

# NORTHERN FUNDS

## LARGE CAP VALUE FUND (NOLVX)

As of 06/30/20

### FUND COMMENTARY

The S&P 500 Index rebounded from the first quarter decline with one of largest quarterly rallies on record. Risk appetite rebounded as investors were confident that fiscal and monetary support had removed the worst case scenarios for the economy. The reopening of businesses in several states also buoyed investor sentiment. In addition, many economic indicators, including employment, consumer spending, manufacturing, and housing data appeared to have bottomed in the quarter. Continued low interest rates, declining credit spreads, and increasing commodity prices also supported the recovery in equity markets. Consumer discretionary was the best-performing sector in the quarter, as investors repurchased names in retail industries that were heavily impacted by shutdowns in the first quarter. The information technology sector also outperformed, as investors continued their preference for mega-cap growth names. Defensive sectors such as utilities and consumer staples underperformed, as investors sought out high volatility exposure in the risk-on rally.

The Large Cap Value Fund posted a total return of 14.94% for the quarter, compared with 14.29% for the Fund's benchmark, the Russell 1000 Value Index. The Fund's definition of value, which considers both contemporaneous as well as smoothed valuation ratios when choosing stocks, outperformed the benchmark's definition of value and contributed to performance. Low quality stocks tended to outperform during the quarter and detracted from relative performance, as the fund favors companies with relatively higher margins and cash flows. Stock selection within financials and consumer discretionary added to performance, while selection within health care and communication services detracted. Sector allocation contributed to performance; as the Fund was underweight utilities and overweight information technology sectors.

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 06/30/20				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	14.94%	-18.44%	-10.73%	0.75%	2.89%	8.24%	5.36%	0.81%	0.58%
Russell 1000 Value Index	14.29%	-16.26%	-8.84%	1.82%	4.64%	10.41%	6.19%		

\*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, 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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