

U.S. QUALITY ESG FUND

MUTUAL FUND

AS OF 1Q21



Overall Morningstar Rating™

among 1,225 Large Blend funds derived from a weighted average of the fund's 3- 5- and 10-year risk-adjusted returns as of 3/31/21.¹

Investment Objective

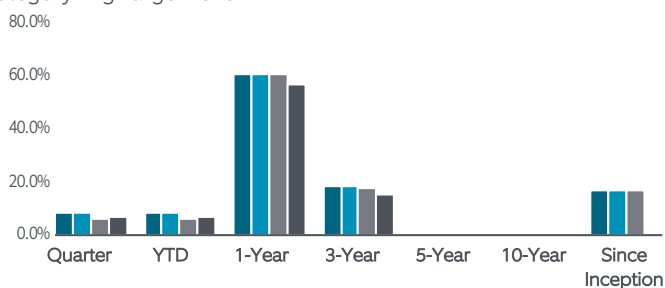
The investment objective is to achieve long-term capital appreciation by investing in a portfolio of U.S. large- and mid-capitalization equities.

Investment Approach

The strategy uses a proprietary multi-factor model based on rigorous academic and empirical research to target quality U.S. large- and mid-cap companies with favorable environmental, social and governance (ESG) qualities. Using a quantitative, factor-based approach, the strategy seeks to invest in companies that: meet certain criteria for ESG sustainability and exhibit strong business fundamentals, solid management, and reliable cash flows.

INVESTMENT PERFORMANCE % — AS OF 3/31/21

- Northern Funds U.S. Quality ESG Fund Class I
- Northern Funds U.S. Quality ESG Fund Class K
- Russell 1000 Index
- Morningstar Category Avg Large Blend



Average Annual Returns

| | 1-yr | 3-yr | 5-yr | 10-yr | Since Inception |
|----------------|------|-------|------|-------|-----------------|
| ■ Fund Class I | 8.16 | 17.79 | — | — | 16.77 |
| ■ Fund Class K | 8.13 | 17.81 | — | — | 16.79 |
| ■ Benchmark | 5.91 | 17.31 | — | — | 16.44 |
| ■ Morningstar | 6.74 | 14.87 | — | — | — |

Effective July 31, 2020, Class K and Class I replaced the Fund's predecessor Shares Class ("Shares Class"). The Fund's performance returns are shown for Class K and Class I for periods starting July 31, 2020 and August 21, 2020, respectively. For Class I, the performance return from July 31, 2020 through August 20, 2020 reflects the performance and expenses of the Fund's Class K shares. Class K and Class I would have similar returns because each class is invested in the same portfolio of securities. The Fund's performance returns prior to July 31, 2020 are shown for the Shares Class, which had an inception date of October 2, 2017. The performance of the Fund's Shares Class has not been adjusted to reflect the expenses applicable to Class K or Class I shares since the classes have different expense ratios than the expense ratio of the Shares Class. The expenses applicable to the Fund's Class K and Class I shares are lower than the expenses applicable to the Shares Class. Excluding the effect of any fees, expenses, fee waivers or reimbursements, the performance of the Fund's Class K shares and Class I shares would have annual returns substantially similar to those of Shares Class because the classes invest in the same portfolio of securities. Please refer to the current prospectus for further information.

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.

Northern Trust Investments, Inc. ("NTI" or the "Investment Adviser") has contractually agreed to reimburse a portion of the operating expenses of the Fund (other than extraordinary expenses) to the extent the "Total Annual Fund Operating Expenses" exceed 0.39%. The "Total Annual Fund Operating Expenses After Expense Reimbursement" may be higher than the contractual limitation as a result of extraordinary expenses that are not reimbursed. This contractual limitation may not be terminated before July 31, 2021 without the approval of the Fund's Board of Trustees. In the absence of contractual expense reimbursements, yield, total return, growth since inception and dividends would have been reduced. Total return is based on net change in NAV assuming reinvestment of distributions.

FUND OVERVIEW

| | Fund | |
|---------------------------|---------------------------------|---------|
| Benchmark/Index | Russell 1000 Index ² | |
| Morningstar Category | Large Blend | |
| Total Net Assets | \$298.3 Million | |
| Dividend Schedule | Quarterly | |
| | Class I | Class K |
| Symbol/CUSIP | NUEIX | NUESX |
| Expense Ratio - Gross (%) | 0.65 | 0.55 |
| Expense Ratio - Net (%) | 0.49 | 0.39 |

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, 2021.

