

NORTHERN FUNDS

ACTIVE M EMERGING MARKETS EQUITY FUND (NMMEX)

As of 03/31/19

FUND COMMENTARY

The MSCI Emerging Markets Index gained 9.92% in the first quarter of 2019 on the back of strong returns in China. Despite signs of a slowdown in the economy, China rose 17.69%, fueled by encouraging progress in trade talks between the U.S. and China, a stabilizing real estate market and the prospect of stimulus measures by the Chinese government. In addition, MSCI's announcement that China A Share inclusion would increase over a three-stage process during 2019, attracted investors to the market. Russia also outperformed the Index gaining 12.18% on the back of rising commodity prices. Brazil rose 8.14% as newly elected President, Jair Bolsonaro, revealed his pro-market reform plans. Strong economic growth and earnings helped India gain 7.16%. Markets posting losses included Turkey and Poland, which declined 3.15% and 0.58%, respectively. On a sector basis, consumer discretionary (namely e-commerce stocks), real estate and information technology were leading sectors, while health care, industrials and utilities lagged. All sectors were positive for the quarter.

The Fund's return of 6.50% for the quarter underperformed the 9.92% return of its benchmark, the MSCI Emerging Markets Index's return. Stock selection in the consumer discretionary sector was a drag largely due to sub-adviser Westwood's exposure to retail stocks in South Africa and Brazil, auto stocks in Asia, and an underweight to Chinese e-commerce stocks. Westwood's selection in the materials sector also hurt the Fund's relative results. The Fund's holding in the information technology sector lagged during the quarter. Sub-adviser PanAgora's quantitative approach also lagged the Index, while Axiom's holdings in the energy sector contributed to relative returns. By country, weak selection in Brazil and India detracted from the Fund's relative return as did an underweight to China.

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 03/31/19				Annualized Returns					
FUND	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception*	Gross Expense Ratio	Net Expense Ratio
Active M Emerging Markets Equity Fund	6.50%	6.50%	-12.90%	9.30%	2.21%	9.03%	10.65%	1.21%	1.10%
MSCI Emerging Markets Index	9.92%	9.92%	-7.41%	10.68%	3.68%	8.94%	10.29%		

*Inception Date- 11/19/08

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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