

NORTHERN GLOBAL TACTICAL ASSET ALLOCATION FUND

ANNUAL REPORT

MARCH 31, 2018





A MESSAGE FROM

BOB BROWNE

CHIEF INVESTMENT OFFICER

Global equities delivered robust gains during the 12-month period ended March 31, 2018 (the “Period”), notwithstanding a considerable pickup in volatility during February and March. Investors were encouraged by the emergence of synchronized worldwide growth, with Europe, Japan and the emerging markets all joining the United States in an economic expansion. In addition, the passage of a long-awaited tax reduction package in the United States in December 2017 reduced the corporate tax rate to 21%. Together, these developments led to better than expected profit growth and steadily increasing earnings estimates for the U.S. In fact, the ratio of earnings estimate increases compared with decreases from industry analysts recently reached levels not seen in nearly nine years.

Despite these positive factors, the markets experienced weaker performance, with significantly higher volatility during the last two months of the Period. The sell-off was sparked by the January jobs report, which indicated accelerating wage gains. This development fueled concerns regarding the prospect of higher inflation, and with it the possibility of tighter monetary policy by the U.S. Federal Reserve. Computer-driven investment programs contributed to the volatility, as did concerns about possible tariffs on steel and aluminum imports. While these headlines appeared to be the key catalysts for the downturn, the main cause may be that stocks were simply overdue for a slump. Prior to the stock market selloff,

the U.S. market had experienced a remarkable 80 weeks without a 5% correction, well above the normal frequency of 10-week intervals.

Together, these cross-cutting trends resulted in a gain of 13.99% for the S&P 500® Index over the Period. The developed international markets advanced 14.80%, as gauged by the MSCI EAFE® Index, with a portion of the rally attributable to strength in foreign currencies versus the U.S. dollar. Emerging market stocks comfortably outperformed their developed market peers, as measured by the 24.93% return of the MSCI Emerging Markets Index.

In the United States, the growth style outpaced value by a wide margin due in large part to a strong bounce-back for technology stocks. Conversely, defensive and yield-oriented sectors such as utilities, telecommunications services and consumer staples lagged considerably. However, given that higher economic growth and lower tax rates have resulted in improved earnings prospects for many stocks in the value category, the sizable outperformance for growth has led to a material gap in valuations between the two investment styles. In fact, the average price-to-earnings ratio for value stocks was lower at the end of March 2018 than it was at the beginning of 2017 despite the positive price performance in the intervening period.

Although the market disruptions of February and March of 2018 may have been unsettling to investors following such a long rally, we believe that the market’s underlying fundamentals

continue to exhibit strength. The outlook for global growth in 2018 remains constructive; and corporate performance has been robust, with broad-based strength in revenues, bottom-line earnings and profit margins. Further, we expect that U.S. growth could be bolstered by a combination of the new tax law and increased government spending. Potential risk factors include the emerging threat of a trade war and the possibility of slowing growth in China. Central bank policy also remains a wild card given the U.S. Federal Reserve’s ongoing plan to boost interest rates. However, more important than the number of interest rate hikes will be the economic climate in which they occur. We believe it will be much better for the U.S. Federal Reserve to be “able” to raise interest rates when investors are expecting it, versus the U.S. Federal Reserve “having” to raise rates because inflation is taking hold. We will be monitoring these issues closely as the year progresses in an effort to evaluate their possible impact on the global equity markets.

Bob Browne
Chief Investment Officer
Northern Trust

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This report has been prepared for the general information of Global Tactical Asset Allocation Fund shareholders. It is not authorized for distribution to prospective investors unless accompanied or preceded by a current Global Tactical Asset Allocation Fund summary prospectus or prospectus, which contains complete information about a fund's investment objectives, risks, fees and expenses. Investors are reminded to read the summary prospectus or prospectus carefully before investing or sending money.

This report contains certain forward-looking statements about factors that may affect the performance of the 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.

Northern Funds are distributed by Northern Funds Distributors, LLC, Three Canal Plaza, Suite 100, Portland, Maine 04101, not affiliated with Northern Trust.

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PORTFOLIO MANAGEMENT COMMENTARY

During the 12-month reporting period ended March 31, 2018, financial markets benefited from a combination of global growth momentum and subdued inflation. Major developed market central banks began taking small steps to normalize monetary policy, led by the U.S. Federal Reserve, which implemented a plan to gradually reduce the size of its balance sheet and raised interest rates three times. The political environment was closely followed by investors, including the passage of tax changes in the United States and support for populist political parties in Europe. Market volatility returned in February and March of 2018 based on increasing concerns about inflation and global trade. Risk assets performed well, with global equities performing the best among major asset classes. Returns across the major equity regions were all in double digits, led by emerging market equities at 25.2%, with non-U.S. developed market equities at 14.3%, and U.S. equities at 14.0% (as measured by the MSCI Emerging MarketsSM, MSCI World ex-US, and MSCI US indices, respectively). Returns within fixed income were more modest, with investment-grade fixed income as gauged by the Bloomberg Barclays U.S. Aggregate Bond Index returning 1.2% and high-yield fixed income as gauged by the Bloomberg Barclays U.S. Corporate High Yield Bond Index returning 3.8%.

The Fund returned 8.55% during the 12-month reporting period ended March 31, 2018, trailing the 9.28% return of its blended benchmark for the same period. Strategic positioning was hurt by the weak performance of high-yield fixed income and real assets compared to global equities. Tactical positioning benefited primarily from an underweight in investment-grade fixed income and an overweight to global equities. Exposure to risk factors such as value, small size and high yield acted as a constraint on relative performance for the period.

Relative to its strategic norms, the Fund ended the period overweight risk, with meaningful overweights to non-U.S. developed market equities and emerging market stocks, and slight overweights to U.S. equities and high yield fixed income. These overweights were funded primarily through a considerable underweight to investment-grade fixed income. The Fund remains committed to broad global diversification and exposure to risk factors that have been demonstrated to support long-term performance.

INVESTMENT PERFORMANCE

AVERAGE ANNUAL RETURNS for periods ended March 31, 2018

TOTAL RETURN	ONE YEAR	FIVE YEAR	TEN YEAR	SINCE INCEPTION 7/1/93
GLOBAL TACTICAL ASSET ALLOCATION FUND	8.55%	5.74%	5.84%*	6.29%*
BLENDED INDEX**	9.28	6.34	5.15	6.76
MSCI ACWI INDEX	14.85	9.14	5.54	7.30
BLOOMBERG BARCLAYS U.S. AGGREGATE BOND INDEX	1.20	1.83	3.63	5.19

Fund Performance reflects contractual expense 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 northerntrust.com/funds.

* Prior to August 1, 2011, the Fund operated as the Northern Institutional Global Tactical Asset Allocation Portfolio (the "Predecessor Fund"). On August 1, 2011, the Predecessor Fund was reorganized into the Fund, a newly created series of Northern Funds with the same investment objective and policies as the Predecessor Fund. In connection with the reorganization, the performance record of the Predecessor Fund was carried over to the Fund. The Predecessor Fund's investment strategy changed from a traditional balanced fund to an asset allocation fund, operating as a fund of funds, on April 1, 2008.

PORTFOLIO MANAGERS

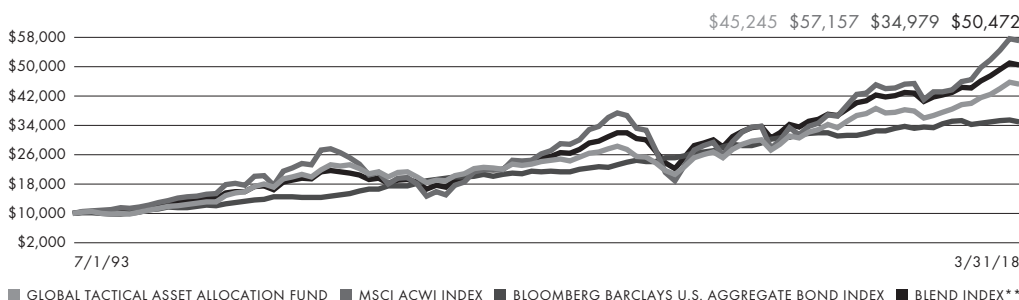


BOB BROWNE
With Northern Trust since 2009

DANIEL J. PHILLIPS
With Northern Trust since 2005

JIM McDONALD
With Northern Trust since 2001

GROWTH OF A \$10,000 INVESTMENT



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.

