

NORTHERN FUNDS

MULTI-MANAGER HIGH YIELD OPPORTUNITY FUND (NMHYX)

As of 09/30/20

FUND COMMENTARY

The high yield market returned 4.70% during the third quarter, as measured by the ICE BofA U.S. High Yield Constrained Index. Lower quality securities continued to outperform higher quality as risk assets continued to recover. BB rated securities returned 4.20%, B rated returned 4.57% and CCC & lower returned 7.40%. On a sector basis, the energy sector returned 2.65%, gaming returned 8.65% and retail returned 7.67%.

During the quarter, the Multi-Manager High Yield Opportunity Fund outperformed its benchmark posting a return of 5.39% compared to 4.70% for the ICE BofA U.S. High Yield Constrained Index. Neuberger Berman slightly outperformed the benchmark during the quarter. Security selection in energy, gas distribution and healthcare drove relative performance as did quality selection within BB and B rated securities. Cash was a modest drag on performance for the quarter. DDJ outperformed during the quarter driven by the portfolio's overweight to lower-rated credits. The portfolio benefitted from the outperformance of the lower-tier, during both the rally in August, and the sell-off in September. In addition, DDJ's overweight to second lien loans contributed to relative performance, as second lien loans outperformed the broader high yield bond market during the quarter. Nomura outperformed for the quarter with positive security selection in gaming, support-services, recreation & travel, and energy-exploration & production.

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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 MULTI-MANAGER HIGH YIELD OPPORTUNITY FUND (NMHYX)

Performance as of 09/30/20				Annualized Returns					
FUND	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception *	Gross Expense Ratio	Net Expense Ratio
Multi-Manager High Yield Opportunity Fund	5.39%	-1.19%	1.24%	2.42%	5.55%	5.28%	6.03%	0.93%	0.86%
ICE BofAML U.S. High Yield Constrained Index	4.70%	-0.38%	2.22%	3.81%	6.60%	6.27%	7.33%		

*Inception Date- 09/23/09

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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