

# NORTHERN FUNDS

## GLOBAL TACTICAL ASSET ALLOCATION FUND (BBALX)

As of 03/31/21

### FUND COMMENTARY

Solid equity market performance continued in the first quarter, with positive returns across the major global equity regions for the period. Overall, ongoing optimism on the pandemic recovery and acceleration in vaccination campaigns helped offset some investor concerns around inflation and rising interest rates, especially in the U.S., which passed an additional \$1.9 trillion fiscal stimulus package. Interest rates moved noticeably higher in the quarter. Despite a constructive credit environment, the rise in interest rates led to negative total returns in investment grade fixed income. Major developed market central bank policy remains highly accommodative, with the U.S. Federal Reserve staying comfortable so far with the increase in long-term rates, while the European Central Bank stepped in with additional asset purchases to help address its concerns on rising rates.

The Global Tactical Asset Allocation Fund posted a total return of 3.08% for the quarter, compared with 1.35% for the Fund's Asset Allocation Blend Index benchmark. The Fund's outperformance was primarily driven by product fulfillment and strategic positioning, in addition to some modest benefits from tactical positioning.

We made two changes in asset allocation in the quarter. In January, we increased our developed ex-U.S. equity and emerging market equity allocations, funded by a decrease in investment grade fixed income. In February, we removed our tactical overweight to high yield fixed income, with the proceeds allocated to natural resources and U.S. equities. Both tactical changes were designed to better-position the Fund for the ongoing pandemic recovery, both in terms of the Fund's risk profile and pivoting towards risk assets that are best-positioned to benefit from the recovery. Currently, the Fund has a broad-based overweight to risk assets across developed ex-U.S. equities, natural resources, global listed infrastructure, U.S. equities, and emerging market equities, funded by underweights in investment grade fixed income, inflation-linked fixed income and cash.

**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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Performance as of 03/31/21				Annualized Returns					
FUND	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception*	Gross Expense Ratio	Net Expense Ratio
Global Tactical Asset Allocation	3.08%	3.08%	31.94%	6.36%	7.66%	6.22%	6.30%	0.70%	0.56%
Asset Allocation Blend Index	1.35%	1.35%	30.75%	9.47%	9.35%	7.10%	7.05%		

\*Inception Date- 07/01/93

**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, 2021.

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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