Information about Benchmarks and Investment Considerations can be found on page 22 and page 23.

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

** The Blended Index consists of 60% MSCI All Country World Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index.

STATEMENT OF ASSETS AND LIABILITIES

MARCH 31, 2018

<i>Amounts in thousands, except per share data</i>	GLOBAL TACTICAL ASSET ALLOCATION FUND
ASSETS:	
Investments, at value	\$830
Investments in affiliates, at value	93,246
Dividend income receivable	12
Receivable for fund shares sold	53
Receivable from investment adviser	3
Prepaid and other assets	2
Total Assets	94,146
LIABILITIES:	
Payable for fund shares redeemed	52
Payable to affiliates:	
Management fees	4
Custody fees	2
Shareholder servicing fees	8
Trustee fees	3
Accrued other liabilities	32
Total Liabilities	101
Net Assets	\$94,045
ANALYSIS OF NET ASSETS:	
Capital stock	\$83,573
Accumulated undistributed net investment income	247
Accumulated undistributed net realized loss	(31)
Net unrealized appreciation	10,256
Net Assets	\$94,045
Shares Outstanding (\$.0001 par value, unlimited authorization)	7,224
Net Asset Value, Redemption and Offering Price Per Share	\$13.02
Investments, at cost	\$843
Investments in affiliates, at cost	\$82,977

See Notes to the Financial Statements.

STATEMENT OF OPERATIONS

FOR THE FISCAL YEAR ENDED MARCH 31, 2018

<i>Amounts in thousands</i>	GLOBAL TACTICAL ASSET ALLOCATION FUND
INVESTMENT INCOME:	
Dividend income	\$8
Dividend income from investments in affiliates	2,476
Total Investment Income	2,484
EXPENSES:	
Management fees	204
Custody fees	22
Transfer agent fees	13
Blue sky fees	23
SEC fees	1
Printing fees	41
Professional fees	38
Shareholder servicing fees	27
Trustee fees	10
Other	13
Total Expenses	392
Less expenses reimbursed by investment adviser	(155)
Net Expenses	237
Net Investment Income	2,247
NET REALIZED AND UNREALIZED GAINS (LOSSES):	
Net realized gains on:	
Investments	2
Investments in affiliates	1,817
Net changes in unrealized appreciation (depreciation) on:	
Investments	(13)
Investments in affiliates	3,064
Net Gains	4,870
Net Increase in Net Assets Resulting from Operations	\$7,117

See Notes to the Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS

FOR THE FISCAL YEARS ENDED MARCH 31,

Amounts in thousands	GLOBAL TACTICAL ASSET ALLOCATION FUND	
	2018	2017
OPERATIONS:		
Net investment income	\$2,247	\$2,010
Net realized gains (losses)	1,819	(272)
Net change in unrealized appreciation	3,051	6,010
Net Increase in Net Assets Resulting from Operations	7,117	7,748
CAPITAL SHARE TRANSACTIONS:		
Net increase in net assets resulting from capital share transactions	5,687	6,316
Net Increase in Net Assets Resulting from Capital Share Transactions	5,687	6,316
DISTRIBUTIONS PAID:		
From net investment income	(2,257)	(2,166)
From net realized gains	(800)	—
Total Distributions Paid	(3,057)	(2,166)
Total Increase in Net Assets	9,747	11,898
NET ASSETS:		
Beginning of year	84,298	72,400
End of year	\$94,045	\$84,298
Accumulated Undistributed Net Investment Income	\$247	\$257

See Notes to the Financial Statements.

FINANCIAL HIGHLIGHTS

FOR THE FISCAL YEARS ENDED MARCH 31,

GLOBAL TACTICAL ASSET ALLOCATION FUND					
Selected per share data	2018	2017	2016	2015	2014
Net Asset Value, Beginning of Year	\$12.41	\$11.54	\$12.20	\$12.20	\$11.40
INCOME (LOSS) FROM INVESTMENT OPERATIONS:					
Net investment income	0.33	0.32	0.33	0.24	0.20
Net realized and unrealized gains (losses)	0.72	0.90	(0.52)	0.06	0.81
Total from Investment Operations	1.05	1.22	(0.19)	0.30	1.01
LESS DISTRIBUTIONS PAID:					
From net investment income	(0.33)	(0.35) ⁽¹⁾	(0.32) ⁽¹⁾	(0.21)	(0.21)
From net realized gains	(0.11)	—	(0.15)	(0.09)	—
Total Distributions Paid	(0.44)	(0.35)	(0.47)	(0.30)	(0.21)
Net Asset Value, End of Year	\$13.02	\$12.41	\$11.54	\$12.20	\$12.20
Total Return⁽²⁾	8.55%	10.73%	(1.52)%	2.51%	8.96%
SUPPLEMENTAL DATA AND RATIOS:					
Net assets, in thousands, end of year	\$94,045	\$84,298	\$72,400	\$79,345	\$81,591
Ratio to average net assets of:					
Expenses, net of reimbursements and credits ⁽³⁾⁽⁴⁾	0.27%	0.27%	0.27%	0.26%	0.25%
Expenses, before reimbursements and credits ⁽⁴⁾	0.44%	0.49%	0.46%	0.53%	0.75%
Net investment income, net of reimbursements and credits ⁽³⁾	2.53%	2.67%	2.78%	1.95%	1.79%
Net investment income, before reimbursements and credits	2.36%	2.45%	2.59%	1.68%	1.29%
Portfolio Turnover Rate	25.39%	27.84%	20.49%	51.55%	23.95%

⁽¹⁾ 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.

⁽²⁾ Assumes investment at net asset value at the beginning of the year, reinvestment of all dividends and distributions, and a complete redemption of the investment at net asset value at the end of the year.

⁽³⁾ The net expenses and net investment income ratios include additional reimbursements of management or advisory fees, as applicable, incurred in connection with the investment of uninvested cash in affiliated money market funds of less than \$1,000, which represents less than 0.01 percent of average net assets for the fiscal years ended March 31, 2018 and 2017 and less than 0.005 percent for the fiscal years ended March 31, 2016, 2015 and 2014, respectively. Absent the additional reimbursements, net investment income and reimbursements would have been decreased and net expenses would have been increased by a corresponding amount.

⁽⁴⁾ Expense ratios reflect only the direct expenses of the Fund and not any expenses associated with the underlying funds.

See Notes to the Financial Statements.

GLOBAL TACTICAL ASSET ALLOCATION FUND

MARCH 31, 2018

	NUMBER OF SHARES	VALUE (000S)
INVESTMENT COMPANIES – 100.0%		
FlexShares Credit-Scored U.S. Corporate Bond Index Fund ⁽¹⁾	41,789	\$2,067
FlexShares Credit-Scored U.S. Long Corporate Bond Index Fund ⁽¹⁾	20,096	1,050
FlexShares Disciplined Duration MBS Index Fund ⁽¹⁾	92,695	2,172
FlexShares Global Quality Real Estate Index Fund ⁽¹⁾	31,507	1,905
FlexShares iBoxx 5-Year Target Duration TIPS Index Fund ⁽¹⁾	153,010	3,784
FlexShares International Quality Dividend Index Fund ⁽¹⁾	356,841	9,399
FlexShares Morningstar Developed Markets ex-U.S. Factor Tilt Index Fund ⁽¹⁾	139,097	9,424
FlexShares Morningstar Emerging Markets Factor Tilt Index Fund ⁽¹⁾	153,586	9,352
FlexShares Morningstar Global Upstream Natural Resources Index Fund ⁽¹⁾	143,931	4,689
FlexShares Morningstar U.S. Market Factor Tilt Index Fund ⁽¹⁾	114,634	12,577
FlexShares Quality Dividend Index Fund ⁽¹⁾	203,058	8,880
FlexShares Ready Access Variable Income Fund ⁽¹⁾	23,656	1,782
FlexShares STOXX Global Broad Infrastructure Index Fund ⁽¹⁾	40,199	1,855
iShares 20+ Year Treasury Bond ETF	686	84
iShares 3-7 Year Treasury Bond ETF	5,462	659
iShares 7-10 Year Treasury Bond ETF	846	87
NF - Bond Index Fund ⁽¹⁾	1,780,905	18,361
NF - High Yield Fixed Income Fund ⁽¹⁾	828,009	5,564
NIF - U.S. Government Portfolio, 1.43% ^{(1) (2)}	384,767	385
Total Investment Companies		
(Cost \$83,820)		94,076
Total Investments – 100.0%		
(Cost \$83,820)		94,076
Liabilities less Other Assets – (0.0%)		(31)
NET ASSETS – 100.0%		\$94,045

