

NORTHERN FUNDS

Multi-Manager Global Listed Infrastructure Fund (NMFIX)

4Q 2018 Performance Review

December 31, 2018

*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 contains this and other information about the funds.*



MULTI-MANAGER GLOBAL LISTED INFRASTRUCTURE FUND (NMFIX)

Fund Facts

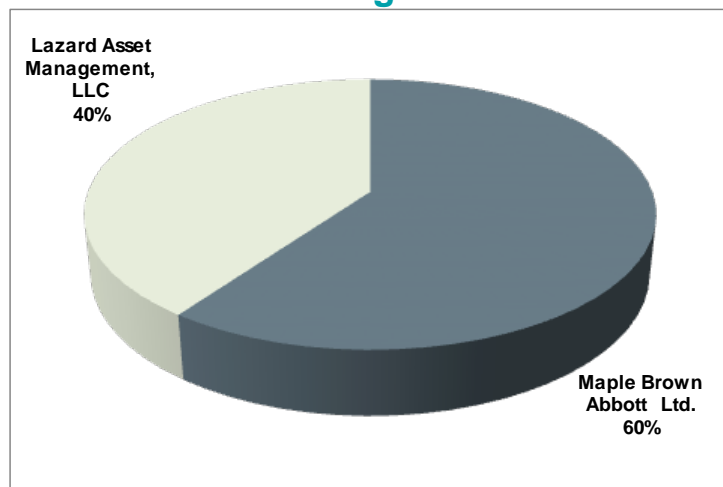
Fund Objective: Total return through both income and capital appreciation

Inception Date: September 18, 2012

Ticker Symbol: NMFIX

Benchmark: S&P Global Infrastructure Index

Sub-Adviser Target Allocations*



*Actual allocations may vary.

Strategy Objectives

- Add value through the combination of sub-advisers who are specialists in their respective styles. This approach should isolate the stock selection skills of the sub-advisers as the primary source of value added for the Fund over time.
- Leverage a disciplined and consistent research process to identify sub-advisers who show high probability of success.
- Maintain the target allocations of the sub-advisers while continuously monitoring the style and characteristics of the Fund and sub-advisers to ensure that the Fund equally balances growth and value objectives while maintaining size (capitalization) characteristics similar to the Fund's market benchmark.
- *By properly combining sub-advisers, we attempt to reduce low conviction bets such as style and size and focus the risk of the portfolio on higher conviction bets – the stock picking skills of the sub-advisers.*

Portfolio Characteristics

- Well diversified portfolio, benchmarked to the S&P Global Infrastructure Index.
- The Fund currently uses two sub-advisers with various investment approaches.
- Style characteristics are designed to be neutral to the Index

GLOSSARY

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.

Foreign (Non-U.S.) Securities Risk: Investing in foreign (non-U.S.) securities may result in the Fund experiencing more rapid and extreme changes in value than a fund that invests exclusively in securities of U.S. companies, due to less liquid markets, foreign government intervention and adverse economic, political, diplomatic, financial and regulatory factors.

Concentration Risk: Investing a high percentage of net assets in securities in a specific industry, the Fund may be subject to greater volatility than a fund that is more broadly diversified.

Infrastructure Companies Risk: Infrastructure companies may not realize projected revenue volumes due to; cost overruns; changes in terms making a project no longer economical; macroeconomic factors may raise the average cost of funding; government regulation; government budgetary constraints; special tariffs and/or changes in tax law and unfavorable accounting standards.

Currency Risk: Foreign currencies will fluctuate in value relative to the U.S. dollar; therefore you may lose money if the local currency of a foreign market depreciates against the U.S. dollar.

Emerging and Frontier Markets Risk: Emerging and frontier market investing may be subject to additional economic, political, liquidity and currency risks not associated with more developed countries. Additionally, frontier countries generally have smaller economies or less developed capital markets than traditional emerging markets and, as a result, the risks of investing in emerging market countries are magnified in frontier countries.

Liquidity Risk: Some securities held by the Fund may be difficult to sell, or illiquid, particularly during times of market turmoil. Illiquid securities also may be difficult to value. If the Fund is forced to sell an illiquid asset to meet redemption requests or other cash needs, the Fund may be forced to sell at a loss.

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.