FUND CHARACTERISTICS

| | Fund | Benchmark |
|---|-----------|-----------|
| Number of Holdings | 185 | 1,023 |
| Weighted Average Market Cap (\$M) | 439,925.0 | 417,365.9 |
| Return on Equity (%) | 27.6 | 19.8 |
| Trailing 12-month Price-to-Earnings Ratio | 28.7 | 30.0 |
| Price-to-Book Ratio | 5.0 | 4.4 |
| Annual Portfolio Turnover as of 3/31/20 (%) | 19.2 | |

PERFORMANCE AND RISK CHARACTERISTICS (3 YR)

| | Fund |
|------------------------|-------|
| Beta | 0.97 |
| Information Ratio | 0.29 |
| Upside Capture Ratio | 99.82 |
| Downside Capture Ratio | 98.08 |

Above risk characteristics are based on 3-year time period.

Please see back page for calendar year returns, index definitions and investment terms.

U.S. QUALITY ESG FUND

CALENDAR YEAR RETURNS %

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|-------------------------------|-------|-------|-------|------|------|------|------|------|------|------|
| U.S. Quality ESG Fund Class I | 20.07 | 31.40 | -4.82 | — | — | — | — | — | — | — |
| U.S. Quality ESG Fund Class K | 20.15 | 31.40 | -4.82 | — | — | — | — | — | — | — |
| Benchmark ² | 20.96 | 31.43 | -4.78 | — | — | — | — | — | — | — |
| Morningstar Large Blend | 15.83 | 28.78 | -6.27 | — | — | — | — | — | — | — |

Performance quoted represents past performance and does not guarantee future results.

TOP HOLDINGS %

| | Fund |
|---------------------------------|------|
| Apple Inc. | 5.8 |
| Microsoft Corporation | 5.4 |
| Alphabet Inc. Class A | 3.4 |
| Amazon.com, Inc. | 3.1 |
| Mastercard Incorporated Class A | 2.4 |
| Alphabet Inc. Class C | 2.0 |
| Home Depot, Inc. | 2.0 |
| Texas Instruments Incorporated | 1.8 |
| JPMorgan Chase & Co. | 1.4 |
| Facebook, Inc. Class A | 1.4 |

SECTOR

| ALLOCATION % | Fund | Benchmark |
|------------------------|------|-----------|
| Information Technology | 29.2 | 26.7 |
| Health Care | 14.7 | 13.1 |
| Consumer Discretionary | 13.5 | 12.1 |
| Financials | 12.8 | 11.4 |
| Communication Services | 9.9 | 10.5 |
| Industrials | 9.0 | 9.4 |
| Consumer Staples | 4.1 | 5.8 |
| Real Estate | 3.6 | 3.0 |
| Materials | 1.4 | 2.8 |
| Energy | 0.9 | 2.6 |
| Utilities | 0.9 | 2.6 |

ASSET ALLOCATION %

| | Fund |
|--------|------|
| Stocks | 99.7 |
| Cash | 0.3 |

PORTFOLIO MANAGEMENT

Refer to Northern Trust's website for more information on the Portfolio Management Team managing this fund.

DISCLOSURE AND RISKS

All data is as of date indicated and subject to change.

¹ Past performance is no guarantee of future results. Ratings reflect fee waivers in effect; in their absence, ratings may have been lower. MorningStar Ratings represents the oldest share class of the fund.

The Morningstar Rating™ for funds, or "star rating," is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk - Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating /30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The U.S. Quality ESG Fund received 5 stars for the 3-year rating among 1225 Large Blend funds, 5 stars for the 5-year rating among 1068 funds and 5 stars for the 10-year rating among 809 funds.

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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.

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.



NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

DEFINITIONS

² The 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.

Beta: Beta represents the systematic risk of a portfolio and measures its sensitivity to a benchmark.

Down Market Capture: A measure of a managers performance in down markets relative to the market.

Information Ratio: A measure of risk-adjusted relative return.

Price-to-Book Ratio: A ratio used to compare a stocks market value to its book value. It is calculated by dividing the current price of the stock by the latest quarters book value per share.

Return on Equity: Amount of net income returned as a percentage of shareholders equity.

Trailing 12-month Price-to-Earnings Ratio: The sum of a companys price-to-earnings. Calculated by taking the current stock price and dividing it by the current earnings per share for the past 12 months.

Up Market Capture: A measure of a managers performance in up markets relative to the market.



MANAGED BY

NORTHERN
TRUST

Please carefully read the prospectus and summary prospectus and consider the investment objectives, risks, charges and expenses of Northern Funds before investing. Call 800-595-9111 to obtain a prospectus and summary prospectus, which contain this and other information about the funds.

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