At March 31, 2018, the asset class weightings (unaudited) for the Fund were:

ASSET CLASS	WEIGHT	INVESTMENT VEHICLE
U.S. Equity	13.4%	FlexShares Morningstar U.S. Market Factor Tilt Index Fund
U.S. Equity	9.4	FlexShares Quality Dividend Index Fund
Non U.S. Equity - Developed	10.0	FlexShares Morningstar Developed Markets ex-U.S. Factor Tilt Index Fund
Non U.S. Equity - Developed	10.0	FlexShares International Quality Dividend Index Fund
Non U.S. Equity - Emerging Markets	9.9	FlexShares Morningstar Emerging Markets Factor Tilt Index Fund
Global Real Estate	2.0	FlexShares Global Quality Real Estate Index Fund
U.S. Bonds - High Yield	5.9	NF High Yield Fixed Income Fund
U.S. Bonds - Investment Grade	19.6	NF Bond Index Fund
U.S. Bonds - Investment Grade	1.9	FlexShares Ready Access Variable Income Fund
U.S. Bonds - Investment Grade	2.2	FlexShares Credit-Scored U.S. Corporate Bond Index Fund
U.S. Bonds - Investment Grade	2.3	FlexShares Disciplined Duration MBS Index Fund
U.S. Bonds - Investment Grade	1.1	FlexShares Credit-Scored U.S. Long Corporate Bond Index Fund
U.S. Bonds - Investment Grade	0.1	iShares 7-10 Year Treasury Bond ETF
U.S. Bonds - Investment Grade	0.7	iShares 3-7 Year Treasury Bond ETF
U.S. Bonds - Investment Grade	0.1	iShares 20+ Year Treasury Bond ETF
U.S. Bonds - Inflation Protected	4.0	FlexShares iBoxx 5-Year Target Duration TIPS Index Fund
Comodities/Natural Resources	5.0	FlexShares Morningstar Global Upstream Natural Resources Index Fund
Global Infrastructure	2.0	FlexShares STOXX Global Broad Infrastructure Index Fund
Cash	0.4	NIF U.S. Government Portfolio
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, maturities, ratings and/or securities indices).

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

⁽¹⁾ Investment in affiliated fund. Northern Trust Investments, Inc. is the investment adviser to the Fund and the investment adviser to other Northern Funds, Northern Institutional Funds and FlexShares Trust.

⁽²⁾ 7-day current yield as of March 31, 2018 is disclosed.

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

See Notes to the Financial Statements.

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. The following table summarizes the valuations of the Fund's investments by the above fair value hierarchy as of March 31, 2018:

INVESTMENTS	LEVEL 1 (000S)	LEVEL 2 (000S)	LEVEL 3 (000S)	TOTAL (000S)
Investment Companies	\$94,076	\$—	\$—	\$94,076

The Fund discloses all transfers between levels based on valuations at the end of each reporting period.

At March 31, 2018, there were no transfers between Level 1, Level 2 or Level 3 classifications based on levels assigned to the securities on March 31, 2017.

EXPLANATION OF ABBREVIATIONS AND ACRONYMS USED THROUGHOUT THE SCHEDULE OF INVESTMENTS:

ETF - Exchange Traded Fund

MBS - Mortgage-Backed Security

NF - Northern Funds

NIF - Northern Institutional Funds

TIPS - Treasury Inflation Protected Securities

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 offers 44 funds as of March 31, 2018, each with its own investment objective (e.g., long-term capital appreciation, total return or income consistent with preservation of capital). The Global Tactical Asset Allocation Fund (the “Fund”) is a separate, diversified investment portfolio of the Trust. The Fund seeks to provide long-term capital appreciation and current income by investing primarily in shares of a combination of underlying mutual funds and exchange-traded funds (“ETFs”) for which Northern Trust Investments, Inc. (“NTI”), the Fund’s investment adviser, or an affiliate of NTI acts as investment adviser. The Fund also may invest in other unaffiliated mutual funds and ETFs (together with affiliated underlying funds and ETFs, the “Underlying Funds”) and other securities and investments not issued by mutual funds.

NTI is a subsidiary of The Northern Trust Company (“Northern Trust”). Northern Trust serves as the custodian, transfer agent and sub-administrator for the Trust. NTI serves as the Trust’s administrator. Northern Funds Distributors, LLC is the Trust’s distributor.

2. SIGNIFICANT ACCOUNTING POLICIES

The Trust, which is an investment company, follows accounting and reporting guidance under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 946, *Financial Services-Investment Companies*.

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. These policies are in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The preparation of financial statements in conformity with U.S. 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.

The net asset value (“NAV”) of the Fund is determined daily as of the close of regular trading on the New York Stock Exchange (“NYSE”), generally 3:00 P.M. Central Time, on each day the NYSE is open for trading.

A) VALUATION OF SECURITIES 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.

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.

Shares of open-end investment companies, other than ETFs, are valued at their NAV. Spot and forward foreign currency exchange contracts are generally valued using an independent pricing service. Short-term investments with a maturity of 60 days or less are valued at their amortized cost, which NTI, as authorized by the Trust’s Board of Trustees (the “Board”), has determined 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 NTI under the supervision of the Board. 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 and U.S. GAAP. This may occur particularly with respect to certain foreign securities held by the 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.

Northern Trust’s Pricing Unit (the “NT Pricing Unit”) is responsible for supplying a value for each portfolio security used in the NAV computations. Securities or other assets for which market quotations are not readily available or for which market quotations do not represent the value at the time of pricing are fair valued in accordance with policies and procedures established by, and subject to oversight of, the Fund’s Board. NTI has established a pricing and valuation committee (the “Asset Management PVC”) whose membership includes representatives of NTI. The Asset Management PVC is responsible for the fair valuation of portfolio securities and the monitoring of the fair valuation process, subject to the Board’s oversight.

In making its determination of the fair value of a security, the Asset Management PVC considers factors that it deems appropriate to the determination of the fair value of the security. Such factors include, but are not limited to: the type of security; the current financial position of the issuer; the cost of the investment; information as to any transactions or offers with respect to a security; market value of a similar freely-traded security; and news events. NTI will continue to monitor markets and the issuer’s circumstances that affect a security’s valuation to determine the continued appropriateness of a security’s fair

valuation. The Asset Management PVC will review if the markets and the issuer's circumstances relevant to the valuation of a fair valued security change materially.

For each Level 3 security, if any, that has been fair valued pursuant to the policies adopted by the Board, the fair value price is compared against the last available and next available market quotations.

The use of fair valuation involves the risk that the values used by the Fund 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) FOREIGN CURRENCY TRANSLATION Values of investments denominated in foreign currencies are converted into U.S. dollars using the spot rates on the NYSE, generally at 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 NYSE, generally at 3:00 P.M. Central Time. The gains or losses, if any, on investments from original purchase date to subsequent sales trade date resulting from changes in foreign exchange rates are included in the Statement of Operations in Net realized gains (losses) on investments and Net change in unrealized appreciation (depreciation) on investments. The gains or losses, if any, on translation of other assets and liabilities denominated in foreign currencies and between the trade and settlement dates on investment transactions are included in Net realized gains (losses) on foreign currency transactions and Net change in unrealized appreciation (depreciation) on foreign currency translations in the Statement of Operations.

C) FORWARD FOREIGN CURRENCY EXCHANGE CONTRACTS The Fund is authorized to enter into forward foreign currency exchange contracts, or forward currency exchange contracts, for the purchase or sale of a specific foreign currency at a specified exchange rate on a future date. The Fund and certain of the Underlying Funds may enter into these contracts when seeking to hedge against fluctuations in foreign currency exchange rates. Certain of the Underlying Funds may also enter into forward foreign currency exchange contracts as a cross-hedge transaction or for speculative purposes. 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 Statement of Operations. Gains or losses are recorded for financial statement purposes as unrealized until settlement date. Realized gains or losses, if any, are included in Net realized gains (losses) on forward foreign currency exchange contracts in the Statement of Operations.

