

NORTHERN FUNDS

ULTRA-SHORT FIXED INCOME (NUSFX)

As of 06/30/20

FUND COMMENTARY

Over the course of second quarter of 2020, risk markets recovered from the dramatic declines experienced in the first quarter. The forceful actions of the Federal Reserve (Fed) to cut rates to 0.00% - 0.25%, conduct asset purchases spanning a wide swath of fixed income markets and support bank lending restored market functionality and confidence. Globally, other Central banks and government authorities also acted swiftly and forcefully to protect their economies with relief programs that were equivalent to a major portion of their respective economies. Credit spreads as measured by the Bloomberg Barclays 1-3 Year U.S. Corporate Index average option adjusted spread improved to 73 basis points (0.73%) on June 30th after reaching a high of 262 basis points (2.62%) on April 3rd. Front-end Treasury rates fell about 10 basis points (0.10%) as the Fed demonstrated its commitment to supporting the economy by maintaining rates near zero. At the conclusion of the June Fed meeting, Chairman Powell commented that the Fed is "not even thinking about thinking about raising rates."

The Fund returned 2.78% for the second quarter, compared to -0.03% 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 longer duration contributed to performance.

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				Gross Expense Ratio	Net Expense Ratio
FUND	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception*		
Ultra-Short Fixed Income	2.78%	1.81%	3.11%	2.54%	2.00%	1.58%	1.64%	0.29%	0.25%
ICE BofAML 1-Year U.S. Treasury Note Index	-0.03%	1.69%	2.86%	2.25%	1.54%	0.95%	0.95%		

*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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