

NORTHERN FUNDS

Northern Engage360™ Fund (NENGX)

4Q 2020 Performance Review

December 31, 2020

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.

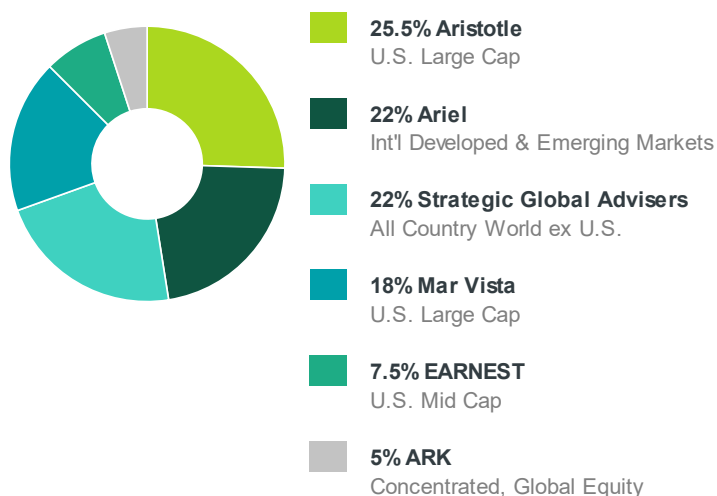


NORTHERN ENGAGE360™ FUND (NENGX)

FUND OVERVIEW

	FUND
Benchmark/Index	MSCI All Country World Index
Morningstar Category	World Large Stock
Inception Date	11/20/17
Total Net Assets	\$378.6 Million
Symbol/CUSIP	NENGX
Dividend Schedule	Annually
Redemption Fee	2% on shares sold or exchanged within 30 days of purchase
Expense Ratio - Gross (%)	0.78
Expense Ratio - Net (%)	0.70

SUB-ADVISER TARGET ALLOCATIONS*



STRATEGY OBJECTIVES

- Achieve long-term capital appreciation through a diversified portfolio of global equities.
- Utilize a multi-manager approach to allocate to sub-advisers based on their investment expertise and a demonstrated commitment to advancing and promoting diversity.
- The Fund will invest at least 80% of its net assets in equity securities of companies listed on a domestic or foreign exchange.
- The Fund may invest in issuers with market capitalizations in all ranges including small-, medium- and large-capitalization companies.

By properly combining sub-advisers, we attempt to create a diversified global equity portfolio optimized for alpha and diversity & engagement characteristics, while controlling for volatility.

PORTFOLIO CHARACTERISTICS

- Well diversified portfolio, benchmarked to the MSCI ACWI Index.
- The Fund leverages sub-advisers with various investment approaches.
- Style characteristics are designed to be neutral to the Index.

*Actual allocations may vary. Effective May 15, 2020, Segall Bryant & Hamill, LLC was terminated as a sub-adviser to the Northern Engage360™ Fund, and assets re-allocated among remaining sub-advisers of the Fund on or about May 28, 2020.



NORTHERN ENGAGE360™ FUND (NENGX)

Fund Quarterly Commentary & Performance

4Q | 2020

QUARTERLY COMMENTARY

- Markets around the world were once again broadly positive in the fourth quarter as the MSCI All Country World Index (ACWI) appreciated by 14.68%. Value outperformed growth in the quarter, as the MSCI ACWI Value appreciated 16.63% versus the MSCI ACWI Growth's return of 13.09%. That said, growth considerably outperformed value in 2020 by 33.93%. The U.S. equity market finished the fourth quarter strong, capping off a volatile year. Sentiment in fourth quarter improved as further progress was made on rolling out a COVID-19 vaccine, which supported the S&P 500 gaining 12.15% in the quarter. The MSCI EAFE appreciated 16.09% led by strong returns in the energy, consumer discretionary, and financials sectors. The MSCI Emerging Markets Index appreciated 19.70% as the top three most heavily weighted countries all produced double digit returns.
- The Fund outperformed its benchmark, the MSCI ACWI, in the fourth quarter appreciating 15.56% compared to the benchmark return of 14.68%. The Fund's outperformance was attributable to stock selection and its smaller cap bias. Positive selection was once again most pronounced in the communication services and healthcare sectors. Regionally, stock selection in the U.S. added to relative performance, while stock selection in Europe detracted. From a factor perspective, the Fund's slight growth tilt, lower dividend yield and lower leverage orientation were headwinds while its smaller cap and higher volatility exposure contributed to positive excess returns. For 2020, the Fund gained 19.01% versus 16.25% for its benchmark.
- Sub-advisers EARNEST, Aristotle, and ARK added to the Fund's excess returns in the fourth quarter. ARK once again contributed most, benefitting from stock selection in its healthcare, technology, communication services, and consumer discretionary holdings. The largest detractors to relative returns came from international equity sub-adviser Ariel and U.S. large cap sub-adviser Mar Vista. Ariel's underperformance was driven by stock selection in financials and in European holdings. Mar Vista's relative underperformance was driven by both stock selection and headwinds from its growth orientation as value outperformed in the quarter.

as of December 31, 2020

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Inception to Date	2019	2018	2017	2016	2015
FUND	15.56	19.01	19.01	9.51	--	--	10.09	25.64	(12.17)	2.70	--	--
Benchmark	14.68	16.25	16.25	10.06	--	--	10.84	26.60	(9.41)	3.33	--	--
Morningstar Category Avg. World Large Stock	14.96	17.67	17.67	--	--	--	--	25.68	(9.64)	--	--	--

Fund inception: November 20, 2017

Annual Expense Ratio: Gross 0.78%, Net 0.70%¹

Benchmark: MSCI All Country World Index. The Index performance is represented net of foreign withholding taxes on dividends.