Forward foreign currency exchange contracts are privately negotiated transactions, and can have substantial price volatility. As a result, these contracts offer less protection against default by

the other party than is available for instruments traded on an exchange. When used for hedging purposes, forward foreign currency exchange contracts tend to limit any potential gain that may be realized if the value of the Fund's or an Underlying Fund's foreign holdings increase because of currency fluctuations. When used for speculative purposes, the contracts may result in additional losses that are not otherwise related to the changes in value of the securities held by an Underlying Fund. The Fund bears the market risk from changes in forward foreign currency exchange rates and the credit risk if the counterparty to the contract fails to perform. The institutions that deal in forward foreign currency exchange contracts are not required to continue to make markets in the currencies they trade and these markets can experience periods of illiquidity. No forward foreign currency exchange contracts were held by the Fund during the fiscal year ended March 31, 2018.

D) INVESTMENT TRANSACTIONS AND INCOME Investment transactions are recorded as of the trade date. The Fund determines the gain or loss realized from investment transactions by using an identified cost basis method. Interest income, if any, 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 Schedule of Investments represent the 7-day yield for money market funds. Dividend income, if any, 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.

E) EXPENSES The Fund is charged for those expenses that are directly attributable to the Fund. Expenses incurred which do not specifically relate to the Fund generally are allocated among all funds in the Trust in proportion to each fund's relative net assets. Expenses included in the accompanying financial statements reflect the expenses of the Fund and do not include any expenses associated with the Underlying Funds.

F) DISTRIBUTIONS TO SHAREHOLDERS Distributions of dividends from net investment income, if any, are declared and paid quarterly.

Distributions of net realized capital gains, if any, are declared and paid at least annually. Distributions to shareholders are recorded on the ex-dividend date.

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 U.S. GAAP. Accordingly, the Fund 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 U.S. GAAP. These reclassifications may relate to net operating losses, expired capital loss carryforwards, and gains or losses on in-kind transactions.

These reclassifications have no impact on the total net assets or the net asset values per share of the Fund. At March 31, 2018, the Fund did not record any reclassifications.

G) FEDERAL INCOME TAXES No provision for federal income taxes has been made since the 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 Regulated Investment Company Modernization Act of 2010 (the "Act") allows capital losses to be carried forward for an unlimited period and to retain their character as either short-term or long-term. The Fund's ability to utilize capital loss carryforwards in the future may be limited under the Internal Revenue Code and related regulations based on the results of future transactions.

During the fiscal year ended March 31, 2018, the Global Tactical Asset Allocation Fund utilized approximately \$229,000 in capital loss carryforwards.

There were no capital losses incurred that will be carried forward indefinitely under the provisions of the Act.

At March 31, 2018, the tax components of undistributed net investment income, undistributed realized gains and unrealized gains were as follows:

Amounts in thousands	UNDISTRIBUTED		UNREALIZED GAINS (LOSSES)
	ORDINARY INCOME*	LONG-TERM CAPITAL GAINS	
Global Tactical Asset Allocation	\$252	\$735	\$9,488

* Ordinary income includes short-term capital gains, if any.

The tax character of distributions paid during the fiscal year ended March 31, 2018, was as follows:

Amounts in thousands	DISTRIBUTIONS FROM	
	ORDINARY INCOME*	LONG-TERM CAPITAL GAINS
Global Tactical Asset Allocation	\$2,257	\$800

* Ordinary income includes short-term capital gains, if any.

The tax character of distributions paid during the fiscal year ended March 31, 2017, was as follows:

Amounts in thousands	DISTRIBUTIONS FROM	
	ORDINARY INCOME*	LONG-TERM CAPITAL GAINS
Global Tactical Asset Allocation	\$2,166	\$ -

* Ordinary income includes short-term capital gains, if any.

As of March 31, 2018, the Fund had no uncertain tax positions that would require financial statement recognition or disclosure. The Fund's federal tax returns remain subject to examination by the Internal Revenue Service for three years after they are filed. Interest or penalties incurred, if any, on future unknown, uncertain tax positions taken by the Fund will be recorded as interest expense and other expenses, respectively, on the Statement of Operations.

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 (together "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, whom are beneficial owners of shares of the Fund. As compensation for services provided pursuant to the Service Plan, the Service Organizations receive a fee at an annual rate of up to 0.15 percent of the average daily net assets of the Fund beneficially owned by their customers. Service Plan expenses are included in the Statement of Operations under Shareholder servicing fees for the fiscal year ended March 31, 2018. There were no shareholder servicing fees paid by the Fund to Northern Trust or its affiliates during the fiscal year ended March 31, 2018.

4. BANK BORROWINGS

The Trust and Northern Institutional Funds jointly entered into a \$250,000,000 senior unsecured revolving credit facility on November 21, 2016, which expired on November 20, 2017 and was administered by Citibank, N.A., for liquidity and other purposes (the "Credit Facility"). The interest rate charged under the Credit Facility was equal to the sum of (i) the Federal Funds Rate plus (ii) if the one month London Interbank Offered Rate ("LIBOR") on the date of borrowing exceeded such Federal Funds Rate, the amount by which it so exceeded, plus (iii) 1.00 percent. In addition, there was an annual commitment fee of 0.15 percent on the unused portion of the credit line under the Credit Facility, payable quarterly in arrears, which is included in Other expenses on the Statement of Operations.

At a meeting held on November 15-16, 2017, the Board approved an agreement to replace the Credit Facility (as replaced, the "New Credit Facility"). The New Credit Facility is also in the amount of \$250,000,000 and is also administered by Citibank, N.A. The interest rate charged under the New Credit Facility is the same as it was for the Credit Facility. In addition, there is an annual commitment fee of 0.15 percent on the unused portion of the credit line under the New Credit Facility, payable quarterly in arrears. The New Credit Facility went into effect on November 20, 2017 and will expire on November 19, 2018, unless renewed.

During the fiscal year ended March 31, 2018, the Fund had borrowings with the average loan amounts and weighted average interest rates as disclosed below:

<i>Amounts in thousands</i>	DOLLAR AMOUNT	RATE
Global Tactical Asset Allocation	\$513	2.18%

5. MANAGEMENT AND OTHER AGREEMENTS

As compensation for advisory (asset allocation) and administration services and the assumption of related expenses, NTI is entitled to a management fee, computed daily and payable monthly, at the annual rate set forth in the table below (expressed as a percentage of the Fund's average daily net assets).

NTI has contractually agreed to reimburse a portion of the operating expenses of the Fund (other than certain excepted expenses, i.e., acquired fund fees and expenses, the compensation paid to each independent Trustee of the Trust, expenses of third-party consultants engaged by the Board, membership dues paid to the Investment Company Institute and Mutual Fund Directors Forum, expenses in connection with the negotiation and renewal of the revolving credit facility, extraordinary expenses and interest) as shown on the accompanying Statement of Operations, to adhere to the expense limitations set forth below. The total annual fund operating expenses after expense reimbursement for the Fund may be higher than the contractual limitation as a result of certain excepted expenses that are not reimbursed. The amount of the reimbursement is included in Less expenses reimbursed by investment adviser as a reduction to Total Expenses in the Statement of Operations.

At March 31, 2018, the annual management fees and contractual expense limitations for the Fund were based on the following annual rates as set forth in the table below.

	CONTRACTUAL	
	ANNUAL MANAGEMENT FEES	EXPENSE LIMITATIONS
Global Tactical Asset Allocation	0.23%	0.25%

The contractual reimbursement arrangement described in the table above is expected to continue until at least July 31, 2018. The contractual reimbursement arrangement will continue automatically thereafter for periods of one year (each such one-year period, a "Renewal Year"). The arrangement may be terminated, as to any succeeding Renewal Year, by NTI or the Fund upon 60 days' written notice prior to the end of the current Renewal Year. The Board may terminate the contractual arrangement at any time with respect to the Fund if it determines that it is in the best interest of the Fund and its shareholders.

As compensation for the 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 0.015 percent of the average daily net assets outstanding for the Fund.

NTI has entered into a sub-administration agreement with Northern Trust, pursuant to which Northern Trust performs certain administrative services for the Fund. NTI pays Northern Trust for its sub-administration services out of NTI's management fees.

