

NORTHERN FUNDS

INTERNATIONAL EQUITY INDEX FUND (NOINX)

As of 12/31/20

FUND COMMENTARY

In the fourth quarter of 2020, the MSCI EAFE Index (Fund Index) returned 16.05%. International equities outperformed U.S. equities, as measured by the S&P 500 Index which returned 12.15% in the quarter.

The top-performing sectors in the Fund Index over this time period were energy and financials returning 31.30% and 25.44%, respectively. Health care and consumer staples were the worst performing sectors for this quarter with returns of 4.02% and 6.96%, respectively.

The top-performing countries in the Fund Index over this time period were Austria and Spain, returning 47.89% and 27.65%, respectively. Switzerland and Finland were the worst performing countries for this quarter, with returns of 8.27% and 10.21%, respectively.

During the quarter, the International Equity Index Fund returned 16.01%, compared to the MSCI EAFE Index return of 16.05%. Global developed markets got off to a shaky start in October, seeing a slight downturn in equities. New lockdowns and restrictions came as a result of increased COVID-19 case and death numbers in much of Europe. Optimism returned in November, as equities saw significant gains across global markets on news that two COVID-19 vaccines had been approved for use and had begun distribution. The optimism was met with uncertainty in December, as a new virus strain was detected in the United Kingdom and caused many European countries to place travel bans on the UK. The ECB continued to inject liquidity into markets and introduced more fiscal stimulus as a result of the rising infections and increased business restrictions. Brexit negotiations trended in the right direction throughout the quarter, and a deal was finally agreed upon in the closing days of December. Both the EUR and GBP appreciated against the USD on the news. 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 majority of developed 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
International Equity Index Fund	16.01%	7.90%	7.90%	4.32%	7.53%	5.41%	4.80%	0.24%	0.24%
MSCI EAFE Index	16.05%	7.82%	7.82%	4.28%	7.45%	5.51%	4.98%		

*Inception Date- 03/22/05

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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