

NORTHERN FUNDS

ARIZONA TAX-EXEMPT FUND (NOAZX)

As of 09/30/21

FUND COMMENTARY

The world economy continued its struggle with COVID-19 in the third quarter. While new lockdowns were implemented in some countries, vaccinations rose and economies reopened despite new virus strains. Central Banks began to unwind the ultra-accommodative policies. The Federal Reserve believed the US economy was making progress on its inflation and employment goals and signaled its intention to announce plans in the near future to taper its quantitative easing program.

Investors continued to make large contributions into the municipal market. The prospect for higher income taxes under the Biden administration was frequently noted as at least part of the reason for increasing allocations to tax-exempt bonds.

The Fund underperformed its benchmark in the quarter. The largest contributor to performance relative to the benchmark was in the Fund's bond structures. The largest detractor to performance was the Fund's overall credit quality. The Fund owned less credit risk than the benchmark against a backdrop where lower rated credits performed very well.

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
Arizona Tax-Exempt Fund	-0.51%	-0.20%	1.28%	4.12%	2.52%	3.46%	4.37%	0.59%	0.47%
Bloomberg Arizona Municipal Bond Index ¹	-0.16%	0.56%	2.27%	4.77%	3.07%	3.82%	4.73%		

*Inception Date- 10/01/99

¹**Bloomberg Arizona Municipal Bond Index** is an unmanaged index of investment grade (Baa3 or better) tax-exempt Arizona bonds with a remaining maturity of at least one year. 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.

Non-Diversified Risk: The Fund invests in a smaller number of securities than the average mutual fund. The change in value of a single holding may have a more pronounced effect on the Fund's net asset value and performance than for other funds.

Regional Investment Risk: The geographical concentration of portfolio holdings in this Fund may involve increased risk.

Tax-Free/AMT Risk: Tax-exempt funds' income may be subject to certain state and local taxes and, depending on your tax status, the federal alternative minimum tax.

Not FDIC insured | May lose value | No bank guarantee

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