

# ULTRA-SHORT FIXED INCOME FUND

MUTUAL FUND

AS OF 1Q19

## Investment Objective

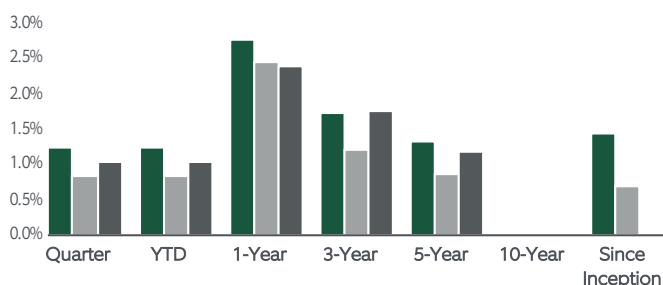
The Fund seeks to maximize total return (capital appreciation and income) to the extent consistent with preservation of principal.

## Investment Approach

The Fund seeks to invest in investment grade securities and targets an average portfolio quality of 'A' or better with a dollar weighted average maturity between 6 and 18 months, in an effort to provide investors more yield than a money market fund with potential for capital appreciation.

## INVESTMENT PERFORMANCE % — AS OF 3/31/19

- Northern Funds Ultra-Short Fixed Income Fund
- ICE BofAML 1-Year U.S. Treasury Note Index<sup>1</sup>
- Morningstar Category Avg Ultrashort Bond



### Average Annual Returns

	1-Year	3-Year	5-Year	10-Year	Since Inception
Fund	1.22	1.72	1.32	—	1.42
Benchmark <sup>1</sup>	0.82	1.21	0.85	—	0.69
Morningstar	1.02	1.75	1.18	—	—

**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 0.25%. 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 January 08, 2020 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.

This Fund is not a money market fund, which maintains a \$1.00 NAV, and the Fund's share price will fluctuate with its returns. An investment in the Fund can result in the loss of principal.

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	ICE BofAML 1-Year U.S. Treasury Note Index <sup>1</sup>
Morningstar Category	Ultrashort Bond
Inception Date	6/18/09
Total Net Assets	\$2.4 Billion
Symbol/CUSIP	NUSFX
Dividend Schedule	Monthly
Expense Ratio - Gross (%)	0.26
Expense Ratio - Net (%)	0.25

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 January 08, 2020.

## FUND CHARACTERISTICS

	Fund
Number of Holdings	439
30-Day SEC Yield w/ Waivers (%)	2.64
30-Day SEC Yield w/o Waivers (%)	2.63
Effective Duration	332 days
Average Maturity	344 days

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

## ULTRA-SHORT FIXED INCOME FUND

## CALENDAR YEAR RETURNS %

Ultra-Short Fixed Income Fund
Benchmark <sup>1</sup>
Morningstar Ultrashort Bond

2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
1.54	1.52	1.52	0.51	0.55	0.78	2.43	0.87	1.53	—
1.86	0.57	0.76	0.15	0.18	0.26	0.24	0.56	0.83	—
1.61	1.44	1.41	0.17	0.34	0.49	1.99	0.25	2.27	—

Performance quoted represents past performance and does not guarantee future results.

## MATURITY DISTRIBUTION %

Maturity Range	Fund	Fund
Overnight	1.0	181 — 270 Days 7.8
2 — 15 Days	5.1	271 — 366 Days 11.6
16 — 30 Days	10.1	367 Days - 2 Years 31.6
31 — 60 Days	7.1	2 Years — 3 Years 10.5
61 — 97 Days	6.3	3 Years — 4 Years 0.2
98 — 180 Days	8.7	

## QUALITY DISTRIBUTION %

Quality Rating	Fund
Treasury	9.1
Agency	1.0
AAA(Long Term)	14.3
AA+(Long Term)	0.4
AA(Long Term)	3.2
AA-(Long Term)	12.7
A+(Long Term)	9.5
A(Long Term)	14.8
A-(Long Term)	6.8
BBB+(Long Term)	10.6
BBB(Long Term)	12.4
BBB-(Long Term)	1.1
A1+(Short Term)	0.5
A1(Short Term)	0.7
A2(Short Term)	2.9

## SECTOR WEIGHTINGS %

Economic Sector	Fund
Fixed Rate Note/Bond	69.6
Variable Rate Note/Bond	26.4
Commercial Paper	3.4
Other	0.5
CD's- Certificate of Deposit	0.2

## PORTFOLIO MANAGEMENT

## MORTEN OLSEN

Began career in 2004 | With Northern Trust since 2009

Mr. Olsen received a B.S. in economics and a M.S. in economics, both from University of Copenhagen.

## BILAL MEMON

Began career in 2004 | With Northern Trust since 2007

Mr. Memon received a B.A. in economics from The University of Chicago and his M.B.A in analytical finance and marketing management from the University of Chicago Graduate School Of Business.

## 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.

## DEFINITIONS

<sup>1</sup> ICE BofAML 1-Year U.S. Treasury Note Index is composed of a single issue: the outstanding Treasury note that matures closest to, but not beyond, one year from each monthly rebalancing date. It is not possible to invest directly in an index.

**Effective Duration:** Effective Duration measures percent change in price for 100 basis point parallel shift.

**Quality Distribution:** Credit quality ratings are based on the available Moodys, Standard & Pools and/or Fitch ratings. When ratings from all three agencies are available, the median rating is used. When ratings are available from two of the agencies, the lower rating is used. 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 & Pools nomenclature, range from AAA (extremely strong capacity to meet its financial commitment) to D (in default). Short-term ratings, expressed in Standard & Pools nomenclature, range from A-1 (obligors capacity to meet its financial commitment on the obligation is strong) to A-3 (exhibits adequate protection parameters). Agency securities are obligations issued or guaranteed by U.S. government agencies and sponsored enterprises. Treasury securities are obligations issued or guaranteed by the U.S. Treasury. 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.

