

NORTHERN FUNDS

FIXED INCOME (NOFIX)

As of 03/31/21

FUND COMMENTARY

Markets started the year on a positive note, thanks to widespread vaccine distribution, stimulus checks and a gradually reopening economy. As the country continued to emerge from the pandemic, congress passed a \$1.9 trillion COVID-19 relief bill, providing aid to families, businesses, and local governments. Economic data continued to improve led by manufacturing and housing while initial and continuing jobless claims reached their lowest levels since the start of the pandemic. The Federal Reserve reiterated its commitment to providing financial accommodation until their dual-mandate is met. Consumer and business optimism could also be seen in corporate credit spreads and commodities. After starting the year at roughly \$47, West Texas Intermediate (WTI), an oil benchmark, finished the quarter up 23% while investment grade and high yield bonds performed well. Market participants increased near-term inflation expectations, bringing treasury yields along for the ride.

Credit spreads rallied during the quarter, led by lower quality BBB-rated bonds and down in quality high yield spreads and driven by economic recovery expectations and improving fundamentals. The rates curve continued its steepening bias, as investors priced in higher inflation prospects with expectations of greater fiscal spending and an economy gradually re-opening from lockdown.

The Fund returned -3.03% in the first quarter, compared to the Bloomberg Barclays U.S. Aggregate Bond Index return of -3.37%. The Fund's overweight to both investment grade and high yield credit was the primary driver of performance. Security selection within the credit sector, as well as an overweight to lower-quality bonds, further added to overall performance. Duration and curve weighed on performance.

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.

©2021 Northern Funds | Northern Funds are distributed by Northern Funds Distributors, LLC, not affiliated with Northern Trust.



NORTHERN FUNDS

FIXED INCOME (NOFIX)

Performance as of 03/31/21				Annualized Returns					
FUND	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception*	Gross Expense Ratio	Net Expense Ratio
Fixed Income	-3.03%	-3.03%	5.63%	4.90%	3.52%	3.80%	4.96%	0.50%	0.46%
Bloomberg Barclays US Aggregate Bond Index	-3.37%	-3.37%	0.71%	4.65%	3.10%	3.44%	5.29%		

*Inception Date- 04/01/94

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.

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.

©2021 Northern Funds | Northern Funds are distributed by Northern Funds Distributors, LLC, not affiliated with Northern Trust.

