

NORTHERN FUNDS

GLOBAL SUSTAINABILITY INDEX FUND (NSRIX)

As of 06/30/20

FUND COMMENTARY

In the second quarter of 2020, the MSCI World ESG Leaders Index (Fund Index) returned 18.63%. ESG equities slightly underperformed broad developed markets, as represented by the MSCI World Index, which returned 19.36% in the quarter.

The top-performing sectors over this time period were information technology and consumer discretionary, returning 27.85% and 26.70%, respectively. Utilities and consumer staples were the worst-performing sectors for this quarter, with returns of 7.86% and 9.87%, respectively.

The top-performing countries over this time period were New Zealand and Germany, returning 41.54% and 26.92%, respectively. Israel and Singapore were the worst-performing countries for this quarter, with returns of -5.04% and 8.85%, respectively.

The Global Sustainability Index Fund returned 18.63% during the quarter. Its benchmark, the MSCI World ESG Leaders Index, returned 18.68%. Global developed markets saw their best quarter in over a decade in the second quarter of 2020. While the part of the quarter saw global equity markets struggling with increased volatility caused by uncertainty around the COVID-19 virus, equity markets quickly turned on increased optimism provided by fiscal and monetary policy from global policy makers. As energy demand initially cratered due to global economic shut downs combined with extended trade tensions between Russia and Saudi Arabia, triggering the front-month oil futures prices to trade negative in April. Oil reversed this trend and was followed by a sharp recovery in the later months of the quarter. Central banks took action against the pending global recession announcing new unprecedented stimulus packages in a number of countries including the U.S., while the U.S. Federal Reserve kept interest rates near zero. The new risk-on environment led to strong performance across almost every asset class as investors raced back into equity markets in record time. The U.S. dollar remained strong despite surging equity markets which highlighted the increased uncertainty among investors. Almost every developed market country was positive in the second quarter, with the entire globe recovering from the initial impact of the COVID-19 virus.

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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Performance as of 06/30/20				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	18.63%	-4.63%	4.84%	7.53%	7.37%	10.03%	5.73%	0.30%	0.30%
MSCI World ESG Leaders Index	18.68%	-4.68%	4.77%	7.45%	7.25%	9.92%	5.80%		

*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.

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