Master Limited Partnerships (MLPs) Risk: Investing in MLPs involves certain risks related to investing in the underlying assets of the MLPs and risks associated with pooled investment vehicles. MLPs that concentrate in a particular industry or a particular geographic region are subject to risks associated with such industry or region. The benefit derived from the Fund's investment in MLPs is largely dependent on the MLPs being treated as partnerships for federal income tax purposes, treatment of an MLP (owned by the Fund) as a corporation would materially reduce the after-tax return to the Fund with respect to its investment in the MLP. The Fund must include its allocable share of the MLP's taxable income in its taxable income, whether or not it receives a distribution of cash from the MLP. In such cases, the Fund may have to liquidate securities to make required distributions to the Fund's shareholders.

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.

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.

Weighted Average Market Capitalization: a firm's closing stock price multiplied by the number of shares.

% Earnings Per Share (EPS) Growth – past 5 years: a 5 year annualized earnings growth rate. Earnings per share is a part of a company's profit which is allocated to an individual outstanding share of common stock. As viewed by the investor, it is the rate of earnings which are returned on the original investment made. Also known as EPS for short, the earnings per share can be used to indicate a corporation's financial profitability.

Positive Trailing P/E: the ratio of a firm's closing stock price and its trailing 12 months' earnings per share, excluding those companies with negative earnings. A P/E ratio is generally used to provide investors with a better understanding of a company's value.

Price to Book: a ratio used to compare a stock's market value to its book value. It is calculated by dividing the current price of the stock by the latest quarter's book value per share.

S&P Global Infrastructure Index: provides liquid and tradable exposure to 75 companies from around the world that represent the listed infrastructure universe. The Index has balanced weights across three distinct infrastructure clusters: Utilities, Transportation and Energy. It is not possible to invest directly in an index.

Please refer to the Fund's prospectus for further information relating to principal risks.

MULTI-MANAGER GLOBAL LISTED INFRASTRUCTURE FUND (NMFIX)

Fund Performance & Quarterly Fund Commentary

4Q | 2018

QUARTERLY COMMENTARY

- The global listed infrastructure market, as measured by the S&P Global Listed Infrastructure Index, posted negative results into the fourth quarter of 2018. The Index declined -5.12% in the period. A declining equity market, rising interest rates and growing trade concerns all played a role in the weakness of the listed infrastructure market. Energy pipelines were the worst-performing sector on the back of oil prices falling more than 40%, and airport services posted weak results across all regions. All major regions declined in the quarter. The U.K. and the emerging markets underperformed, while continental Europe and the Asia Pacific region declined less than the overall Index.
- The Multi-Manager Global Listed Infrastructure Fund returned -5.81% during the quarter, underperforming the benchmark, the S&P Global Listed Infrastructure Index. The primary detractor was weak stock selection within California utilities. This segment of the market fell due to concerns over liabilities tied to the northern California wildfires that occurred in November 2018. Stock selection within European communication services was also negative and detracted from performance relative to its benchmark. Conversely, an underweight to weak performing sectors such as pipelines and airport services contributed and partially offset the negative relative performance. While stock selection in the U.K. contributed to relative performance, an overweight to the U.K. partially offset that positive impact. Sub-adviser Lazard's portfolio benefitted from stock selection in Italian electricity and gas transmission, as well as an underweight to energy pipelines. Sub-adviser Maple Brown underperformed primarily due to stock selection in California utilities.

PERFORMANCE (in %) as of December 31, 2018

| | Quarter | YTD | 1 Year | 3 Years | 5 Years | 10 Years | Inception to Date | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|---------|--------|--------|---------|---------|----------|-------------------|-------|-------|--------|-------|-------|
| Multi-Manager Global Listed Infrastructure Fund - Inception 9/9/12 | -5.81 | -10.28 | -10.28 | 6.12 | 3.45 | -- | 6.58 | 22.21 | 8.99 | -7.86 | 7.63 | 24.28 |
| S&P Global Infrastructure | -5.12 | -9.50 | -9.50 | 6.92 | 4.10 | -- | 5.81 | 20.13 | 12.43 | -11.46 | 12.98 | 14.99 |
| Excess Return | -0.69 | -0.78 | -0.78 | -0.80 | -0.65 | -- | 0.78 | 2.08 | -3.45 | 3.60 | -5.36 | 9.29 |
| Annual Expense Ratio: Gross, 1.03%; Net, 1.01% ¹ | | | | | | | | | | | | |

Returns quoted represent past performance, which 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. Call 800-595-9111 for returns current to the most recent month-end. Returns for periods greater than one year are annualized. Net expense ratio reflects voluntary expense reimbursements by the Fund's investment advisors that may be changed or terminated at any time. See the Appendix for additional disclosure about performance.

