

NORTHERN FUNDS

TAX-EXEMPT FUND

FIXED INCOME

MUTUAL FUND

AS OF 1Q19

Investment Objective

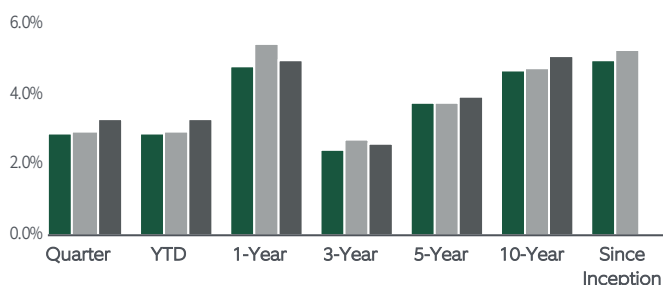
The Fund seeks to provide a high level of current income exempt from regular federal income tax by investing in municipal instruments.

Investment Approach

The Fund seeks to primarily invest in high-quality, investment-grade municipal securities with an average maturity between 10 and 30 years. The Fund selects investments based on their relative value with a focus on total return.

INVESTMENT PERFORMANCE % — AS OF 3/31/19

- Northern Funds Tax-Exempt Fund
- Bloomberg Barclays U.S. Muni Index¹
- Morningstar Category Avg Muni National Long



Average Annual Returns

	Quarter	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
■ Fund	2.86	2.86	4.78	2.38	3.70	4.66	4.93
■ Benchmark ¹	2.90	2.90	5.38	2.71	3.73	4.72	5.24
■ Morningstar	3.27	3.27	4.96	2.55	3.88	5.05	—

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 by calling 800-595-9111.

Northern Trust Investments, Inc. 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 of Trustees; 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; and extraordinary expense and interest) to the extent the "Total Annual Fund Operating Expenses" exceed 0.45%. The "Total Annual Fund Operating Expenses After Expense Reimbursement" may be higher than the contractual limitation as a result of the excepted expenses, including but not limited to Acquired Fund Fees and Expenses, that are not reimbursed. This contractual limitation may not be terminated before July 31, 2019 without the approval of the Board of Trustees. In the absence of contractual expense reimbursements, yield, total return, growth since inception and dividends would have been reduced. Total return is based on net change in NAV assuming reinvestment of distributions.

Please see back page for calendar year returns, index definitions and investment terms.

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

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FUND OVERVIEW

	Fund
Benchmark/Index	Bloomberg Barclays U.S. Muni Index ¹
Morningstar Category	Muni National Long
Inception Date	4/1/94
Total Net Assets	\$1.2 Billion
Symbol/CUSIP	NOTEX
Dividend Schedule	Monthly
Expense Ratio - Gross (%)	0.49
Expense Ratio - Net (%)	0.46

The Gross and Net Expense Ratios are as of the most recent prospectus. The Net Expense Ratio includes contractual expense reimbursements that, if not extended, will end on July 31, 2019.

FUND CHARACTERISTICS

	Fund
Number of Holdings	331
30-Day SEC Yield w/ Waivers (%)	3.07
30-Day SEC Yield w/o Waivers (%)	3.04
Tax-Equivalent 30-Day SEC Yield (%)	5.18
Modified Duration	5.16 years
Average Maturity	16.53 years

Tax-equivalent yields are based on an assumed tax rate of 40.8% for national municipal funds.

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

NORTHERN FUNDS
TAX-EXEMPT FUND

CALENDAR YEAR RETURNS %

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Tax-Exempt Fund	0.65	4.83	0.40	3.69	10.47	-3.64	7.94	11.85	0.21	12.36
Benchmark ¹	1.28	5.45	0.25	3.30	9.05	-2.55	6.78	10.70	2.38	12.91
Morningstar Muni National Long	0.27	5.71	0.00	3.07	10.58	-4.59	8.87	10.64	1.65	17.30

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MATURITY DISTRIBUTION %

Maturity Range	Fund	Fund
0 — 1 Year	14.4	28.6
2 — 5 Years	5.1	43.4
6 — 10 Years	5.5	3.0
11 — 20 Years		
21 — 30 Years		
31+ Years		

QUALITY DISTRIBUTION %

Quality Rating	Fund	Benchmark ¹
AAA	19.5	15.5
AA	53.7	51.1
A	15.1	25.0
BBB	1.6	8.4
SP1+/MIG1	3.6	0.0
SP-1/MIG1	0.2	0.0
Not rated	0.1	0.0
Cash Equivalents	6.2	0.0

SECTOR WEIGHTINGS %

Economic Sector	Fund	Benchmark ¹
Revenue	61.7	66.8
General Obligation	21.8	27.8
Government Backed	7.3	5.2
Short-Term	6.2	0.0
Insured	3.0	0.3

PORTFOLIO MANAGEMENT

TIMOTHY T.A. MCGREGOR, CFA[®]

Began career in 1985 | With Northern Trust since 1989

Mr. McGregor received a B.S. in economics with a minor in East Asian studies from Indiana University. He is an active CFA[®] charterholder.

FRED A. AZAR

Began career in 1991 | With Northern Trust since 2004

Mr. Azar received a B.S. in accounting and business administration and an MBA from the University of Kansas. He is also a Certified Public Accountant.

DISCLOSURE AND RISKS

All data is as of date indicated and subject to change.

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.

Tax-Free/AMT Risk: Tax-exempt funds' income may be subject to certain state and local taxes and, depending on your tax status, the federal alternative minimum tax.

DEFINITIONS

¹ Bloomberg Barclays U.S. Municipal Index is an unmanaged index of investment grade (Baa3 or better) tax-exempt bonds with a remaining maturity of at least one year. It is not possible to invest directly in an index

Distribution Calculations: All distribution calculations (Maturity Distribution, Sector Weightings and Quality Distribution) are measured on a trade date basis and are adjusted for uninvested cash from the market value used to compute the percentage calculations.

Modified Duration: Duration is a measure of a bond fund's sensitivity to changes in interest rates. The Fund's duration is calculated using the modified duration formula.

Quality Distribution: Credit quality ratings are based on converting the available Moodys, Standard & Poors and/or Fitch ratings to a common numerical basis and averaging that result. If none of these three rating agencies has assigned a rating, the Fund will assign a rating of not rated. The ratings, expressed in Standard & Poors nomenclature, range from AAA (extremely strong capacity to meet its financial commitment) to D (in default). Short-term ratings, expressed in Standard & Poors nomenclature, range from A-1 (obligors capacity to meet its financial commitment on the obligation is strong) to A-3 (exhibits adequate protection parameters). The Standard & Poors short-term municipal rating of SP1 reflects a strong capacity to pay principal and interest (an issue determined to possess a very strong capacity to pay debt service is given a plus (+) designation). The Moodys short-term municipal rating of MIG1 denotes superior credit quality (excellent protection is afforded by established cash flows, highly reliable liquidity support or demonstrated broad-based access to the market for refinancing). Committed Cash includes any traded cash (forward settling trades), the sweep vehicle and commercial paper. The ratings represent the rating agencies opinions of the quality of the securities they rate. Ratings are relative and subjective and are not absolute standards of quality.

