

# NORTHERN FUNDS

## ACTIVE M INTERNATIONAL EQUITY FUND (NMIEX)

As of 06/30/20

### FUND COMMENTARY

Equities in non-U.S. developed markets posted strong gains in the second quarter as countries began to lift COVID-19 lockdown restrictions. The MSCI World ex USA IM Index posted its best quarterly performance in the past 10 years, returning 16.21%. Regionally, the Canadian market led the way (MSCI Canada IMI, +22.98%) followed by Europe (MSCI Europe IMI, +16.02%) and the Pacific (MSCI Pacific IMI, +14.89%). Top performers amongst European markets were Germany (+26.75%) and the Netherlands (+25.30%) while the U.K. lagged (+8.77%). Australia (+31.70%) topped the MSCI Pacific IMI while Japan trailed (+11.82%). From a sector perspective, information technology, materials and industrials were among the top performing areas as news of lockdowns lifting buoyed economically-sensitive sectors. Energy lagged all other sectors. Growth continued its dominance over value, as the MSCI World ex USA IMI Growth returned 19.03% while the MSCI World ex USA IMI Value returned 12.93%, and small cap stocks performed better than large caps.

The Fund performed well for the quarter, advancing 21.01% versus 16.21% return for its benchmark, the MSCI World ex USA IM Index. Stock selection drove the Fund's outperformance, particularly within the consumer discretionary and information technology sectors. The Fund's off benchmark exposure to emerging markets contributed positively as the region performed well; however, stock selection within the region offset some of that benefit.

Three out of four of the Fund's sub-advisers outpaced the Fund's benchmark over the period. WCM's quality growth portfolio continued its strong performance and value sub-adviser Causeway's exposure to cyclical stocks contributed positively. Sub-adviser Victory benefited from the small cap tailwinds, with good stock selection and sector allocations. Wellington's exposure to lower price-to-book (P/B) stocks was a headwind for their strategy.

**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 06/30/20				Annualized Returns					
FUND	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception *	Gross Expense Ratio	Net Expense Ratio
Active M International Equity Fund	21.01%	-11.16%	-3.68%	1.63%	1.74%	4.37%	2.24%	0.91%	0.85%
MSCI World ex-USA IM Index	16.21%	-11.68%	-5.11%	0.80%	2.22%	5.67%	2.81%		

\*Inception Date- 06/22/06

**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, 2020.

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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