¹The 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.

The Fund benchmark is the S&P Global Infrastructure Index.



MULTI-MANAGER GLOBAL LISTED INFRASTRUCTURE FUND (NMFIX)

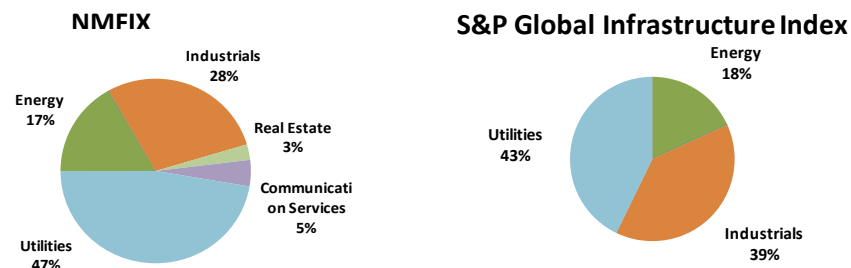
Fund Characteristics

4Q | 2018

FUND FACTS

Fund Objective: Total return through both income and capital appreciation
Inception Date: September 18, 2012
Ticker Symbol: NMFIX
Benchmark: S&P Global Infrastructure Index

SECTOR ALLOCATIONS



5 LARGEST HOLDINGS

| Company | % of Fund |
|------------------|--------------|
| National Grid | 6.7% |
| Severn Trent | 4.9% |
| Atlantia Spa | 4.9% |
| Transurban Group | 4.3% |
| Getlink Se | 4.1% |
| Total* | 24.9% |

PORTFOLIO CHARACTERISTICS

| | NMFIX | Benchmark |
|----------------------------|----------------|----------------|
| Wtd Avg Market Cap | \$18.1 Billion | \$27.8 Billion |
| % EPS Growth - Past 5 yrs. | 2.64% | 6.17% |
| Positive Trailing P/E | 16.5x | 16.8x |
| Price to Book | 1.66 | 1.61 |
| Number of Holdings** | 47 | 75 |

*The "Total" column may not sum exactly due to rounding.

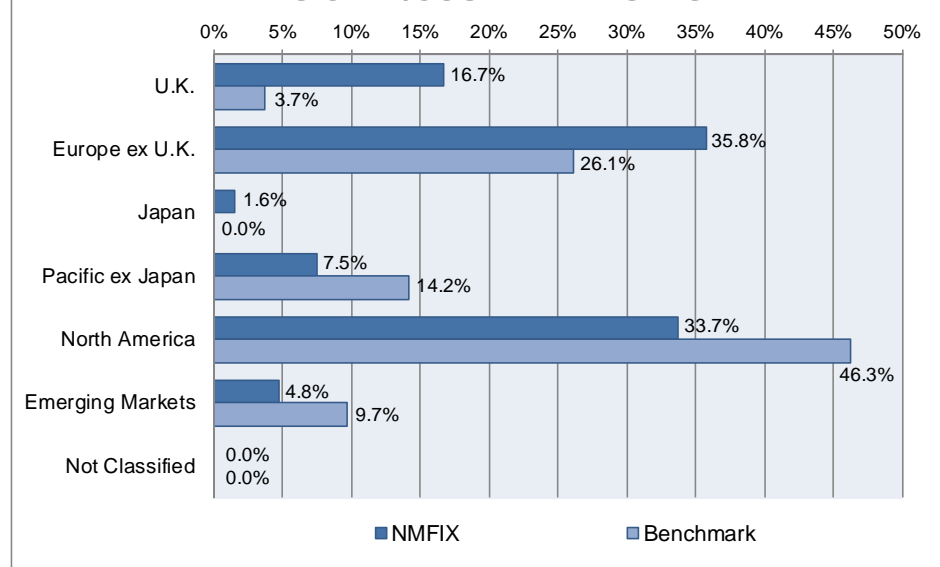
**Currency positions are excluded.

Portfolio composition may change at any time.

