

NORTHERN FUNDS

EMERGING MARKETS EQUITY INDEX FUND (NOEMX)

As of 03/31/18

FUND COMMENTARY

In the first quarter of 2018, the MSCI Emerging Markets® Index returned 1.42%. Emerging markets equities outperformed U.S. equities, as measured by the S&P 500® Index, which returned -0.76% in the first quarter.

The top-performing sectors over this time period were energy and health care, returning 7.56% and 7.45%, respectively. Consumer discretionary and telecommunications services were the worst-performing sectors for the quarter, with returns of -6.01% and -3.84%, respectively.

From a regional perspective, exposure to Brazil and Pakistan aided the Fund's performance with returns of 12.47% and 10.96%, respectively. Meanwhile, Philippines and Poland returned -11.42% and -8.18%, respectively, thus diminishing the portfolio's returns.

For the quarter, the Emerging Markets Equity Index Fund posted a return of 2.02%, compared to the MSCI Emerging Markets Index return of 1.42%. Emerging markets continued to rally off of a strong calendar year 2017 due to an upswing in global growth, and continued to be supported by developments in the U.S. The dollar continued to demonstrate weakness as it did all of 2017, and combined with increasing oil prices provided a nice tailwind for emerging markets in general. Brazil, one of the larger of the emerging market economies, posted a strong double-digit positive return outpacing other larger emerging nations, including China and Russia. Emerging markets could face some headwinds going forward as trade war rhetoric heats up between the U.S. and China, as investors become worried the global growth story might be hindered.

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		
Emerging Markets Equity Index Fund	2.02%	2.02%	25.03%	8.72%	4.81%	2.39%	4.55%	0.35%	0.31%
MSCI Emerging Markets Index	1.42%	1.42%	24.93%	8.81%	4.99%	3.02%	5.30%		

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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