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

Northern Funds Distributors, LLC, the distributor for the Fund, received no compensation from the Fund 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 Fund. The Trust provided a deferred compensation plan for its Trustees who are not officers of Northern Trust or NTI. Prior to August 22, 2013, under the deferred compensation plan, Trustees may have elected to defer all or a portion of their compensation. Effective August 22, 2013, the Trustees may no longer defer their compensation. Any amounts deferred and invested under the plan shall remain invested pursuant to the terms of the plan. Each Trustee's account shall be deemed to be invested in shares of the U.S Government Portfolio of Northern Institutional Funds and/or the Fund 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. INVESTMENT IN NORTHERN INSTITUTIONAL FUNDS - U.S. GOVERNMENT PORTFOLIO

The Fund may invest its uninvested cash in a money market fund advised by NTI or its affiliates. Accordingly, the Fund bears indirectly a proportionate share of that money market fund's operating expenses. These operating expenses include the management, transfer agent and custody fees that the money market fund pays to NTI and/or its affiliates. At March 31, 2018,

MARCH 31, 2018

the uninvested cash of the Fund is invested in the Northern Institutional Funds U.S. Government Portfolio (the "Portfolio"). Prior to November 29, 2017, the uninvested cash of the Fund was invested in the Northern Institutional Funds Government Assets Portfolio. The total annual portfolio operating expenses after expense reimbursement (other than certain excepted expenses as described in the fees and expenses table of the Portfolio's prospectus) on any assets invested in the Portfolio is 0.25%. However, to the extent of any duplicative advisory fees and services, NTI will reimburse the Fund for a portion of the management fees attributable to advisory services otherwise payable by the Fund on any assets invested in the affiliated money market fund. This reimbursement is included in Less expenses reimbursed by the investment adviser as a reduction to Total Expenses in the Statement of Operations. This reimbursement's impact on the Fund's net expense and net investment income ratios is included in the Fund's Financial Highlights.

The difference between book basis and tax basis net unrealized appreciation (depreciation) is attributable primarily to the tax deferral of losses on wash sales.

At March 31, 2018, for federal income tax purposes, gross unrealized appreciation, gross unrealized depreciation, net unrealized appreciation on investments (including the effects of foreign currency translation and derivative instruments, if any) and the cost basis of investments (including derivative instruments, if any) were as follows:

<i>Amounts in thousands</i>	UNREALIZED APPRECIATION	UNREALIZED DEPRECIATION	NET APPRECIATION (DEPRECIATION)	COST BASIS OF INVESTMENTS
Global Tactical Asset Allocation	\$10,501	\$(1,013)	\$9,488	\$84,588

7. INVESTMENT TRANSACTIONS

For the fiscal year ended March 31, 2018, the aggregate costs of purchases and proceeds from sales of securities (excluding short-term investments) for the Fund were as follows:

<i>Amounts in thousands</i>	PURCHASES	SALES
	OTHER	OTHER
Global Tactical Asset Allocation	\$27,241	\$22,416

8. CAPITAL SHARE TRANSACTIONS

Transactions in capital shares for the fiscal year ended March 31, 2018, 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
Global Tactical Asset Allocation	1,859	\$24,055	196	\$2,545	(1,623)	\$(20,913)	432	\$5,687

Transactions in capital shares for the fiscal year ended March 31, 2017, 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
Global Tactical Asset Allocation	1,762	\$21,152	139	\$1,644	(1,384)	\$(16,480)	517	\$6,316

9. INVESTMENTS IN AFFILIATES

Transactions in affiliated investments for the fiscal year ended March 31, 2018, were as follows:

<i>Amounts in thousands</i>	VALUE, BEGINNING OF YEAR	PURCHASES	SALES PROCEEDS	NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION)	NET REALIZED GAINS (LOSSES)	DIVIDEND INCOME	VALUE, END OF YEAR	SHARES, END OF YEAR
FlexShares Credit-Scored U.S. Corporate Bond Index Fund	\$ -	\$ 2,260	\$ 142	\$ (50)	\$ (1)	\$ 30	\$ 2,067	42

<i>Amounts in thousands</i>	VALUE, BEGINNING OF YEAR	PURCHASES	SALES PROCEEDS	NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION)	NET REALIZED GAINS (LOSSES)	DIVIDEND INCOME	VALUE, END OF YEAR	SHARES, END OF YEAR
FlexShares Credit-Scored U.S. Long Corporate Bond Index Fund	–	1,062	–	(12)	–	19	1,050	20
FlexShares Disciplined Duration MBS Index Fund	–	2,219	–	(47)	–	41	2,172	93
FlexShares Global Quality Real Estate Index Fund	2,568	332	1,118	106	17	41	1,905	32
FlexShares iBoxx 5-Year Target Duration TIPS Index Fund	3,360	674	174	(70)	(6)	69	3,784	153
FlexShares International Quality Dividend Index Fund	8,533	870	698	695	(1)	354	9,399	357
FlexShares Morningstar Developed Markets ex-U.S. Factor Tilt Index Fund	4,254	4,831	527	808	58	244	9,424	139
FlexShares Morningstar Emerging Markets Factor Tilt Index Fund	6,882	2,718	1,590	1,072	270	192	9,352	154
FlexShares Morningstar Global Upstream Natural Resources Index Fund	5,910	530	2,189	287	151	102	4,689	144
FlexShares Morningstar U.S. Market Factor Tilt Index Fund	12,891	1,297	2,709	501	597	196	12,577	115
FlexShares Quality Dividend Index Fund	11,136	1,231	4,282	45	750	270	8,880	203
FlexShares Ready Access Variable Income Fund	–	1,827	41	(4)	–	21	1,782	24
FlexShares STOXX Global Broad Infrastructure Index Fund	2,541	247	977	(57)	101	60	1,855	40
NF - Bond Index Fund	19,227	5,231	5,863	(128)	(106)	451	18,361	1,781
NF - High Yield Fixed Income Fund	6,705	819	1,865	(82)	(13)	380	5,564	828
NIF - Government Assets Portfolio*	359	21,459	21,818	–	–	3	–	–
NIF - U.S. Government Portfolio	–	8,464	8,079	–	–	3	385	385
	\$84,366	\$56,071	\$52,072	\$3,064	\$1,817	\$2,476	\$93,246	4,510

* Effective November 28, 2017, the Northern Institutional Funds Government Assets Portfolio was reorganized into the Northern Institutional Funds U.S. Government Portfolio.

10. INDEMNIFICATIONS AND WARRANTIES

In the ordinary course of its business, the Fund may enter into contracts or agreements that contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Fund. The maximum exposure to the Fund under these provisions is unknown, as this would involve future claims that have not yet occurred. However, the Fund has not had prior claims or losses pursuant to these contracts and believe the risk of loss to be remote.

11. NEW AND AMENDED FINANCIAL REPORTING RULES AND FORMS

On October 13, 2016, the U.S. Securities and Exchange Commission (“SEC”) adopted new rules and forms, and amended existing rules and forms. The new and amended rules and forms are intended to modernize the reporting of information provided by funds and to improve the quality and type of information that funds provide to the SEC and investors. In part, the new and amended rules and forms amend Regulation S-X and require standardized, enhanced disclosure about derivatives in a Fund’s financial statements, as well as other amendments. The

compliance date for the amendments of Regulation S-X was August 1, 2017 for reporting periods ended on or after that date while the compliance date for the new form types and other rule amendments is on or after June 1, 2018. Management is evaluating the new and amended rules and forms that are effective on or after June 1, 2018 to determine the impact to the Funds.

12. SUBSEQUENT EVENTS

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

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Trustees of Northern Funds:

Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statement of assets and liabilities of Global Tactical Asset Allocation Fund (the “Fund”), one of the portfolios constituting Northern Funds (the “Trust”), including the schedule of investments, as of March 31, 2018, the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of March 31, 2018, and the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements and financial highlights are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of March 31, 2018, by correspondence with the custodian, transfer agent, and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion

/s/ DELOITTE & TOUCHE LLP

Chicago, Illinois
May 23, 2018

We have served as the auditor of one or more Northern Trust investment companies since 2002.

