

NORTHERN FUNDS

INTERNATIONAL EQUITY INDEX FUND (NOINX)

As of 06/30/20

FUND COMMENTARY

In the second quarter of 2020, the MSCI EAFE Index (Fund Index) returned 14.72%. International equities underperformed U.S. equities, as measured by the S&P 500 Index which returned 20.54% in the quarter.

The top-performing sectors in the Fund Index over this time period were materials and information technology returning 24.09% and 23.52%, respectively. Energy and real estate were the worst performing sectors for this quarter with returns of 0.20% and 8.87%, respectively.

The top-performing countries in the Fund Index over this time period were Australia and New Zealand, returning 28.96% and 28.07%, respectively. United Kingdom and Hong Kong were the worst performing countries for this quarter, with returns of 8.29% and 9.16%, respectively.

During the quarter, the International Equity Index Fund returned 14.72%, compared to the MSCI EAFE Index return of 14.88%. Global developed markets saw their best quarter in over a decade in the second quarter of 2020. While part of the quarter saw global equity markets struggling with increased volatility caused by uncertainty around the COVID-19 virus, equity markets quickly turned on increased optimism provided by fiscal and monetary policy from global policy makers. As energy demand initially cratered due to global economic shut downs combined with extended trade tensions between Russia and Saudi Arabia, triggering the front-month oil futures prices to trade negative in April. Oil reversed this trend and was followed by a sharp recovery in the later months of the quarter. Central banks took action against the pending global recession announcing new unprecedented stimulus packages in a number of countries including the U.S., while the U.S. Federal Reserve kept interest rates near zero. The new risk-on environment led to strong performance across almost every asset class as investors raced back into equity markets in record time. The U.S. dollar remained strong despite surging equity markets which highlighted the increased uncertainty among investors. Almost every developed market country was positive in the second quarter, with the entire globe recovering from the initial impact of the COVID-19 virus.

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 06/30/20				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	14.72%	-11.23%	-5.20%	0.64%	1.98%	5.71%	3.63%	0.25%	0.25%
MSCI EAFE Index	14.88%	-11.34%	-5.13%	0.81%	2.05%	5.73%	3.81%		

*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, 2020.

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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