

NORTHERN FUNDS

EMERGING MARKETS EQUITY INDEX FUND (NOEMX)

As of 12/31/20

FUND COMMENTARY

In the fourth quarter of 2020, the MSCI Emerging Markets Index (Fund Index) returned 19.70%. Emerging markets equities outperformed developed equities, as measured by the MSCI World Index which returned 13.96% in the quarter.

The top-performing sectors, within the Fund Index, over this time period were information technology and materials, returning 34.31% and 29.96%, respectively. Real estate and consumer discretionary were the worst performing sectors for this quarter, with returns of 6.07% and 7.41%, respectively.

During this period, within the Fund Index, Colombia and Hungary were the top performing countries, returning 48.81% and 39.19% respectively. Egypt and Greece were the worst performing countries for this quarter, with returns of -4.93% and 1.31%, respectively.

For the quarter, the Emerging Markets Equity Index Fund posted a return of 19.07%, compared to the MSCI Emerging Markets Index return of 19.70%. Emerging markets began the quarter with a volatile October, but experienced a significant equity rally in the final two months of the quarter to close the year near 24 month highs. China's economy continues to recover from the COVID-19 pandemic and is nearing pre-pandemic output levels. Significant stimulus, a successful handling of the second wave of the virus, and reopening of the global economy have benefitted China. The presidential change in the U.S. has the potential to cause a shift in the way that the U.S. and China negotiate trade, but it is unlikely to see tensions disappear entirely. Oil followed a pattern similar to equities, as October saw prices drop. This was followed by a rally in November and into December off of positive vaccine news and optimism about increased demand in the near future. Both WTI and Brent finished the quarter near early March levels. The U.S. dollar continued to weaken over the quarter, widely benefitting emerging market economies. The majority of emerging market countries posted positive equity returns, as the world looks to the new year with hopes of putting the pandemic behind them.

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 12/31/20				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	19.07%	17.61%	17.61%	5.74%	12.43%	3.21%	4.73%	0.34%	0.30%
MSCI Emerging Markets Index	19.70%	18.31%	18.31%	6.17%	12.81%	3.63%	5.47%		

*Inception Date- 04/25/06

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, 2021.

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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