

NORTHERN FUNDS

GLOBAL REAL ESTATE INDEX FUND (NGREX)

As of 12/31/19

FUND COMMENTARY

In the fourth quarter of 2019, the MSCI ACWI IMI Core Real Estate Index (Fund Index) returned 3.13 % underperforming the broader global equity market, represented by the MSCI World Index, which returned 8.56% in the quarter.

Within the Fund Index, the top-performing countries over this time period were Brazil and China, returning 26.44% and 25.46%, respectively. Chile and Egypt were the worst-performing countries for this quarter, with returns of -13.87% and -12.16%, respectively.

During the quarter, the Global Real estate Index Fund returned 3.31%, compared with the MSCI ACWI IMI Core Real Estate Index return of 3.13%. Global equity markets finished the year strong, with emerging markets leading the way. While most of the year was marked by volatility, the fourth quarter saw many of the macro and geopolitical concerns subside. Trade tensions relaxed a bit as the U.S. and China agreed to introduce a "Phase One" deal that should remove some recently enacted tariff increases, action that is supportive of global growth. Investors gained more clarity regarding the BREXIT path after U.K Prime Minister Boris Johnson strengthened his position in the December general election. Additionally, central banks have remained accommodative across the globe including the U.S. Federal Reserve, which cut interest rates by 0.25% in October. The lower risk environment led to strong performance from riskier sectors such as information technology and health care and weaker performance from more defensive sectors such as utilities, real estate, and consumer staples. Nearly all countries posted positive equity returns in the fourth quarter, with some of the strongest returns coming from the U.K. and China.

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
Global Real Estate Index Fund	3.31%	23.15%	23.15%	9.54%	6.27%	8.21%	4.27%	0.48%	0.48%
MSCI ACWI IMI Core Real Estate Index	3.13%	22.72%	22.72%	9.27%	6.34%	8.54%	4.62%		

*Inception Date- 07/26/06

Effective July 31, 2018 the benchmark for the Global Real Estate Index Fund has changed from FTSE EPRA/NAREIT Global Index to MSCI ACWI IMI Core Real Estate Index which better aligns with the investment adviser's view of the investable universe in the real estate sector and to provide additional representation of real estate investment trusts and broader market capitalization.

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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