

NORTHERN FUNDS

ACTIVE M EMERGING MARKETS EQUITY FUND (NMMEX)

As of 09/30/21

FUND COMMENTARY

Emerging markets, as measured by the MSCI Emerging Markets Index, contracted 8.09% in the third quarter, mainly driven by developments in China. The Chinese government introduced new regulations for the for profit education sector in July, triggering a selloff for the month, while credit concerns emerged later in the quarter. As a result, the Chinese market, as defined by the MSCI China Index, declined 18.17% in the quarter. Value stocks outperformed growth stocks and smaller cap names outperformed the broader MSCI Emerging Markets Index. From a sector perspective, real estate and healthcare fell the most in the quarter, and energy, utilities, and financials were the only sectors with positive performance.

The Fund outperformed the MSCI Emerging Markets Index for the quarter, returning -7.22% vs. -8.09%, respectively. The Fund's holdings in the consumer discretionary sector added value, primarily the result of being underweight several underperforming Chinese internet companies. An overall underweight to China added significantly to the Fund's outperformance for the quarter. Stock selection in information technology also contributed positively and exposure to healthcare stocks in South Africa proved beneficial. Meanwhile, exposure to mining stocks in Brazil detracted from results. Holdings in the consumer staples and the energy sector also lagged. Lastly, an underweight to the stronger performing energy sector was also detrimental.

Sub-adviser Westwood supported the Fund's outperformance through strong stock selection in the consumer discretionary, healthcare and information technology sectors along with an underweight to China. Axiom's growth orientation also added value, contributing positively in the information technology and consumer discretionary sectors. Ashmore underperformed as a result of weak selection in the materials, communication services, energy and financial services sectors.

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
Active M Emerging Markets Equity Fund	-7.22%	-1.93%	18.26%	7.34%	8.49%	6.03%	10.54%	1.25%	1.10%
MSCI Emerging Markets Index ¹	-8.09%	-1.25%	18.20%	8.58%	9.23%	6.09%	10.16%		

*Inception Date- 11/19/08

¹MSCI Emerging Markets[®] Index is a free float-adjusted, market capitalization index that is designed to measure equity market performance in the global emerging markets. The index is calculated net of foreign tax withholdings. 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.

Emerging and Frontier Markets Risk: Emerging and frontier market investing may be subject to additional economic, political, liquidity and currency risks not associated with more developed countries. Additionally, frontier countries generally have smaller economies or less developed capital markets than traditional emerging markets and, as a result, the risks of investing in emerging market countries are magnified in frontier countries.

Equity Risk: Equity securities (stocks) are more volatile and carry more risk than other forms of investments, including investments in high-grade fixed-income securities. The net asset value per share of this Fund will fluctuate as the value of the securities in the portfolio changes.

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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