

NORTHERN FUNDS

U.S. QUALITY ESG FUND (CLASS K - NUESX, CLASS I - NUEIX)

As of 09/30/21

FUND COMMENTARY

U.S. equities continued to deliver positive returns in the third quarter, reaching new all-time highs before pulling back with late-quarter volatility. Concerns in the Chinese real estate market added to investors uncertainty around U.S. fiscal policy and a potential government shutdown. Credit spreads, interest rates, and commodity prices ended the quarter relatively unchanged as investors awaited more details surrounding the size and scope of the U.S. Infrastructure Bill as well as the pace of U.S. Federal Reserve tapering. Financials were the best-performing sector, helped by a late-quarter rally in interest rates. Industrials, materials, and energy sectors lagged as investors took profits in cyclical sectors.

The Fund outperformed its benchmark in the quarter. The Fund's allocation to higher-quality securities added to performance, as the lowest quintile of quality stocks underperformed all others during the quarter. Our allocation to companies with strong ESG characteristics was also additive, as companies with the most favorable ESG profiles outperformed all others, while the least favorable cohort posted the lowest relative returns.

Looking ahead, we will continue to focus on investing in companies with favorable environmental, social and governance (ESG) qualities who also exhibit strong business fundamentals, solid management, and reliable cash flows. We believe the Fund is well-positioned for an accommodative interest rate environment and steady global growth.

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 09/30/21				Annualized Returns					
FUND	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception*	Gross Expense Ratio	Net Expense Ratio
U.S. Quality ESG Fund - Class K	0.52%	18.34%	33.05%	16.82%	N/A	N/A	17.15%	0.51%	0.39%
U.S. Quality ESG Fund - Class I	0.52%	18.35%	32.98%	16.80%	N/A	N/A	17.13%	0.61%	0.49%
Russell 1000 Index ¹	0.21%	15.19%	30.96%	16.43%	N/A	N/A	16.66%		

*Inception Date- 10/02/17

¹The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. The Russell 1000 represents approximately 92% of the U.S. market. Index performance returns do not reflect any advisory fees, transaction costs or expenses. It is not possible to invest directly in any index.

Fund holdings and sector allocations are subject to change at any time and should not be considered recommendations to buy or sell any security.

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, 2022.

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.

Environmental, Social and Governance (ESG) Risk: The Funds ESG screening process may affect exposures to certain companies or industries and cause the Fund to forego certain investment opportunities.

Not FDIC insured | May lose value | No bank guarantee

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