TAX INFORMATION

MARCH 31, 2018 (UNAUDITED)

CAPITAL GAIN DISTRIBUTION — The Fund made capital gain distributions in December 2017, and hereby designated these long-term capital gain distributions as follows (*per share*):

	LONG-TERM CAPITAL GAIN
Global Tactical Asset Allocation	\$0.114655

CORPORATE DIVIDENDS-RECEIVED DEDUCTION (DRD) — A percentage of the dividends distributed during the fiscal year ended March 31, 2018 for the Fund qualifies for the dividends-received deduction for corporate shareholders:

	CORPORATE DRD PERCENTAGE
Global Tactical Asset Allocation	2.37%

LONG-TERM CAPITAL GAIN — The Fund designated the below amount as long-term capital gains, pursuant to Section 852 of the Internal Revenue Code, for the fiscal year ended March 31, 2018:

Amounts in thousands	LONG-TERM CAPITAL GAIN
Global Tactical Asset Allocation	\$735

QUALIFIED DIVIDEND INCOME (QDI) — Under the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the “Act”), the following percentage of ordinary dividends paid during the fiscal year ended March 31, 2018, are designated as “qualified dividend income,” as defined in the Act, subject to reduced tax rates in 2017:

	QDI PERCENTAGE
Global Tactical Asset Allocation	41.38%

FUND EXPENSES

MARCH 31, 2018 (UNAUDITED)

As a shareholder of the Funds, you incur two types of costs: (1) transaction costs, if any, and (2) ongoing costs, including management fees 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, 2017 through March 31, 2018.

ACTUAL EXPENSES

The first line of the table 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 10/1/2017 - 3/31/2018" to estimate the expenses you paid on your account during this period.

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

The second line in the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratios and an assumed rate of return of 5 percent per year before expenses, which is not the Fund's 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 Fund 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, but shareholders of other funds may incur such costs. 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 (See page 12) which may result in different expense ratios in the Financial Highlights. 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.

GLOBAL TACTICAL ASSET ALLOCATION

SHARES	EXPENSE RATIO	BEGINNING ACCOUNT VALUE 10/1/2017	ENDING ACCOUNT VALUE 3/31/2018	EXPENSES PAID* 10/1/2017-3/31/2018
Actual	0.27%	\$1,000.00	\$1,024.90	\$1.36
Hypothetical	0.27%	\$1,000.00	\$1,023.59	\$1.36

* 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, 2018. 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). Expense ratios for the most recent half year may differ from expense ratios based on one-year data in the Financial Highlights.

TRUSTEES AND OFFICERS

Set forth below is information about the Trustees and Officers of Northern 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 51 portfolios in the Northern Funds Complex — Northern Funds offers 44 portfolios and Northern Institutional Funds offers 7 portfolios. The Northern 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 FUNDS TRUSTEE ⁽²⁾	PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS	OTHER DIRECTORSHIPS HELD BY TRUSTEE ⁽³⁾
William L. Bax Age: 74 Trustee since 2005	<ul style="list-style-type: none"> Managing Partner of PricewaterhouseCoopers, LLP, Chicago (an accounting firm) from 1997 to 2003; Director of Ann & Robert H. Lurie Children's Hospital since 1998. 	<ul style="list-style-type: none"> Arthur J. Gallagher & Co. (an insurance brokerage company)
Mark G. Doll Age: 68 Trustee since 2013	<ul style="list-style-type: none"> Executive Vice President and Chief Investment Officer, Northwestern Mutual Life Insurance Company from 2008 to 2012; Senior Vice President — Public Markets, Northwestern Mutual Life Insurance Company from 2002 to 2008; President, Northwestern Mutual Series Fund, Mason Street Advisors and Mason Street Funds from 2002 to 2008; Chairman, Archdiocese of Milwaukee Finance Council from 2005 to 2015; Member of Investment Committee of Milwaukee Art Museum from 1995 to 2012; Member of Investment Committee of Greater Milwaukee Foundation from 2003 to 2015; Member of Investment Committee of Milwaukee Symphony Orchestra from 2006 to 2012; Member of the State of Wisconsin Investment Board since 2015. 	<ul style="list-style-type: none"> None
Sandra Polk Guthman Age: 74 Chair since 2015 Trustee since 2000	<ul style="list-style-type: none"> Chair since 1988 and CEO from 1993 to 2012 of Polk Bros. Foundation (an Illinois not-for-profit corporation); Director of National Public Finance Guarantee Corporation (f/k/a MBIA Insurance Corp. of Illinois) (a municipal bond insurance company) from 1994 to 2014; Trustee of Wellesley College from 2010 to 2016; Trustee of Rush University Medical Center since 2007. 	<ul style="list-style-type: none"> None
Thomas A. Kloet Age: 59 Trustee since 2015	<ul style="list-style-type: none"> Executive Director and Chief Executive Officer, TMX Group, Ltd (financial services company and operator of stock, derivatives exchanges, their clearing operations and securities depository) from 2008 to 2014; Chair of Boards of The NASDAQ Stock Market LLC, NASDAQ PHLX LLC and NASDAQ BX, Inc. since 2016. 	<ul style="list-style-type: none"> Nasdaq, Inc.
David R. Martin Age: 61 Trustee since January 2017	<ul style="list-style-type: none"> Vice President, Chief Financial Officer and Treasurer of Dimensional Fund Advisors LP (an investment manager) from 2007 to 2016; Executive Vice President, Finance and Chief Financial Officer of Janus Capital Group Inc. (an investment manager) from 2005 to 2007; Senior Vice President, Finance of Charles Schwab & Co., Inc. (an investment banking and securities brokerage firm) from 1999 to 2005. 	<ul style="list-style-type: none"> None

MARCH 31, 2018 (UNAUDITED)

NAME, ADDRESS ⁽¹⁾ , AGE, POSITIONS HELD WITH FUNDS AND LENGTH OF SERVICE AS NORTHERN FUNDS TRUSTEE ⁽²⁾	PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS	OTHER DIRECTORSHIPS HELD BY TRUSTEE ⁽³⁾
Cynthia R. Plouché Age: 61 Trustee since 2014	<ul style="list-style-type: none"> Senior Portfolio Manager and member of Investment Policy Committee, Williams Capital Management, LLC from 2006 to 2012; Managing Director and Chief Investment Officer of Blaylock-Abacus Asset Management, Inc. from June 2003 to 2006; Founder, Chief Investment Officer and Managing Director of Abacus Financial Group from May 1991 to 2003, a manager of fixed income portfolios for institutional clients; Trustee of AXA Premier VIP Trust (registered investment company — 34 portfolios) from 2001 to May 2017; Assessor, Moraine Township, Illinois since January 2014. 	<ul style="list-style-type: none"> Barings Fund Trust (registered investment company — 8 portfolios); Barings Global Short Duration High Yield Fund (closed-end investment company advised by Barings LLC)
Mary Jacobs Skinner, Esq.⁽⁴⁾ Age: 60 Trustee since 1998	<ul style="list-style-type: none"> Retired as partner in the law firm of Sidley Austin LLP on November 30, 2015; Harvard Advanced Leadership Fellow 2016; Executive Committee Member and Chair, Public Policy Committee, Ann & Robert H. Lurie Children's Hospital since 2016; Director, Pathways Awareness Foundation since 2000; Director, Chicago Area Foundation for Legal Services from 1995 to 2013. 	<ul style="list-style-type: none"> None
Casey J. Sylla Age: 74 Trustee since 2008	<ul style="list-style-type: none"> Board member, University of Wisconsin — Eau Claire Foundation from 2006 to 2015; Advisor, G.D. Searle Family Trusts from 2010 to 2012 and Independent Trustee since 2012. 	<ul style="list-style-type: none"> GATX Corporation (transportation services)
INTERESTED TRUSTEE		
NAME, ADDRESS ⁽¹⁾ , AGE, POSITIONS HELD WITH FUNDS AND LENGTH OF SERVICE AS NORTHERN FUNDS TRUSTEE ⁽²⁾	PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS	OTHER DIRECTORSHIPS HELD BY TRUSTEE ⁽³⁾
Shundrawn A. Thomas⁽⁵⁾ Age: 44 Trustee since October 2017	<ul style="list-style-type: none"> President, Northern Trust Asset Management since October 2017; President, FlexShares Trust (Registered investment company — 25 portfolios) from 2011 to 2017; Executive Vice President, Head of Funds and Managed Accounts, Northern Trust Asset Management from June 2014 to October 2017; Managing Director and Head of the Exchange-Traded Funds Group, Northern Trust Global Investments from October 2010 to June 2014. 	<ul style="list-style-type: none"> FlexShares Trust (Registered investment company — 25 portfolios)

- (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 earlier of the completion of 15 years of service on the Board and the last day of the calendar year 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) Ms. Skinner is deemed to be a non-interested Trustee effective April 1, 2018.
- (5) An "interested person," as defined by the 1940 Act. Mr. Thomas is deemed to be an "interested" Trustee because he is an officer, director, employee, and a shareholder of Northern Trust Corporation and/or its affiliates.

