

NORTHERN FUNDS

EMERGING MARKETS EQUITY INDEX FUND (NOEMX)

As of 12/31/19

FUND COMMENTARY

In the fourth quarter of 2019, the MSCI Emerging Markets Index (Fund Index) returned 11.84%. Emerging markets equities outperformed developed equities, as measured by the MSCI World Index which returned 8.56% in the quarter.

The top-performing sectors, within the Fund Index, over this time period were information technology and real estate, returning 19.05% and 17.73%, respectively. Consumer staples and utilities were the worst-performing sectors for this quarter, with returns of 2.64% and 4.08%, respectively.

During this period, within the Fund Index, Pakistan and Hungary were the top-performing countries with returns of 26.98% and 22.18%, respectively. On the other hand, the worst-performing countries for this quarter were Chile and United Arab Emirates as they returned -9.44% and -1.51%, respectively.

For the quarter, the Emerging Markets Equity Index Fund posted a return of 11.51%, compared to the MSCI Emerging Markets Index return of 11.84%. After underperforming in the first three quarters of the year, emerging markets outpaced developed markets in the fourth quarter – posting double digit returns. Trade tensions relaxed a bit as the U.S. and China agreed to introduce a “Phase One” deal that should remove some recently enacted tariff increases, action that is supportive of global growth. Some tempering of uncertainties led to strong performance from riskier sectors such as information technology and consumer discretionary and weaker performance from more defensive sectors such as utilities and consumer staples. Nearly all emerging markets countries posted positive equity returns in the fourth quarter, with some of the strongest returns coming from Taiwan (at least in part due to its large concentration in the rallying technology sector), Russia (which benefitted from central bank easing), and China (relaxed trade tensions). India, though positive, underperformed amid political and economic concerns.

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
Emerging Markets Equity Index Fund	11.50%	18.32%	18.32%	11.35%	5.32%	3.27%	3.85%	0.36%	0.31%
MSCI Emerging Markets Index	11.84%	18.42%	18.42%	11.57%	5.61%	3.68%	4.58%		

*Inception Date- 04/25/06

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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