

NORTHERN FUNDS

SHORT-INTERMEDIATE TAX-EXEMPT (NSITX)

As of 12/31/19

FUND COMMENTARY

The Federal Reserve (Fed) continued its dovish actions with a 25 basis point (0.25%) cut in the fed funds rate at its October meeting. Increased investor optimism due to the Fed cut, and the prospect of a phase one trade deal between the U.S. and China caused U.S. Treasury yields to rise and the yield curve to steepen.

The Fund returned 0.76% for the fourth quarter, compared to 0.87% for the Bloomberg Barclays 1-5 Year Blend Municipal Bond Index, the Fund's benchmark. The Fund's overweight to higher quality bonds versus the benchmark contributed to the underperformance in the quarter. During the quarter we extended the duration of the Fund as an increase in municipal yields in October and November provided a good opportunity. As the municipal new issuance slowed in December, we reduced duration in the portfolio to take advantage of excess demand from continued inflows into the municipal bond market. We remain overweight high quality credits versus the benchmark. Credit spreads are narrow and are not representative of the additional risk in our view. 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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Performance as of 12/31/19				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	0.76%	3.93%	3.93%	2.20%	1.48%	1.45%	2.06%	0.51%	0.46%
Bloomberg Barclays 1-5 Year Blend Muni Bond Index	0.87%	4.03%	4.03%	2.55%	1.82%	2.03%	2.80%		

*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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