

NORTHERN FUNDS

INCOME EQUITY FUND (NOIEX)

As of 09/30/23

FUND COMMENTARY

Global equities followed a choppy trajectory throughout the third quarter with July gains giving way to losses in August and September as interest rates pushed higher. In the U.S., the broader economic narrative continued around resilient but slow growth and moderating inflation, with both investors and the U.S. Federal Reserve interpreting these dynamics as more likely to lead to higher-for-longer monetary policy. Outside the U.S., Europe and to a great extent, China, faced incremental growth headwinds. Central banks globally are approaching peak policy rates as policymakers have to carefully assess future growth concerns and the lagged impacts from their prior tightening with still-elevated core inflation.

The Fund outperformed its benchmark index in the quarter. The Fund's allocation to higher-dividend-yielding securities added to performance, as high yielding stocks outperformed low yielding and non-dividend paying securities. The Fund's allocation to high-quality names detracted from performance as high quality stocks outperformed low quality stocks, but underperformed the index. Stock selection within the health care and materials sectors added to performance while selection within communication services and energy sectors detracted from relative performance.

Looking ahead, we will continue to focus on identifying high-quality, dividend-paying companies. We will maintain our exposure to companies that exhibit prudent use of shareholder capital, focusing on total return. We believe the Fund is well-positioned to provide an elevated level of income, generated from a diversified basket of stocks that offer opportunities to outperform over the long term.

Please carefully read the summary prospectus or prospectus and consider the investment objectives, risks, charges and expenses of the Northern Funds carefully 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 09/30/23				Annualized Returns					
FUND	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception*	Gross Expense Ratio	Net Expense Ratio
Income Equity Fund	-2.63%	8.31%	19.42%	10.63%	8.03%	9.61%	8.89%	0.63%	0.49%
S&P 500 Index ¹	-3.27%	13.07%	21.62%	10.15%	9.92%	11.91%	10.06%		

*Inception Date- 04/01/94

¹**S&P 500® Index** is an unmanaged index consisting of 500 stocks and is a widely recognized common measure of the performance of the overall U.S. stock market. It is not possible to invest directly in an index.

U.S. Dollar Index is an index of the value of the United States dollar relative to a basket of foreign currencies, often referred to as a basket of U.S. trade partners' currencies. The Index goes up when the U.S. dollar gains "strength" when compared to other currencies.

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, 2024.

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.

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.

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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Preferred Securities Risk: Preferred securities are subject to issuer-specific and market risks applicable generally to equity securities. Preferred securities also may be subordinated to bonds or other debt instruments, subjecting them to a greater risk of non-payment, may be less liquid than many other securities, such as common stocks, and generally offer no voting rights with respect to the issuer.

Quantitative Investing Risk: When using quantitative models, information and data used in managing a Fund may prove to be incorrect or incomplete, any investment decisions made in reliance on the models and data may not produce the desired results and a Fund may realize losses. In addition, any hedging based on faulty models and data may prove to be unsuccessful. Furthermore, the success of quantitative models is dependent largely on the accuracy and reliability of the supplied historical data. All models are susceptible to input errors, which may cause the resulting information to be incorrect.

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.

Not FDIC insured | May lose value | No bank guarantee

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