

ARIZONA TAX-EXEMPT FUND

MUTUAL FUND

AS OF 1Q19



Overall Morningstar Rating™ among 139 Muni Single State Interm funds derived from a weighted average of the fund's 3-5- and 10-year risk-adjusted returns as of 3/31/19.¹

Investment Objective

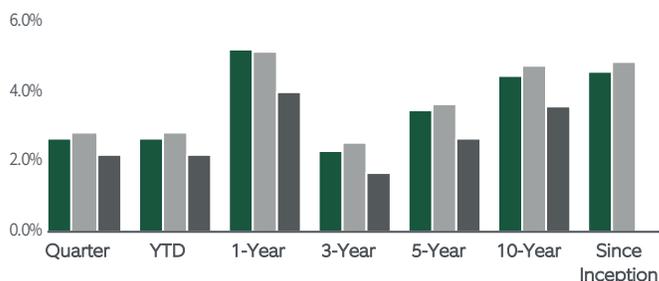
The Fund seeks to provide high current income exempt from regular federal income tax and Arizona State personal income tax by investing in municipal instruments.

Investment Approach

The Fund seeks to primarily invest in high-quality, investment-grade Arizona state municipal securities with an average maturity between 10 and 30 years. The Fund selects investments based on their relative value with a focus on total return.

INVESTMENT PERFORMANCE % — AS OF 3/31/19

- Northern Funds Arizona Tax-Exempt Fund
- Bloomberg Barclays Arizona Muni Bond Index²
- Morningstar Category Avg Muni Single State Interm



Average Annual Returns							
Fund	2.60	2.60	5.15	2.29	3.42	4.43	4.54
Benchmark ²	2.80	2.80	5.09	2.49	3.61	4.72	4.83
Morningstar	2.19	2.19	3.98	1.62	2.64	3.53	—

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 0.45%. 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 contractual expense reimbursements, 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.

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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FUND OVERVIEW

	Fund
Benchmark/Index	Bloomberg Barclays Arizona Muni Bond Index ²
Morningstar Category	Muni Single State Interm
Inception Date	10/1/99
Total Net Assets	\$118.5 Million
Symbol/CUSIP	NOAZX
Dividend Schedule	Monthly
Expense Ratio - Gross (%)	0.62
Expense Ratio - Net (%)	0.47

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
Number of Holdings	89
30-Day SEC Yield w/ Waivers (%)	2.47
30-Day SEC Yield w/o Waivers (%)	2.33
Tax-Equivalent 30-Day SEC Yield (%)	4.52
Modified Duration	5.09 years
Average Maturity	11.65 years

Tax-equivalent yields are based on an assumed tax rate of 45.3% for Arizona.

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

NORTHERN FUNDS
ARIZONA TAX-EXEMPT FUND

CALENDAR YEAR RETURNS %

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Arizona Tax-Exempt Fund	1.12	4.77	0.20	3.09	8.81	-2.50	6.28	11.60	1.71	11.37
Benchmark ²	1.09	5.01	0.38	3.25	8.94	-2.11	7.37	10.24	2.34	13.12
Morningstar Muni Single State Interm	0.66	3.59	-0.28	2.36	6.85	-2.82	4.75	8.90	1.65	11.29

Performance quoted represents past performance and does not guarantee future results.

MATURITY DISTRIBUTION %

Maturity Range	Fund	Fund
0 — 1 Year	10.5	11 — 20 Years 44.5
2 — 5 Years	8.3	21 — 30 Years 13.8
6 — 10 Years	22.9	

QUALITY DISTRIBUTION %

Quality Rating	Fund	Benchmark ²
AAA	20.1	7.7
AA	73.8	68.3
A	4.6	17.5
BBB	0.0	6.5
Cash Equivalents	1.5	0.0

SECTOR WEIGHTINGS %

Economic Sector	Fund	Benchmark ²
Revenue	51.1	83.3
General Obligation	24.2	10.2
Government Backed	13.8	6.6
Insured	9.5	0.0
Short-Term	1.5	0.0

PORTFOLIO MANAGEMENT

FRED A. AZAR

Began career in 1991 | With Northern Trust since 2004

NATE MILLER

Began career in 1995 | With Northern Trust since 1995

DISCLOSURE AND RISKS

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

¹ Past performance is no guarantee of future results. Ratings reflect fee waivers in effect; in their absence, ratings may have been lower.

The Morningstar Rating™ for funds, or “star rating,” is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The Arizona Tax-Exempt Fund received 5 stars for the 3-year rating among 139 Muni Single State Interm funds, 5 stars for the 5-year rating among 138 funds and 4 stars for the 10-year rating among 117 funds.

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Bond Risk: Bond funds will tend to experience smaller fluctuations in value than stock funds. However, investors in any bond fund should anticipate fluctuations in price, especially for longer-term issues and in environments of rising interest rates.

Non-Diversified Risk: The Fund invests in a smaller number of securities than the average mutual fund. The change in value of a single holding may have a more pronounced effect on the Fund's net asset value and performance than for other funds.

Regional Investment Risk: The geographical concentration of portfolio holdings in this Fund may involve increased risk.

Tax-Free/AMT Risk: Tax-exempt funds' income may be subject to certain state and local taxes and, depending on your tax status, the federal alternative minimum tax.

DEFINITIONS

² Bloomberg Barclays Arizona Municipal Bond Index is an unmanaged index of investment grade (Baa3 or better) tax-exempt Arizona bonds with a remaining maturity of at least one year. It is not possible to invest directly in an index.

Distribution Calculations: All distribution calculations (Maturity Distribution, Sector Weightings and Quality Distribution) are measured on a trade date basis and are adjusted for uninvested cash from the market value used to compute the percentage calculations.

Modified Duration: Duration is a measure of a bond fund's sensitivity to changes in interest rates. The Fund's duration is calculated using the modified duration formula.

Quality Distribution: Credit quality ratings are based on converting the available Moodys, Standard & Poors and/or Fitch ratings to a common numerical basis and averaging that result. If none of these three rating agencies has assigned a rating, the Fund will assign a rating of not rated. The ratings, expressed in Standard & Poors nomenclature, range from AAA (extremely strong capacity to meet its financial commitment) to D (in default). Short-term ratings, expressed in Standard & Poors nomenclature, range from A-1 (obligors capacity to meet its financial commitment on the obligation is strong) to A-3 (exhibits adequate protection parameters). The Standard & Poors short-term municipal rating of SP1 reflects a strong capacity to pay principal and interest (an issue determined to possess a very strong capacity to pay debt service is given a plus (+) designation). The Moodys short-term municipal rating of MIG1 denotes superior credit quality (excellent protection is afforded by established cash flows, highly reliable liquidity support or demonstrated broad-based access to the market for refinancing). Committed Cash includes any traded cash (forward settling trades), the sweep vehicle and commercial paper. The ratings represent the rating agencies opinions of the quality of the securities they rate. Ratings are relative and subjective and are not absolute standards of quality.