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, 2021.



NORTHERN FUNDS

Fund and Sub-Advisers 4Q 2020 Review

NORTHERN ENGAGE360™ FUND (NENGX)

Sub-Adviser Target Allocations

4Q I 2020



- 25.5% Aristotle**
U.S. Large Cap
- 22% Ariel**
Int'l Developed & Emerging Markets
- 22% Strategic Global Advisers**
All Country World ex U.S.
- 18% Mar Vista**
U.S. Large Cap
- 7.5% EARNEST**
U.S. Mid Cap
- 5% ARK**
Concentrated, Global Equity

Sub-Adviser	Target Allocation*	Role in Portfolio
Aristotle Capital Management, LLC	25.5%	A U.S. large cap, relative value approach that is benchmark agnostic with a high quality bias. They analyze companies with a global perspective and may have ADR exposure up to 20%.
Ariel Investments, LLC	22.0%	An international strategy seeking high quality companies with strong growth prospects that are undervalued and out of favor across both developed and emerging markets.
Strategic Global Advisers, LLC	22.0%	A diversified all country world ex U.S. strategy that seeks to generate long term value by integrating proprietary quantitative models with a traditional fundamental research overlay.
Mar Vista Investment Partners, LLC	18.0%	A U.S. large cap strategy that seeks to invest in companies that possess sustainable competitive advantages and attractive returns on capital. The portfolio is expected to have a lower volatility, low beta profile.
EARNEST Partners, LLC	7.5%	Diversified U.S. mid cap core strategy focusing on companies with improving profitability and lower earnings variability that trade at reasonable valuations.
ARK Investment Management LLC	5.0%	Concentrated, global equity growth strategy focused on disruptive innovation, with significant exposures to information technology and health care sectors. It is benchmark agnostic with a higher risk profile.

*Actual allocations may vary.

Portfolio composition may change at any time.

See pages 9-10 for important risk disclosure information



NORTHERN ENGAGE360™ FUND (NENGX)

Portfolio Characteristics

4Q I 2020

	Mar Vista Inv Partners	Aristotle Capital Management	EARNEST Partners	Ariel Investments	Strategic Global	ARK Investment Management
Wtd Avg Market Cap	\$458.5 Billion	\$158.6 Billion	\$27.4 Billion	\$65.6 Billion	\$83.6 Billion	\$130.7 Billion
% EPS Growth - Past 5 yrs	16.88%	19.12%	10.47%	4.63%	18.34%	11.86%
Positive Trailing P/E	32.9x	28.3x	22.7x	16.5x	15.7x	153.3x
Price to Book	4.01	2.81	3.03	2.07	2.08	8.62
Number of Holdings*	36	45	54	56	156	33

	FUND	Benchmark
Wtd Avg Market Cap	\$165.5 Billion	\$300.8 Billion
% EPS Growth - Past 5 yrs	14.25%	12.84%
Positive Trailing P/E	21.7x	24.2x
Price to Book	2.72	2.55
Number of Holdings*	354	2,982

*Currency positions are excluded.

Portfolio composition may change at any time.

Source: Wilshire Atlas



NORTHERN ENGAGE360™ FUND (NENGX)

Sector Allocations (%)

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	Mar Vista Inv Partners	Aristotle Capital Management	EARNEST Partners	Ariel Investments	Strategic Global	ARK Investment Management
Communication Services	8.87	2.62	2.35	27.50	7.39	21.51
Consumer Discretionary	9.84	6.90	6.93	9.84	12.87	12.68
Consumer Staples	4.01	7.30	1.53	16.84	8.77	0.00
Energy	0.00	4.22	2.02	0.85	5.71	0.00
Financials	18.63	18.14	13.44	15.88	17.96	3.25
Health Care	8.97	15.73	9.55	15.36	10.74	31.53
Industrials	9.15	12.56	19.97	1.67	12.89	2.86
Information Technology	31.73	22.35	28.32	2.87	12.08	26.87
Materials	5.64	7.97	7.38	0.00	7.88	0.00
Real Estate	3.16	2.20	6.94	0.41	1.97	1.31
Utilities	0.00	0.00	1.57	8.77	1.76	0.00

	FUND	Benchmark
Communication Services	11.35	9.26
Consumer Discretionary	9.74	13.00
Consumer Staples	7.96	7.38
Energy	2.58	3.02
Financials	16.17	13.46
Health Care	14.21	11.86
Industrials	9.56	9.68
Information Technology	18.70	21.86
Materials	5.21	4.92
Real Estate	2.24	2.57
Utilities	2.29	2.99

Totals may not sum to 100% exactly due to rounding.

Portfolio composition may change at any time.

Source: Wilshire Atlas

See pages 9-10 for important risk disclosure information



Appendix

Disclosure of additional information

DISCLOSURE AND RISKS

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

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.

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.

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.

Market Turbulence Resulting from COVID-19: The outbreak of COVID-19 has negatively affected the worldwide economy, individual countries, individual companies and the market in general. The future impact of COVID-19 is currently unknown, and it may exacerbate other risks that apply to the Fund.

DEFINITIONS

MSCI All Country World Index (MSCI ACWI): A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indices comprising 23 developed and 23 emerging market country indices. It is not possible to invest directly in an index.

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

% 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 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, excluding those companies with negative earnings.

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.

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

See pages 9-10 for important risk and disclosure 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. Returns of an index do not reflect the deduction of any management fees, transaction costs or other expenses. It is not possible to invest directly in an index.
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- Portfolio sector and characteristics comparisons are provided to illustrate sector allocations and characteristics for each Fund versus its 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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