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

<p>Peter K. Ewing Age: 59 50 South LaSalle Street Chicago, Illinois 60603 President since March 2017</p>	<ul style="list-style-type: none"> • Director of Product Management, ETFs, and Mutual Funds, Northern Trust Investments, Inc. since March 2017; Director of ETF Product Management from 2013 to February 2017; Senior Vice President of The Northern Trust Company and Northern Trust Investments, Inc. since September 2010; President of FlexShares Trust since March 2017; Vice President of FlexShares Trust from 2011 to February 2017.
<p>Kevin P. O'Rourke Age: 46 50 South LaSalle Street Chicago, Illinois 60603 Vice President since 2015</p>	<ul style="list-style-type: none"> • Senior Vice President of Northern Trust Investments, Inc. since 2014; Vice President of Northern Trust Investments, Inc. from 2009 to 2014.
<p>Benjamin D. Wiesenfeld Age: 40 50 South LaSalle Street Chicago, Illinois 60603 Chief Compliance Officer since June 2016</p>	<ul style="list-style-type: none"> • Chief Compliance Officer of FlexShares Trust since July 2016; Chief Compliance Officer and General Counsel of Scout Investments, Inc. and Chief Compliance Officer of the Scout Funds from 2009 to 2016; Chief Compliance Officer of Thornburg Investment Management, Inc. and Thornburg Funds from 2006 to 2009.
<p>Darlene Chappell Age: 55 50 South LaSalle Street Chicago, IL 60603 Anti-Money Laundering Compliance Officer since 2009</p>	<ul style="list-style-type: none"> • Anti-Money Laundering Compliance Officer for Northern Trust Investments, Inc., Northern Trust Securities, Inc. and Alpha Core Strategies Fund since 2009; Anti-Money Laundering Compliance Officer for 50 South Capital Advisors, LLC since 2015, Anti-Money Laundering Compliance Officer for Equity Long/Short Opportunities Fund and FlexShares Trust since 2011; Vice President and Compliance Consultant for The Northern Trust Company since 2006; Anti-Money Laundering Compliance Officer for The Northern Trust Company of Connecticut from 2009 to 2013 and Northern Trust Global Advisors, Inc from 2009 to 2011.
<p>Randal E. Rein Age: 47 50 South LaSalle Street Chicago, IL 60603 Treasurer since 2008</p>	<ul style="list-style-type: none"> • Senior Vice President of Northern Trust Investments, Inc. since 2010; Treasurer and Principal Financial Officer of FlexShares Trust since 2011; Treasurer of Alpha Core Strategies Fund since 2008; Treasurer of Equity Long/Short Opportunities Fund since 2011.
<p>Michael J. Prysycz Age: 50 801 South Canal Street Chicago, IL 60607 Assistant Treasurer since 2008</p>	<ul style="list-style-type: none"> • Senior Vice President of Fund Accounting of The Northern Trust Company since 2010.
<p>Richard N. Crabill Age: 49 2160 East Elliot Road Tempe, Arizona 85284 Assistant Treasurer since 2008</p>	<ul style="list-style-type: none"> • Senior Vice President of Fund Administration of The Northern Trust Company since 2011; Vice President of Fund Administration of The Northern Trust Company from 2005 to 2011.
<p>Michael G. Meehan Age: 47 50 South LaSalle Street Chicago, IL 60603 Assistant Treasurer since 2011</p>	<ul style="list-style-type: none"> • Senior Vice President of Northern Trust Investments, Inc. since 2016; Vice President of Northern Trust Investments, Inc. from 2011 to 2016; Assistant Treasurer of Alpha Core Strategies Fund and Equity Long/Short Opportunities Fund since 2011.

MARCH 31, 2018 (UNAUDITED)

NAME, ADDRESS, AGE, POSITIONS HELD WITH FUNDS AND LENGTH OF SERVICE AS NORTHERN FUNDS OFFICER	PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS
<p>Gregory A. Chidsey Age: 48 801 South Canal Street Chicago, Illinois 60607 Assistant Treasurer since 2013</p>	<ul style="list-style-type: none"> Senior Vice President of Financial Reporting of The Northern Trust Company since 2010.
<p>Craig R. Carberry, Esq. Age: 57 50 South LaSalle Street Chicago, IL 60603 Secretary since 2010</p>	<ul style="list-style-type: none"> Associate General Counsel and Senior Vice President of The Northern Trust Company since June 2015; Secretary of Northern Trust Investments, Inc. since 2000; Chief Compliance Officer of Northern Trust Investments, Inc. from October 2015 to June 2017; Assistant General Counsel and U.S. Funds General Counsel of The Northern Trust Company from July 2014 to June 2015; Senior Legal Counsel and U.S. Funds General Counsel of The Northern Trust Company from 2000 to 2014; Secretary of 50 South Capital Advisors, LLC since 2015; Secretary of Alpha Core Strategies Fund since 2004; Secretary of Equity Long/Short Opportunities Fund and FlexShares Trust since 2011; Secretary of Northern Trust Global Advisors, Inc. from 2007 to 2012; Secretary of The Northern Trust Company of Connecticut from 2009 to 2013.
<p>Owen T. Meacham, Esq. Age: 47 50 South LaSalle Street Chicago, IL 60603 Assistant Secretary since 2008</p>	<ul style="list-style-type: none"> Senior Vice President and Regulatory Administration Assistant General Counsel of The Northern Trust Company since August 2015; Senior Vice President and Regulatory Administration Managing Attorney of The Northern Trust Company from 2012 to August 2015; Secretary of Harding, Loevner Funds, Inc. since 2010; Assistant Secretary of Ashmore Funds, Inc. since 2010.
<p>Jose J. Del Real, Esq. Age: 40 50 South LaSalle Street Chicago, Illinois 60603 Assistant Secretary since 2015</p>	<ul style="list-style-type: none"> Senior Legal Counsel and Senior Vice President of The Northern Trust Company since March 2017; Senior Legal Counsel and Vice President of The Northern Trust Company from 2015 to February 2017; Assistant Secretary of Northern Trust Investments, Inc. since 2016; Legal Counsel and Vice President of The Northern Trust Company from 2014 to 2015; Vice President and Regulatory Administration Senior Attorney of The Northern Trust Company from 2012 to 2014; Vice President and Regulatory Administration Attorney of The Northern Trust Company from 2011 to 2012; Second Vice President and Regulatory Administration Attorney of The Northern Trust Company from 2010 to 2011; Assistant Secretary of Northern Funds and Northern Institutional Funds from 2011 to 2014 and since 2015; Assistant Secretary of FlexShares Trust since 2015.

(1) *Each Officer serves until his or her resignation, removal, or retirement, or election of his or her successor. Each Officer also holds the same office with Northern Institutional Funds.*

BENCHMARK INFORMATION

Asset Allocation Blend Index (Blend Index) consists of 60% MSCI All Country World Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index.

The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage pass-throughs), asset-backed securities, and commercial mortgage-backed securities.

MSCI All Country World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.

INVESTMENT CONSIDERATIONS

GLOBAL TACTICAL ASSET ALLOCATION FUND

Because the Fund invests in a combination of underlying mutual funds and exchange-traded funds (“ETFs”, and together with the underlying mutual funds, the “Underlying Funds”), the risks described below are in reference to the Underlying Funds, and to the extent that the Fund invests directly in securities and other instruments, the risks described below are also directly applicable to the Fund.

Asset Allocation Risk: The selection by a manager of the Underlying Funds and the allocation of the Fund’s assets among the various asset classes and market segments may cause the Fund to underperform other funds with similar investment objectives.

