

# NORTHERN FUNDS

## INTERNATIONAL EQUITY FUND (NOIGX)

As of 09/30/19

### FUND COMMENTARY

International markets ended the quarter in negative territory, due at least in part to slowing global growth, increased tariffs, trade tensions, and the continuing Brexit saga. During the third quarter, global markets experienced numerous spikes in market volatility as the geopolitical landscape had a number of hotspots, including the targeted attacks on one of Saudi Arabia's main oil facilities. Global markets continued to be supported by central banks as they looked to provide an environment that could extend the decade-long global expansion. The U.S. Federal Reserve cut interest rates twice in the quarter as a "mid-cycle adjustment." Geopolitical risks, declining corporate earnings growth and Brexit uncertainty remained significant risks to investors.

The International Equity Fund posted a total return of -2.75% for the quarter, compared with -0.93% for the Fund's benchmark, the MSCI World ex USA Index. Performance was weak globally for a number of factors, including the value, quality, and momentum factors. The underperformance of these factors created a challenging environment for the Fund. Japan showed the strongest absolute performance, followed by North America. The weakest performance was out of the Asia ex-Japan region. From a sector perspective, the defensive sectors were the strongest, led by utilities, consumer staples, and health care. The energy and materials sectors were the weakest, as global growth declined. Stock selection was strongest in the energy and healthcare sectors and weakest in the industrials sector. The Fund's overweight to inexpensive securities detracted from performance as expensive securities prevailed globally.

By focusing on inexpensive, high-quality securities and prudent risk management, we believe the Fund can deliver attractive long-term performance. This strategy is favorably positioned for investors refocusing on company fundamentals and valuations.

**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 09/30/19				Annualized Returns					
FUND	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception*	Gross Expense Ratio	Net Expense Ratio
International Equity Fund	-2.75%	8.61%	-5.49%	3.94%	1.16%	3.95%	4.30%	0.65%	0.51%
MSCI World ex USA Index	-0.93%	13.57%	-0.95%	6.49%	3.06%	4.78%	5.06%		
MSCI EAFE Index	-1.07%	12.80%	-1.34%	6.48%	3.27%	4.90%	4.90%		

\*Inception Date- 04/01/94

**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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