾	25	25

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
FOREIGN ISSUER BONDS - 13.3% <i>continued</i>		
Sovereign - 1.6% <i>continued</i>		
Uruguay Government International Bond, 3.70%, 6/26/37 ⁽¹⁴⁾	\$17,225	\$1,171
		10,461
Telecommunications - 1.4%		
America Movil S.A.B. de C.V., 8.46%, 12/18/36 ⁽¹³⁾	3,400	254
Axtel S.A.B. de C.V., 9.00%, 9/22/19 ^{(1) (2)}	490	470
Bakrie Telecom Pte Ltd., 11.50%, 5/7/15 ^{(1) (2)}	1,100	1,174
Intelsat Jackson Holdings S.A., 11.25%, 6/15/16	950	1,013
7.25%, 4/1/19 ^{(1) (2) (4)}	850	851
8.50%, 11/1/19 ⁽¹⁾	100	108
Intelsat Luxembourg S.A., 11.25%, 2/4/17	325	355
Virgin Media Finance PLC, 9.13%, 8/15/16	1,400	1,484
9.50%, 8/15/16	750	853
8.38%, 10/15/19	750	844
Wind Acquisition Finance S.A., 11.75%, 7/15/17 ⁽¹⁾	650	747
Wind Acquisition Holdings Finance S.A., 12.25%, 7/15/17 ⁽¹⁾	864	1,046
		9,199
Transportation - 0.7%		
CHC Helicopter S.A., 9.25%, 10/15/20 ⁽¹⁾	1,675	1,725
General Maritime Corp., 12.00%, 11/15/17	1,100	1,059
Teekay Corp., 8.50%, 1/15/20	1,700	1,842
		4,626
Trucking & Leasing - 0.2%		
Aircastle Ltd., 9.75%, 8/1/18	1,100	1,218
Total Foreign Issuer Bonds		
(Cost \$82,411)		86,053

See Notes to the Financial Statements.

	PRINCIPAL AMOUNT (000S)	VALUE (000S)
TERM LOANS - 1.0%		
Diversified Financial Services - 0.1%		
AGFS Funding Co., 5.50%, 4/21/15	\$550	\$550
Electric - 0.5%		
Texas Competitive Electric Holdings Co. LLC, 0.00%, 10/10/14	3,786	3,187
Lodging - 0.2%		
Caesar's Entertainment Operating Co., Inc., 0.00%, 1/28/15 ⁽³⁾	1,250	1,156
Real Estate Investment Trusts - 0.2%		
iStar Financial, Inc., 5.50%, 6/30/14	1,625	1,618
Total Term Loans		
(Cost \$6,376)		6,511

U.S. GOVERNMENT OBLIGATIONS - 0.5%		
U.S. Treasury Notes - 0.5%		
1.00%, 4/30/12	930	936
2.50%, 4/30/15	1,975	2,029
Total U.S. Government Obligations		
(Cost \$2,923)		2,965

	NUMBER OF SHARES	VALUE (000S)
PREFERRED STOCKS - 0.3%		
Banks - 0.3%		
Ally Financial, Inc.*	41,725	\$1,038
Ally Financial, Inc. ⁽¹⁾ *	1,245	1,158
		2,196
Home Builders - 0.0%		
Hovnanian Enterprises, Inc.*	10,100	68
Total Preferred Stocks		
(Cost \$2,259)		2,264

OTHER - 0.0%		
Telecommunications - 0.0%		
Escrow Wind Acquisition Finance S.A.	864,470	—

	NUMBER OF SHARES	VALUE (000S)
OTHER - 0.0% continued		
Telecommunications - 0.0% continued		
Escrow Wind AF S.A.	650,000	\$ —
		--
Total Other		
(Cost \$ —)		—

CONVERTIBLE PREFERRED STOCKS - 1.4%		
Agriculture - 0.0%		
Archer-Daniels-Midland Co., 6.25%*	5,100	230
Auto Manufacturers - 0.7%		
General Motors Co., 4.75%	99,900	4,815
Banks - 0.1%		
Wells Fargo & Co., 7.50%*	233	241
Wintrust Financial Corp., 7.50%*	2,700	159
		400
Computers - 0.0%		
Unisys Corp., 6.25%*	62	6
Electric - 0.0%		
AES Trust III, 6.75%*	500	24
Home Builders - 0.0%		
Hovnanian Enterprises, Inc., 7.25%*	600	13
Housewares - 0.4%		
Newell Financial Trust I, 5.25%*	51,950	2,488
Insurance - 0.0%		
Hartford Financial Services Group, Inc., 7.25%	2,600	68
MetLife, Inc., 5.00%*	1,570	133
		201
Mining - 0.0%		
AngloGold Ashanti Holdings Finance PLC, 6.00%*	750	40
Molycorp, Inc., 5.50%*	760	86
		126
Oil & Gas - 0.1%		
Apache Corp., 6.00%	4,180	296
Pipelines - 0.1%		
El Paso Energy Capital Trust I, 4.75%*	18,275	809
Total Convertible Preferred Stocks		
(Cost \$9,364)		9,408

See Notes to the Financial Statements.

MULTI-MANAGER HIGH YIELD OPPORTUNITY FUND *continued*

	NUMBER OF SHARES	VALUE (000S)
COMMON STOCKS - 0.1%		
Pipelines - 0.1%		
El Paso Corp.	19,075	\$343
Total Common Stocks		
(Cost \$283)		343

INVESTMENT COMPANIES - 4.6%		
Northern Institutional Funds - Diversified Assets Portfolio ⁽¹⁵⁾ ⁽¹⁶⁾	30,007,066	30,007
Total Investment Companies		
(Cost \$30,007)		30,007

Total Investments - 99.0%		
(Cost \$608,791)		642,970
Other Assets less Liabilities - 1.0%		6,179
NET ASSETS - 100.0%		\$649,149

- (1) Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may not be publicly sold without registration under the Securities Act of 1933. The value of these securities is determined by valuations supplied by a pricing service or brokers, or, if not available, in accordance with procedures established by the Trustees of Northern Funds.
- (2) Restricted security that has been deemed illiquid. At March 31, 2011, the value of these restricted illiquid securities amounted to approximately \$36,202,000 or 5.6% of net assets. Additional information on each restricted illiquid security is as follows:

SECURITY	ACQUISITION AND ENFORCEABLE DATE	ACQUISITION COST (000S)
Algoma Acquisition Corp., 9.88%, 6/15/15	12/7/09-5/26/10	\$1,346
Altra Holdings, Inc., 2.75%, 3/1/31	3/2/11	58
APERAM, 7.38%, 4/1/16	3/25/11	676
APERAM, 7.75%, 4/1/18	3/25/11	1,267
Ares Capital Corp., 5.13%, 6/1/16	3/23/11	15
Axtel S.A.B. de C.V., 9.00%, 9/22/19	9/25/09-12/9/10	469
Bakrie Telecom Pte Ltd., 11.50%, 5/7/15	4/30/10-5/25/10	1,085
Cemex S.A.B. de C.V. 3.25%, 3/15/16	3/10/11	87
Cemex S.A.B. de C.V. 3.75%, 3/15/18	3/10/11	89

SECURITY	ACQUISITION AND ENFORCEABLE DATE	ACQUISITION COST (000S)
Ciena Corp., 4.00%, 3/15/15	1/7/11	\$428
Ciena Corp., 3.75%, 10/15/18	1/26/11	27
Claire's Stores, Inc., 8.88%, 3/15/19	2/17/11	1,100
Clean Harbors, Inc., 7.63%, 8/15/16	3/21/11	627
Corp. Pesquera Inca SAC, 9.00%, 2/10/17	2/2/10	417
DP World Ltd., 6.85%, 7/2/37	11/25/09-2/4/11	1,613
eAccess Ltd., 8.25%, 4/1/18	3/24/11	800
Emgesa S.A. ESP., 8.75%, 1/25/21	1/20/11	567
Empresas Publicas de Medellin ESP., 8.38%, 2/1/21	1/24/11	422
Fibria Overseas Finance Ltd., 7.50%, 5/4/20	4/29/10-5/23/10	694
Fibria Overseas Finance Ltd., 6.75%, 3/3/21	2/28/11	1,041
First Data Corp., 8.25%, 1/15/21	12/20/10-12/22/10	1,100
First Data Corp., 12.63%, 1/15/21	2/2/11-3/18/11	1,016
Griffon Corp., 7.13%, 4/1/18	3/14/11-3/18/11	1,587
Hexion US Finance Corp./Hexion Nova Scotia Finance ULC, 9.00%, 11/15/20	10/27/10	685
Huntington Ingalls Industries, Inc., 6.88%, 3/15/18	3/4/11	385
Huntington Ingalls Industries, Inc., 7.13%, 3/15/21	3/15/11	818
Intelsat Jackson Holdings S.A., 7.25%, 4/1/19	3/22/11-3/24/11	850
Isle of Capri Casinos, Inc., 7.75%, 6/15/19	3/2/11-3/21/11	1,067
JMC Steel Group., 8.25%, 3/15/18	3/4/11	1,300
Lennar Corp., 5.50%, 9/1/14	12/7/09	1,018
Lennar Corp., 2.00%, 12/1/20	1/11/11-1/20/11	108
Marfrig Overseas Ltd., 9.50%, 5/4/20	4/29/10	886
MBPS Finance Co., 11.25%, 11/15/15	11/8/10	1,080

See Notes to the Financial Statements.

SECURITY	ACQUISITION AND ENFORCEABLE DATE	ACQUISITION COST (000S)
MEG Energy Corp., 6.50%, 3/15/21	3/14/11	\$1,575
MEMC Electronic Materials, Inc., 7.75%, 4/1/19	3/3/11	1,400
Odebrecht Finance Ltd., 7.00%, 4/21/20	10/14/09	196
Petroplus Finance Ltd., 7.00%, 5/1/17	9/25/09-2/9/10	1,345
Photonics, Inc., 3.25%, 4/1/16	3/23/11	13
Provident Funding Associates L.P./PFG Finance Corp., 10.13%, 2/15/19	2/10/11	675
Quintiles Transnational Corp., 9.50%, 12/30/14	12/4/09	990
Reichhold Industries, Inc., 9.00%, 8/15/14	3/16/10-4/1/10	850
SunGard Data Systems, Inc., 7.63%, 11/15/20	2/23/11	442
TRW Automotive, Inc., 3.50%, 12/1/15	2/2/11	185
Urbi Desarrollos Urbanos S.A.B. de C.V., 9.50%, 1/21/20	1/13/10	113
Valeant Pharmaceuticals International, 7.00%, 10/1/20	9/21/10	184
Venoco, Inc., 8.88%, 2/15/19	2/10/11-3/31/11	882
WebMD Health Corp., 2.25%, 3/31/16	3/9/11	32
Windstream Corp., 7.75%, 10/1/21	3/14/11	1,388

(3) Zero coupon bond reflects effective yield on the date of purchase.

(4) When-Issued Security.

(5) Issuer has defaulted on terms of debt obligation.

(6) Par value is denoted in South Korean Won.

(7) Par value is denoted in Indonesian Rupiah.

(8) Par value is denoted in Philippine Peso.

(9) Par value is denoted in Colombian Peso.

(10) Par value is denoted in Brazilian Real.

(11) Par value is denoted in Indian Rupee.

(12) Par value is denoted in Euro.

(13) Par value is denoted in Mexican Peso.

(14) Par value is denoted in Uruguayan Peso.

(15) Investment in affiliated Portfolio. Northern Trust Investments, Inc. is an investment adviser of the Fund and the investment adviser to the Northern Institutional Funds.

(16) At March 31, 2010, the value of the Fund's investment in the Diversified Assets Portfolio of the Northern Institutional Funds was approximately \$34,294,000 with net sales of approximately \$4,287,000 during the fiscal year ended March 31, 2011.

See Notes to the Financial Statements.

* Non-Income Producing Security

Percentages shown are based on Net Assets. The classifications shown on the Schedule of Investments and in the tables herein are unaudited.

At March 31, 2011, the Industry Sectors (unaudited) for the Multi-Manager High Yield Opportunity Fund were:

INDUSTRY SECTOR	% OF INVESTMENTS
Asset Backed	0.4%
Bank Loans	0.8
Collateralized Mortgage Obligations	0.2
Convertibles	8.1
Emerging Markets Debt	1.2
Financials	5.4
Floating Rate Mortgages	0.6
Industrials	67.1
Short-Term	5.0
Sovereign	0.3
Supranational	2.5
Treasury	0.5
Utilities	7.9
Total	100.0%

At March 31, 2011, the credit quality distribution (unaudited) for the Multi-Manager High Yield Opportunity Fund as a percentage of investments including cash was:

QUALITY DISTRIBUTION *	%
AAA	1.3%
AA	0.5
A	2.9
BBB	1.9
BB	16.4
B	45.4
CCC or Below	25.2
Non-Rated	1.4
Cash Equivalents	5.0
Total	100.0%

* Standard & Poor's Rating Services.

MULTI-MANAGER HIGH YIELD OPPORTUNITY FUND *continued*

At March 31, 2011, the Multi-Manager High Yield Opportunity Fund's investments were denominated in the following currencies:

CONCENTRATION BY CURRENCY	% OF LONG-TERM INVESTMENTS
United States Dollar	96.1%
All other currencies less than 5%	3.9
Total	100.0%

At March 31, 2011, the Multi-Manager High Yield Opportunity Fund had outstanding forward foreign currency exchange contracts as follows:

CONTRACTS TO DELIVER CURRENCY	AMOUNT (LOCAL CURRENCY) (000S)	IN EXCHANGE FOR CURRENCY	AMOUNT (LOCAL CURRENCY) (000S)	SETTLEMENT DATE	UNREALIZED GAIN (LOSS) (000S)
United States Dollar	147 Euro		104	4/4/11	\$1
United States Dollar	196 Euro		138	4/5/11	—
Euro	850 United States Dollar		1,161	4/29/11	(43)
Euro	260 United States Dollar		368	4/29/11	(1)
Total					\$(43)

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three levels listed below:

Level 1 - Unadjusted quoted market prices in active markets for identical securities on the measurement date.