Source: Wilshire Atlas

5 See page 11 for important disclosure information

REGIONAL/COUNTRY WEIGHTS



MULTI-MANAGER GLOBAL LISTED INFRASTRUCTURE FUND (NMFIX)

Fund Characteristics

4Q | 2018

INDUSTRY WEIGHTS

| Sectors | NMFIX | Benchmark |
|---------------------------|---------------|---------------|
| Air Freight & Logistics | 0.0% | 0.0% |
| Airport Services | 6.0% | 19.7% |
| Cable & Satellite | 4.6% | 0.0% |
| Construct & Engineering | 3.5% | 0.0% |
| Electric Utilities | 20.9% | 26.9% |
| Environ & Facilities Svcs | 0.0% | 0.0% |
| Gas Utilities | 3.3% | 1.4% |
| Highways & Railtracks | 15.2% | 15.7% |
| Ind Pwr Prod & Ener Trade | 0.0% | 0.2% |
| Industrial Conglomerates | 0.0% | 0.0% |
| Integrated Oil & Gas | 0.0% | 0.0% |
| Integrated Telecom Svcs | 0.0% | 0.0% |
| Investment Banking & Brok | 0.0% | 0.0% |
| Marine Ports & Services | 0.0% | 3.6% |
| Multi Utilities | 11.9% | 13.6% |
| Oil & Gas Explore & Prod | 0.0% | 0.0% |
| Oil & Gas Refining & Mktg | 0.0% | 0.0% |
| Oil & Gas Storage & Trans | 16.8% | 18.2% |
| Railroads | 3.9% | 0.0% |
| Renewable Electricity | 0.0% | 0.0% |
| Security & Alarm Services | 0.0% | 0.0% |
| Specialized REITs | 2.7% | 0.0% |
| Water Utilities | 11.2% | 0.6% |
| Wireless Telecom Svcs | 0.0% | 0.0% |
| Not Classified | 0.0% | 0.0% |
| Total* | 100.0% | 100.0% |

*The "Total" column may not sum exactly due to rounding.

Portfolio composition may change at any time.

Source: Wilshire Atlas



NORTHERN FUNDS

Sub-Adviser 4Q 2018 Review



MULTI-MANAGER GLOBAL LISTED INFRASTRUCTURE FUND (NMFIX)

Sub-Adviser Allocation and Portfolio Characteristics

4Q | 2018

SUB-ADVISER ALLOCATION

| Sub-Adviser | Target Allocation* | Role in Portfolio |
|------------------------------|--------------------|---|
| Maple-Brown Abbott Limited | 60% | Core infrastructure focused on low cash flow volatility, income stability and inflation protection. The strategy is benchmark agnostic and is expected to deliver returns at a lower level of volatility and risk than the benchmark. The portfolio may also invest up to 20% in Master Limited Partnerships. |
| Lazard Asset Management, LLC | 40% | Benchmark agnostic, bottom-up and valuation based approach to identify long-term value in infrastructure companies. |

PORTFOLIO CHARACTERISTICS

| | Maple Brown | Lazard | NMFIX | S&P Global Infrastructure Index |
|----------------------------|----------------|----------------|----------------|---------------------------------|
| Wtd Avg Market Cap | \$19.2 Billion | \$16.5 Billion | \$18.1 Billion | \$27.8 Billion |
| % EPS Growth - Past 5 yrs. | 1.74% | 3.93% | 2.64% | 6.17% |
| Positive Trailing P/E | 17.8x | 15.0x | 16.5x | 16.8x |
| Price to Book | 1.57 | 1.79 | 1.66 | 1.61 |
| Number of Holdings** | 31 | 27 | 47 | 75 |

*Actual allocations may vary.

**Currency positions are excluded.

Portfolio composition may change at any time.

Source: Wilshire Atlas



MULTI-MANAGER GLOBAL LISTED INFRASTRUCTURE FUND (NMFIX)

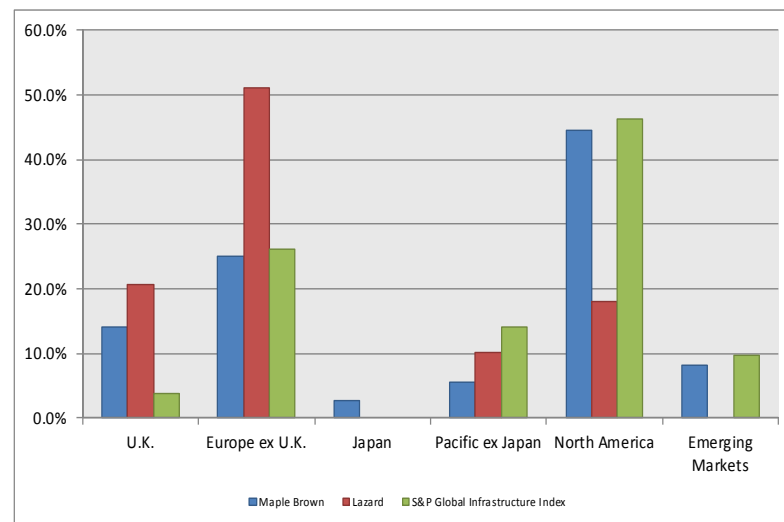
Sub-Adviser Industry and Regional/Country Allocations

