

NORTHERN FUNDS

ULTRA-SHORT FIXED INCOME (NUSFX)

As of 12/31/19

FUND COMMENTARY

The Federal Reserve (Fed) signaled a pause in its rate cutting campaign after cutting rates at its July, September and October meetings. The Fed changed its bias from easing to neutral and reiterated that it would take a substantial change in the economic outlook to increase rates. U.S. and global economic data stabilized during the quarter and the United States and China made progress in trade negotiations. All of these positive developments contributed to the steepening of the yield curve. Credit markets benefited from a stable financial and economic environment and an easing of the trade rhetoric.

The Fund returned 0.57% for the fourth quarter, compared to 0.59% for the ICE BofA Merrill Lynch 1-Year U.S. Treasury Note Index, the Fund's benchmark. The Fund's overweight to U.S. corporate credit contributed to performance. The Fund's exposure to two-year and three-year fixed rate bonds detracted from performance as rates for these maturities went up even as rates for one-year and shorter fixed rate bonds fell.

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 12/31/19				Annualized Returns					
FUND	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception*	Gross Expense Ratio	Net Expense Ratio
Ultra-Short Fixed Income	0.57%	3.67%	3.67%	2.24%	1.75%	1.49%	1.55%	0.29%	0.25%
ICE BofAML 1-Year U.S. Treasury Note Index	0.59%	2.93%	2.93%	1.78%	1.25%	0.83%	0.84%		

*Inception Date- 06/18/09

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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