Level 2 - Other observable inputs (e.g., quoted prices in active markets for similar securities, securities valuations based on commonly quoted benchmark interest rates and yield curves, and/or securities indices).

Level 3 - Significant unobservable inputs (e.g., information about assumptions, including risk, market participants would use in pricing a security). The Fund valued certain securities using evaluated prices, based on broker quotes, accumulated by the Fund's primary pricing source. The Fund valued certain securities using a single sourced price from a service provider that is not deemed a primary pricing provider.

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities and other financial instruments, if any. Following is a summary of the inputs used in valuing the Multi-Manager High Yield Opportunity Fund's investments and other financial instruments, which are carried at fair value, as of March 31, 2011:

INVESTMENTS	LEVEL 1 (000S)	LEVEL 2 (000S)	LEVEL 3 (000S)	TOTAL (000S)
Asset-Backed Securities	\$ —	\$9,343 ⁽¹⁾	\$ —	\$9,343
Convertible Bonds				
Aerospace/Defense	—	221	—	221
Airlines	—	1,879	—	1,879
Auto Manufacturers	—	1,432	—	1,432
Auto Parts & Equipment	—	771	—	771
Biotechnology	—	5,098	—	5,098
Building Materials	—	182	—	182
Coal	—	1,390	—	1,390
Commercial Services	—	1,287	—	1,287
Computers	—	160	—	160
Food	—	471	—	471
Healthcare - Products	\$ —	\$2,119	\$ —	\$2,119
Home Builders	—	106	—	106

See Notes to the Financial Statements.

INVESTMENTS	LEVEL 1 (000S)	LEVEL 2 (000S)	LEVEL 3 (000S)	TOTAL (000S)
Insurance	—	81	—	81
Internet	—	1,131	31	1,162
Investment Companies	—	15	—	15
Lodging	—	76	—	76
Machinery-Diversified	—	62	—	62
Metal Fabrication/ Hardware	—	132	—	132
Miscellaneous				
Manufacturing	—	2,333	—	2,333
Oil & Gas	—	6,221	—	6,221
Oil & Gas Services	—	434	—	434
Packaging & Containers	—	1,966	—	1,966
Pharmaceuticals	—	3,958	—	3,958
Real Estate Investment				
Trusts	—	34	—	34
Semiconductors	—	7,916	—	7,916
Telecommunications	—	6,832	—	6,832
Trucking & Leasing	—	46	—	46
Corporate Bonds				
Advertising	—	3,709	—	3,709
Aerospace/Defense	—	3,574	—	3,574
Airlines	—	2,109	—	2,109
Apparel	—	2,597	—	2,597
Auto Manufacturers	—	5,119	—	5,119
Auto Parts & Equipment	—	6,416	—	6,416
Banks	—	9,045	—	9,045
Beverages	—	1,688	—	1,688
Building Materials	—	4,474	—	4,474
Chemicals	—	8,697	—	8,697
Coal	—	5,153	—	5,153
Commercial Services	—	23,624	—	23,624
Computers	—	1,664	—	1,664
Cosmetics/Personal Care	—	663	—	663
Distribution/Wholesale	—	1,189	—	1,189
Diversified Financial				
Services	—	19,506	—	19,506
Electric	—	27,850	—	27,850
Electronics	—	203	—	203
Engineering & Construction	—	1,344	—	1,344
Entertainment	—	15,471	—	15,471
Environmental Control	—	2,406	—	2,406
Food	—	12,881	—	12,881
Forest Products & Paper	—	5,330	—	5,330
Gas	—	1,535	—	1,535
Healthcare - Products	—	3,888	—	3,888
Healthcare - Services	—	33,245	—	33,245
Holding Companies - Diversified	—	1,552	—	1,552
Home Builders	—	5,894	—	5,894
Home Furnishings	—	1,394	—	1,394
Household				
Products/Wares	—	9,897	—	9,897
Housewares	—	1,723	—	1,723
Insurance	—	2,183	—	2,183
Internet	—	1,603	—	1,603
Investment Companies	—	1,533	—	1,533
Iron/Steel	—	4,630	1,329	5,959
Lodging	—	15,190	—	15,190
Machinery - Construction & Mining	\$ —	\$ 327	\$ —	\$ 327

INVESTMENTS	LEVEL 1 (000S)	LEVEL 2 (000S)	LEVEL 3 (000S)	TOTAL (000S)
Machinery - Construction & Mining	\$ —	\$ 327	\$ —	\$ 327
Machinery - Diversified	—	3,090	—	3,090
Media	—	23,700	—	23,700
Miscellaneous				
Manufacturing	—	5,059	1,603	6,662
Office Furnishings	—	1,456	—	1,456
Office/Business				
Equipment	—	2,457	—	2,457
Oil & Gas	—	25,184	—	25,184
Oil & Gas Services	—	7,209	—	7,209
Packaging & Containers	—	8,985	—	8,985
Pharmaceuticals	—	3,639	—	3,639
Pipelines	—	13,480	—	13,480
Real Estate	—	3,536	—	3,536
Real Estate Investment				
Trusts	—	2,613	—	2,613
Retail	—	32,924	—	32,924
Semiconductors	—	3,240	—	3,240
Shipbuilding	—	—	1,236	1,236
Software	—	4,248	—	4,248
Storage/Warehousing	—	1,658	—	1,658
Telecommunications	—	52,377	—	52,377
Transportation	—	1,467	—	1,467
Foreign Issuer Bonds				
Banks	—	2,487	10,312	12,799
Building Materials	—	1,644	—	1,644
Chemicals	—	3,077	—	3,077
Commercial Services	—	1,932	—	1,932
Distribution/Wholesale	—	938	—	938
Diversified Financial				
Services	—	314	—	314
Electric	—	590	430	1,020
Electronics	—	1,736	—	1,736
Engineering & Construction	—	219	—	219
Food	—	447	—	447
Forest Products & Paper	—	4,952	—	4,952
Internet	—	2,249	—	2,249
Investment Companies	—	422	—	422
Iron/Steel	—	2,071	1,275	3,346
Leisure Time	—	937	—	937
Media	—	2,227	—	2,227
Mining	—	3,472	—	3,472
Miscellaneous				
Manufacturing	—	2,400	—	2,400
Multi-National	—	1,080	3,985	5,065
Oil & Gas	—	5,960	—	5,960
Oil & Gas Services	—	897	1,064	1,961
Packaging & Containers	—	1,543	—	1,543
Pharmaceuticals	—	1,785	—	1,785
Sovereign	—	5,871	4,590	10,461
Telecommunications	—	8,025	1,174	9,199
Transportation	—	4,626	—	4,626
Truck & Leasing	—	1,218	—	1,218
Term Loans	—	6,511 ⁽¹⁾	—	6,511
U.S. Government Obligations	—	2,965	—	2,965
Preferred Stocks				
Banks	1,038	1,158	—	2,196
Home Builders	68	—	—	68
Convertible Preferred Stocks	9,408 ⁽¹⁾	—	—	9,408

See Notes to the Financial Statements.

INVESTMENTS	LEVEL 1 (000S)	LEVEL 2 (000S)	LEVEL 3 (000S)	TOTAL (000S)
Common Stocks	\$ 343	\$ —	\$ —	\$ 343
Investment Companies	30,007	—	—	30,007
Total Investments	\$40,864	\$575,077	\$27,029	\$642,970
OTHER FINANCIAL INSTRUMENTS				
Assets				
Forward Foreign				
Currency Exchange				
Contracts	\$ —	\$ 1	\$ —	\$ 1
Liabilities				
Forward Foreign				
Currency Exchange				
Contracts	—	(44)	—	(44)
Total Other Financial Instruments	\$ —	\$ (43)	\$ —	\$ (43)

(1) Classifications as defined in the Schedule of Investments.

There were no significant transfers between Level 1 and Level 2 during the fiscal year ended March 31, 2011, based on an analysis of the inputs used in the fair valuation of the Fund's investments for the period and fiscal year ended March 31, 2010 and March 31, 2011, respectively.

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

	BALANCE AS OF 3/31/10 (000S)	NET REALIZED GAIN(LOSS) (000S)	NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) (000S)	NET PURCHASES (SALES) (000S)	NET TRANSFERS IN AND/OR (OUT) OF LEVEL 3 (000S)†*	BALANCE AS OF 3/31/11 (000S)
Convertible Bonds						
Internet	\$ —	\$ —	\$(1)	\$32	\$ —	\$31
Corporate Bonds						
Building Materials	424	—	(22)	(402)	—	—
Coal	488	—	(13)	(475)	—	—
Commercial Services	413	9	(23)	(399)	—	—
Forest Products & Paper	1,150	—	(4)	(1,146)	—	—
Iron/Steel	—	—	29	1,300	—	1,329
Miscellaneous						
Manufacturing	—	—	16	1,587	—	1,603
Oil & Gas	4,820	104	(103)	(3,592)	(1,229)	—
Shipbuilding	—	—	33	1,203	—	1,236
Foreign Issuer Bonds						
Banks	—	—	(252)	10,564	—	10,312
Coal	104	12	(5)	(111)	—	—
Commercial Services	1,632	—	131	170	(1,933)	—
Diversified Financial Services	263	—	50	—	(313)	—
Electric	—	—	8	422	—	430
Iron/Steel	—	—	8	1,267	—	1,275
Multi-National	1,293	—	301	2,391	—	3,985
Oil & Gas Services	—	—	(16)	1,080	—	1,064
Sovereign	4,060	—	444	1,495	(1,409)	4,590
Telecommunications	—	—	89	1,085	—	1,174
Term Loans						
Auto Manufacturers	957	84	(47)	(994)	—	—
Lodging	1,077	—	79	—	(1,156)	—
Total	\$16,681	\$209	\$702	\$15,477	\$(6,040)	\$27,029

† Transferred out of Level 3 due to securities having evaluated prices in observable inputs from multiple pricing vendors.

* The fair value of Net Transfers In and/or (Out) of Level 3 was measured using the fair value as of the end of the year.

The amount of change in net unrealized appreciation (depreciation) on investments in Level 3 securities still held at March 31, 2011 was approximately \$357, which is included in the Statement of Operations as part of net change in unrealized appreciation (depreciation) on investments.

See Notes to the Financial Statements.

1. ORGANIZATION

Northern Funds (the “Trust”) is a Delaware statutory trust and is registered under the Investment Company Act of 1940, as amended, (the “1940 Act”) as an open-end management investment company. The Trust includes 43 portfolios as of March 31, 2011, each with its own investment objective (e.g., long-term capital appreciation, total return or income consistent with preservation of capital). The Multi-Manager Emerging Markets Equity, Multi-Manager Global Real Estate, Multi-Manager International Equity, Multi-Manager Large Cap, Multi-Manager Mid Cap, Multi-Manager Small Cap and Multi-Manager High Yield Opportunity Funds (each a “Fund” and collectively, the “Funds”) are separate, diversified investment portfolios of the Trust. Each of the Funds is presented herein.

Northern Trust Company of Connecticut (“NTCC”) is a subsidiary of Northern Trust Corporation and Northern Trust Investments, Inc. (“NTI”, formerly known as and conducting business as Northern Trust Investments, N.A.) is a subsidiary of The Northern Trust Company (“Northern Trust”). NTCC and NTI serve jointly as the investment advisers of the Funds. Northern Trust serves as the custodian, fund accountant and transfer agent for the Trust. NTI serves as the Trust’s administrator. Northern Funds Distributors, LLC is the Trust’s distributor.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Funds in the preparation of their financial statements. These policies are in conformity with accounting principles generally accepted in the United States of America or “GAAP.” The preparation of financial statements in conformity with GAAP 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 revenues and expenses during the reporting period. Actual results may differ from those estimates.

A) VALUATION OF SECURITIES AND DERIVATIVES CONTRACTS

Securities are valued at their fair value. Securities traded on United States (“U.S.”) securities exchanges or in the NASDAQ National Market System are principally valued at the regular trading session closing price (generally, 3:00 p.m. Central time) on the exchange or market in which such securities are principally traded. If any such security is not traded on a valuation date, it is valued at the most recent quoted bid price. Over-the-counter securities not reported in the NASDAQ National Market System are also generally valued at the most recent quoted bid price. Fixed income securities, however, may be valued on the basis of evaluated prices provided by independent pricing services when such prices are believed to reflect the fair value of such securities. Such prices may be determined by taking into account other similar securities prices, yields, maturities,

call features, ratings, institutional size trading in similar groups of securities and developments related to specific securities.

The values of securities of foreign issuers are generally based upon market quotations which, depending upon local convention or regulation, may be the last sale price, the last bid price or the mean between the last bid and asked price as of, in each case, the close of the appropriate exchange or other designated time. Foreign fixed income securities, however, may, like domestic fixed income securities, be valued based on prices provided by independent pricing services when such prices are believed to reflect the fair market value of such securities.

Shares of open-end investment companies are valued at net asset value (“NAV”). Spot and forward foreign currency exchange contracts are generally valued using an independent pricing service. Exchange-traded financial futures and options are valued at the settlement price as established by the exchange on which they are traded. Over-the-counter options are valued at broker-provided bid prices, as are swaps, caps, collars and floors. The foregoing prices may be obtained from one or more independent pricing services or, as needed or applicable, independent broker-dealers. Short-term investments, with a maturity of 60 days or less, are valued at amortized cost, which the investment advisers have determined, pursuant to the Board of Trustees’ authorization, approximates fair value.

