

# GLOBAL TACTICAL ASSET ALLOCATION FUND

MUTUAL FUND

AS OF 3Q23



Overall Morningstar Rating™ among 377 Global Allocation funds derived from a weighted average of the fund's 3- 5- and 10-year risk-adjusted returns as of 9/30/23.<sup>1</sup>

## Investment Objective

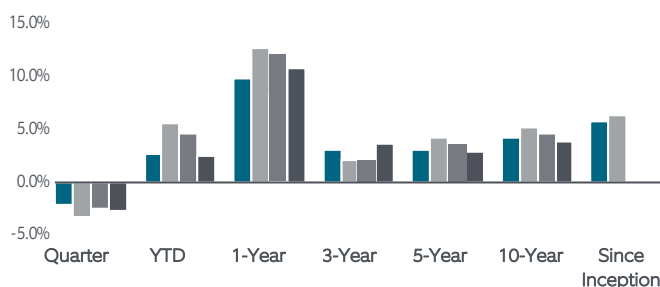
The Fund seeks to provide long-term capital appreciation and current income.

## Investment Approach

The Fund seeks to achieve its investment objective by diversifying among various asset classes (stocks, bonds, commodities, and other) both domestic and foreign. The allocation will be based on an asset allocation framework developed by the Investment Policy Committee of The Northern Trust Company (TNTC) and Northern Trust Investments, Inc. (NTI).

## INVESTMENT PERFORMANCE % — AS OF 9/30/23

- Northern Funds Global Tactical Asset Allocation Fund
- Asset Allocation Blend Benchmark<sup>2</sup>
- Internal Reference Benchmark<sup>3</sup>
- Morningstar Category Avg Global Allocation



### Average Annual Returns

	Quarter	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
■ Fund	-2.25	2.66	9.79	2.94	2.94	4.11	5.64
■ Benchmark I <sup>2</sup>	-3.31	5.50	12.50	2.11	4.21	5.18	6.32
■ Benchmark II <sup>3</sup>	-2.53	4.55	11.44	2.84	4.14	4.84	—
■ Morningstar	-2.70	2.32	10.64	3.50	2.71	3.68	—

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.

In the absence of applicable expense reimbursements and fee waivers, fund performance and returns since inception and dividends would have been reduced. Total return is based on net change in NAV assuming reinvestment of distributions.

Please see following pages for calendar year returns, index definitions and investment terms.

## FUND OVERVIEW

Benchmark/Index	Fund Asset Allocation Blend Benchmark <sup>2</sup>
Morningstar Category	Global Allocation
Inception Date	7/1/93
Total Net Assets	\$98.5 Million
Symbol/CUSIP	BBALX
Dividend Schedule	Quarterly
Expense Ratio - Gross (%)	0.68
Expense Ratio - Net (%)	0.55

The Gross and Net Expense Ratios are as of the most recent prospectus. The Net Expense Ratio includes contractual expense reimbursements by the advisor through at least July 31, 2024. Please read the current prospectus for more complete information on fees and expenses.

## FUND CHARACTERISTICS

	Fund
Number of Holdings	24
Annual Portfolio Turnover as of 3/31/23 (%)	34.9

## PERFORMANCE AND RISK CHARACTERISTICS (3 YR)

	Fund
Beta	0.93
Information Ratio	0.41
Upside Capture Ratio	97.45
Downside Capture Ratio	94.16

Above risk characteristics are based on 3-year time period.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

## GLOBAL TACTICAL ASSET ALLOCATION FUND

## CALENDAR YEAR RETURNS %

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Global Tactical Asset Allocation Fund	-12.77	11.20	6.48	17.61	-7.91	14.18	9.12	-2.24	2.14	11.58
Benchmark I <sup>2</sup>	-16.02	10.21	13.49	19.40	-5.53	15.39	5.92	-0.96	4.97	12.35
Benchmark II <sup>3</sup>	-13.24	9.88	12.36	17.49	-5.70	14.26	7.75	-2.71	4.54	9.06
Morningstar Global Allocation	-12.34	11.31	6.18	16.10	-8.26	14.79	6.04	-4.15	1.54	10.07

Performance quoted represents past performance and does not guarantee future results.

