

NORTHERN FUNDS

SMALL CAP VALUE FUND (NOSGX)

As of 09/30/25

FUND COMMENTARY

The Russell 2000 Value Index finished the third quarter sharply higher, outpacing the larger cap S&P 500 index and the Russell 2000 growth index. Continued strength in corporate earnings and steady inflation data buoyed investor risk appetite. A slowing labor market and sluggish housing activity made it possible for the Federal Reserve to cut interest rates, further bolstering investor confidence. All 11 sectors within the index were positive in the quarter, with Consumer Staples and Financials lagging. Materials was among the best performing sectors in the index, driven by higher gold prices.

The Northern Small Cap Value Fund underperformed its benchmark, the Russell 2000 Value Index. Strong stock selection in Materials and Real Estate sectors was offset by weaker results in the Health Care and Communication Services sectors. Within our stock selection model, the “BUY” rated category underperformed the index, while the “SELL” rated category outperformed, detracting from relative returns. The outperformance of highly volatile names with low profitability was a headwind to relative returns as the Fund is typically underweight those segments of the market.

Going forward and consistent with our long-term approach, we will continue to seek out more reasonably priced, but profitable, small-company stocks and avoid lower quality companies. We will continue to apply our disciplined cost- and risk-efficient investment strategy, balancing return, risk, and transaction costs, in an effort to achieve intended objectives.

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 09/30/25				Annualized Returns					
FUND	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception*	Gross Expense Ratio	Net Expense Ratio
Small Cap Value Fund	9.88%	7.69%	4.63%	12.99%	13.59%	7.88%	9.14%	0.66%	0.51%
Russell 2000 Value Index ¹	12.60%	9.04%	7.88%	13.56%	14.59%	9.23%	9.48%		

*Inception Date- 04/01/94

¹**Russell 2000® Value Index** measures the performance of those Russell 2000® Index companies with lower price-to-book ratios and lower forecasted growth values. It is not possible to invest directly in an index. **S&P 500® Index** is an unmanaged index consisting of 500 stocks and is a widely recognized common measure of the performance of the overall U.S. stock market. It is not possible to invest directly in an index. **The Russell 2000® Growth Index** measures the performance of the small cap growth segment of the US equity universe. It includes those Russell 2000 companies with relatively higher price-to-book ratios, higher I/B/E/S forecast medium term (2 year) growth and higher sales per share historical growth (5 years).

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, 2026.

Derivatives Risk: The risk that derivatives may pose risks in addition to and greater than those associated with investing directly in securities, currencies and other instruments, may be illiquid or less liquid, more volatile, more difficult to value and leveraged so that small changes in the value of the underlying instrument may produce disproportionate losses to the Fund. Derivatives are also subject to counterparty risk, which is the risk that the other party to the transaction will not perform its contractual obligations. The use of derivatives is a highly specialized activity that involves investment techniques and risks different from those associated with investments in more traditional securities and instruments.

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.

Investment Style Risk: Value stocks are those that are undervalued in comparison to their peers due to adverse business developments or other factors. Value investing carries the risk that the market will not recognize a security's inherent value for a long time, or that a stock judged to be undervalued by a fund's adviser may actually be appropriately priced or overvalued. Value oriented funds will typically underperform when growth investing is in favor.

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Sector Risk: The risk that companies in similar businesses may be similarly affected by particular economic or market events, which may, in certain circumstances, cause the value of securities of all companies in a particular sector of the market to decrease.

Small-Cap Risk: The risk that stocks of smaller companies may be subject to more abrupt or erratic market movements than stocks of larger, more established companies. Small companies may have limited product lines or financial resources, or may be dependent upon a small or inexperienced management group, and their securities may trade less frequently and in lower volume than the securities of larger companies, which could lead to higher transaction costs.

Value Risk: Value stocks are those that are undervalued in comparison to their peers due to adverse business developments or other factors. Value investing carries the risk that the market will not recognize a security's inherent value for a long time, or that a stock judged to be undervalued by a fund's adviser may actually be appropriately priced or overvalued. Value oriented funds will typically underperform when growth investing is in favor.

Not FDIC insured | May lose value | No bank guarantee

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