Any securities for which market quotations are not readily available or are believed to be incorrect are valued at fair value as determined in good faith by the investment advisers under the supervision of the Board of Trustees. The Trust, in its discretion, may make adjustments to the prices of securities held by a Fund if an event occurs after the publication of fair values normally used by a Fund but before the time as of which the Fund calculates its NAV, depending on the nature and significance of the event, consistent with applicable regulatory guidance. This may occur particularly with respect to certain foreign securities held by a Fund, in which case the Trust may use adjustment factors obtained from an independent evaluation service that are intended to reflect more accurately the fair value of those securities as of the time the Fund’s NAV is calculated.

The use of fair valuation involves the risk that the values used by the Funds to price their investments may be higher or lower than the values used by other unaffiliated investment companies and investors to price the same investments.

B) FUTURES CONTRACTS Certain Funds invest in long or short futures contracts for hedging purposes, to increase total return (i.e., for speculative purposes) or to maintain liquidity. When used as a hedge, a Fund may sell a futures contract in order to offset a decrease in the fair value of its portfolio securities that might otherwise result from a market decline. The Fund bears

the market risk arising from changes in the value of these financial instruments. At the time a Fund enters into a futures contract, it is generally required to make a margin deposit with the custodian of a specified amount of liquid assets. Futures are marked to market each day with the change in value reflected in the unrealized gains or losses. Risk may arise as a result of the potential inability of the counterparties to meet the terms of their contracts. Credit risk is mitigated to the extent that the exchange on which a particular futures contract is traded assumes the risk of a counterparty defaulting on its obligation under the contract. The Statements of Operations include any realized gains or losses on closed futures contracts in Net realized gains (losses) on futures contracts and any unrealized gains or losses on open futures contracts in Net change in unrealized appreciation (depreciation) on futures contracts. Further information on the impact of these positions on the Funds' financial statements can be found in Note 9.

At March 31, 2011, the Multi-Manager International Equity, Multi-Manager Large Cap, Multi-Manager Mid Cap and Multi-Manager Small Cap Funds had entered into exchange-traded long futures contracts. The aggregate fair value of securities pledged to cover margin requirements for open positions was approximately \$8,285,000, \$1,965,000, \$1,805,000 and \$675,000, respectively.

C) FOREIGN CURRENCY TRANSLATION Values of investments denominated in foreign currencies are converted into U.S. dollars using the spot rates on the New York Stock Exchange at approximately 3:00 p.m. Central time. The cost of purchases and proceeds from sales of investments, interest and dividend income are translated into U.S. dollars using the spot rates on the New York Stock Exchange at approximately 3:00 p.m. Central time. The gains or losses, if any, on investments resulting from changes in foreign exchange rates are included on the Statements of Operations with Net realized gains (losses) on investments and Net change in unrealized appreciation (depreciation) on investments. The realized gains or losses, if any, on translation of other assets and liabilities denominated in foreign currencies are included in Net realized gains (losses) on foreign currency transactions on the Statements of Operations.

D) FORWARD FOREIGN CURRENCY EXCHANGE CONTRACTS Certain Funds are authorized to enter into forward foreign currency exchange contracts for the purchase or sale of a specific foreign currency at a fixed price on a future date as a hedge against either specific transactions or portfolio positions, or as a cross-hedge transaction or for speculative purposes. The objective of a Fund's foreign currency hedging transactions is to reduce the risk that the U.S. dollar value of a Fund's foreign currency denominated securities will decline in value due to changes in foreign currency exchange rates. All forward foreign currency exchange contracts are "marked-to-market" daily at the applicable exchange rates. Any resulting unrealized gains or losses are

recorded in Net change in unrealized appreciation (depreciation) on forward foreign currency exchange contracts in the Statements of Operations. A Fund records realized gains or losses at the time the forward foreign currency exchange contract is offset by entering into a closing transaction with the same counterparty or is extinguished by delivery of the currency. Realized gains or losses, if any, are included in Net realized gains (losses) on foreign currency transactions in the Statements of Operations.

Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar. The contractual amounts of forward foreign currency exchange contracts do not necessarily represent the amounts potentially subject to risk. The measurement of the risks associated with these instruments is meaningful only when all related and offsetting transactions are considered. The Funds bear the market risk from changes in foreign currency exchange rates and the credit risk if the counterparty fails to perform. Further information on the impact of these positions on the Funds' financial statements can be found in Note 9.

There were no swaps, caps, collars or floors outstanding for any of the Funds as of or during the fiscal year ended March 31, 2011.

Certain Funds invest in emerging market securities. Additional risks are involved when a Fund invests its assets in countries with emerging economies or securities markets. These countries generally are located in the Asia and Pacific regions, the Middle East, Eastern Europe, Central America, South America and Africa. Political and economic structures in many of these countries may lack the social, political and economic stability characteristics of more developed countries. In general, the securities markets of these countries are less liquid, subject to greater price volatility and have smaller market capitalizations. As a result, the risks presented by investments in these countries are heightened.

E) WHEN-ISSUED/DELAYED DELIVERY SECURITIES Certain Funds purchase securities with delivery or payment to occur at a later date beyond the normal settlement period. At the time the Fund enters into the commitment to purchase a security, the transaction is recorded and the value of the commitment is reflected in the NAV. The value of the commitment may vary with market fluctuations. No interest accrues to the Fund until settlement takes place. At the time the Fund enters into this type of transaction, it is required to segregate collateral or designate on its books and records cash or other liquid assets at least equal to the amount of the commitment. At March 31, 2011, the aggregate fair value of securities segregated to cover such commitments was approximately \$84,374,000 and \$52,146,000 for Multi-Manager Small Cap Fund and Multi-Manager High Yield Opportunity

Fund, respectively. When-issued securities at March 31, 2011, if any, are noted in each Fund's Schedule of Investments and in aggregate, in each Fund's Statement of Assets and Liabilities.

F) INVESTMENT TRANSACTIONS AND INCOME Investment transactions are recorded as of the trade date. The Funds determine the gain or loss realized from investment transactions by using an identified cost basis method. Interest income is recognized on an accrual basis and includes amortization of premiums and accretion of discounts using the effective yield method. The interest rates reflected in the Schedules of Investments represent either the stated coupon rate, annualized yield on date of purchase for discount notes, the current reset rate for floating rate securities or, for interest-only or principal-only securities, the current effective yield. Dividend income is recognized on the ex-dividend date. Dividends from foreign securities are recorded on the ex-dividend date, or as soon as the information is available.

G) EXPENSES Each Fund is charged for those expenses that are directly attributable to that Fund. Expenses incurred which do not specifically relate to an individual Fund are allocated among all Funds in the Trust in proportion to each Fund's relative net assets.

H) REDEMPTION FEES The Multi-Manager Emerging Markets Equity, Multi-Manager Global Real Estate, Multi-Manager International Equity and Multi-Manager High Yield Opportunity Funds charge a 2 percent redemption fee on the redemption of shares (including by exchange) held for 30 days or less. For the purpose of applying the fee, the Funds use a first-in, first-out ("FIFO") method so that shares held longest are treated as being redeemed first and shares held shortest are treated as being redeemed last. The redemption fee is paid to the Funds and is intended to offset the trading, market impact and other costs associated with short-term money movements in and out of the Funds. The redemption fee may be collected by deduction from the redemption proceeds, or, if assessed after the redemption transaction, through a separate billing. The redemption fee does not apply to certain types of redemptions as described in the Funds' prospectuses.

Redemption fees were less than \$500 for the fiscal year ended March 31, 2011 for the Multi-Manager Global Real Estate, Multi-Manager International Equity and Multi-Manager High Yield Opportunity Funds. There were no redemption fees for the Multi-Manager Emerging Markets Equity Fund for the fiscal year ended March 31, 2011. Redemption fees were less than \$1,500 for the fiscal year ended March 31, 2010, for the Multi-Manager Emerging Markets Equity, Multi-Manager Global Real Estate, Multi-Manager International Equity and Multi-Manager High Yield Opportunity Funds. These amounts are included in "Proceeds from Shares Sold" in Note 8 – Capital Share Transactions. The impact from redemption fees paid to each Fund was less than \$0.001 per share.

I) DISTRIBUTIONS TO SHAREHOLDERS Distribution of dividends from net investment income, if any, are declared and paid as follows:

	DECLARATION AND PAYMENT FREQUENCY
Multi-Manager Emerging Markets Equity	Annually
Multi-Manager Global Real Estate	Quarterly
Multi-Manager International Equity	Annually
Multi-Manager Large Cap	Quarterly
Multi-Manager Mid Cap	Annually
Multi-Manager Small Cap	Annually
Multi-Manager High Yield Opportunity	Monthly

Distributions of net realized capital gains, if any, are declared and paid at least annually. Income dividends and capital gains distributions are determined in accordance with federal income tax regulations. Such amounts may differ from income and capital gains recorded in accordance with GAAP. The Funds may periodically make reclassifications among certain capital accounts to reflect differences between financial reporting and federal income tax basis distributions. The reclassifications are reported in order to reflect the tax treatment for certain permanent differences that exist between income tax regulations and GAAP. The reclassifications may relate to net operating losses, Section 988 currency gains and losses, Passive Foreign Investment Companies ("PFICs") gains and losses, recharacterization of dividends received from investments in Real Estate Investment Trusts ("REITs"), expired capital loss carryforwards, and gain or loss on in-kind transactions. These reclassifications have no impact on the total net assets or the net asset values of the Funds. At March 31, 2011, the following reclassifications were recorded:

<i>Amounts in thousands</i>	UNDISTRIBUTED NET INVESTMENT INCOME (LOSS)	ACCUMULATED UNDISTRIBUTED NET REALIZED GAINS (LOSSES)	CAPITAL STOCK
	Multi-Manager Emerging Markets Equity	\$8,260	\$ (8,260)
Multi-Manager Global Real Estate	2,659	(2,659)	–
Multi-Manager International Equity	(478)	478	–
Multi-Manager Large Cap	–	–	–
Multi-Manager Mid Cap	445	(18,183)	17,738
Multi-Manager Small Cap	2,466	(2,466)	–
Multi-Manager High Yield Opportunity	80	(80)	–

NOTES TO THE FINANCIAL STATEMENTS *continued*

J) FEDERAL INCOME TAXES No provision for federal income taxes has been made since each Fund's policy is to comply with the requirements of Subchapter M of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and to distribute, each year, substantially all of its taxable income and capital gains to its shareholders.

The following fund has elected to defer net capital losses and/or net currency losses incurred from November 1, 2010 through November 30, 2010, the Fund's last tax year end, as having arisen on the first day of the following tax year (*in thousands*):

Multi-Manager Global Real Estate	\$31
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For the period subsequent to October 31, 2010, through the fiscal year end, the following Funds incurred net capital losses and/or net currency losses, which each Fund intends to treat as having been incurred in the following fiscal year (*in thousands*):

Multi-Manager Emerging Markets Equity	\$ 740
Multi-Manager International Equity	1,324

At March 31, 2011, the capital loss carryforwards for U.S. federal income tax purposes and their respective years of expiration were as follows:

<i>Amounts in thousands</i>	MARCH 31, 2016*	MARCH 31, 2017*	MARCH 31, 2018
Multi-Manager International Equity	\$ –	\$ –	\$143,680
Multi-Manager Mid Cap	5,309	19,316	–

The Funds in the above table may offset future capital gains with these capital loss carryforwards.

* *Amounts include acquired capital loss carryovers which may be limited under current tax laws, expiring in varying amounts through March 31, 2017.*

The Regulated Investment Company Modernization Act of 2010 (the "Act") was enacted on December 22, 2010. The Act makes changes to several tax rules affecting the Funds. In general, the provisions of the Act will be effective for the Funds' fiscal year ending March 31, 2012. Although the Act provides several benefits, including the unlimited carryover of future capital losses, there may be a greater likelihood that all or a portion of a Fund's pre-enactment capital loss carryovers may expire without being utilized due to the fact that post-enactment capital losses are utilized before pre-enactment capital loss carryovers. Relevant information regarding the impact of the Act on the Funds, if any, will be contained within the "Federal Income Taxes" section of the financial statement notes for the fiscal year ending March 31, 2012.

At March 31, 2011, the tax components of undistributed net investment income, undistributed realized gains and unrealized gains (losses) were as follows:

<i>Amounts in thousands</i>	UNDISTRIBUTED		
	ORDINARY INCOME*	LONG-TERM CAPITAL GAINS	UNREALIZED GAIN
Multi-Manager Emerging Markets Equity	\$43,914	\$100,933	\$465,448
Multi-Manager International Equity	8,933	–	330,893
Multi-Manager Large Cap	101	18,017	155,700
Multi-Manager Mid Cap	–	13,661	237,398
Multi-Manager Small Cap	1,846	39,045	83,530
Multi-Manager High Yield Opportunity	4,705	3,605	32,890

* *Ordinary income includes taxable market discount income and short-term capital gains, if any.*

The tax components of undistributed net ordinary income and net long-term capital gains at November 30, 2010, the Multi-Manager Global Real Estate Fund's last tax year end, were as follows:

<i>Amounts in thousands</i>	UNDISTRIBUTED		
	ORDINARY INCOME*	LONG-TERM CAPITAL GAINS	UNREALIZED GAINS
Multi-Manager Global Real Estate	\$9,111	\$47,403	\$154,092

* *Ordinary income includes taxable market discount income and short-term capital gains, if any.*

The taxable character of distributions paid during the fiscal year ended March 31, 2011, was as follows:

<i>Amounts in thousands</i>	DISTRIBUTIONS FROM	
	ORDINARY INCOME*	LONG-TERM CAPITAL GAINS
Multi-Manager Emerging Markets Equity	\$64,757	\$146,023
Multi-Manager International Equity	23,400	–
Multi-Manager Large Cap	4,163	–
Multi-Manager Mid Cap	893	–
Multi-Manager High Yield Opportunity	39,312	850

* *Ordinary income includes taxable market discount income and short-term capital gains, if any.*

The taxable character of distributions paid during the fiscal year or period ended March 31, 2010, was as follows:

<i>Amounts in thousands</i>	DISTRIBUTIONS FROM	
	ORDINARY INCOME*	LONG-TERM CAPITAL GAINS
Multi-Manager Emerging Markets Equity	\$53,596	\$ –
Multi-Manager International Equity	15,000	–

Amounts in thousands	DISTRIBUTIONS FROM	
	ORDINARY INCOME*	LONG-TERM CAPITAL GAINS
Multi-Manager Large Cap	\$4,405	\$ –
Multi-Manager Mid Cap	1,300	–
Multi-Manager High Yield Opportunity	8,616	–

* Ordinary income includes taxable market discount income and short-term capital gains, if any.

