

NORTHERN FUNDS

GLOBAL SUSTAINABILITY INDEX FUND (NSRIX)

As of 12/31/19

FUND COMMENTARY

In the fourth quarter of 2019, the MSCI World ESG Leaders Index (Fund Index) returned 8.34%. ESG equities slightly underperformed broad developed markets, as represented by the MSCI World Index, which returned 8.56% in the quarter.

The top-performing sectors over this time period were health care and information technology, returning 14.61% and 12.49%, respectively. Consumer staples and utilities were the worst-performing sectors for this quarter, with returns of 1.37% and 2.51%, respectively.

The top-performing countries over this time period were the Belgium and Ireland, returning 15.09% and 14.25%, respectively. Australia and Canada were the worst-performing countries for this quarter, with returns of 3.30% and 4.05%, respectively.

The Global Sustainability Index Fund returned 8.29% during the quarter. Its benchmark, the MSCI World ESG Leaders Index returned 8.34%. After a short respite, global developed markets ended the year with a solid gain in the fourth quarter. 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 real estate and consumer staples. Nearly all developed market countries were positive in the fourth quarter, with the strongest returns coming from Europe and New Zealand.

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.

©2020 Northern Funds | Northern Funds are distributed by Northern Funds Distributors, LLC, not affiliated with Northern Trust.



NORTHERN FUNDS

GLOBAL SUSTAINABILITY INDEX FUND (NSRIX)

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 Sustainability Index Fund	8.29%	28.28%	28.28%	12.83%	8.89%	9.35%	6.40%	0.30%	0.30%
MSCI World ESG Leaders Index	8.34%	28.15%	28.15%	12.66%	8.68%	9.29%	6.48%		

*Inception Date- 03/05/08

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, 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.

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.

©2020 Northern Funds | Northern Funds are distributed by Northern Funds Distributors, LLC, not affiliated with Northern Trust.

