

# Northern Funds INTERNATIONAL EQUITY INDEX FUND

2Q2017

NOINX/EQUITY

## FUND FACTS

**Fund Objective:** Seeks to Replicate Index  
**Inception Date:** March 22, 2005  
**Ticker Symbol:** NOINX  
**Gross Expense Ratio:** 0.29%<sup>1</sup>  
**Net Expense Ratio:** 0.25%<sup>1</sup>  
**Redemption Fee:** 2% on shares sold or exchanged within 30 days of purchase  
**Dividend Schedule:** Annually  
**Benchmark:** MSCI EAFE<sup>®</sup> Index  
**Morningstar Category:** Foreign Large Blend

## FUND CHARACTERISTICS

**Total Net Assets:** \$5.1 billion  
**Number of Holdings:** 939  
**Annual Portfolio Turnover:** 28.03% (as of 3/31/17)  
**Weighted Average Market Cap (\$mil):** \$57,033

|   | Fund  | Benchmark <sup>2</sup> |
|---|-------|------------------------|
| Trailing 12-month Price-to-Earnings Ratio | 17.91 | 17.90                  |
| Price-to-Book Ratio                       | 1.68  | 1.67                   |

## RISK CHARACTERISTICS

|                     | Fund  | Benchmark <sup>2</sup> |
|---------------------|-------|------------------------|
| Beta                | 0.93  | 1.00                   |
| Up Market Capture   | 92.31 | 100.00                 |
| Down Market Capture | 94.21 | 100.00                 |
| Information Ratio   | -0.01 | 0.00                   |

Above risk characteristics are based on 3-year time period.

## FUND STRATEGY

- Passively managed, the Fund seeks to duplicate the investment composition and overall performance of the stocks included in the MSCI EAFE Index.
- The MSCI EAFE Index consists of 21 developed countries, primarily in Europe and Asia.
- Use proprietary quantitative techniques designed to minimize trading costs.

## PERFORMANCE as of 6/30/17

|  | ANNUALIZED |        |        |        |        |         |                 |
|--|------------|--------|--------|--------|--------|---------|-----------------|
|  | Quarter    | YTD    | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception |
| FUND   | 6.41%      | 14.77% | 19.94% | 1.11%  | 8.56%  | 0.87%   | 4.37%           |
| MSCI EAFE INDEX <sup>2</sup>                 | 6.12%      | 13.81% | 20.27% | 1.15%  | 8.69%  | 1.03%   | 4.56%           |
| MORNINGSTAR CATEGORY AVG FOREIGN LARGE BLEND | 6.25%      | 14.45% | 19.13% | 1.18%  | 7.81%  | 0.96%   | —               |

**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 0.25%. This contractual limitation may not be terminated before July 31, 2017 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.**

**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.

**Index Fund Risk:** The performance of the Fund is expected to be lower than that of the Index because of Fund fees and expenses. It is important to remember that there are risks associated with index investing, including the potential risk of market decline, as well as the risks associated with investing in specific companies.

**International Risk:** International investing involves increased risk and volatility.

<sup>1</sup> 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, 2017.

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



NOT FDIC INSURED

May lose value/No bank guarantee

## TOP 10 HOLDINGS

| Company                      | Fund<br>% of Net Assets |
|------------------------------|-------------------------|
| Nestle SA                    | 2.0%                    |
| Novartis AG                  | 1.4%                    |
| HSBC Holdings PLC            | 1.3%                    |
| Roche Holding Ltd            | 1.3%                    |
| Toyota Motor Corp            | 1.0%                    |
| British American Tobacco PLC | 0.9%                    |
| Royal Dutch Shell PLC        | 0.9%                    |
| Total SA                     | 0.8%                    |
| BP PLC                       | 0.8%                    |
| Sanofi                       | 0.8%                    |
| <b>TOTAL</b>                 | <b>11.2%</b>            |

## SECTOR WEIGHTINGS

| Economic Sector            | Fund          | Benchmark <sup>2</sup> |
|----------------------------|---------------|------------------------|
| Financials                 | 21.6%         | 21.5%                  |
| Industrials                | 14.5%         | 14.5%                  |
| Consumer Discretionary     | 12.1%         | 12.1%                  |
| Consumer Staples           | 11.5%         | 11.5%                  |
| Health Care                | 10.8%         | 10.8%                  |
| Materials                  | 7.5%          | 7.5%                   |
| Information Technology     | 6.0%          | 6.1%                   |
| Energy                     | 4.7%          | 4.7%                   |
| Telecommunication Services | 4.3%          | 4.3%                   |
| Real Estate                | 3.6%          | 3.6%                   |
| Utilities                  | 3.4%          | 3.4%                   |
| <b>TOTAL</b>               | <b>100.0%</b> | <b>100.0%</b>          |

## TOP 10 COUNTRY WEIGHTINGS

| Country        | Fund         | Benchmark <sup>2</sup> |
|----------------|--------------|------------------------|
| Japan          | 23.1%        | 23.4%                  |
| United Kingdom | 17.8%        | 17.7%                  |
| France         | 10.7%        | 10.5%                  |
| Germany        | 9.7%         | 9.5%                   |
| Switzerland    | 8.4%         | 8.5%                   |
| Australia      | 7.1%         | 7.1%                   |
| Netherlands    | 3.6%         | 3.5%                   |
| Hong Kong      | 3.5%         | 3.5%                   |
| Spain          | 3.5%         | 3.5%                   |
| Sweden         | 2.9%         | 2.9%                   |
| <b>TOTAL</b>   | <b>90.3%</b> | <b>90.1%</b>           |

## ASSET ALLOCATION

|              |               |
|--------------|---------------|
| Stocks       | 98.0%         |
| Cash         | 2.0%          |
| <b>TOTAL</b> | <b>100.0%</b> |

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

## PORTFOLIO MANAGER



STEVEN J. SANTICCIOLI | Began career in 1993  
With Northern Trust since 2003

Mr. Santiccioli received a B.A. from Bucknell University and an MBA from Fordham University.

## CALENDAR YEAR RETURNS

|  | 2016         | 2015          | 2014          | 2013          | 2012          |
|--|--------------|---------------|---------------|---------------|---------------|
| <b>FUND</b>  | <b>1.11%</b> | <b>-0.93%</b> | <b>-5.79%</b> | <b>21.74%</b> | <b>18.68%</b> |
| MSCI EAFE INDEX <sup>2</sup>                       | 1.00%        | -0.81%        | -4.90%        | 22.78%        | 17.32%        |
| MORNINGSTAR<br>CATEGORY AVG<br>FOREIGN LARGE BLEND | 0.79%        | -1.59%        | -4.98%        | 19.44%        | 18.29%        |

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

### A Conservative Investment Approach

Northern Trust has built a tradition of strength and stability in investment management. Markets fluctuate over time, but we have remained steadfast in our disciplined, risk-managed investment philosophy.

<sup>2</sup> **MSCI EAFE® Index** is a free float-adjusted, market capitalization index that is designed to measure the equity performance of developed markets, excluding the U.S. and Canada. It is not possible to invest directly in an index.

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

**Price-to-Book Ratio:** 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.

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

**Up Market Capture:** A measure of a manager's performance in up markets relative to the market.

**Down Market Capture:** A measure of a manager's performance in down markets relative to the market.

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

*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.*