The taxable character of distributions paid during the Multi-Manager Global Real Estate Fund's tax years ended November 30, 2010 and November 30, 2009 was designated for the purpose of the dividends paid deductions as follows:

Amounts in thousands	NOVEMBER 30, 2010 AND NOVEMBER 30, 2009 DISTRIBUTIONS FROM	
	ORDINARY INCOME*	LONG-TERM CAPITAL GAINS
Multi-Manager Global Real Estate (2010)	\$22,952	\$1,766
Multi-Manager Global Real Estate (2009)	5,544	1

* Ordinary income includes taxable market discount income and short-term capital gains, if any.

The Funds are subject to the provisions of Accounting Standards Codification ("ASC") 740-10, *Income Taxes, Overall*. These standards provide guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the Funds' financial statements.

As of March 31, 2011, no Fund had uncertain tax positions that would require financial statement recognition or disclosure. The Funds' federal tax returns, except for Multi-Manager Global Real Estate Fund, filed for the fiscal years ended March 31, 2008 through March 31, 2010 remain subject to examination by the Internal Revenue Service. The Multi-Manager Global Real Estate Fund's federal tax returns for the tax years ended November 30, 2008 through November 30, 2010 remain subject to examination by the Internal Revenue Service.

3. SERVICE PLAN

The Trust has adopted a Service Plan pursuant to which the Trust may enter into agreements with Northern Trust, its affiliates or other institutions ("Service Organizations") under which the Service Organizations agree to provide certain administrative support services and, in some cases, personal and account maintenance services for their customers who are beneficial owners of shares of the Funds. As compensation for services provided pursuant to the Service Plan, the Service Organizations receive a fee at an annual rate of up to 0.25 percent of the average daily net assets of the Funds beneficially owned by their customers.

These are included in the Statements of Operations under shareholder servicing fees for the fiscal year ended March 31, 2011.

4. BANK BORROWINGS

Prior to December 9, 2010, the Trust had a \$100,000,000 revolving bank credit agreement administered by Deutsche Bank AG for liquidity and other purposes. The interest rate charged under the agreement was dependent on the type of loan. For base rate loans, the interest rate was the sum of the applicable margin (either 0.75 percent or zero) and the highest of (i) 0.50 percent in excess of the Federal Funds Rate, (ii) 1.00 percent in excess of the Adjusted London Interbank Offered Rate ("LIBOR") and (iii) the prime lending rate. For LIBOR loans, the interest rate was the sum of the applicable margin (0.75 percent) and the LIBOR then in effect. For an Interbank Offered Rate ("IBOR") loan, the interest rate was the sum of the applicable margin (0.75 percent) and the IBOR then in effect. In addition, there was an annual commitment fee of 12 basis points on the unused portion of the credit line under the agreement, payable quarterly in arrears, which is included in Other expenses on the Statements of Operations.

Effective December 9, 2010, the trust has entered into a \$150,000,000 senior unsecured revolving credit facility administered by JPMorgan Chase Bank, N.A., for liquidity and other purposes (the "New Credit Facility"). The interest rate charged under the New Credit Facility is equal to the sum of (i) the Federal Funds Rate plus (ii) if the one month LIBOR on the date of borrowing exceeds the Federal Funds Rate, the amount by which it so exceeds, plus (iii) 1.25 percent. In addition, there is an annual commitment fee of 10 basis points on the unused portion of the credit line under the New Credit Facility, payable quarterly in arrears, which is included in Other expenses on the Statements of Operations. The Credit Facility will expire on December 8, 2011, unless renewed.

At March 31, 2011, the Funds did not have any outstanding loans.

When utilized, the average dollar amounts of the borrowings and the weighted average interest rates for the fiscal year ended March 31, 2011 on these borrowings were:

Amounts in thousands	DOLLAR AMOUNT	RATE
Multi-Manager Emerging Markets Equity	\$31,480	1.51%
Multi-Manager Small Cap	1,000	1.51%

5. INVESTMENT ADVISORY AND OTHER AGREEMENTS

As compensation for advisory services and the assumption of related expenses, the investment advisers are entitled to receive a joint advisory fee, computed daily and payable monthly, at annual rates set forth in the following tables (expressed as a percentage of each Fund's respective average daily net assets). For the fiscal year ended March 31, 2011, the investment advisers agreed to reimburse the Funds for certain expenses, as shown on

NOTES TO THE FINANCIAL STATEMENTS *continued*

the accompanying Statements of Operations, to adhere to the expense limitations set forth below. The amount of the reimbursement is included in Expenses reimbursed by investment adviser as a reduction to Total expenses in the Statements of Operations.

The annual advisory fees and expense limitations for the Funds for the fiscal year ended March 31, 2011, were as follows:

Fund	CONTRACTUAL ANNUAL ADVISORY FEES			EXPENSE LIMITATIONS
	FIRST \$1 BILLION	NEXT \$1 BILLION	OVER \$2 BILLION	
Multi-Manager Emerging Markets Equity	1.20%	1.13%	1.08%	1.50%
Multi-Manager Global Real Estate	1.10%	1.03%	0.99%	1.30%
Multi-Manager International Equity	1.10%	1.03%	0.99%	1.45%
Multi-Manager Large Cap	0.90%	0.85%	0.81%	1.20%
Multi-Manager Mid Cap	0.90%	0.85%	0.81%	1.20%
Multi-Manager Small Cap	1.10%	1.03%	0.99%	1.40%

Fund	CONTRACTUAL ANNUAL ADVISORY FEES			EXPENSE LIMITATIONS
	FIRST \$1.5 BILLION	NEXT \$1 BILLION	OVER \$2.5 BILLION	
Multi-Manager High Yield Opportunity	0.80%	0.75%	0.72%	1.10%

Prior to July 31, 2010, the reimbursements described above were voluntary and could be modified or terminated at any time. Starting July 31, 2010, the investment advisers have contractually agreed to reimburse certain expenses of the Funds. The contractual reimbursement arrangement is expected to continue until at least July 31, 2011. After this date, the investment advisers or a Fund may terminate the contractual arrangements. The Adviser, in its discretion, may waive expenses in addition to the percentages listed above. The Board of Trustees may terminate the contractual arrangements at any time with respect to a Fund if it determines that it is in the best interest of the Fund and its shareholders.

Pursuant to the Investment Advisory Agreement (the "Advisory Agreement") with the Trust, each of NTI and NTCC is responsible for performing and overseeing investment management services to the Funds. In addition to selecting the overall investment strategies of the Funds, NTI and NTCC oversee and monitor the selection and performance of Sub-Advisers and allocate resources among the Sub-Advisers. The Sub-Advisers manage each Fund's investment portfolio pursuant to Sub-Advisory Agreements with NTI and NTCC. NTI and NTCC manage the cash portion of each Fund as well as the emerging market investments of the Multi-Manager International Equity Fund.

As of March 31, 2011, Axiom International Investors, LLC, PanAgora Asset Management, Inc., Trilogy Global Advisors, LLC and Westwood Global Investments, LLC are the Sub-Advisers for the Multi-Manager Emerging Markets Equity Fund.

As of March 31, 2011, Cohen & Steers Capital Management, Inc., EII Realty Securities, Inc. and ING Clarion Real Estate Securities, LLC are the Sub-Advisers for the Multi-Manager Global Real Estate Fund.

As of March 31, 2011, Altrinsic Global Advisors, LLC, NFJ Investment Group, LLC, Tradewinds Global Investors, LLC, UBS Global Asset Management (Americas) Inc. and William Blair & Company, LLC are the Sub-Advisers for the Multi-Manager International Equity Fund.

As of March 31, 2011, Delaware Management Company, Inc., Jennison Associates LLC, Marsico Capital Management, LLC and NWQ Investment Management Company, LLC are the Sub-Advisers for the Multi-Manager Large Cap Fund.

As of March 31, 2011, Geneva Capital Management Ltd., LSV Asset Management, Systematic Financial Management LP and TCW Investment Management Company are the Sub-Advisers for the Multi-Manager Mid Cap Fund.

As of March 31, 2011, Allianz Global Investors Capital LLC, Cardinal Capital Management LLC, Denver Investment Advisors LLC, Hotchkis and Wiley Capital Management LLC, and Riverbridge Partners, LLC are the Sub-Advisers for the Multi-Manager Small Cap Fund.

As of March 31, 2011, Loomis, Sayles & Company, L.P. and Stone Harbor Investment Partners L.P. are the Sub-Advisers for Multi-Manager High Yield Opportunity Fund.

The investment advisers are responsible for payment of sub-advisory fees to these sub-advisers.

As compensation for services rendered as transfer agent, including the assumption by Northern Trust of the expenses related thereto, Northern Trust receives a fee, computed daily and payable monthly, at an annual rate of 0.10 percent of the average daily net assets outstanding for the Funds.

For compensation as administrator, NTI is entitled to receive a fee, computed daily and payable monthly, at the annual rate of 0.15 percent of each Fund's average daily net assets. NTI also has a sub-administration agreement with Northern Trust, pursuant to which Northern Trust performs certain administrative services for the Funds. NTI pays Northern Trust for its sub-administration services out of NTI's administration fees.

For compensation as custodian, Northern Trust receives an amount based on a pre-determined schedule of charges approved by the Board. The Funds have entered into an expense off-set arrangement with the custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Funds' custodian expenses. Custodian credits, if any, are reflected in the Funds' Statements of Operations.

Northern Funds Distributors, LLC, the distributor for the Funds, received no compensation from the Funds under its distribution agreement. However, it received compensation from NTI for its services as distributor pursuant to a separate letter agreement between it and NTI.

Certain officers of the Trust are also officers of Northern Trust and NTI. All officers serve without compensation from the Funds. The Trust provides a deferred compensation plan for its Trustees who are not officers of Northern Trust or NTI. Under the deferred compensation plan, Trustees may elect to defer all or a portion of their compensation. Amounts deferred are included in Trustee fees on the Statements of Assets and Liabilities. Each Trustee's account shall be deemed to be invested in shares of the Diversified Assets Portfolio and/or the Global Tactical Allocation Portfolio of Northern Institutional Funds and/or at the discretion of the Trust, another money market fund selected by the Trust that complies with the provisions of Rule 2a-7 under the 1940 Act or one or more short-term fixed-income instruments selected by the Trust that are "eligible securities" as defined by that rule. The net investment income, gains and losses achieved by such deemed investment shall be credited to the Trustee's account as provided in the plan.

6. RELATED PARTY TRANSACTIONS

Each Fund currently invests uninvested cash in the Diversified Assets Portfolio (the "Portfolio") of Northern Institutional Funds, an investment company which is advised by NTI, pursuant to the terms of an exemptive order issued by the Securities and Exchange Commission ("SEC"). Each Fund bears indirectly a proportionate share of the Portfolio's operating expenses. These operating expenses include the advisory, administrative, transfer agency and custody fees that the Portfolio pays to NTI and/or its affiliates. The aggregate annual rate of advisory, administration, transfer agency and custody fees payable to the investment advisers and/or their affiliates on any assets invested in the Portfolio is 0.35 percent. However, pursuant to the exemptive order, the investment advisers will reimburse each Fund for advisory fees otherwise payable to the Fund on any assets invested in an affiliated money market fund. This reimbursement is included in Expenses reimbursed by investment adviser as a reduction to Total expenses in the Statements of Operations. The exemptive order requires the Funds' Board of Trustees to determine before a vote on the Advisory Agreement that the advisory fees incurred in connection with the investment

of uninvested cash in affiliated money market funds are not for duplicative services.

7. INVESTMENT TRANSACTIONS

For the fiscal year ended March 31, 2011, the aggregate costs of purchases and proceeds from sales of securities (excluding short-term investments) for the Funds were as follows:

Amounts in thousands	PURCHASES		SALES	
	U.S. GOVERNMENT	OTHER	U.S. GOVERNMENT	OTHER
Multi-Manager Emerging Markets Equity	\$ -	\$1,797,975	\$ -	\$1,616,997
Multi-Manager Global Real Estate	-	452,363	-	370,726
Multi-Manager International Equity	-	3,692,335	-	3,492,085
Multi-Manager Large Cap	-	691,715	-	502,175
Multi-Manager Mid Cap	-	763,794	-	470,509
Multi-Manager Small Cap	-	969,700	-	960,208
Multi-Manager High Yield Opportunity	10,271	401,160	7,583	205,849

The difference between book basis and tax basis unrealized appreciation is attributable primarily to the tax deferral of losses on wash sales, and the timing of income recognition on investments in REIT's and PFIC's.

