

# NORTHERN FUNDS

## SHORT-INTERMEDIATE TAX-EXEMPT (NSITX)

As of 06/30/20

### FUND COMMENTARY

With the expansion of the Federal Reserve's (Fed) Municipal Lending Facility and a gradual reopening of the economy, the municipal bond market regained some stability in the second quarter. The Fed was able to reassure the market with its accommodative policies and low interest rates for the foreseeable future. Municipal new issuance for the quarter was at \$109 billion which was a 17% increase from the first quarter. The second quarter saw \$12.8 billion in investor inflows after seeing large outflows in the first quarter. Municipal yields fell and the yield curve steepened in the quarter.

The Fund returned 2.58% for the first quarter, compared to 2.38% for the Bloomberg Barclays 1-5 Year Blend Municipal Bond Index, the Fund's benchmark. The Fund's overweight to higher quality bonds and longer duration versus the benchmark contributed to improved performance versus the benchmark in the quarter. During the quarter, we extended the duration of the Fund as an increase in municipal yields in April and May provided a good opportunity. We remain overweight high quality credits versus the benchmark. The Fund is comprised of primarily AA and AAA-rated securities.

*Holdings are subject to change and current and future portfolio holdings are subject to risk.*

**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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## SHORT-INTERMEDIATE TAX-EXEMPT (NSITX)

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
Short-Intermediate Tax Exempt	2.58%	2.28%	3.62%	2.47%	1.91%	1.58%	2.16%	0.51%	0.46%
Bloomberg Barclays 1-5 Year Blend Muni Bond Index	2.38%	1.86%	3.14%	2.50%	2.11%	2.04%	2.84%		

\*Inception Date- 08/22/07

**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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