

NORTHERN FUNDS

GLOBAL REAL ESTATE INDEX FUND (NGREX)

As of 12/31/20

FUND COMMENTARY

In the fourth quarter of 2020, the MSCI ACWI IMI Core Real Estate Index (Fund Index) returned 12.19% underperforming the broader global equity market, represented by the MSCI World Index, which returned 13.96% in the quarter.

Within the Fund Index, the top-performing countries over this time period were Indonesia and Norway, returning 62.84% and 60.63%, respectively. Qatar and Saudi Arabia were the worst-performing countries for this quarter, with returns of -5.50% and -5.06%, respectively.

During the quarter, the Global Real Estate Index Fund returned 12.11%, compared with the MSCI ACWI IMI Core Real Estate Index return of 12.19%. Global equity markets got off to a shaky start in October, with uncertainty surrounding the U.S. presidential election as well as rising COVID-19 cases and deaths resulting in an equity sell-off. Optimism returned in November, as equities saw significant gains across global markets on news that two COVID-19 vaccines had been approved for use and had begun distribution. The optimism was met with uncertainty in December, as a new virus strain was detected in the United Kingdom and caused many European countries to place travel bans on the UK. Both the U.S. and EU reaffirmed their accommodative monetary and fiscal policy stances, injecting liquidity into markets and each introducing a new fiscal stimulus bill. To close out the quarter, Brexit negotiations came to a close as a deal was agreed upon in the closing days of December. Both the EUR and GBP appreciated against the USD on the news. Oil followed a pattern similar to equities, as October saw prices drop. This was followed by a rally in November and into December off of positive vaccine news and optimism about increased demand in the near future. Both WTI and Brent finished the quarter near early March levels. The U.S. dollar continued to weaken over the quarter, widely benefitting emerging market economies. The majority of developed and emerging market countries posted positive equity returns, as the world looks to the new year with hopes of putting the pandemic behind them.

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 12/31/20				Annualized Returns					
FUND	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception*	Gross Expense Ratio	Net Expense Ratio
Global Real Estate Index Fund	12.11%	-8.38%	-8.38%	1.74%	4.67%	5.38%	3.34%	0.47%	0.47%
MSCI ACWI IMI Core Real Estate Index	12.19%	-8.83%	-8.83%	1.27%	4.34%	5.68%	3.63%		

*Inception Date- 07/26/06

Effective July 31, 2018 the benchmark for the Global Real Estate Index Fund has changed from FTSE EPRA/NAREIT Global Index to MSCI ACWI IMI Core Real Estate Index which better aligns with the investment adviser's view of the investable universe in the real estate sector and to provide additional representation of real estate investment trusts and broader market capitalization.

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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