At March 31, 2011, for federal income tax purposes, gross unrealized appreciation, gross unrealized depreciation, net unrealized appreciation on investments (including the effects of foreign currency translation) and the cost basis of securities were as follows:

Amounts in thousands	UNREALIZED APPRECIATION	UNREALIZED DEPRECIATION	NET APPRECIATION	COST BASIS OF SECURITIES
Multi-Manager Emerging Markets Equity	\$496,976	\$(31,527)	\$465,449	\$2,012,086
Multi-Manager Global Real Estate	193,723	(5,478)	188,245	629,291
Multi-Manager International Equity	420,369	(89,460)	330,909	3,112,332
Multi-Manager Large Cap	161,977	(6,719)	155,258	892,885
Multi-Manager Mid Cap	257,583	(21,030)	236,553	900,018
Multi-Manager Small Cap	91,961	(8,788)	83,173	509,870
Multi-Manager High Yield Opportunity	36,220	(3,287)	32,933	610,037

NOTES TO THE FINANCIAL STATEMENTS *continued*

8. CAPITAL SHARE TRANSACTIONS

Transactions in capital shares for the fiscal year ended March 31, 2011, were as follows:

<i>Amounts in thousands</i>	SHARES SOLD	PROCEEDS FROM SHARES SOLD	SHARES FROM REINVESTED DIVIDENDS	REINVESTMENT OF DIVIDENDS	SHARES REDEEMED	PAYMENTS FOR SHARES REDEEMED	NET INCREASE IN SHARES	NET INCREASE IN NET ASSETS
Multi-Manager Emerging Markets Equity	37,266	\$826,483	7,062	\$159,033	(28,493)	\$(618,319)	15,835	\$367,197
Multi-Manager Global Real Estate	11,025	194,591	2,560	44,546	(5,620)	(100,171)	7,965	138,966
Multi-Manager International Equity	90,873	855,454	87	849	(67,351)	(611,687)	23,609	244,616
Multi-Manager Large Cap	46,152	403,354	26	228	(23,282)	(191,819)	22,896	211,763
Multi-Manager Mid Cap	44,160*	479,867*	9	112	(11,716)	(124,848)	32,453	355,131
Multi-Manager Small Cap	20,849	192,737	–	–	(17,688)	(172,249)	3,161	20,488
Multi-Manager High Yield Opportunity	27,787	296,345	811	8,630	(9,778)	(104,118)	18,820	200,857

* Numbers include assets received in connection with fund acquisitions of approximately 10,267,000 in shares sold and \$104,119,000 in proceeds from shares sold.

Transactions in shares for the fiscal year or period ended March 31, 2010, were as follows:

<i>Amounts in thousands</i>	SHARES SOLD	PROCEEDS FROM SHARES SOLD	SHARES FROM REINVESTED DIVIDENDS	REINVESTMENT OF DIVIDENDS	SHARES REDEEMED	PAYMENTS FOR SHARES REDEEMED	NET INCREASE (DECREASE) IN SHARES	NET INCREASE (DECREASE) IN NET ASSETS
Multi-Manager Emerging Markets Equity	72,756	\$1,321,615	2,098	\$41,435	(6,215)	\$(115,456)	68,639	\$1,247,594
Multi-Manager Global Real Estate	23,778	343,634	847	13,751	(6,289)	(91,533)	18,336	265,852
Multi-Manager International Equity	201,660	1,694,377	88	774	(52,894)	(440,422)	148,854	1,254,729
Multi-Manager Large Cap	64,017	455,050	52	387	(35,243)	(258,613)	28,826	196,824
Multi-Manager Mid Cap	37,668	300,273	15	140	(39,830)	(348,753)	(2,147)	(48,340)
Multi-Manager Small Cap	28,342	207,302	–	–	(19,910)	(154,539)	8,432	52,763
Multi-Manager High Yield Opportunity	41,822	422,439	76	774	(1,579)	(16,174)	40,319	407,039

9. DERIVATIVE INSTRUMENTS

None of the derivatives held in the Funds have been designated as hedging instruments. Information concerning the types of derivatives in which the Funds invest, the objectives for using them and their related risks can be found in Note 2.

Below are the types of derivatives by location as presented in the Statements of Assets and Liabilities as of March 31, 2011:

<i>Amounts in thousands</i>		ASSETS		LIABILITIES		
FUND NAME	DERIVATIVE TYPE	STATEMENT OF ASSETS AND LIABILITIES LOCATION	VALUE	STATEMENT OF ASSETS AND LIABILITIES LOCATION	VALUE	COUNTERPARTY
Multi-Manager Emerging Markets Equity	Foreign exchange contracts	Unrealized gain on forward foreign currency exchange contracts	\$5	Unrealized loss on forward foreign currency exchange contracts	\$(1)	UBS
Multi-Manager Global Real Estate	Foreign exchange contracts	Unrealized gain on forward foreign currency exchange contracts	2	Unrealized loss on forward foreign currency exchange contracts	(1)	Brown Bros
Multi-Manager International Equity	Equity contracts	Net unrealized appreciation	1,902*	Net unrealized depreciation	–*	UBS
	Foreign exchange contracts	Unrealized gain on forward foreign currency exchange contracts	135	Unrealized loss on forward foreign currency exchange contracts	(2,077)	Bank of Taiwan, Brown Bros, Citibank, CSFB, Deutsche Bank, HSBC, Midland Bank, Morgan Stanley, RBS, State Street

MARCH 31, 2011

Amounts in thousands		ASSETS		LIABILITIES		
FUND NAME	DERIVATIVE TYPE	STATEMENT OF ASSETS AND LIABILITIES LOCATION	VALUE	STATEMENT OF ASSETS AND LIABILITIES LOCATION	VALUE	COUNTERPARTY
Multi-Manager Large Cap	Equity contracts	Net unrealized appreciation	\$442*	Net unrealized depreciation	\$ -*	UBS
Multi-Manager Mid Cap	Equity contracts	Net unrealized appreciation	845*	Net unrealized depreciation	-*	UBS
Multi-Manager Small Cap	Equity contracts	Net unrealized appreciation	357*	Net unrealized depreciation	-*	UBS
Multi-Manager High Yield Opportunity	Foreign exchange contracts	Unrealized gain on forward foreign currency exchange contracts	1	Unrealized loss on forward foreign currency exchange contracts	(44)	Barclays, CSFB

* Includes cumulative appreciation/depreciation on futures contracts as reported in the Schedule of Investments – footnotes. Only the current day's variation margin is reported within the Statements of Assets and Liabilities.

The following tables set forth by primary risk exposure the Funds' realized gains (losses) and change in unrealized gains (losses) by type of derivative contract for the fiscal year ended March 31, 2011:

Amounts in thousands		AMOUNT OF REALIZED GAIN (LOSS) ON DERIVATIVE CONTRACTS		
FUND NAME	DERIVATIVE TYPE	STATEMENT OF OPERATIONS LOCATION		VALUE
Multi-Manager Emerging Markets Equity	Foreign exchange contracts	Net realized gains (losses) on foreign currency transactions		\$(498)
Multi-Manager Global Real Estate	Foreign exchange contracts	Net realized gains (losses) on foreign currency transactions		(26)
Multi-Manager International Equity	Foreign exchange contracts	Net realized gains (losses) on foreign currency transactions		(642)
	Equity contracts	Net realized gains (losses) on futures contracts		1,580
Multi-Manager Large Cap	Equity contracts	Net realized gains (losses) on futures contracts		2,498
Multi-Manager Mid Cap	Equity contracts	Net realized gains (losses) on futures contracts		3,132
Multi-Manager Small Cap	Equity contracts	Net realized gains (losses) on futures contracts		253
Multi-Manager High Yield Opportunity	Foreign exchange contracts	Net realized gains (losses) on foreign currency transactions		(55)

Amounts in thousands		CHANGE IN UNREALIZED APPRECIATION/(DEPRECIATION) ON DERIVATIVE CONTRACTS		
FUND NAME	DERIVATIVE TYPE	STATEMENT OF OPERATIONS LOCATION		VALUE
Multi-Manager Emerging Markets Equity	Foreign exchange contracts	Net change in unrealized appreciation (depreciation) on forward foreign currency exchange contracts		\$(155)
Multi-Manager Global Real Estate	Foreign exchange contracts	Net change in unrealized appreciation (depreciation) on forward foreign currency exchange contracts		2
Multi-Manager International Equity	Equity contracts	Net change in unrealized appreciation (depreciation) on futures contracts		1,662
	Foreign exchange contracts	Net change in unrealized appreciation (depreciation) on forward foreign currency exchange contracts		(2,691)
Multi-Manager Large Cap	Equity contracts	Net change in unrealized appreciation (depreciation) on futures contracts		217
Multi-Manager Mid Cap	Equity contracts	Net change in unrealized appreciation (depreciation) on futures contracts		834
Multi-Manager Small Cap	Equity contracts	Net change in unrealized appreciation (depreciation) on futures contracts		262
Multi-Manager High Yield Opportunity	Foreign exchange contracts	Net change in unrealized appreciation (depreciation) on forward foreign currency exchange contracts		(43)

NOTES TO THE FINANCIAL STATEMENTS *continued*

Volume of derivative activity for the fiscal year ended March 31, 2011*:

	FOREIGN EXCHANGE CONTRACTS**		FUTURES EQUITY CONTRACTS	
	NUMBER OF TRADES	AVERAGE NOTIONAL AMOUNT***	NUMBER OF TRADES	AVERAGE NOTIONAL AMOUNT***
Multi-Manager Emerging Markets Equity	318	\$884	–	\$–
Multi-Manager Global Real Estate	724	158	–	–
Multi-Manager International Equity	1,303	1,723	191	3,420
Multi-Manager Large Cap	–	–	198	1,345
Multi-Manager Mid Cap	–	–	183	1,251
Multi-Managers Small Cap	–	–	160	751
Multi-Manager High Yield Opportunity	15	339	–	–

* Activity during the period is measured by number of trades during the period and average notional amount for foreign exchange and futures equity contracts.

** Foreign exchange contracts are defined as having a settlement period greater than two business days.

*** Amounts in thousands.

10. REORGANIZATION

On May 14, 2010, the Northern Mid Cap Growth Fund was reorganized into the Northern Multi-Manager Mid Cap Fund pursuant to a Plan of Reorganization approved by the Northern Mid Cap Growth Fund's shareholders at a special meeting of shareholders held on May 13, 2010. The reorganization was accomplished by a tax-free exchange of 10,267,122 shares of the Northern Multi-Manager Mid Cap Fund valued at \$104,119,000 for 6,691,940 shares of the Northern Mid Cap Growth Fund outstanding at May 14, 2010, resulting in an exchange ratio of 1.53425. A net admission into the Northern Multi-Manager Mid Cap Fund of \$104,119,000 is included on the Statements of Changes in Net Assets which includes \$27,360,000 of unrealized appreciation. The cost basis of the investments received from the Northern Mid Cap Growth Fund was carried forward to the Northern Multi-Manager Mid Cap Fund for GAAP and tax purposes. The net assets of the Northern Multi-Manager Mid Cap Fund and Northern Mid Cap Growth Fund immediately before the reorganization were \$653,465,000 and \$104,119,000, respectively. The aggregate net assets of the Northern Multi-Manager Mid Cap Fund immediately after the reorganization were \$757,550,000.

The table below summarizes the operations of the Northern Mid Cap Growth Fund for the period from April 1, 2010 to May 14, 2010, the operations of the Northern Multi-Manager Mid Cap Fund for the year ended March 31, 2011 as presented in the Statements of Operations, and the combined Northern Mid Cap Growth and Northern Multi-Manager Mid Cap Funds' pro-forma results of operations for the year ended March 31, 2011 assuming the reorganization had been completed on April 1, 2010.

NORTHERN MID CAP GROWTH FUND FOR THE PERIOD APRIL 1, 2010 TO MAY 14, 2010 (in thousands)			NORTHERN MULTI-MANAGER MID CAP FUND FOR THE YEAR ENDED MARCH 31, 2011 (in thousands)			
NET INVESTMENT LOSS	NET REALIZED AND CHANGE IN UNREALIZED LOSS ON INVESTMENTS	NET DECREASE FROM OPERATIONS	NET INVESTMENT LOSS	NET REALIZED AND CHANGE IN UNREALIZED GAIN ON INVESTMENTS	NET INCREASE FROM OPERATIONS	COMBINED TOTAL FROM OPERATIONS
\$(66)	\$(103)	\$(169)	\$(68)	\$196,564	\$196,496	\$196,327

11. NEW ACCOUNTING PRONOUNCEMENTS

On January 21, 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2010-06, *Improving Disclosures about Fair Value Measurements* ("ASU 2010-06"). ASU 2010-06 amends ASC 820, *Fair Value Measurements and Disclosures*. Specifically, ASU 2010-06 requires entities to disclose: a) the amounts of significant trans-

fers between Level 1 and Level 2 of the fair value hierarchy and the reasons for these transfers; b) the reasons for any transfers in or out of Level 3; and c) information in the reconciliation of recurring Level 3 measurements about purchases, sales, issuances and settlements on a gross basis. In addition, ASU 2010-06 clarifies the requirement for entities to disclose information about both the valuation techniques and inputs used in estimating

Level 2 and Level 3 fair value measurements. The requirement to separately disclose purchases, sales, issuances and settlements of recurring Level 3 measurements is effective for financial statements issued for interim and annual reporting periods beginning after December 15, 2010, of which management is evaluating the implications of this requirement under ASU 2010-06 and the impact it will have to the Funds' financial statement disclosures. All other disclosures required by ASU 2010-06 were adopted on April 1, 2010, and are reflected in these financial statements.

12. SUBSEQUENT EVENTS

At a meeting held on May 19 and 20, 2011, the Board of Trustees of the Northern Multi-Manager Funds approved the addition of Pzena Investment Management, LLC and Neuberger Berman Fixed Income LLC as new Sub-Advisers to the Multi-Manager Emerging Markets Equity Fund and the Multi-Manager High Yield Opportunity Fund, respectively.

Management has evaluated subsequent events for the Funds through the date the financial statements were issued, and has concluded, other than the items noted above, that there are no recognized or non-recognized subsequent events relevant for financial statement disclosure.

