

# NORTHERN FUNDS

## MID CAP INDEX FUND (NOMIX)

As of 09/30/23

### FUND COMMENTARY

In the third quarter of 2023, the S&P Midcap 400 index (Fund Index) returned -4.20%. Mid Cap equities underperformed Large Cap equities, as measured by the S&P 500 index which returned -3.27% in the fourth quarter.

The top performing sectors over this time period were energy and financials, returning 16.00% and 0.84% respectively. Communication services and utilities were the worst performing sectors for this quarter, with returns of -15.82% and -11.35% respectively.

The Mid Cap Index Fund posted a total return of -4.22% for the quarter, compared to the -4.20% return of its benchmark, the S&P Midcap 400 Index. 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.

**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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## MID CAP INDEX FUND (NOMIX)

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
Mid Cap Index Fund	-4.22%	4.21%	15.41%	11.89%	5.92%	8.78%	8.84%	0.16%	0.10%
S&P MidCap 400 Index <sup>1</sup>	-4.20%	4.27%	15.51%	12.05%	6.06%	8.94%	9.10%		

\*Inception Date- 03/22/05

<sup>1</sup>S&P MidCap 400<sup>®</sup> Index is an unmanaged index consisting of 400 mid-cap stocks. The S&P MidCap 400<sup>®</sup> Index covers over 7% of the U.S. equities market. It is not possible to invest directly in an index.

**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.

**Index Fund Risk:** The risk that that the Fund would not necessarily buy or sell a security unless that security is added or removed, respectively, from the Index, even if that security generally is underperforming, because unlike many investment companies, the Fund does not utilize an investing strategy that seeks returns in excess of the Index. Additionally, the Fund rebalances its portfolio in accordance with the Index, and, therefore, any changes to the Index's rebalance schedule will result in corresponding changes to the Fund's rebalance schedule.

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**Mid-Cap Risk:** The risk that stocks of mid-sized companies may be subject to more abrupt or erratic market movements than stocks of larger, more established companies, and may lack sufficient market liquidity. Securities of smaller companies may trade less frequently and in lower volume than the securities of larger companies, which could lead to higher transaction costs.

**Non-Diversification Risk:** The risk that because the Fund is non-diversified and may invest a larger percentage of its assets in the securities of fewer issuers than a diversified fund, the Fund's performance will be more vulnerable to changes in the market value of a single issuer or group of issuers, and more susceptible to risks associated with a single economic, political or regulatory occurrence.

**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.

**Tracking Risk:** The risk that the Fund's performance may vary from the performance of the index it tracks as a result of share purchases and redemptions, transaction costs, expenses and other factors. Market disruptions, regulatory restrictions or other abnormal market conditions could have an adverse effect on the Fund's ability to adjust its exposure to required levels in order to track its Index or cause delays in the Index's rebalancing schedule. During any such delay, it is possible that the Index, and, in turn, the Fund will deviate from the Index's stated methodology and therefore experience returns different than those that would have been achieved under a normal rebalancing schedule.

Not FDIC insured | May lose value | No bank guarantee

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