

NORTHERN FUNDS

EMERGING MARKETS EQUITY INDEX FUND (NOEMX)

As of 09/30/21

FUND COMMENTARY

In the third quarter of 2021, the MSCI Emerging Markets Index (Fund Index) returned -8.09%. Emerging markets equities underperformed developed equities, as measured by the MSCI World Index which returned -0.01% in the quarter.

The top-performing sectors, within the Fund Index, over this time period were energy and utilities, returning 9.39% and 7.79%, respectively. Consumer discretionary and real estate were the worst performing sectors for this quarter, with returns of -22.90% and -15.73%, respectively.

During this period, within the Fund Index, Argentina and Czech Republic were the top performing countries, returning 22.10% and 16.00% respectively. Brazil and China were the worst performing countries for this quarter, with returns of -20.14% and -18.13%, respectively.

For the quarter, the Emerging Markets Equity Index Fund posted a return of -8.88%, compared to the MSCI Emerging Markets Index return of -8.09%. Global equities posted their first quarterly loss since the pandemic decline. U.S. and developed ex- U.S. earnings growth mostly offset lower valuations, but emerging market (EM) earnings lagged. EM equities fell bogged down by China's regulatory clampdown and credit concerns. China has added a new act to the regulatory crackdowns they have selectively implemented over the past few years. After laying low for much of the past year, the Chinese government has ramped up its regulatory crackdown across several industries. This has investors rightly concerned. Developed ex-U.S. equities declined and U.S. equities were flat. Strong corporate profitability and easy monetary policy lifted developed equities, but concerns on peak growth, inflation and unwinding stimulus built a wall of worry in September.

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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EMERGING MARKETS EQUITY INDEX FUND (NOEMX)

| 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 |
| Emerging Markets Equity Index Fund | -8.88% | -2.43% | 16.18% | 7.84% | 8.49% | 5.76% | 4.33% | 0.34% | 0.30% |
| MSCI Emerging Markets Index ¹ | -8.09% | -1.25% | 18.20% | 8.58% | 9.23% | 6.09% | 5.11% | | |

*Inception Date- 04/25/06

¹MSCI Emerging Markets IndexSM is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. 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 Markets Risk: Emerging market investing is subject to additional economic, political, liquidity and currency risks not associated with more developed 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.

Index Fund Risk: The performance of the Fund is expected to be lower than that of the Index because of Fund fees and expenses. It is important to remember that there are risks associated with index investing, including the potential risk of market decline, as well as the risks associated with investing in specific companies.

Not FDIC insured | May lose value | No bank guarantee

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