At a special meeting of shareholders of the Northern Mid Cap Growth Fund held on May 13, 2010, shareholders of the Fund approved a Plan of Reorganization providing for the reorganization of the Fund into the Northern Multi-Manager Mid Cap Fund. The following were the results of the vote:

FOR	ABSTAIN	AGAINST	PERCENTAGE FOR
5,200,007	7,736	47,520	70.99%

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Trustees of Northern Funds

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Multi-Manager Emerging Markets Equity Fund, Multi-Manager Global Real Estate Fund, Multi-Manager International Equity Fund, Multi-Manager Large Cap Fund, Multi-Manager Mid Cap Fund, Multi-Manager Small Cap Fund and Multi-Manager High Yield Opportunity Fund (collectively, the “Funds”), seven separate portfolios of Northern Funds (the “Trust”), as of March 31, 2011, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years or periods in the period then ended, and the financial highlights for each of the periods presented. These financial statements and financial highlights are the responsibility of the Trust’s management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Trust is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds’ internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of March 31, 2011, by correspondence with the custodian and brokers; where replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of each of the Funds referred to above as of March 31, 2011, the results of their operations for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

Chicago, Illinois
May 26, 2011

QUALIFIED DIVIDEND INCOME (QDI) — Under the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the “Act”), the following percentages of ordinary dividends paid during the fiscal year ended March 31, 2011, are designated as “qualified dividend income,” as defined in the Act, subject to reduced tax rates in 2011:

<i>Fund</i>	QDI PERCENTAGE
Multi-Manager Emerging Markets Equity	13.24%
Multi-Manager Global Real Estate	17.66%
Multi-Manager International Equity	86.32%
Multi-Manager Large Cap	100.00%
Multi-Manager Mid Cap	81.58%

CORPORATE DIVIDENDS-RECEIVED DEDUCTION (DRD) — A percentage of the dividends distributed during the fiscal year for the following Funds qualifies for the dividends-received deduction for corporate shareholders:

<i>Fund</i>	CORPORATE DRD PERCENTAGE
Multi-Manager Large Cap	98.92%
Multi-Manager Mid Cap	85.16%

CAPITAL GAIN DISTRIBUTION — The following Funds made capital gain distributions in December 2010, and hereby designated these long-term capital gain distributions as follows (*per share*):

<i>Fund</i>	LONG-TERM CAPITAL GAIN 15%
Multi-Manager Emerging Markets Equity	\$1.3977
Multi-Manager Global Real Estate	1.2251
Multi-Manager High Yield Opportunity	0.0161

FOREIGN TAX CREDIT — The Funds below intend to make an election that will allow shareholders to treat their proportionate share of foreign taxes paid by the Funds as having been paid by them. The amounts per share which represent income from sources within, and taxes paid to, foreign countries are as follows:

<i>Fund</i>	TAXES	INCOME
Multi-Manager Emerging Markets Equity	\$0.0264	\$0.1290
Multi-Manager Global Real Estate	0.0101	0.1335
Multi-Manager International Equity	0.0122	0.0788

FUND EXPENSES

MARCH 31, 2011 (UNAUDITED)

As a shareholder of the Funds, you incur two types of costs: (1) transaction costs, if any, including redemption fees on certain exchanges and redemptions in the Multi-Manager Emerging Markets Equity, Multi-Manager Global Real Estate, Multi-Manager International Equity and Multi-Manager High Yield Opportunity Funds; and (2) ongoing costs, including advisory fees; distribution (12b-1) fees, if any; and other fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period, October 1, 2010, through March 31, 2011.

ACTUAL EXPENSES

The first line of the tables below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid 10/1/10 - 3/31/11" to estimate the expenses you paid on your account during this period.

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

The second line in the tables below provides information about hypothetical account values and hypothetical expenses based on the Funds' actual expense ratios and an assumed rate of return of 5 percent per year before expenses, which is not the Funds' actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Funds and other funds. To do so, compare this 5 percent hypothetical example with the 5 percent hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs, such as sales charges (loads), redemption fees, or exchange fees or other costs such as advisory fees related to affiliated money market funds investments, but shareholders of other funds may incur such costs. For example, the information does not reflect redemption fees (as described on page 85), if any, in the Multi-Manager Emerging Markets Equity, Multi-Manager Global Real Estate, Multi-Manager International Equity and Multi-Manager High Yield Opportunity Funds. If these fees were included, your costs would have been higher. The information

also does not reflect reimbursements on advisory fees incurred in connection with the investment of uninvested cash in affiliated money market funds (as described on page 89). Therefore, the hypothetical information is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds.

MULTI-MANAGER EMERGING MARKETS EQUITY

	EXPENSE RATIO	BEGINNING ACCOUNT VALUE 10/1/2010	ENDING ACCOUNT VALUE 3/31/2011	EXPENSES PAID* 10/1/10 - 3/31/11
Actual	1.45%	\$1,000.00	\$1,081.20	\$7.52
Hypothetical**	1.45%	\$1,000.00	\$1,017.70	\$7.29

MULTI-MANAGER GLOBAL REAL ESTATE

	EXPENSE RATIO	BEGINNING ACCOUNT VALUE 10/1/2010	ENDING ACCOUNT VALUE 3/31/2011	EXPENSES PAID* 10/1/10 - 3/31/11
Actual	1.30%	\$1,000.00	\$1,078.30	\$6.74
Hypothetical**	1.30%	\$1,000.00	\$1,018.45	\$6.54

MULTI-MANAGER INTERNATIONAL EQUITY

	EXPENSE RATIO	BEGINNING ACCOUNT VALUE 10/1/2010	ENDING ACCOUNT VALUE 3/31/2011	EXPENSES PAID* 10/1/10 - 3/31/11
Actual	1.39%	\$1,000.00	\$1,098.10	\$7.27
Hypothetical**	1.39%	\$1,000.00	\$1,018.00	\$6.99

MULTI-MANAGER LARGE CAP

	EXPENSE RATIO	BEGINNING ACCOUNT VALUE 10/1/2010	ENDING ACCOUNT VALUE 3/31/2011	EXPENSES PAID* 10/1/10 - 3/31/11
Actual	1.20%	\$1,000.00	\$1,174.30	\$6.51
Hypothetical**	1.20%	\$1,000.00	\$1,018.95	\$6.04

MULTI-MANAGER MID CAP

	EXPENSE RATIO	BEGINNING ACCOUNT VALUE 10/1/2010	ENDING ACCOUNT VALUE 3/31/2011	EXPENSES PAID* 10/1/10 - 3/31/11
Actual	1.20%	\$1,000.00	\$1,209.40	\$6.61
Hypothetical**	1.20%	\$1,000.00	\$1,018.95	\$6.04

MULTI-MANAGER SMALL CAP

	EXPENSE RATIO	BEGINNING ACCOUNT VALUE 10/1/2010	ENDING ACCOUNT VALUE 3/31/2011	EXPENSES PAID* 10/1/10 - 3/31/11
Actual	1.40%	\$1,000.00	\$1,263.60	\$7.90
Hypothetical**	1.40%	\$1,000.00	\$1,017.95	\$7.04

MULTI-MANAGER HIGH YIELD OPPORTUNITY

	EXPENSE RATIO	BEGINNING ACCOUNT VALUE 10/1/2010	ENDING ACCOUNT VALUE 3/31/2011	EXPENSES PAID* 10/1/10 - 3/31/11
Actual	1.10%	\$1,000.00	\$1,066.40	\$5.67
Hypothetical**	1.10%	\$1,000.00	\$1,019.45	\$5.54

* Expenses are calculated using the Funds' annualized expense ratios, which represent ongoing expenses as a percentage of net assets for the six months ended March 31, 2011. Expenses are calculated by multiplying the annualized expense ratio by the average account value of the period; then multiplying the result by the number of days in the most recent fiscal half year (182); and then dividing that result by the number of days in the current fiscal year (365).

** Hypothetical expenses are based on the Funds' actual annualized expense ratios and an assumed rate of return of 5 percent per year before expenses.

TRUSTEES AND OFFICERS

MARCH 31, 2011 (UNAUDITED)

Set forth below is information about the Trustees and Officers of Northern Multi-Manager Funds. Each Trustee has served in that capacity since he or she was originally elected or appointed to the Board of Trustees. Each Trustee oversees a total of 64 portfolios in the Northern Funds Complex — Northern Funds offers 43 portfolios (including 7 Multi-Manager portfolios) and Northern Institutional Funds offers 21 portfolios. The Northern Multi-Manager Funds' Statement of Additional Information contains additional information about the Trustees and is available upon request and without charge by calling 800-595-9111.

NON-INTERESTED TRUSTEES

NAME, ADDRESS ⁽¹⁾ , AGE, POSITIONS HELD WITH FUNDS AND LENGTH OF SERVICE AS NORTHERN MULTI-MANAGER FUNDS TRUSTEE ⁽²⁾	PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS	OTHER DIRECTORSHIPS HELD BY TRUSTEE ⁽³⁾
William L. Bax Age: 67 Trustee since 2006	<ul style="list-style-type: none"> • Managing Partner of PricewaterhouseCoopers, Chicago (an accounting firm) from 1997 to 2003; • Director of Big Shoulders Fund since 1997; • Director of Children's Memorial Hospital since 1998; • Trustee of DePaul University from 1998 to 2009; • Director of Sears Roebuck & Co. (a retail company) from 2003 to 2005; • Director of Andrew Corporation (a communications product company) from 2006 to 2008. 	<ul style="list-style-type: none"> • Arthur J. Gallagher & Co. (an insurance brokerage company).
Edward J. Condon, Jr. Age: 70 Trustee since 2006	<ul style="list-style-type: none"> • Chairman and CEO of The Paradigm Group, Ltd. (a financial adviser) since 1993; • Principal and Co-Founder of Paradigm Capital, Ltd. (a financial adviser) since 1996; • Founding Member and Director of the Illinois Venture Capital Association since 2001; • Member of the Board of Directors of the Chicago Children's Museum from 2001 to 2007; • Member of the Board of Governors of The Metropolitan Club since 2003; • Member of the Board of Advisors of AAVIN Equity Partners (a private equity firm) since 2005; • Member of the National Advisory Board of National Domestic Violence Hotline since 2005; • Member of the Board of Directors at LightBridge Healthcare Research Inc. (a healthcare-related educational materials provider) since 2006; • Member of Advisory Board of Lextech Global Services (a systems engineering services company) since 2009; • Private Equity Administrator of Illinois Technology Development Account from 2003 to 2006; • Member of Advisory Council of Northwestern Brain Tumor Institute since 2010; • Chairman of ViMedicus, Inc. (a healthcare-related educational materials provider) since 2010. 	<ul style="list-style-type: none"> • None
Sharon Gist Gilliam Age: 67 Trustee since 2006	<ul style="list-style-type: none"> • Principal Officer, UCG Associates, Inc. (an aviation consulting firm) from 2005 to 2006 and Director from 2005 to 2008; • CEO of Chicago Housing Authority from 2006 to 2007; • Executive Vice President of Unison-Maximus, Inc. (an aviation and governmental consulting company) from 1989 to 2005. 	<ul style="list-style-type: none"> • None

TRUSTEES AND OFFICERS *continued*

NAME, ADDRESS ⁽¹⁾ , AGE, POSITIONS HELD WITH FUNDS AND LENGTH OF SERVICE AS NORTHERN MULTI-MANAGER FUNDS TRUSTEE ⁽²⁾	PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS	OTHER DIRECTORSHIPS HELD BY TRUSTEE ⁽³⁾
Richard P. Strubel Age: 71 Trustee since 2006 and Chairman since 2008	<ul style="list-style-type: none"> • Vice Chairman and Director of Cardean Learning Group (formerly UNext, Inc.) (a provider of educational services via the Internet) from 2004 to 2007; • President, Chief Operating Officer and Director of UNext, Inc. from 1999 to 2004; • Audit Committee Chairman, The University of Chicago from 2006 to present; • Trustee, The University of Chicago from 1987 to present. 	<ul style="list-style-type: none"> • Gildan Activewear, Inc. (an athletic clothing marketing and manufacturing company); • Goldman Sachs Mutual Fund Complex (94 portfolios); • Goldman Sachs Closed-End Funds (2 portfolios).
Casey J. Sylla Age: 67 Trustee since 2008	<ul style="list-style-type: none"> • Chief Investment Officer, The Allstate Corporation from January to July, 2002; • Acting Chief Financial Officer, The Allstate Corporation from May to September, 2002; • Chairman and President of the Allstate Financial Group from 2002 to 2007; • Chairman of the Investment Committee, Legal and General Investment Management — America, 2007; • Board member, University of Wisconsin — Eau Claire Foundation from 2006 to present; • Advisor, G.D. Searle Family Trusts from 2010 to present. 	<ul style="list-style-type: none"> • GATX Corporation (transportation services).

