

NORTHERN FUNDS

INCOME EQUITY FUND (NOIEX)

As of 09/30/21

FUND COMMENTARY

U.S. equities continued to deliver positive returns in the third quarter, reaching new all-time highs before pulling back with late-quarter volatility. Concerns in the Chinese real estate market added to investors uncertainty around U.S. fiscal policy and a potential government shutdown. Credit spreads, interest rates, and commodity prices ended the quarter relatively unchanged as investors awaited more details surrounding the size and scope of the U.S. Infrastructure Bill as well as the pace of U.S. Federal Reserve tapering. Financials were the best-performing sector, helped by a late-quarter rally in interest rates. Industrials, materials, and energy sectors lagged as investors took profits in cyclical sectors.

The Fund underperformed its benchmark index in the quarter. The Fund's allocation to higher-dividend-yielding securities detracted from performance, as high yielding stocks underperformed low-yielding and non-dividend paying securities. The portfolio's allocation to high-quality names added to performance as high-quality stocks outperformed low-quality stocks. Stock selection within the energy and utilities sectors added to performance. Selection within the health care and consumer staples sectors detracted from performance.

Looking ahead, we will continue to focus on identifying high-quality, dividend-paying companies. We will maintain our exposure to companies that exhibit prudent use of shareholder capital, focusing on total return. We believe the Fund is well-positioned to provide an elevated level of income, generated from a diversified basket of stocks that offer opportunities to outperform over the long term.

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
Income Equity Fund	-0.12%	14.88%	29.12%	11.95%	13.69%	12.96%	9.38%	1.18%	1.01%
S&P 500 Index ¹	0.58%	15.92%	30.00%	15.99%	16.90%	16.63%	10.72%		

*Inception Date- 04/01/94

¹S&P 500[®] Index is an unmanaged index consisting of 500 stocks and is a widely recognized common measure of the performance of the overall U.S. stock market. 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.

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.

Not FDIC insured | May lose value | No bank guarantee

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