

NORTHERN FUNDS

MULTI-MANAGER HIGH YIELD OPPORTUNITY FUND (NMHYX)

As of 09/30/21

FUND COMMENTARY

The high yield market returned 0.95% during the third quarter, as measured by the ICE BofA U.S. High Yield Constrained Index. Both the highest and lowest quality segments of the market drove quarterly performance, with the single-B segment underperforming the Index's overall return. BB rated securities returned 1.09%, B rated returned 0.68% and CCC & lower returned 1.03%. On a sector basis, energy returned 1.74%, retail returned 0.73% and healthcare returned 0.80%.

During the quarter, the Multi-Manager High Yield Opportunity Fund outperformed its benchmark posting a return of 0.99% compared to 0.95% for the ICE BofA High Yield Constrained Index. Neuberger Berman underperformed for the quarter. On a sector basis, an underweight to food and drug retailers as well as energy, detracted from relative performance in the third quarter. The portfolio's overweight to gaming and the higher quality segment of the high yield market, were relative contributors to performance. Sub-adviser DDJ turned in the strongest performance for the quarter, driven by the portfolio's overweight to lower-rated bonds and loans. Conversely, an underweight in higher quality bonds, BB-rated, as well as an underweight to energy sector detracted for the quarter. Nomura benefited with key overweight positions in CCCs as well as an overweight to the energy sector, which broadly outperformed the index. An underweight to BB-rated securities detracted from performance.

Please carefully read the summary prospectus or prospectus and consider the investment objectives, risks, charges and expenses of the Northern Funds carefully 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 09/30/21				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	0.99%	5.86%	13.72%	5.86%	6.02%	6.73%	6.65%	0.96%	0.86%
ICE BofA U.S. High Yield Constrained Index ¹	0.95%	4.68%	11.46%	6.59%	6.34%	7.29%	7.66%		

*Inception Date- 09/23/09

¹ICE BofA US High Yield Constrained Index contains all securities in the BofA U.S. High Yield Constrained Index, but caps issuer based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%. The Index tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the U.S. domestic market. It is not possible to invest directly in an index.

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, 2022.

Bond Risk: Bond funds will tend to experience smaller fluctuations in value than stock funds. However, investors in any bond fund should anticipate fluctuations in price, especially for longer-term issues and in environments of rising interest rates.

High-Yield Risk: Although a high-yield fund's yield may be higher than that of fixed-income funds that purchase higher-rated securities, the potentially higher yield is a function of the greater risk that a high-yield fund's share price will decline.

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.

Not FDIC insured | May lose value | No bank guarantee

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