INTERESTED TRUSTEES

NAME, ADDRESS ⁽¹⁾ , AGE, POSITIONS HELD WITH FUNDS AND LENGTH OF SERVICE AS NORTHERN MULTI-MANAGER FUNDS TRUSTEE ⁽²⁾	PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS	OTHER DIRECTORSHIPS HELD BY TRUSTEE ⁽³⁾
Sandra Polk Guthman Age: 67 Trustee since 2006	<ul style="list-style-type: none"> • Chair and CEO of Polk Bros. Foundation (an Illinois not-for-profit corporation) since 1993; • Director of National Public Finance Guarantee Corporation (f/k/a MBIA Insurance Corp. of Illinois) (a municipal bond insurance company) since 1994; • Trustee of Rush University Medical Center. 	<ul style="list-style-type: none"> • None
Michael H. Moskow ⁽⁴⁾ Age: 73 Trustee since 2008	<ul style="list-style-type: none"> • Vice Chairman and Senior Fellow on the Global Economy at the Chicago Council on Global Affairs since 2007; • Director of Commonwealth Edison since 2007; • President and Chief Executive Officer of the Federal Reserve Bank of Chicago from 1994 to 2007; • Director of Education Corporation of America since 2008; • Chairman of the Japan America Society of Chicago since 2009; • Former Chairman and Current Member of the Board of Directors, National Bureau of Economic Research from 1978 to 1991, and since 1993; • Member of the Board of Trustees of the Northwestern Memorial Foundation from 2004 to 2010; • Member of the Board of Directors of the Civic Consulting Alliance since 2002; • Member of the Board of Directors of the Chicago Workforce Investment Council (f/k/a Chicago LEADS Civic Advisory Board) since 2009; • Member of the Board of Directors of The Chicago Council on Global Affairs since 1995; • Member of the Board of Directors of the Council on Foreign Relations from 1998 to 2008; • Member of the Board of Trustees of Lafayette College since 1996; • Member of the Board of Directors of the National Futures Association since 2010. 	<ul style="list-style-type: none"> • Discover Financial Services; • Diamond Management and Technology Consultants, Inc. (a management and technology consulting firm) from 2008 to 2009; • Taylor Capital Group, Inc. (financial services).

- (1) *Each Trustee may be contacted by writing to the Trustee, c/o Diana E. McCarthy, Drinker Biddle & Reath LLP, One Logan Square, Suite 2000, Philadelphia, PA 19103-6996.*
- (2) *Each Trustee will hold office for an indefinite term until the earliest of: (i) the next meeting of shareholders, if any, called for the purpose of considering the election or re-election of such Trustee and until the election and qualification of his or her successor, if any, elected at such meeting; (ii) the date a Trustee resigns or retires, or a Trustee is removed by the Board of Trustees or shareholders, in accordance with the Trust's Agreement and Declaration of Trust; or (iii) in accordance with the current resolutions of the Board of Trustees (which may be changed without shareholder vote) on the last day of the calendar year of the Trust in which he or she attains the age of seventy-five years.*
- (3) *This column includes only directorships of companies required to report to the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (i.e., public companies) or other investment companies registered under the Investment Company Act of 1940, as amended (the "1940 Act").*
- (4) *An "interested person," as defined by the 1940 Act. Ms. Guthman is deemed to be an "interested" Trustee because she beneficially owns share of ING Group, N.V., parent company of ING Clarion Real Estate Securities, LLC, sub-adviser to the Multi-Manager Global Real Estate Fund. Mr. Moskow is deemed to be an "interested" Trustee because he beneficially owns shares of Allianz SE (formerly Allianz AG), a parent company of Allianz Global Investors Capital LLC, sub-adviser to the Multi-Manager Small Cap Fund.*

TRUSTEES AND OFFICERS *continued*OFFICERS OF THE TRUST⁽¹⁾

NAME, ADDRESS, AGE,
POSITIONS HELD WITH FUNDS
AND LENGTH OF SERVICE AS
NORTHERN FUNDS OFFICER

PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS

Lloyd A. Wennlund
Age: 53
50 South LaSalle Street
Chicago, IL 60603
President since 2000

Executive Vice President since 2003 and Director since 2001 of Northern Trust Investments, Inc.; Executive Vice President and other positions at The Northern Trust Company and Managing Executive, Mutual Funds for Northern Trust Global Investments since 1994; Director, The Northern Trust Company of Connecticut since August 2006; President and Director of Northern Trust Securities, Inc. from 1997 to 2009.

Eric K. Schweitzer
Age: 49
50 South LaSalle Street
Chicago, IL 60603
Vice President since 2000

Senior Vice President at Northern Trust Investments, Inc. since 2001; Senior Vice President at The Northern Trust Company since 2000.

Susan J. Hill
Age: 54
50 South LaSalle Street
Chicago, IL 60603
Chief Compliance Officer
since 2004

Chief Compliance Officer of Northern Trust Company of Connecticut since 2007; Chief Compliance Officer of Northern Trust Global Advisors, Inc. since 2007; Chief Compliance Officer of Northern Trust Investments, Inc. since 2005; Senior Vice President of Northern Trust Investments, Inc. since 2005; Vice President of Northern Trust Investments, Inc. and The Northern Trust Company from 2000 to 2004.

Darlene Chappell
Age: 48
50 South LaSalle Street
Chicago, IL 60603
Anti-Money Laundering
Compliance Officer since
May 2009

Anti-Money Laundering Compliance Officer for Northern Trust Investments, Inc., Northern Trust Securities, Inc., and The Northern Trust Company of Connecticut since 2009; Vice President and Compliance Consultant for The Northern Trust Company since 2006; Audit Manager — Compliance Department of National Futures Association from 2000 to 2006.

Randal Rein
Age: 40
50 South LaSalle Street
Chicago, IL 60603
Treasurer since 2008

Senior Vice President of Northern Trust Investments, Inc. since 2010 and Senior Vice President of Fund Administration of The Northern Trust Company through 2010; Vice President of Fund Administration of The Northern Trust Company from 2007 to 2010; Second Vice President of Fund Administration of The Northern Trust Company from 2002 to 2007.

Michael Prysycz
Age: 43
50 South LaSalle Street
Chicago, IL 60603
Assistant Treasurer
since 2008

Senior Vice President of Fund Accounting of The Northern Trust Company since 2010; Vice President of Fund Accounting of The Northern Trust Company from 2005 to 2010; Second Vice President of Fund Accounting of The Northern Trust Company from 2000 to 2005.

Richard Crabill
Age: 42
50 South LaSalle Street
Chicago, IL 60603
Assistant Treasurer
since 2008

Vice President of Fund Administration of The Northern Trust Company since 2005; Second Vice President of Fund Administration of The Northern Trust Company from 2002 to 2005.

Craig R. Carberry, Esq.
Age: 50
50 South LaSalle Street
Chicago, IL 60603
Secretary since 2010

Senior Counsel at The Northern Trust Company since May 2000; Secretary of Northern Trust Investments, Inc. since 2000; Secretary of NT Alpha Strategies Fund since 2004; Secretary of Northern Trust Global Advisors, Inc. since 2007; Secretary of The Northern Trust Company of Connecticut since 2009; Secretary of NETS Trust from 2008 to 2009.

MARCH 31, 2011 (UNAUDITED)

NAME, ADDRESS, AGE, POSITIONS HELD WITH FUNDS AND LENGTH OF SERVICE AS NORTHERN FUNDS OFFICER	PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS
Owen T. Meacham, Esq. Age: 40 50 South LaSalle Street Chicago, IL 60603 Assistant Secretary since 2008	Senior Vice President and Senior Regulatory Administration Attorney of The Northern Trust Company since 2011; Vice President and Senior Regulatory Administration Attorney of The Northern Trust Company from 2007 to 2011; Vice President and Product Strategy and Development Manager of ABN AMRO Asset Management from 2005 to 2007.
Shanna Palmersheim, Esq. Age: 34 50 South LaSalle Street Chicago, IL 60603 Assistant Secretary since 2008	Second Vice President and Regulatory Administration Attorney of The Northern Trust Company since 2008; Associate Counsel of Peregrine Financial Group from 2007 to 2008; Senior Treasury Analyst at Harley-Davidson Financial Services from 2005 to 2007; Law Clerk at Paul McAndrew Law Firm from 2004 to 2005; Senior Accountant at State Street Corporation from 1999 to 2002.

(1) *Each Officer serves until his or her resignation, removal, or retirement, or election of his or her successor.*

APPROVAL OF SUB-ADVISORY AGREEMENTS

The Board of Trustees (the “Trustees”) oversees the management of Northern Funds (the “Trust”), and reviews the investment performance and expenses of the investment funds covered by this Report (the “Multi-Manager Funds”) at regularly scheduled meetings during the Multi-Manager Funds’ fiscal year. In addition, the Trustees determine annually whether to approve and continue the Trust’s investment advisory agreement (the “Advisory Agreement”) for the Multi-Manager Funds with Northern Trust Company of Connecticut and Northern Trust Investments, Inc. (together, the “Investment Advisers”). The Trustees also consider and approve agreements among the Investment Advisers and the sub-advisers that advise the Multi-Manager Funds.

* * * * *

TRILGY GLOBAL ADVISORS, LLC SUB-ADVISORY AGREEMENT

At a meeting held on November 5, 2010, the Trustees, including the Independent Trustees voting separately, considered and approved a sub-advisory agreement (the “New Trilogy Agreement”) with respect to the Multi-Manager Emerging Markets Equity Fund (the “Emerging Markets Equity Fund”) among the Investment Advisers and Trilogy Global Advisors, LLC (“Trilogy”). The sub-advisory agreement then in effect between the Investment Advisers and Trilogy (the “Old Trilogy Agreement”) was subject to termination under the Investment Company Act of 1940 (the “1940 Act”) upon the change of control (“Change of Control”) occurring when Affiliated Managers Group, Inc. (“AMG”) acquired a majority stake in Trilogy.

At the November meeting, the Trustees reviewed information and written materials from the Investment Advisers regarding (i) the nature and quality of the investment advisory services provided by Trilogy, including the experience and qualifications of the personnel providing such services and its performance on behalf of the Emerging Markets Equity Fund; (ii) Trilogy’s financial condition, history of operations and new ownership structure; (iii) Trilogy’s brokerage and soft dollar practices and any potential conflicts of interest with the Investment Advisers; (iv) Trilogy’s investment strategies and style of investing; (v) Trilogy’s compliance policies and procedures (including its code of ethics) and the Investment Advisers’ and the Trust’s Chief Compliance Officer’s evaluations of such policies, procedures and codes; and (vi) the terms of the New Trilogy Agreement.

The Trustees also reviewed the Investment Advisers’ proprietary methodology for allocating assets among the various sub-advisers and the current allocations to Trilogy. In evaluating the New Trilogy Agreement, the Trustees generally relied upon their

knowledge of Trilogy and its services resulting from their meetings and interactions with management throughout the past year. In addition, they considered that they had recently reapproved the Old Trilogy Agreement. Accordingly, they focused their review on any changed information since the last review.

In connection with the approval of the New Trilogy Agreement, the Trustees gave weight to various factors but did not identify any single factor as controlling their decision. However, the Trustees relied upon the recommendations and evaluations of the Investment Advisers with respect to the firm.

Nature, Extent and Quality of Services

The Trustees considered the information provided by the Investment Advisers with respect to Trilogy’s qualifications and experience in managing the type of strategy for which it was engaged in connection with the Emerging Markets Equity Fund. In this regard, the Trustees relied upon the Investment Advisers’ analysis of the firm’s portfolio management and compliance staff and resources. The Trustees also considered the reports provided by the Trust’s Chief Compliance Officer on the quality of the firm’s compliance program. The Trustees concluded that Trilogy had provided, and was likely to continue to be able to provide under new ownership, quality services to the Fund.

The Trustees considered and evaluated Trilogy’s performance versus its benchmarks and the Emerging Markets Equity Fund’s benchmark as well as the Investment Advisers’ evaluation of Trilogy’s performance. The Trustees concluded that Trilogy’s performance was generally in line with the Investment Advisers’ expectations.

Fees

With respect to the sub-advisory fees, the Trustees considered that Trilogy was paid by the Investment Advisers out of their advisory fees and not by the Emerging Markets Equity Fund. The Trustees also believed, based on the Investment Advisers’ representations, that the New Trilogy Agreement had been negotiated at arms length among the Investment Advisers and the firm and contained the same terms and conditions as the Old Trilogy Agreement that was approved by the Board at the February 17-18, 2010 meeting of the Board of Trustees, and was re-approved by the Board at the May 6-7, 2010 meeting of the Board of Trustees. Standard fee schedules for the firm were presented at the February 17-18, 2010 meeting of the Board of Trustees at which the Old Trilogy Agreement was approved, and it was noted that the Investment Advisers had negotiated a competitive sub-advisory fee for Trilogy’s services to the Emerging Market Equity Fund. The Trustees did not consider profitability information for Trilogy, because they did not believe this to be particularly relevant given that the Investment Advisers pay

the firm from their advisory fees and have an incentive to negotiate the lowest possible sub-advisory fees. Finally, the Trustees also considered the Investment Advisers' representations that the fees to be paid to Trilogy were reasonable in light of the existing and anticipated quality of the services to be performed by it.

Economies of Scale

The Trustees noted that Trilogy was paid fees that included breakpoints, but they considered economies of scale with respect to the Fund primarily at the advisory fee level given that the Investment Advisers pay the firm out of their advisory fees. The Trustees had considered the economies of scale that were passed from the Investment Advisers to the Fund in their approval of the Investment Advisory Agreement at the May 6-7, 2010 meeting of the Board of Trustees.

Other Benefits

The Trustees considered other benefits derived or to be derived by Trilogy as a result of its relationship with the Emerging Markets Equity Fund. These benefits included research received in connection with the Fund's commissions (i.e. soft dollars), which are evaluated annually by the Trust's Chief Compliance Officer.

Based on the Trustees' deliberations and the recommendations by the Investment Advisers, the Trustees concluded that the fees to be paid to Trilogy by the Emerging Markets Equity Fund were reasonable in light of the services provided by it and that the New Trilogy Agreement should be approved to become effective upon the date of the Change of Control.

* * * * *

NWQ, CARDINAL AND ALLIANZ SUB-ADVISORY AGREEMENTS

At a meeting held on January 5, 2011, the Trustees, including the Independent Trustees voting separately, considered and approved the sub-advisory agreements for three new sub-advisers (together, the "New Sub-Advisory Agreements" and each a "New Sub-Advisory Agreement"), NWQ Investment Management Company, LLC ("NWQ"), Allianz Global Investors Capital LLC ("Allianz") and Cardinal Capital Management LLC ("Cardinal") (together, the "New Sub-Advisers" and each a "New Sub-Adviser"). NWQ was proposed to advise a portion of the Multi-Manager Large Cap Fund. Allianz and Cardinal were each proposed to manage a portion of the Multi-Manager Small Cap Fund (together with the Multi-Manager Large Cap Fund, the "Funds," and each a "Fund").

