

# NORTHERN FUNDS

## TAX-ADVANTAGED ULTRA-SHORT FIXED INCOME FUND

### (NTAUX)

As of 03/31/19

#### FUND COMMENTARY

With the New Year came a better tone to markets as investors put the volatility of the fourth quarter behind them. U.S. Treasury yields moved lower by about 25 basis points (0.25%) and corporate bond spreads moved tighter by about 30 basis points (0.30%) in front-end maturities. These moves were the result of two Federal Reserve (Fed) meetings during the quarter in which Fed members reacted with a dovish tone to the domestic economy and persistently low inflation data. The Fed lowered its interest rate forecast indicating no rate hikes in 2019 and the fixed income markets priced in the possibility of a rate cut later this year. Trade disputes made headlines as the U.S. and China continued negotiations. The U.S. government shutdown also weighed on markets. The municipal bond market became more stable as front-end yields finished lower by 10 basis points (0.10%) on strong demand and ongoing lack of new issue supply.

The Fund returned 0.83%, compared to 0.70% for the 75% ICE BofA Merrill Lynch 6-12 Month Municipal Securities Index and 25% ICE BofA Merrill Lynch 1-3 Year U.S. Municipal Securities Index.

The Fund's shorter duration, ending the quarter at 0.89 years versus 0.95 years for the benchmark, hurt performance as yields moved lower. The Fund's curve positioning, owning more 1-3 year bonds than the benchmark, helped performance as these yields saw better price appreciation relative to 6-12 month municipals. The Fund's overweight to corporate credit also helped performance versus an all municipal benchmark as credit spreads finished tighter.

**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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TAX-ADVANTAGED ULTRA-SHORT FIXED INCOME FUND  
(NTAUX)

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
Tax-Adv antaged Ultra-Short Fixed Income Fund	0.83%	0.83%	2.06%	1.20%	0.90%	N/A	1.06%	0.26%	0.25%
75% ICE BofAML 6-12 Month Municipal Securities Index and 25% ICE BofAML 1-3 Year U.S. Municipal Securities Index	0.70%	0.70%	2.00%	1.10%	0.84%	N/A	0.86%		

\*Inception Date- 06/18/09

**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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