

NORTHERN FUNDS MULTI-MANAGER GLOBAL REAL ESTATE FUND (NMMGX)

As of 09/30/20

FUND COMMENTARY

The global real estate sector was a positive performer in the second quarter of 2020 as the FTSE® EPRA®/NAREIT® Developed Index returned 2.09%. The self-storage and specialty REIT sector were the top performers. The industrial and healthcare sectors also outperformed the broad Index return. The retail and office sectors lagged the Index as investors were uncertain regarding the future cash flows of malls, shopping centers, and office buildings due to the COVID-19 pandemic. From a country perspective, Australia and Germany outperformed in the quarter, while Hong Kong and the United States underperformed the Index.

The Fund returned 3.82% during the quarter, outperforming its benchmark, the FTSE EPRA/NAREIT Developed Index. Stock selection in the United States and Hong Kong was the primary positive contributor to performance. Within the United States, investing outside the benchmark and stock selection in the industrial sector were the largest contributors to outperformance. While an overweight to the industrial sector and underweight to the retail sector were contributors to outperformance, an underweight to Sweden and stock selection in the self-storage sector were key detractors.

During the quarter, both sub-advisers contributed positively to performance. Sub-adviser MFS outperformed the benchmark with a positive contribution from stock selection, especially in the United States, Australia, the residential sector, and from investing outside of the benchmark. Janus Henderson was added as a sub-adviser to the Fund in early September and benefitted from positive stock selection in the United States and an overweight to the industrial sector.

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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NORTHERN FUNDS

MULTI-MANAGER GLOBAL REAL ESTATE FUND (NMMGX)

| Performance as of 09/30/20 | | | | Annualized Returns | | | | | |
|---------------------------------------|-------|---------|---------|--------------------|--------|---------|------------------|---------------------|-------------------|
| FUND | QTR | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception* | Gross Expense Ratio | Net Expense Ratio |
| Multi-Manager Global Real Estate Fund | 3.82% | -13.08% | -11.36% | 1.97% | 3.88% | 5.19% | 10.37% | 1.09% | 0.94% |
| FTSE EPRA/NAREIT Developed Index | 2.09% | -19.69% | -18.29% | -1.45% | 2.03% | 4.75% | 9.94% | | |

*Inception Date- 11/19/08

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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