At the January meeting, the Trustees reviewed information and written materials from the Investment Advisers and each New Sub-Adviser regarding (i) the nature and quality of the services

to be provided by the New Sub-Advisers, including the experience and qualifications of the personnel providing such services; (ii) the New Sub-Advisers' financial condition, history of operations and ownership structure; (iii) the New Sub-Advisers' brokerage and soft dollar practices; (iv) the New Sub-Advisers' investment strategies and styles of investing; (v) the performance history of the New Sub-Advisers with respect to accounts or funds managed similarly to the Funds for which they were being engaged; (vi) each New Sub-Adviser's compliance policies and procedures (including its codes of ethics) and the Trust's Chief Compliance Officer's ("CCO") evaluations of such policies and procedures; (vii) the New Sub-Advisers' conflicts of interest in managing the Funds; and (viii) the terms of the New Sub-Advisory Agreements. The Trustees also considered the Investment Advisers' explanations for why they expected the New Sub-Advisers to add to Fund performance.

The Trustees also reviewed the Investment Advisers' proprietary method for allocating assets among the various sub-advisers and the proposed allocations of assets among the New Sub-Advisers and the other sub-advisers to the applicable Fund.

In connection with the approvals of the New Sub-Advisory Agreements for each of the Funds, the Trustees gave weight to various factors but did not identify any single factor as controlling their decision. However, the Trustees relied upon the recommendations and evaluations of the Investment Advisers with respect to each of the New Sub-Advisers.

Nature, Extent and Quality of Services

The Trustees considered the information provided by the Investment Advisers with respect to each New Sub-Adviser's qualifications and experience in managing the type of strategies for which the New Sub-Adviser was to be engaged in connection with a Fund. The Trustees also considered the CCO's evaluation of each New Sub-Adviser's compliance programs and the recommended compliance monitoring schedule for each New Sub-Adviser. The Trustees also considered the experience that each New Sub-Adviser had with respect to managing investments for registered investment companies and the quality of the portfolio managers proposed to manage the respective Funds' assets. Finally, the Trustees considered the New Sub-Advisers' management of potential conflicts of interest that might result from their management of the Funds and other accounts.

With respect to performance, the Trustees reviewed information showing historical performance of the New Sub-Advisers with respect to the investment strategies for which they were being engaged. In addition, the Trustees reviewed a report prepared by the Investment Advisers showing the performance of the respective Funds over various periods of time if the New Sub-Advisers had been managing the Funds along with the exist-

ing sub-advisers to those Funds. The Trustees concluded that the New Sub-Advisers were able to provide quality services to the Funds.

Fees

With respect to the sub-advisory fees, the Trustees considered that the New Sub-Advisers were each paid by the Investment Advisers out of their advisory fees and not by the Funds. The Trustees also believed, based on the representations of the Investment Advisers, that each New Sub-Advisory Agreement had been negotiated at arms length among the Investment Advisers and the New Sub-Advisers. The Trustees also noted that the terms of the New Sub-Advisory Agreements were substantially identical to the existing sub-advisory agreements, except for fees which were competitive with those paid to other sub-advisers to the Funds. Finally, the Trustees considered the Investment Advisers' representations that the fees to be paid to the New Sub-Advisers were reasonable in light of the anticipated quality of services to be provided by the New Sub-Advisers.

The Trustees also considered projected profitability to the Investment Advisers of the Multi-Manager Large Cap Fund and the Multi-Manager Small Cap Fund before and after the addition of the New Sub-Advisers. This comparison showed no material change to the Investment Advisers' profitability. The Trustees did not consider profitability of the New Sub-Advisers as they did not consider it to be particularly relevant because the Investment Advisers will be paying the New Sub-Advisers out of their advisory fees. The Investment Advisers therefore has an incentive to negotiate the lowest possible sub-advisory fees.

Economies of Scale

The Trustees considered comparisons of the New Sub-Advisers' fees at various asset levels of the Funds and in relation to the other existing sub-advisers of the Funds. The Trustees also reviewed information prepared by the Investment Advisers that showed that the levels of aggregate sub-advisory fee rates decreased as the Funds' assets increased. However, the Trustees generally considered economies of scale with respect to the Funds primarily at the advisory level given that the Investment Advisers will be paying the New Sub-Advisers out of their advisory fees. Each Fund's advisory fees are subject to breakpoints, such that the fee rates decrease when the assets of the Fund increase to certain levels.

Other Benefits

The Trustees considered other benefits to be derived by the New Sub-Advisers as a result of their relationship with the respective Funds. These benefits included research and other benefits in connection with brokerage commissions paid by the Funds. The Trustees also considered the other relationships that the New Sub-Advisers had with the Investment Advisers, including sub-advisory or custodial relationships.

Based on the Trustees' deliberations and the recommendations by the Investment Advisers, the Trustees concluded that the fees proposed to be paid to the New Sub-Advisers were reasonable in light of the services to be provided by them and that the New Sub-Advisory Agreements should be approved.

INVESTMENT CONSIDERATIONS

MULTI-MANAGER FUNDS

EMERGING MARKETS EQUITY FUND^{2,4}GLOBAL REAL ESTATE FUND^{4,6,8}HIGH YIELD OPPORTUNITY FUND^{1,5}INTERNATIONAL EQUITY FUND^{3,4,6}LARGE CAP FUND⁴MID CAP FUND^{4,7}SMALL CAP FUND^{4,9}

¹ **Bond Risk:** Bond funds will tend to experience smaller fluctuations in value than stock funds. However, investors in any bond fund should anticipate fluctuations in price, especially for longer-term issues and in environments of rising interest rates.

² **Emerging and Frontier Markets Risk:** Emerging and frontier market investing may be subject to additional economic, political, liquidity and currency risks not associated with more developed countries. Additionally, frontier countries generally have smaller economies or less developed capital markets than traditional emerging markets and, as a result, the risks of investing in emerging market countries are magnified in frontier countries.

³ **Emerging Markets Risk:** Emerging market investing is subject to additional economic, political, liquidity, and currency risks not associated with more developed countries.

⁴ **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.

⁵ **High Yield Risk:** Although a high yield fund's yield may be higher than that of fixed income funds that purchase higher-rated securities, the potentially higher yield is a function of the greater risk that a high yield fund's share price will decline.

⁶ **International Risk:** International investing involves increased risk and volatility.

⁷ **Mid Cap Risk:** Mid-capitalization stocks typically carry additional risk, since smaller companies generally have higher risk of failure and, historically, their stocks have experienced a greater degree of volatility.

⁸ **REIT/Real Estate Risk:** Investments in the Fund are subject to the risks related to direct investment in real estate, such as real estate risk, regulatory risks, concentration risk and diversification risk. Investments in REITs involve certain additional unique risks. By itself the Fund does not constitute a complete investment plan and should be considered a long-term investment for investors who can afford to weather changes in the value of their investments.

⁹ **Small Cap Risk:** Small-capitalization funds typically carry additional risks since smaller companies generally have a higher risk of failure. Their stocks are subject to a greater degree of volatility, trade in lower volume and may be less liquid.

FOR MORE INFORMATION

PORTFOLIO HOLDINGS

Northern Funds files its complete schedule of portfolio holdings with the Securities and Exchange Commission (“SEC”) for the first and third quarters of each fiscal year on Form N-Q. The Funds’ Forms N-Q are available on the SEC’s Web site at sec.gov. You may also review and obtain copies at the SEC’s Public Reference Room in Washington, D.C. Information about the Public Reference Room may be obtained by calling 800-SEC-0330.

PROXY VOTING

Northern Funds’ Proxy Voting Policies and Procedures and each Fund’s portfolio securities voting record for the 12-month period ended June 30 are available upon request and without charge by visiting Northern Funds’ Web site at northernfunds.com or the SEC’s Web site at sec.gov or by calling the Northern Funds Center at 800-595-9111.

NORTHERN FAMILY OF FUNDS

RISK/REWARD POTENTIAL

When building a sound Northern Funds investment strategy, you'll want to select a mix of equity, fixed income and money market funds that have return potential and an acceptable level of risk. Please carefully read the prospectus and summary prospectus and consider the investment objectives, risks, charges and expenses of Northern Funds before investing. Visit northernfunds.com or call **800-595-9111** to obtain a prospectus. The prospectus and summary prospectus contains this and other information about the funds.

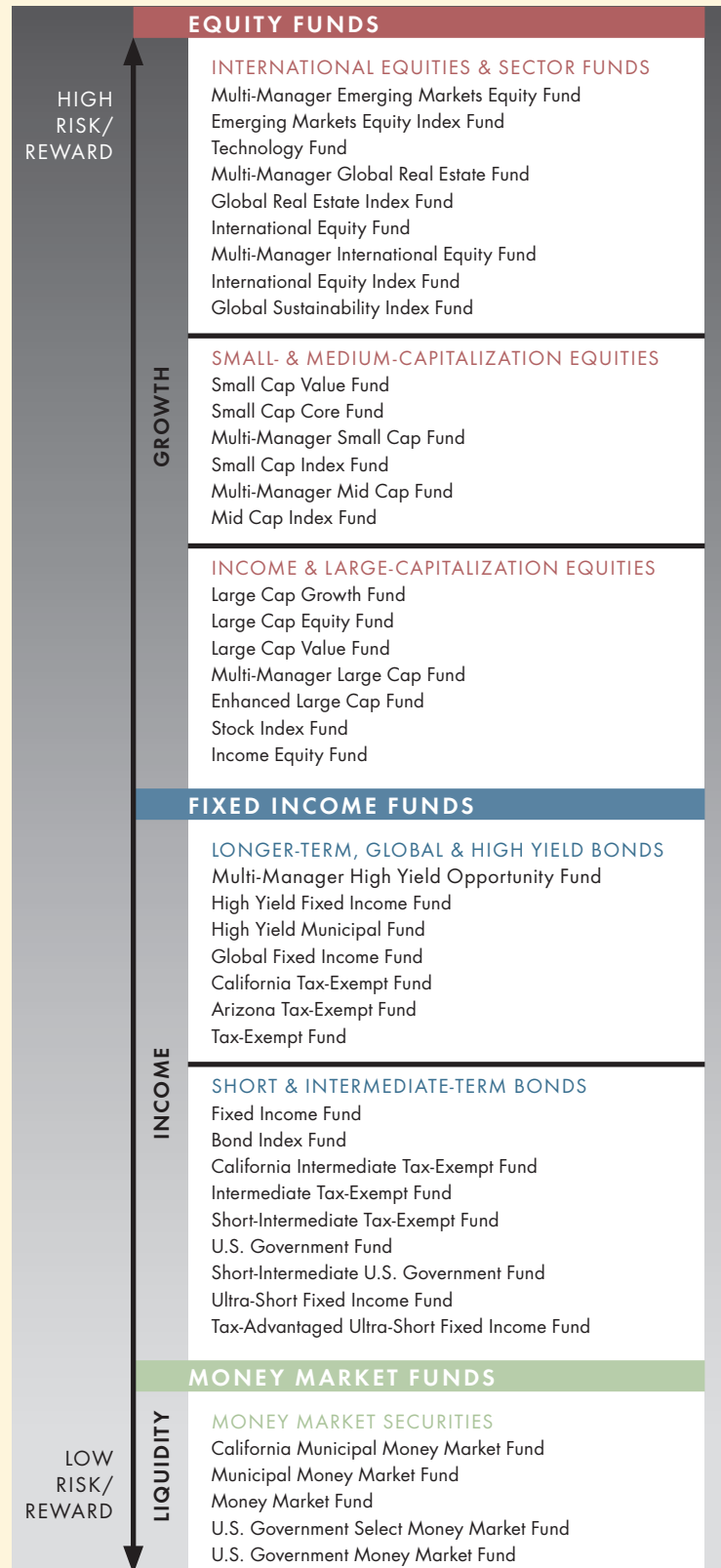
PROTECTING YOUR PRIVACY

Protecting your privacy is important at Northern Funds, which is why we wanted you to know:

- We do not sell non-public personal information about our investors or former investors to any outside company.
- We have policies that limit access to your information to only those people who need it to perform their jobs and provide services to you, and we have physical, electronic and procedural safeguards that comply with federal standards to guard your personal information.
- We collect information about you from applications, forms, conversations and your use of our Web site; third parties with your permission; and your transactions with us, our affiliates and our joint marketing partners.
- We do not disclose the information we collect about our investors or former investors to anyone, except to companies that perform services for us, financial institutions with whom we have joint marketing agreements such as Northern Trust, (1) for our everyday purposes, such as to process transactions, maintain accounts, respond to court orders and legal investigations or report to credit bureaus or (2) as permitted by law.
- The information includes account balances and account history. You may limit our use or sharing of information about you with our affiliates and joint marketing partners for marketing purposes by calling **800-595-9111** weekdays from 7:00 a.m. to 7:00 p.m. Central time or by writing to us at Northern Funds, P.O. Box 75986, Chicago, IL 60675-5986.

If our information sharing practices change, we will send you a revised notice. You can also visit our Web site, northernfunds.com, for an online version of our current privacy notice.

Not part of the Annual Report



An investment in the Money Market Funds is not insured or guaranteed by the FDIC or any other governmental agency. Although the Funds seek to maintain a value of \$1.00 per share, it is possible to lose money.

PRESORTED
STANDARD
U.S. POSTAGE
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FARMINGDALE, NY
PERMIT NO. 225

