

# NORTHERN FUNDS

## INTERNATIONAL EQUITY INDEX FUND (NOINX)

As of 12/31/18

### FUND COMMENTARY

In the fourth quarter of 2018, the MSCI EAFE Index returned -12.54%. International equities outperformed U.S. equities, as measured by the S&P 500 Index which returned -13.52% in the fourth quarter.

The top-performing sectors over this time period were utilities and real estate, returning 0.00% and -5.26%, respectively. Energy and information technology were the worst-performing sectors for the quarter, with returns of -17.44% and -16.47%, respectively.

During this period, Hong Kong and New Zealand were the top-performing countries with returns of -4.53% and -6.48%, respectively. On the other hand, the worst-performing countries for this quarter were Austria and Belgium as they returned -20.72% and -18.39%, respectively.

During the quarter, the International Equity Index Fund returned -12.60%, in-line with the Fund's benchmark the MSCI EAFE Index return of -12.54%. Global equity markets fell significantly in the fourth quarter as investors were concerned with continued pressure on the global growth story. The energy and information technology sectors fell the most relative to other sectors with the utilities and real estate sectors posting the best returns as equity investors flocked into defensive sectors. From a regional standpoint, Asia-Pacific and Europe posted stronger returns than their North American counterparts. This shift from third quarter was a result of investors focus on the U.S. amid interest rate increases and fears over the ongoing trade war. Within Europe, Brexit negotiations stayed on the forefront of headlines along with civil unrest across France. From a global perspective, interest rates remain low and supportive of future economic growth as headlines continue to dominate the market.

**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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## INTERNATIONAL EQUITY INDEX FUND (NOINX)

Performance as of 12/31/18				Annualized Returns					
FUND	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception*	Gross Expense Ratio	Net Expense Ratio
International Equity Index Fund	-12.60%	-13.75%	-13.75%	2.99%	0.39%	5.97%	3.43%	0.30%	0.25%
MSCIEAFE Index	-12.54%	-13.79%	-13.79%	2.87%	0.53%	6.32%	3.64%		

\*Inception Date- 03/22/05

**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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