Emerging Markets Risk: Markets of emerging market countries are less developed and less liquid, subject to greater price volatility and generally subject to increased economic, political, regulatory and other uncertainties than more developed markets.

Foreign Securities Risk: Investing in foreign (non-U.S.) securities may result in the Fund experiencing more rapid and extreme changes in value than a fund that invests exclusively in securities of U.S. companies, due to less liquid markets, and adverse economic, political, diplomatic, financial and regulatory events. Foreign governments may also impose limits on investment and repatriation and impose taxes. Any of these events could cause the value of the Fund’s investments to decline. To the extent that an Underlying Fund’s assets are concentrated in a single country or geographic region, the Fund will be subject to the risks associated with that particular country or region.

High-Yield Risk: Non-investment grade fixed-income securities, sometimes known as “junk bonds,” will be subject to greater credit risk, price volatility and risk of loss than investment grade securities, which can adversely impact the Fund’s return and net asset value (“NAV”). High yield securities are considered highly speculative and are subject to the increased risk of an issuer’s inability to make principal and interest payments.

Interest Rate/Maturity Risk: The value of the Fund or an Underlying Fund’s assets may decline because of rising interest rates. The magnitude of this decline will often be greater for Underlying Funds that hold long-term fixed-income securities than those that invest in shorter-term fixed-income securities.

Large Cap Risk: Large-capitalization stocks as a group could fall out of favor with the market, causing the fund to underperform investments that focus solely on small- or medium-capitalization stocks.

Market Risk: The value of securities owned by the Fund may decline, at times sharply and unpredictably, because of economic changes or other events that affect individual issuers or large portions of the market.

Mid Cap Risk: Stocks of mid-sized companies may be subject to more abrupt or erratic market movements than stocks of larger, more established companies. Mid-sized companies may have more limited product lines or financial resources, and may be dependent on a particular niche in the market.

Real Estate Risk: Investments in real estate trusts (“REITs”) and securities of real estate companies will make the Fund more susceptible to risks associated with the ownership of real estate and with the real estate industry in general. These risks include possible declines in the value of real estate, possible lack of mortgage funds and unexpected vacancies of properties, increases in property taxes and fluctuations in interest rates. REITs that invest in real estate mortgages are also subject to prepayment risks. REITs and real estate companies may be less diversified than other pools of securities, may have lower trading volumes and may be subject to more abrupt or erratic price movements than the overall securities markets.

Small Cap Risk: The stocks of smaller companies may be subject to more abrupt, erratic market movements than stocks of larger, more established companies. Small companies may have limited product lines or financial resources, may be dependent on a small or inexperienced management group, and their securities may trade less frequently and in lower volume than the securities of larger companies, which could lead to higher transaction costs. Generally, the smaller the company size, the greater the risk.

Underlying Fund Risk: The Fund’s investment performance and its ability to achieve its investment objective are directly tied to the performance of the underlying funds in which it invests. There can be no assurance that the underlying funds will achieve their respective investment objectives. The Fund is subject to the risks of the Underlying Funds in direct proportion to the allocation of its assets among the Underlying Funds.

FOR MORE INFORMATION**PORTFOLIO HOLDINGS**

Northern Funds files its complete schedule of portfolio holdings with the U.S. 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 www.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 northerntrust.com/funds or the SEC’s web site at www.sec.gov or by calling the Northern Funds Center at 800-595-9111.

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 summary prospectus or prospectus and consider the investment objectives, risks, charges and expenses of Northern Funds before investing. Visit northerntrust.com/funds or call 800-595-9111 to obtain a summary prospectus or prospectus. The summary prospectus and prospectus contain 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, affiliates 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 5:00 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, northerntrust.com/funds, for an online version of our current privacy notice.

SHAREHOLDER COMMUNICATIONS

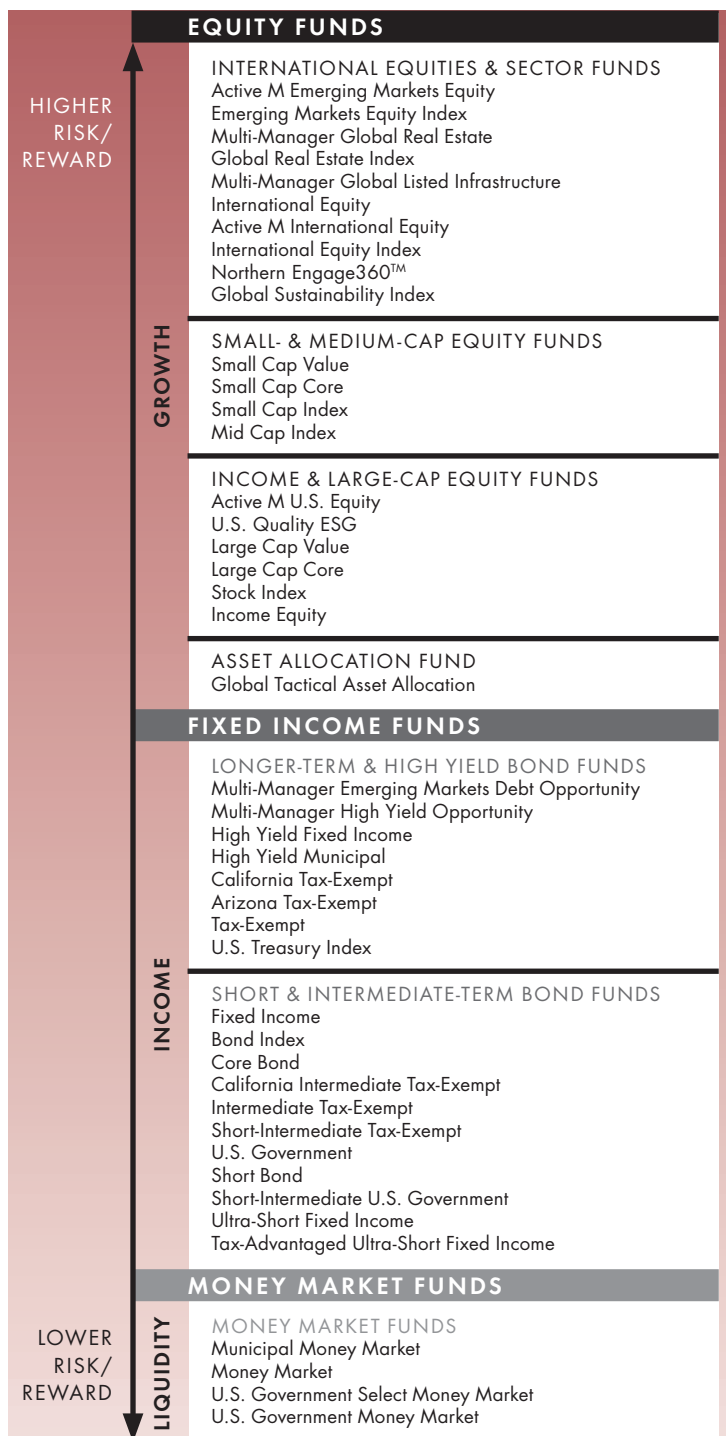
In order to help reduce expenses and reduce the amount of mail that you receive, we generally send a single copy of all materials, including prospectuses, financial reports, proxy statements and information statements to all investors who share the same mailing address, even if more than one person in a household holds shares of a fund.

If you do not want your mailings combined with those of other members of your household, you may opt-out at any time by contacting the Northern Funds Center either by telephone at 800-595-9111; by mail at Northern Funds, P.O. Box 75986, Chicago, Illinois 60675-5986; or by sending an e-mail to northern-funds@ntrs.com.

Not part of the Annual Report

NORTHERN FAMILY OF FUNDS

RISK/REWARD POTENTIAL



You could lose money by investing in the Money Market Funds. Although each of the Money Market Funds seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The Funds' sponsor has no legal obligation to provide financial support to the Funds, and you should not expect that the sponsor will provide financial support in the Funds at any time.

The Money Market Fund and the Municipal Money Market Fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors.

You could lose money by investing in the Funds. An investment in a Fund involves investment risks, including possible loss of principal. An investment in a Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation ("FDIC"), any other government agency, or The Northern Trust Company, its affiliates, subsidiaries or any other bank.



SIGN UP FOR E-DELIVERY

To get future shareholder reports
online and to eliminate mailings, go to:
northerntrust.com/e-delivery