4Q | 2018

INDUSTRY WEIGHTS

| | Maple Brown | Lazard | NMFIX | S&P Global Infrastructure Index |
|---------------------------|---------------|---------------|---------------|---------------------------------|
| Air Freight & Logistics | 0.0% | 0.0% | 0.0% | 0.0% |
| Airport Services | 8.0% | 3.0% | 6.0% | 19.7% |
| Cable & Satellite | 0.0% | 11.2% | 4.6% | 0.0% |
| Construct & Engineering | 2.7% | 4.6% | 3.5% | 0.0% |
| Electric Utilities | 20.3% | 21.9% | 20.9% | 26.9% |
| Environ & Facilities Svcs | 0.0% | 0.0% | 0.0% | 0.0% |
| Gas Utilities | 4.2% | 2.0% | 3.3% | 1.4% |
| Highways & Railtracks | 13.8% | 17.3% | 15.2% | 15.7% |
| Ind Pwr Prod & Ener Trade | 0.0% | 0.0% | 0.0% | 0.2% |
| Industrial Conglomerates | 0.0% | 0.0% | 0.0% | 0.0% |
| Integrated Oil & Gas | 0.0% | 0.0% | 0.0% | 0.0% |
| Integrated Telecom Svcs | 0.0% | 0.0% | 0.0% | 0.0% |
| Investment Banking & Brok | 0.0% | 0.0% | 0.0% | 0.0% |
| Marine Ports & Services | 0.0% | 0.0% | 0.0% | 3.6% |
| Multi Utilities | 13.3% | 9.8% | 11.9% | 13.6% |
| Oil & Gas Explore & Prod | 0.0% | 0.0% | 0.0% | 0.0% |
| Oil & Gas Refining & Mktg | 0.0% | 0.0% | 0.0% | 0.0% |
| Oil & Gas Storage & Trans | 23.2% | 7.6% | 16.8% | 18.2% |
| Railroads | 0.0% | 9.5% | 3.9% | 0.0% |
| Renewable Electricity | 0.0% | 0.0% | 0.0% | 0.0% |
| Security & Alarm Services | 0.0% | 0.0% | 0.0% | 0.0% |
| Specialized REITs | 4.6% | 0.0% | 2.7% | 0.0% |
| Water Utilities | 9.9% | 13.1% | 11.2% | 0.6% |
| Wireless Telecom Svcs | 0.0% | 0.0% | 0.0% | 0.0% |
| Not Classified | 0.0% | 0.0% | 0.0% | 0.0% |
| Total* | 100.0% | 100.0% | 100.0% | 100.0% |

REGIONAL/COUNTRY ALLOCATIONS



*The "Total" columns may not sum exactly due to rounding.

Portfolio composition may change at any time.

Source: Wilshire Atlas



NORTHERN FUNDS

Appendix

Disclosure of additional information



APPENDIX: DISCLOSURES

- **Past performance does not guarantee future results.**
- Total return is based on net change in NAV, assuming reinvestment of all distributions. Returns for periods greater than one year are annualized. Sub-adviser returns are represented gross of Fund expenses. Returns of an index do not reflect the deduction of any management fees, transaction costs or other expenses. Direct investment in an index is not possible.
- This presentation is provided for informational purposes only and does not constitute an offer or solicitation to purchase or sell any funds. Information should not be considered investment advice, a recommendation to buy or sell any security or an endorsement of any underlying sub-advisers' investment strategies. There is no assurance that the securities discussed are still in the Funds' portfolio or that securities sold have not been repurchased. It should not be assumed that any of the securities transactions or holdings discussed was or will be profitable, or that the investment decisions made in the future will be profitable or will equal the investment performance of the securities discussed herein.
- Portfolio sector and characteristics comparisons are provided to illustrate sector allocations and characteristics for each Fund/sub-adviser's strategy versus their respective benchmarks as of the date indicated. The information in this presentation reflects prevailing market conditions and our judgment as of this date, which are subject to change. In preparing this presentation we have relied upon and assumed without independent verification, the accuracy and completeness of all information available from public sources.
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