

# NORTHERN FUNDS

## INTERNATIONAL EQUITY INDEX FUND (NOINX)

As of 03/31/18

### FUND COMMENTARY

In the first quarter of 2018, the MSCI EAFE® Index returned -1.53%. International equities underperformed 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 Finland and Italy aided the Fund's performance with returns of 8.64% and 5.45%, respectively. Meanwhile, Australia and Ireland returned -6.12% and -5.70%, respectively, thus diminishing the portfolio's returns.

For the quarter, the International Equity Index Fund posted a total return of -0.93% compared with -1.53% for the Fund's benchmark, the MSCI EAFE Index. Developed ex-U.S. markets took an abrupt turn during the first quarter, posting their first negative quarter since Q4 2016 while also underperforming U.S. equities. Volatility in U.S. markets equity markets triggered increased volatility abroad. Spiking interest rates and rhetoric from Washington on trade tariffs caused investors to pause, pouring money into equities, as investors worried the global growth story might be hindered. The geopolitical events, including the aggressive posturing of North Korea has calmed for the time being as trade has become the focal point for most nations. Oil remained range bound for the quarter in the low to mid \$60s a barrel, ending the quarter at just under \$65.

**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		
International Equity Index Fund	-0.93%	-0.93%	15.06%	5.67%	6.44%	2.60%	4.74%	0.30%	0.25%
MSCIEAFE Index	-1.53%	-1.53%	14.80%	5.55%	6.50%	2.74%	4.92%		

**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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