

NORTHERN FUNDS

INTERNATIONAL EQUITY INDEX FUND (NOINX)

As of 03/31/19

FUND COMMENTARY

In the first quarter of 2019, the MSCI EAFE Index (Fund Index) returned 9.98%. International equities underperformed U.S. equities, as measured by the S&P 500 Index which returned 13.65% in the first quarter.

The top-performing sectors, within the Fund Index, over this time period were information technology and real estate, returning 15.37% and 14.20%, respectively. Communication services and financials were the worst-performing sectors for the quarter, with returns of 4.41% and 7.05%, respectively.

Within the Fund Index, the top-performing countries over this time period were New Zealand and Belgium with returns of 16.86% and 16.21%, respectively. On the other hand, the worst-performing countries for this quarter were Singapore and Japan as they returned 6.23% and 6.83%, respectively.

During the quarter, the International Equity Index Fund returned 10.22%, slightly ahead of the Fund's benchmark the MSCI EAFE Index return of 9.98%. Global equity markets rebounded sharply in the first quarter after the sell off of late 2018 to post the highest return for a quarter since 2010. The information technology and real estate sectors were the strongest performing sectors, on a relative basis, while the sectors of health care and financials were laggards. From a regional standpoint, North America posted stronger returns than the APAC and Western European regions. The North American rebound was supported by a more dovish stance from the US Federal Reserve as investors expect fewer rate hikes in the near term, but must still navigate the global macro uncertainties, namely Brexit, global trade, and lower corporate earning growth rates.

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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INTERNATIONAL EQUITY INDEX FUND (NOINX)

| 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 |
| International Equity Index Fund | 10.22% | 10.22% | -4.04% | 7.36% | 2.25% | 8.78% | 4.09% | 0.30% | 0.25% |
| MSCIEAFE Index | 9.98% | 9.98% | -3.71% | 7.27% | 2.33% | 8.96% | 4.28% | | |

*Inception Date- 03/22/05

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.

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