

NORTHERN FUNDS

LARGE CAP VALUE FUND (NOLVX)

As of 12/31/20

FUND COMMENTARY

After a short period of volatility around the U.S. election, the S&P 500 Index posted strong gains to finish the year at all-time highs. Investors quickly looked through election uncertainty and focused on positive news surrounding COVID-19 vaccine development. Credit spreads and market volatility declined, while oil prices, interest rates, and inflation expectations moved higher. Cyclical sectors benefitted from the improving economic environment and investors returned to more value-oriented segments of the market. Energy and financials sectors were the best performing, benefitting from rising commodity prices and interest rates. Defensive sectors, such as real estate, utilities, and consumer staples lagged the broader market.

The Fund outperformed its benchmark index in the quarter. The Fund's definition of value, which considers both contemporaneous as well as smoothed valuation ratios, outperformed the value benchmark index and contributed to performance. The Fund's allocation to higher quality stocks however, detracted from performance as low quality stocks with poor profitability outpaced the market. Stock selection was strongest within financials, a sector where the Fund's higher quality posture added to performance, while selection within consumer discretionary and consumer staples detracted. Sector allocation effect was slightly negative, as a modest underweight to the energy sector and an overweight to health care stocks detracted from performance.

Looking ahead, we will continue to seek exposure to a diverse group of high-quality, inexpensive companies. We believe the importance of high quality company fundamentals, particularly those trading at attractive valuations, will stand out and the strategy should benefit accordingly.

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
Large Cap Value Fund	17.68%	1.31%	1.31%	5.30%	8.97%	8.43%	6.35%	0.82%	0.55%
Russell 1000 Value Index	16.25%	2.80%	2.80%	6.07%	9.74%	10.50%	7.10%		

*Inception Date- 08/03/00

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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