

# NORTHERN FUNDS

## SHORT-INTERMEDIATE TAX-EXEMPT (NSITX)

As of 03/31/19

### FUND COMMENTARY

The Federal Reserve (Fed) left the federal funds rate unchanged for the first quarter. The Fed reduced the number of expected rate hikes this year to zero. The Fed is forecasting one more hike in 2020 and plans to end the balance sheet runoff in September 2019. U.S. Treasury yields decreased during the period with long-term rates falling more in response to concerns over the global economy and increased volatility.

Municipal issuers continued the recent trend of lighter new issue supply. The Fund was able to take advantage of strong demand for bonds with three-to-six-year maturities, which positively contributed to performance. The Fund returned 1.53% for the first quarter, compared to 1.49% for the Bloomberg Barclays 1-5 Year Blend Municipal Bond Index.

During the quarter we reduced duration as we saw an opportunity to sell municipal bonds at expensive levels into strong demand. We focused on selling overvalued two-to-six-year maturities while increasing our exposure to seven-to-10-year maturities. We remain overweight high quality credits versus the benchmark. Credit spreads are narrow and are not representative of the additional risk in our view. The Fund is comprised of primarily AA and AAA-rated securities.

*Holdings are subject to change and current and future portfolio holdings are subject to risk.*

**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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## SHORT-INTERMEDIATE TAX-EXEMPT (NSITX)

Performance as of 03/31/19				Annualized Returns					
FUND	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception*	Gross Expense Ratio	Net Expense Ratio
Short-Intermediate Tax Exempt	1.53%	1.53%	3.29%	1.08%	1.19%	1.52%	1.99%	0.50%	0.47%
Bloomberg Barclays 1-5 Year Blend Muni Bond Index	1.49%	1.49%	3.32%	1.45%	1.57%	2.14%	2.77%		

\*Inception Date- 08/22/07

**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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