

# NORTHERN FUNDS

## GLOBAL TACTICAL ASSET ALLOCATION FUND (BBALX)

As of 03/31/19

### FUND COMMENTARY

Financial markets rebounded sharply in the first quarter, with global equities, as represented by the MSCI World Index, gaining more than 10% and nearly all major asset classes in positive territory. The market recovery was largely driven by a reversal of overly pessimistic investor sentiment on the growth outlook in late 2018 especially given dovish pivots by central banks globally and some softening in trade tensions between the U.S. and China throughout early 2019. The Federal Reserve adopted a more patient stance early in the quarter, and eventually moved away from two additional forecasted hikes in 2019, while the European Central Bank backed away from previous guidance on possible rate hikes later in 2019.

The Global Tactical Asset Allocation Fund posted a total return of 8.88% for the quarter, compared with 8.45% for the Fund's Asset Allocation Blend Index. Tactical positioning and product fulfillment were the main drivers of the overall outperformance for the Fund, despite modest headwinds from strategic positioning.

We made one change in asset allocation during the quarter. In January, we decreased our investment grade fixed income allocation while increasing our U.S. equity, emerging market equity and global real estate allocations. The tactical move was driven by a preference to increase the risk profile of the Fund, as we believed that financial markets had become too pessimistic on the growth outlook in late 2018, especially considering the early-January Fed pivot. Following the change, the Fund returned to an underweight position in investment grade fixed income as well as a measured overweight to risk overall relative to its strategic benchmark. Currently, the Fund has a significant overweight to high yield fixed income and overweights to U.S. equities and global real estate, funded by underweights across investment grade fixed income, cash, inflation-protected fixed income and emerging market equities.

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

©2019 Northern Funds | Northern Funds are distributed by Northern Funds Distributors, LLC, not affiliated with Northern Trust.



# NORTHERN FUNDS

## GLOBAL TACTICAL ASSET ALLOCATION FUND (BBALX)

Performance as of 03/31/19				Annualized Returns					
FUND	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception*	Gross Expense Ratio	Net Expense Ratio
Global Tactical Asset Allocation	8.88%	8.88%	1.46%	6.84%	4.25%	8.27%	6.10%	0.80%	0.63%
Asset Allocation Blend Index	8.45%	8.45%	3.40%	7.20%	5.08%	8.87%	6.63%		

\*Inception Date- 07/01/93

**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.**

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.

Not FDIC insured | May lose value | No bank guarantee

Please remember that all investments carry some level of risk, including the potential loss of principal invested. They do not typically grow at an even rate of return and may experience negative growth. As with any type of portfolio structuring, attempting to reduce risk and increase return could, at certain times, unintentionally reduce returns.

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

©2019 Northern Funds | Northern Funds are distributed by Northern Funds Distributors, LLC, not affiliated with Northern Trust.

