

NORTHERN FUNDS

ACTIVE M U.S. EQUITY FUND

EQUITY

MUTUAL FUND

AS OF 3Q18

Investment Objective

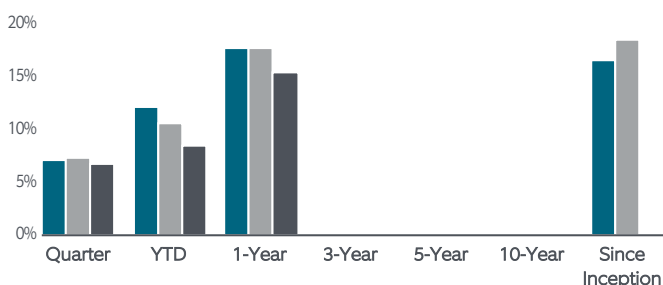
The Fund seeks to provide long-term capital appreciation through a diversified portfolio of primarily U.S. equity securities. Any income received is incidental to this objective.

Investment Approach

The Fund blends managers from a broad universe into a single fund to provide an attractive combination of risk/return seeking to deliver alpha and broad diversification, while maintaining factor neutral biases (such as size, value and momentum) across the U.S. equity market.

INVESTMENT PERFORMANCE % — AS OF 9/30/18

- Northern Funds Active M U.S. Equity Fund
- Russell 3000¹
- Morningstar Category Avg Large Blend



Average Annualized Returns

	Quarter	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
■ Fund	7.04	12.07	17.61	—	—	—	16.35
■ Benchmark ¹	7.12	10.57	17.58	—	—	—	18.33
■ Morningstar	6.67	8.42	15.35	—	—	—	—

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.

Northern Trust Investments, Inc. has contractually agreed to reimburse a portion of the operating expenses of the Fund (other than certain excepted expenses, i.e., acquired fund fees and expenses; the compensation paid to each Independent Trustee of the Trust; expenses of third party consultants engaged by the Board of Trustees; membership dues paid to the Investment Company Institute and Mutual Fund Directors Forum; expenses in connection with the negotiation and renewal of the revolving credit facility; and extraordinary expense and interest) to the extent the "Total Annual Fund Operating Expenses" exceed 0.66%. The "Total Annual Fund Operating Expenses After Expense Reimbursement" may be higher than the contractual limitation as a result of the excepted expenses, including but not limited to Acquired Fund Fees and Expenses, that are not reimbursed. This contractual limitation may not be terminated before July 31, 2019 without the approval of the Board of Trustees. In the absence of fee waivers, yield, total return, growth since inception and dividends would have been reduced. Total return is based on net change in NAV assuming reinvestment of distributions.

Please see back page for calendar year returns, index definitions and investment terms.

FUND OVERVIEW

	Fund
Benchmark/Index	Russell 3000 ¹
Morningstar Category	Large Blend
Inception Date	5/5/16
Total Net Assets	\$442 Million
Symbol/CUSIP	NMUSX
Dividend Schedule	Quarterly
Expense Ratio - Gross (%)	0.70
Expense Ratio - Net (%)	0.67

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.

FUND CHARACTERISTICS

	Fund	Benchmark ¹
Number of Holdings	197	3,022
Weighted Average Market Cap (\$M)	108,226.0	207,140.4
Return on Equity (%)	16.0	18.5
Trailing 12-month Price-to-Earnings Ratio	22.4	21.3
Trailing 12-month Price-to-Earnings Ratio	22.4	21.3
Price-to-Book (%)	2.9	3.3
Annual Portfolio Turnover as of 3/31/18 (%)	68.7	

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

ACTIVE M U.S. EQUITY FUND

CALENDAR YEAR RETURNS %

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Active M U.S. Equity Fund	17.44	—	—	—	—	—	—	—	—	—
Benchmark ¹	21.13	—	—	—	—	—	—	—	—	—
Morningstar Large Blend	20.44	—	—	—	—	—	—	—	—	—

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TOP HOLDINGS %

	Fund
Cisco Systems, Inc.	2.8
Coca-Cola Company	2.5
Analog Devices, Inc.	2.1
Medtronic plc	2.0
Microsoft Corporation	1.8
Alphabet Inc. Class A	1.8
Lowe's Companies, Inc.	1.7
Oracle Corporation	1.6
Visa Inc. Class A	1.5
Alphabet Inc. Class C	1.3

