

NORTHERN FUNDS

GLOBAL SUSTAINABILITY INDEX FUND

(CLASS I-NSRIX, CLASS K-NSRKX)

As of 09/30/23

FUND COMMENTARY

In the third quarter of 2023, the MSCI World ESG Leaders Index (Fund Index) returned -3.13%. ESG equities outperformed broad developed markets, as represented by the MSCI World Index, which returned -3.46% in the quarter.

The top-performing sectors over this time period were energy and communication services, returning 12.97% and 3.49%, respectively. Utilities and consumer staples were the worst-performing sectors for this quarter, with returns of -10.04% and -6.78%, respectively.

The top-performing countries over this time period were Israel and Norway, returning 13.12% and 12.36%, respectively. Hong Kong and Netherlands were the worst-performing countries for this quarter, with returns of -15.55% and -12.24%, respectively.

The Global Sustainability Index Fund returned -3.34% during the quarter. Its benchmark, the MSCI World ESG Leaders Index, returned -3.13%. 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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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
Global Sustainability Index - Class I	-3.34%	11.97%	23.72%	8.32%	7.91%	8.39%	6.60%	0.29%	0.29%
Global Sustainability Index - Class K	-3.34%	11.96%	23.77%	8.35%	7.94%	8.40%	6.61%	0.24%	0.24%
MSCI World ESG Leaders Index ¹	-3.13%	12.10%	23.52%	8.29%	7.86%	8.29%	6.65%		

*Inception Date- 03/05/08

¹MSCI World ESG Leaders Index is a free float-adjusted market capitalization-weighted index comprised of large- and mid-cap developed market companies in Asia Pacific, Europe and the Middle East, Canada and the United States. The Index holds a broad, diversified set of global companies, selected based on regional sector ranking of environmental, social and governance factors. 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.

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.

Foreign Securities Risk: The risk that investing in foreign (non-U.S.) securities may result in the Fund experiencing more rapid and extreme changes in value than a fund that invests exclusively in securities of U.S. companies, due to less liquid markets, and adverse economic, political, diplomatic, financial, and regulatory factors. Foreign governments may impose limitations on foreigners' ownership of interests in local issuers, restrictions on the ability to repatriate assets, and may also impose taxes. Any of these events could cause the value of the Fund's investments to decline.

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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.

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.

Environmental, Social and Governance (ESG) Risk : The socially responsible investment policies of the MSCI World ESG Leaders Index may restrict the investments available to the Fund. This may affect the Fund's exposure to certain companies or industries and cause the Fund to forego certain investment opportunities. This could cause the Fund to underperform similar funds that do not have a social responsibility objective. The Fund seeks to identify companies that it believes may have a societal impact outcome, but investors may differ in their views of what constitutes positive or negative societal impact outcomes. The Fund may invest in companies that do not reflect the beliefs of any particular investor.

Not FDIC insured | May lose value | No bank guarantee

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