

# NORTHERN FUNDS

## INTERNATIONAL EQUITY FUND (NOIGX)

As of 03/31/18

### FUND COMMENTARY

Global equity markets slowed in the first quarter after a strong 2017, the developed ex-U.S. markets quarterly performance fell for the first time since 2016. All global regions showed weakness in the first quarter with only Japan, as measured by the MSCI Japan Index, generating a small positive return for the quarter, 0.83%. Economic data continues to be supportive of global growth; Japanese tanken manufacturing outlook, European industrial production, and strong employment appear favorable for a strong global economy. In addition global inflation has remained low despite the accommodative interest rate policies and the strength of the global economy. The geopolitical events remain a risk to the global economy; this quarter the announcement of trade tariffs and protectionist posturing from the White House risks a trade war with China that would be disruptive to the recent global economic strength.

The International Equity Fund posted a total return of -0.78% for the quarter, compared with -1.53% for the Fund's benchmark, the MSCI EAFE® Index. The value factor remains a headwind to the Fund performance as growth was favored by investors last quarter. The Fund's overweight to inexpensive securities detracted from performance, while the overweight to high quality and positive momentum securities was additive to Fund performance. From a sector perspective, value securities outperformed in the consumer staples and energy sectors, and high quality securities outperformed in the information technology and materials sectors explaining a significant portion of the Fund's outperformance. Regionally, most of the outperformance was driven within U.K. where expensive growth-oriented securities underperformed the market.

By focusing on inexpensive, high-quality securities and prudent risk management, we believe the Fund is positioned to deliver attractive long-term performance. This strategy is favorably positioned as geopolitical concerns have subsided and investors have refocused 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.**

©2018 Northern Funds | Northern Funds are distributed by Northern Funds Distributors, LLC, not affiliated with Northern Trust.



# NORTHERN FUNDS

## INTERNATIONAL EQUITY FUND (NOIGX)

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		
International Equity Fund	-0.78%	-0.78%	13.73%	4.37%	5.73%	2.65%	4.90%	0.71%	0.51%
MSCIEAFE Index	-1.53%	-1.53%	14.80%	5.55%	6.50%	2.74%	5.26%		

**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.

**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.**

©2018 Northern Funds | Northern Funds are distributed by Northern Funds Distributors, LLC, not affiliated with Northern Trust.