SECTOR

ALLOCATION %	Fund	Benchmark ¹
Information Technology	23.3	20.9
Health Care	15.3	14.6
Consumer Discretionary	12.3	10.7
Financials	9.6	13.7
Industrials	8.4	10.4
Consumer Staples	8.4	6.0
Communication Services	8.0	8.6
Energy	4.6	5.7
Materials	3.8	2.9
Utilities	3.2	2.8
Real Estate	3.0	3.6

ASSET ALLOCATION %

	Fund
Stocks	88.3
Cash	11.7

PORTFOLIO MANAGEMENT

CHRISTOPHER E. VELLA, CFA[®]

Began career in 1993 | With Northern Trust since 2004

Mr. Vella received a B.S. magna cum laude in finance with a minor in applied mathematics from Lehigh University and was elected into the Phi Beta Kappa honor society. He is a member of the New York Society of Financial Analysts. He is an active CFA[®] charterholder.

SUB-ADVISER ALLOCATION

Sub-Adviser	Target Allocation*	Role in Portfolio
Delaware Investments Fund Advisers	25%	Concentrated, traditional value approach that can be contrarian at times. Seeks to preserve capital in difficult markets.
Thompson, Siegel & Walmsley	25%	A mid cap, relative value plus catalyst investment philosophy. Focused on upside potential and downside risk.
Lazard Asset Management, LLC	20%	An all cap, concentrated strategy focused on value creation through bottom up stock selection, combining valuation and financial productivity.
Polen Capital Management, LLC	20%	Highly concentrated large cap core growth portfolio.
Granite Investment Partners, LLC	10%	Diversified small cap core strategy with exposure to growth and value names.

*Actual allocations may vary.

Please carefully read the prospectus and summary prospectus and consider the investment objectives, risks, charges and expenses of Northern Funds before investing. Call 800-595-9111 to obtain a prospectus and summary prospectus, which contain this and other information about the funds.

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DISCLOSURE AND RISKS

All data is as of date indicated and subject to change.

Equity Risk: Equity securities (stocks) are more volatile and carry more risk than other forms of investments, including investments in high-grade fixed-income securities. The net asset value per share of this Fund will fluctuate as the value of the securities in the portfolio changes.

Management Risk: is the risk that a strategy used by the Funds investment adviser or sub-advisers may fail to produce the intended results or that imperfections, errors or limitations in the tools and data used by the investment adviser or sub-advisers may cause unintended results.

Mid-Cap Risk: Mid-capitalization stocks typically carry additional risk, since smaller companies generally have higher risk of failure and, historically, their stocks have experienced a greater degree of volatility.

Multi-Manager Risk: is the risk that the sub-advisers' investment styles will not always be complementary, which could affect the performance of the Fund.

Portfolio Turnover Risk: is the risk that high portfolio turnover is likely to lead to increased Fund expenses that may result in lower investment returns.

Small-Cap Risk: Small-capitalization funds typically carry additional risks since smaller companies generally have a higher risk of failure. Their stocks are subject to a greater degree of volatility, trade in lower volume and may be less liquid.

Technology Securities Risk: is the risk that securities of technology companies may be subject to greater price volatility than securities of companies in other sectors. These securities may fall in and out of favor with investors rapidly, which may cause sudden selling and dramatically lower market prices.

DEFINITIONS

¹ Russell 3000® Index is an unmanaged index measuring the performance of the 3,000 largest U.S. companies based on total market capitalization. These companies represent approximately 98% of the investable U.S. equity market. It is not possible to invest directly in an index.

Beta: Beta represents the systematic risk of a portfolio and measures its sensitivity to a benchmark.

Down Market Capture: A measure of a managers performance in down markets relative to the market.

Information Ratio: A measure of risk-adjusted relative return.

Price-to-Book Ratio: A ratio used to compare a stocks market value to its book value. It is calculated by dividing the current price of the stock by the latest quarters book value per share.

Return on Equity: Amount of net income returned as a percentage of shareholders equity.

Trailing 12-month Price-to-Earnings Ratio: The sum of a companys price-to-earnings. Calculated by taking the current stock price and dividing it by the current earnings per share for the past 12 months.

Up Market Capture: A measure of a managers performance in up markets relative to the market.



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