## SECTOR

ALLOCATION %	Fund
Information Technology	15.4
Financials	13.1
Materials	11.1
Industrials	10.5
Health Care	9.0
Energy	8.7
Consumer Discretionary	7.6
Real Estate	7.5
Consumer Staples	7.4
Communication Services	5.6
Utilities	4.3

## ASSET ALLOCATION %

	Fund
Stocks	36.4
Bonds	51.1
Real Assets	10.8
Cash	1.7

## PORTFOLIO MANAGEMENT

Refer to Northern Trust's website for more information on the Portfolio Management Team managing this fund.

## Asset Class Weightings

Asset Class	Investment Vehicle	Weight
U.S. Equity	FlexShares® Morningstar US Market Factor TILT Index Fund	10.1%
	FlexShares® US Quality Dividend Index Fund	9.1%
	FlexShares® Tr US Quality Low Volatility Index Fund	5.4%
Non U.S. Equity - Developed	FlexShares® Tr Developed Mkts Ex-us Quality Low Vol Idx	2.0%
	FlexShares® International Quality Dividend Index Fund	4.0%
	FlexShares® Morningstar Developed Markets Ex-US Factor TILT Index Fund	3.9%
Non U.S. Equity - Emerging Markets	FlexShares® Morningstar Emerging Market Factor TILT Index Fund	1.9%
Global Real Estate	FlexShares® Global Quality Real Estate Index Fund	2.0%
U.S. Bonds - High Yield	FlexShares® High Yield Value-Scored Bond Index Fund	10.8%
U.S. Bonds - Investment Grade	iShares MBS ETF	7.8%
	iShares Trust 3-7 Yr Treasury Bond	5.2%
	FlexShares® Ultra-short Inc	4.0%
	iShares 10+ Year Investment Grade Corporate Bond	2.8%
	iShares Tr 1-5 Yr Invnt Grade Corporate Bd	2.5%
	iShares 1-3 Year Treasury Bond	2.3%
	FlexShares® Credit-Scored US Corp Bond Index Fund	2.2%
	iShares 7-10 Year Treasury Bond Fund	2.0%
	iShares 20+ Year Treasury Bond Fund	1.9%
	FlexShares® Disciplined Duration Fund	1.6%
FlexShares® Credit-Scored US Long Corporate Bond Fund	0.1%	
U.S. Bonds - Inflation Protected	FlexShares® iBoxx 5-Year Target Duration TIPS Index Fund	6.9%
Commodities/Natural Resources	FlexShares® Morningstar Global Upstream Natural Resources Index Fund	6.9%
Global Infrastructure	FlexShares® STOXX Global Broad Infrastructure Index	2.0%
Cash	Northern Instl Funds US Govt Portfolio CIA	1.7%



## DISCLOSURE AND RISKS

All data is as of date indicated and subject to change.

**<sup>1</sup> Past performance is no guarantee of future results. Ratings reflect fee waivers in effect; in their absence, ratings may have been lower.**

The Morningstar Rating™ for funds, or “star rating,” is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk - Adjusted Return measure that accounts for variation in a managed product’s monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating /30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The Global Tactical Asset Allocation Fund received 3 stars for the 3-year rating among 377 Global Allocation funds, 3 stars for the 5-year rating among 349 funds and 4 stars for the 10-year rating among 255 funds.

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**Asset Allocation Risk:** An asset allocation strategy does not guarantee any specific result or profit nor protect against a loss.

**Asset-Backed and Mortgage-Backed Securities Risk:** Asset-backed and mortgage-backed securities may be less liquid than other bonds, and may be more sensitive than other bonds to the market’s perception of issuers and creditworthiness of payees, particularly in declining general economic conditions when concern regarding mortgagees’ ability to pay (e.g., the ability of homeowners, commercial mortgages, consumers with student loans, automobile loans or credit card debt holders to make payments on the underlying loan pools) rises, which may result in the Fund experiencing difficulty selling or valuing these securities. In addition, these securities may not be backed by the full faith and credit of the U.S. government, have experienced extraordinary weakness and volatility at various times in recent years, and may decline quickly in the event of a substantial economic or market downturn.

**Commodity-Related Securities Risk:** The risk that exposure to the commodities markets may subject a Fund to greater volatility than investments in other kinds of securities. In addition to overall market movements, commodity-related securities may be adversely impacted by commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as weather, disease (including pandemic), tariffs, embargoes or other trade barriers, acts of war or terrorism, or political and regulatory developments.

**Derivatives Risk:** The risk that derivatives may pose risks in addition to and greater than those associated with investing directly in securities, currencies and other instruments, may be illiquid or less liquid, more volatile, more difficult to value and leveraged so that small changes in the value of the underlying instrument may produce disproportionate losses to the Fund. Derivatives are also subject to counterparty risk, which is the risk that the other party to the transaction will not perform its contractual obligations. The use of derivatives is a highly specialized activity that involves investment techniques and risks different from those associated with investments in more traditional securities and instruments.

**Emerging Markets Risk:** Emerging market investing is subject to additional economic, political, liquidity and currency risks not associated with more developed countries.

**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.

**Foreign Securities Risk:** The risk that investing in foreign (non-U.S.) securities may result in the Fund experiencing more rapid and extreme changes in value than a fund that invests exclusively in securities of U.S. companies, due to less liquid markets, and adverse economic, political, diplomatic, financial, and regulatory factors. Foreign governments may impose limitations on foreigners’ ownership of interests in local issuers, restrictions on the ability to repatriate assets, and may also impose taxes. Any of these events could cause the value of the Fund’s investments to decline.

**Geographic Risk:** The risk that if the Fund invests a significant portion of its total assets in certain issuers within the same country or geographic region, an adverse economic, business or political development affecting that country or region may affect the value of the Fund’s investments more, and the Fund’s investments may be more volatile, than if its investments were not so concentrated in such country or region.

**High-Yield Risk:** The risk that the Fund’s below-investment grade fixed-income securities, sometimes known as “junk bonds,” will be subject to greater credit risk, price volatility and risk of loss than investment grade securities, which can adversely impact the Fund’s return and NAV. High yield securities are considered highly speculative and are subject to the increased risk of an issuer’s inability to make principal and interest payments.

**Investment Style Risk:** Value stocks are those that are undervalued in comparison to their peers due to adverse business developments or other factors. Value investing carries the risk that the market will not recognize a security’s inherent value for a long time, or that a stock judged to be undervalued by a fund’s adviser may actually be appropriately priced or overvalued. Value oriented funds will typically underperform when growth investing is in favor.



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**Real Estate Securities Concentration Risk:** The risk that investments in securities of real estate companies will make the Fund more susceptible to risks associated with the ownership of real estate and with the real estate industry in general. Real estate companies may have lower trading volumes and may be subject to more abrupt or erratic price movements than the overall securities markets. The value of real estate securities may underperform other sectors of the economy or broader equity markets. To the extent that the Fund concentrates its investments in the real estate industry, it will be subject to greater risk of loss than if it were diversified across different industries.

**Sector Risk:** The risk that companies in similar businesses may be similarly affected by particular economic or market events, which may, in certain circumstances, cause the value of securities of all companies in a particular sector of the market to decrease.

**Underlying Fund Risk:** The risk that the Fund's investment performance and its ability to achieve its investment objective are directly related to the performance of the Underlying Funds in which it invests. There can be no assurance that the Underlying Funds will achieve their respective investment objectives. The Fund will be subject to the risks associated with investments in the Underlying Funds, such as the possibility that the value of the securities or instruments held by the Underlying Funds could decrease. In addition, passively managed Underlying Funds may not track the performance of their respective reference assets and may hold troubled securities or other investments. Investments in Underlying Funds may involve duplication of management fees and certain other expenses, as the Fund indirectly bears its proportionate share of any expenses paid by the Underlying Funds in which it invests. Further, investments in ETFs are subject to the following additional risks: (1) an ETF's shares may trade above or below its net asset value; (2) an active trading market for the ETF's shares may not develop or be maintained; and (3) trading an ETF's shares may be halted by the listing exchange. The Fund is subject to the risks of the Underlying Funds in direct proportion to the allocation of its assets among the Underlying Funds.

## DEFINITIONS

<sup>2</sup> Asset Allocation Blend Index consists of 60% MSCI All Country World Index and 40% Bloomberg U.S. Aggregate Bond Index. The MSCI All Country World Index is calculated net of foreign tax withholdings. It is not possible to invest directly in an index.

<sup>3</sup> Internal Reference Benchmark represents the strategic asset allocation weights assigned annually by the Investment Policy Committee to the baseline from which the portfolio managers tactically allocate within the fund. As of August 9, 2023, the benchmark consists of 30% Bloomberg U.S. Aggregate Bond Index, 28% MSCI U.S. IMI, 13% MSCI World ex. USA IMI, 5% MSCI Emerging Markets IMI, 9% Bloomberg U.S. TIPS 1-5 Year Index, 5% Bloomberg U.S. Corporate High Yield 2% Issuer Capped, 2% MSCI ACWI IMI Core Real Estate Index, 4% S&P Global Natural Resources Index, 2% S&P Global Infrastructure Index and 2% Bloomberg 1-3 Month U.S. Treasury Bills Index. It is not possible to invest directly in an index. The component weights of the reference benchmark are updated annually. The Total Returns table and the Calendar Year Returns table are calculated based on historical weights and constituents; which are available upon request. All international equity indices are calculated gross of foreign tax withholdings.

**The Barclays US Treasury Inflation-Linked Bond Index (Series-L)** measures the performance of the US Treasury Inflation Protected Securities (TIPS) market. Federal Reserve holdings of US TIPS are not index eligible and are excluded from the face amount outstanding of each bond in the index. **Bloomberg Barclays U.S. Aggregate Bond Index** is a broad-based benchmark that measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage pass-throughs), asset-backed securities and commercial mortgage-backed securities (agency and non-agency). **Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index** is an unmanaged index that measures the market of U.S. dollar-denominated, non investment-grade, fixed-rate, taxable corporate bonds. It is a version of the Bloomberg Barclays High Yield Corporate Bond Index except it limits its exposure of each issuer to 2% of the total market value and redistributes any excess market value Index-wide on a pro-rata basis. **The Bloomberg Barclays US Treasury Bill Index** tracks the market for treasury bills issued by the US government. US Treasury bills are issued in fixed maturity terms of 4-, 13-, 26- and 52-weeks. The US Treasury Bill Index is a component of the US Short Treasury Index along with US Treasury notes and bonds that have fallen below one year to maturity. **iMoneyNet Fund Avg. - First Tier Institutional Category** includes institutional funds that may invest in certificates of deposit, time deposits, bankers' acceptances and other short-term obligations issued by domestic banks, foreign subsidiaries or foreign branches of domestic banks, domestic and foreign branches of foreign banks and other banking institutions, commercial paper, floating and variable rate demand notes and bonds and asset-backed securities. **MSCI All Country World Index (MSCI ACWI)** A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The index is calculated gross of foreign tax withholdings. **MSCI Emerging Markets Investable Markets Index (IMI)** is a free float-adjusted, market capitalization index that is designed to measure large, mid, and small cap equity market performance in the in the global emerging markets. The index is calculated gross of foreign tax withholdings. **MSCI United States Investable Markets Index (IMI)** is a free float-adjusted, market capitalization index that is designed to measure the performance of large, mid, and small cap segments of the U.S. market. The index is calculated gross of foreign tax withholdings. **MSCI World ex. USA Investable Markets Index (IMI)** is a free float-adjusted, market capitalization index that is designed to measure the performance of large, mid, and small cap securities in developed markets, excluding the USA. The index is calculated gross of foreign tax withholdings. **S&P Global Infrastructure Index** provides liquid and tradable exposure to 75 companies from around the world that represent the listed infrastructure universe. The index has balanced weights across three distinct infrastructure clusters: Utilities, Transportation and Energy. The index is calculated gross of foreign tax withholdings. **S&P Global Natural Resources Index** includes 90 of the largest publicly-traded companies in natural resources and commodities businesses that meet specific investability requirements, offering investors diversified and investable equity exposure across 3 primary commodity-related sectors: agribusiness, energy, and metals & mining. The index is calculated gross of foreign tax withholdings.

**Beta:** Beta represents the systematic risk of a portfolio and measures its sensitivity to a benchmark.

**Down Market Capture:** A measure of a manager's performance in down markets relative to the market.

**Information Ratio:** A measure of risk-adjusted relative return.

**Up Market Capture:** A measure of a manager's performance in up markets relative to the market.

**Please carefully read the prospectus and summary prospectus and consider the investment objectives, risks, charges and expenses of Northern Funds carefully before investing. Call 800-595-9111 to obtain a prospectus and summary prospectus, which contain this and other information about the funds.**



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