

# NORTHERN FUNDS

## U.S. GOVERNMENT FUND

# FIXED INCOME

MUTUAL FUND

AS OF 3Q23



Overall Morningstar Rating™ among 216 Intermediate Government 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>

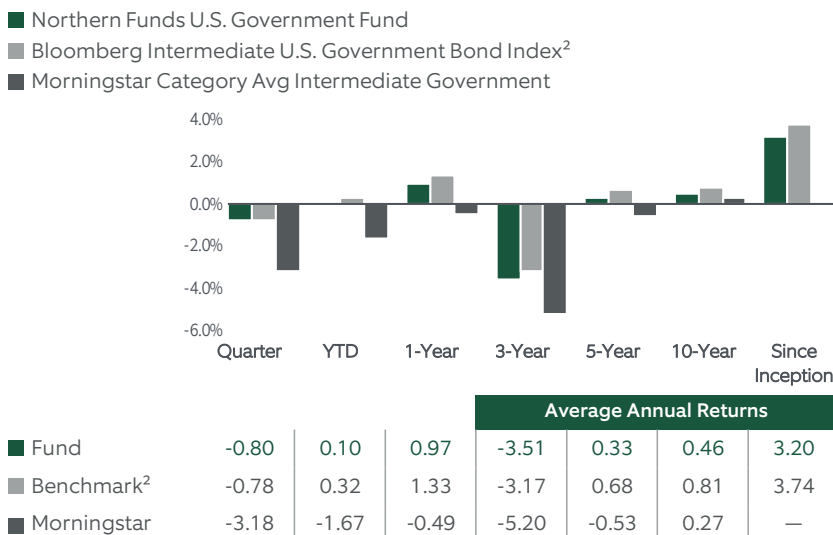
### Investment Objective

The Fund seeks a high level of current income.

### Investment Approach

The Fund seeks to primarily invest in U.S. government securities or its agencies with an average maturity between one and 10 years.

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



**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.

\*The 30-Day SEC Yield w/waivers represents the annualization of the Fund's net investment income, excluding capital gain income and includes contractual expense reimbursements. It would be lower without those reimbursements. Negative 30-Day SEC Yield results when accrued expenses of the past 30 days exceed the income collected during the past 30 days. The 30-Day SEC Yield w/o waivers represents the annualization of the Fund's net investment income, excluding capital gain income and excludes contractual expense reimbursements, resulting in a lower yield. Negative 30-Day SEC Yield results when accrued expenses of the past 30 days exceed the income collected during the past 30 days.

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

### FUND OVERVIEW

Benchmark/Index	Fund
Bloomberg Intermediate U.S. Government Bond Index <sup>2</sup>	Bloomberg Intermediate U.S. Government Bond Index <sup>2</sup>
Morningstar Category	Intermediate Government
Inception Date	4/1/94
Total Net Assets	\$44.3 Million
Symbol/CUSIP	NOUGX
Dividend Schedule	Monthly
Expense Ratio - Gross (%)	0.62
Expense Ratio - Net (%)	0.42

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	71
30-Day SEC Yield w/ Waivers (%)*	4.42
30-Day SEC Yield w/o Waivers (%)*	4.24
Effective Duration	3.58 Years
Average Maturity	4.07 Years

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

## U.S. GOVERNMENT FUND

## CALENDAR YEAR RETURNS %

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
U.S. Government Fund	-7.73	-2.39	5.27	5.39	0.57	0.80	0.57	1.06	2.32	-3.31
Benchmark <sup>2</sup>	-7.73	-1.69	5.73	5.20	1.43	1.14	1.05	1.18	2.52	-1.25
Morningstar Intermediate Government	-11.27	-1.88	5.65	5.88	0.51	1.58	0.89	0.49	4.73	-2.72

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

## MATURITY DISTRIBUTION %

Maturity Range	Fund	Fund
0 — 1yr	5.0	26.5
1yr — 2yrs	15.3	19.2
2yrs — 3yrs	25.5	8.4

## QUALITY DISTRIBUTION %

Quality Rating	Fund	Benchmark <sup>2</sup>
AA	99.7	100.0
Cash & Cash Equivalents	0.3	0.0

## SECTOR WEIGHTINGS %

Economic Sector	Fund	Benchmark <sup>2</sup>
Treasury	97.9	97.2
Mortgage-Backed	1.9	0.0
Cash & Cash Equivalents	0.2	0.0
Agency	0.0	2.8

## PORTFOLIO MANAGEMENT

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

## DISCLOSURE

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 U.S. Government Fund received 5 stars for the 3-year rating among 216 Intermediate Government funds, 5 stars for the 5-year rating among 208 funds and 4 stars for the 10-year rating among 168 funds.

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<sup>2</sup> Bloomberg Intermediate U.S. Government Bond Index is an unmanaged index of debt securities including all public obligations of the U.S. Treasury and all publicly issued debt of U.S. government agencies with maturities of up to 10 years. It is not possible to invest directly in an index.



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**DEFINITIONS AND RISKS**

**Characteristics:** Benchmark and Fund analytics have been calculated using a third party vended model. All material has been obtained from sources believed to be reliable, but the accuracy, completeness and interpretation cannot be guaranteed. Information contained herein is current as of the date appearing in this material only and is subject to change without notice. Certain benchmark calculations may not match the published benchmark characteristics.

**Distribution Calculations:** All distribution calculations (Maturity Distribution, Sector Weightings and Quality Distribution) are measured on a trade date basis and are adjusted for uninvested cash from the market value used to compute the percentage calculations.

**Effective Duration:** Effective Duration measures percent change in price for 100 basis point parallel shift.

**Quality Distribution:** Credit quality ratings are based on Moody's, Standard & Poor's and Fitch ratings. If ratings from all three rating agencies disagree, the security is assigned the middle rating. If two of the three agree, the security is assigned the rating from those two. If two of these rating agencies have assigned different ratings, the security is assigned the lower rating from those two. If none of these three rating agencies have assigned a rating, the security is assigned a rating of not rated. The ratings, expressed in Standard & Poor's nomenclature, range from AAA (extremely strong capacity to meet its financial commitment) to D (in default). Short-term ratings, when applicable, are expressed in Standard & Poor's nomenclature, range from A-1 (obligors capacity to meet its financial commitment on the obligation is strong) to A-3 (exhibits adequate protection parameters). The ratings represent the rating agencies opinions of the quality of the securities they rate. Ratings are relative and subjective and are not absolute standards of quality.

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**Bond Risk:** Bond funds will tend to experience smaller fluctuations in value than stock funds. However, investors in any bond fund should anticipate fluctuations in price, especially for longer-term issues and in environments of rising interest rates.

**Mortgage-Backed Securities Risk:** Mortgage-backed investments involve risk of loss due to prepayments and, like any bond, due to default. Because of the sensitivity of mortgage-related securities to changes in interest rates, the Fund's performance may be more volatile than if it did not hold these securities.

**U.S. Government Guarantee:** U.S. government guarantees apply only to the underlying securities of a Fund's portfolio and not the Fund's shares.



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**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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