

NORTHERN FUNDS

MULTI-MANAGER EMERGING MARKETS DEBT OPPORTUNITY (NMEDX)

As of 12/31/19

FUND COMMENTARY

During the fourth quarter, external emerging markets debt (i.e., securities issued in hard currency, such as U.S. or euro denominated) generated a return of 1.81% as measured by the J.P. Morgan Emerging Markets Bond Index Global Diversified. On a regional basis, Africa and Europe had the highest returns of 3.54% and 2.94%, while the Middle East was the laggard returning a negative -0.49%. By country, Argentina had the highest return for the index at 20.75% for the quarter, but still returned a negative -23.58% for the year due to the surprise presidential election results which had caused a bond and currency sell-off earlier in the year. Venezuela was the largest detractor in 2019; however, during the quarter it returned a positive 5.16%. Local markets, as measured by the J.P. Morgan Government Bond Index - Emerging Markets Global Diversified, returned 5.20% for the quarter. The region of Middle East/Africa was the primary driver of positive returns, contributing a 10.24%. On a country level, Chile and Dominican Republic were the only negative returning countries for the quarter at -6.16% and -0.68%. South Africa, Russia and Mexico were the top contributors to the index returning 10.24%, 9.98% and 6.74%, respectively.

The Fund outperformed its blended benchmark for the quarter with a return of 3.58% compared to 3.51% for the index. During the quarter, Global Evolution outperformed the benchmark driven by two countries with both external and local debt positions. Argentina, which had been a detractor in previous quarters, was the largest contributor for the sub-adviser. Ukraine also provided a positive contribution for the quarter. Ashmore modestly underperformed the benchmark for the quarter which was mostly derived from external debt positioning. An overweight to Ecuador, which was one of the few negative returning external debt countries for the quarter, hindered performance. Positioning in Brazil, which has been a long standing overweight for Ashmore, also had a negative impact on the portfolio.

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.

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Performance as of 12/31/19				Annualized Returns					
FUND	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception*	Gross Expense Ratio	Net Expense Ratio
Multi-Manager Emerging Markets Debt Opportunity	3.58%	11.27%	11.27%	5.40%	2.90%	N/A	2.06%	1.13%	0.96%
50% JP Morgan EMBI Global Diversified and 50% JP Morgan GBI-EM Global Diversified	3.51%	14.31%	14.31%	6.92%	4.57%	N/A	3.97%		

*Inception Date- 12/03/13

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, 2020.

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.

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