

U.S. QUALITY ESG FUND

MUTUAL FUND

AS OF 4Q22



Overall Morningstar Rating™ among 1,223 Large Blend funds derived from a weighted average of the fund's 3-year risk-adjusted returns as of 12/31/22.¹

Investment Objective

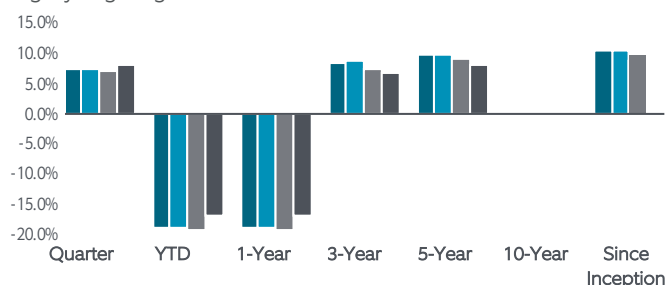
Capital appreciation

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 12/31/22

- 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

	7.51	-18.89	-18.89	8.53	9.84	—	10.54
■ Fund Class I	7.51	-18.89	-18.89	8.53	9.84	—	10.54
■ Fund Class K	7.57	-18.80	-18.80	8.61	9.89	—	10.59
■ Benchmark	7.24	-19.13	-19.13	7.35	9.13	—	9.93
■ Morningstar	8.27	-16.96	-16.96	6.88	8.26	—	—

Effective July 30, 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 30, 2020 and August 21, 2020, respectively. For Class I, the performance return from July 30, 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 30, 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.

In the absence of applicable expense reimbursements and fee waivers, fund performance and returns since inception and dividends would have been reduced. Total return is based on net change in NAV assuming reinvestment of distributions

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.

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

FUND

OVERVIEW

	Fund	
Benchmark/Index	Russell 1000 Index ²	
Morningstar Category	Large Blend	
Total Net Assets	\$333.8 Million	
Dividend Schedule	Quarterly	
	Class I	Class K
Symbol/CUSIP	NUEIX	NUESX
Expense Ratio - Gross (%)	0.54	0.44
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 by the advisor through at least July 31, 2023. Please read the current prospectus for more complete information on fees and expenses.

FUND

CHARACTERISTICS

	Fund	Benchmark
Number of Holdings	148	1,010
Weighted Average Market Cap (\$M)	396,808.1	381,177.8
Return on Equity (%)	34.5	26.3
Trailing 12-month Price-to-Earnings Ratio	18.1	19.2
Price-to-Book Ratio	4.8	3.8
Annual Portfolio Turnover as of 3/31/22 (%)	29.11	

PERFORMANCE AND

RISK CHARACTERISTICS (3 YR)

	Fund
Beta	0.97
Information Ratio	0.63
Upside Capture Ratio	100.47
Downside Capture Ratio	97.45

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

U.S. QUALITY ESG FUND

CALENDAR YEAR RETURNS %

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
U.S. Quality ESG Fund Class I	-18.89	31.24	20.07	31.40	-4.82	—	—	—	—	—
U.S. Quality ESG Fund Class K	-18.80	31.31	20.15	31.40	-4.82	—	—	—	—	—
Benchmark ²	-19.13	26.45	20.96	31.43	-4.78	—	—	—	—	—
Morningstar Large Blend	-16.96	26.07	15.83	28.78	-6.27	—	—	—	—	—

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

TOP HOLDINGS %

	Fund
Microsoft Corporation	6.3
Apple Inc.	6.1
Alphabet Inc. Class A	2.8
Mastercard Incorporated Class A	2.3
Coca-Cola Company	2.3
JPMorgan Chase & Co.	2.2
Home Depot, Inc.	2.1
Adobe Incorporated	1.8
Bristol-Myers Squibb Company	1.7
Eli Lilly and Company	1.6

SECTOR

ALLOCATION %	Fund	Benchmark
Information Technology	27.2	25.2
Health Care	17.4	15.5
Financials	13.8	12.0
Industrials	9.6	9.4
Consumer Discretionary	8.8	9.9
Consumer Staples	7.5	6.8
Communication Services	5.9	7.1
Real Estate	4.0	3.1
Energy	2.8	5.2
Utilities	1.6	3.0
Materials	1.4	2.9

ASSET ALLOCATION %

	Fund
Stocks	98.1
Cash	1.9

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

© 2023 Northern Funds | Northern Funds are distributed by Northern Funds Distributors, LLC, not affiliated with Northern Trust.



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. **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. ¹The 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 4 stars for the 3-year rating among 1223 Large Blend funds and 4 stars for the 5-year rating among 1116 funds. The 10-year Morningstar Ratings are not available. © 2022 Morningstar, Inc. All Rights Reserved. Morningstar and/or its content providers are the proprietors of this information; do not permit its unauthorized copying or distribution; do not warrant it to be accurate, complete or timely; and are not responsible for damages or losses arising from its use.

Environmental, Social and Governance (ESG) Risk: The Fund's 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.

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 manager's 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 stock's 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 company's 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 manager's performance in up markets relative to the market.

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE