

# NORTHERN FUNDS

## LARGE CAP VALUE FUND (NOLVX)

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 slightly outperformed its benchmark index in the quarter. The portfolio's value universe, constructed using contemporaneous as well as smoothed valuation ratios, modestly outperformed the value benchmark and contributed to performance. A positive allocation to higher quality stocks relative to the benchmark added to performance, as stocks with higher profit margins and cash flows relative to their peers, outperformed stocks with weaker earnings. Favoring higher quality stocks trading at a discount to their sector peers led to positive stock selection in communication services and consumer discretionary sectors and detracted from performance within materials.

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 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
Large Cap Value Fund	-0.60%	18.70%	39.68%	9.91%	11.14%	12.84%	6.98%	0.89%	0.57%
Russell 1000 Value Index <sup>1</sup>	-0.78%	16.14%	35.01%	10.07%	10.94%	13.51%	7.60%		

\*Inception Date- 08/03/00

<sup>1</sup>**Russell 1000 Value® Index** is an unmanaged index measuring the performance of those companies included in the Russell 1000® Index having lower price-to-book ratios and forecasted growth values. 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.

**Value Risk:** Value-based investments are subject to the risk that the broad market may not recognize their intrinsic value.

Not FDIC insured | May lose value | No bank guarantee

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