

NORTHERN FUNDS

ACTIVE M EMERGING MARKETS EQUITY FUND (NMMEX)

As of 03/31/18

FUND COMMENTARY

Emerging markets proved resilient amidst heightened volatility within global equity markets. The MSCI Emerging Markets® Index rose 1.42% supported by strong returns in Brazil, Russia and Taiwan. In addition, a number of smaller markets such as Thailand, Malaysia, Pakistan and Peru posted strong returns. China slightly outperformed the broader index but did not have as a significant impact as it did in 2017. Energy, financials and information technology stocks had the largest positive impact on the market, whereas consumer discretionary, telecommunications services and real estate where the largest laggards.

The Active M Emerging Markets Equity Fund outperformed during the quarter, up 4.05% versus 1.42% for the MSCI Emerging Markets Index, driven by strong stock selection across sectors and countries. Holdings in Brazil, as well as an overweight allocation, were particularly beneficial as financials, consumer discretionary and energy positions rose on signs of economic improvements. South Africa and Mexico also aided Fund performance largely due to favorable stock selection in consumer and financials. A detractor for most of 2017, stock selection in China was a slight contributor to performance during the first quarter. The Fund's small- to mid-capitalization names performed well. Exposure to financials in Korea was the main detractor of relative performance.

Sub-adviser Westwood's strong stock selection across sectors and within Brazil, Mexico and South Africa contributed to relative performance. Axiom's growth bias also supported relative returns with added value from Russia, China and Brazil. Axiom exhibited strength in energy, telecommunication services and health care. PanAgora's more diversified portfolio added value as well during the quarter.

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 03/31/18				Annualized Returns				Gross Expense Ratio	Net Expense Ratio
FUND	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception		
Active M Emerging Markets Equity Fund	4.05%	4.05%	25.21%	9.63%	5.40%	N/A	13.52%	1.24%	1.11%
MSCI Emerging Markets Index	1.42%	1.42%	24.93%	8.81%	4.99%	N/A	12.37%		

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, 2018.

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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