

NORTHERN FUNDS

INTERNATIONAL EQUITY FUND (NOIGX)

As of 09/30/21

FUND COMMENTARY

Global markets were flat in the third quarter. After reaching all-time highs mid-quarter, markets pulled back on late quarter volatility. Concerns of leverage in the Chinese real estate market, uncertainty around U.S. fiscal policy, and rising European natural gas prices, weighed on investor sentiment. Credit spreads and interest rates ended the quarter relatively unchanged as investors awaited the impacts of changing fiscal and monetary policies around the globe. The energy sector was the best-performing sector, as the global economies continued to expand. Materials and utilities sectors lagged, as investors took profits in cyclical sectors.

The Fund underperformed its benchmark index for the quarter. High value (inexpensive) securities underperformed expensive names in the benchmark during the quarter as inflation expectations steadied and interest rates continued to moderate. The portfolio's preference for value stocks and an underweight to expensive stocks detracted from performance. The quality factor had mixed performance across the spectrum. The mixed performance led to quality slightly detracting from the quarterly performance. High momentum names outperformed low momentum names as investors started to revisit growth names that have underperformed the past few quarters. Overall allocation effect from momentum was additive to performance. Stock selection added to performance in the communication services and energy sectors and detracted from performance in the materials and industrials sectors. From a regional perspective, Asia Pacific ex-Japan detracted the most from performance as inexpensive securities emphasized in the portfolio underperformed expensive securities.

We expect the outlook for high-quality, inexpensive securities to remain positive given current valuation levels. We also believe the Fund's focus on high quality securities is positioned to withstand challenging economic scenarios and volatile market environments, as well as benefit from accommodative monetary policy and the strong company fundamentals.

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
International Equity Fund	-1.57%	9.85%	25.94%	4.24%	6.12%	6.75%	4.67%	0.76%	0.53%
MSCI World ex USA Index ¹	-0.66%	9.19%	26.50%	7.87%	8.88%	7.88%	5.59%		

*Inception Date- 04/01/94

¹MSCI World ex US Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets, excluding the United States. The index is calculated net of foreign tax withholdings. 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: Markets of emerging market countries are less developed and less liquid, subject to greater price volatility and generally subject to increased economic, political, regulatory and other uncertainties than more developed markets.

International Risk: International investing involves increased risk and volatility.

Not FDIC insured | May lose value | No bank guarantee

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