

NORTHERN FUNDS

SHORT-INTERMEDIATE TAX-EXEMPT (NSITX)

As of 12/31/20

FUND COMMENTARY

As reported by the Barclays Municipal Strategy Monthly Report, municipal new issuance for the fourth quarter was \$120 billion, down 16% from the third quarter. Investor appetite for municipal bonds continued to grow in the quarter as the United States economy began to rebound from the effects of the pandemic. Municipal yields rose in October as municipalities accessed the new issue market prior to the election. Municipal yields rallied in November and December as the yield curve flattened due to increase demand from investors and a reduction in new issue supply.

The Fund returned 0.56% for the fourth quarter, compared to 0.44% for the Bloomberg Barclays 1-5 Year Blend Municipal Bond Index, the Fund's benchmark. The Fund's overweight duration versus the benchmark contributed to the outperformance versus the benchmark in the quarter. During the quarter, we took advantage of a large increase in new issue supply in October to extend the duration of the portfolio. As new issue supply faded in November and December, we took advantage of strong inquiry to reduce the duration of the portfolio. 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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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
Short-Intermediate Tax Exempt	0.56%	3.52%	3.52%	2.97%	1.95%	1.69%	2.17%	0.50%	0.46%
Bloomberg Barclays 1-5 Year Blend Muni Bond Index	0.44%	3.15%	3.15%	2.97%	2.16%	2.12%	2.83%		

*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, 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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