

2018 Qualified Dividends  
Income and Corporate  
Dividends-Received  
Deduction

**Income & Capital Gain Distributions**

For the 2018 calendar year, 100% of the dividends paid by the fixed income funds is taxable as ordinary income for federal income tax purposes. Listed in this table are the annual percentages of ordinary income distributed (dividend income plus short-term gain) by the equity funds, as applicable, that can be treated as **Qualified Dividend Income (QDI)**.

**Percentage of Dividends Eligible for the Corporate Dividends-Received Deduction**

Mutual fund dividends derived from certain domestic corporations may be eligible for the dividends received deduction (DRD) for corporations. A portion of the ordinary income distribution (dividend income plus short-term gain) paid in 2018 by the Funds listed below may qualify for this deduction. The table below shows the portion of monthly, quarterly or annualized, as applicable, of ordinary income distribution (dividend income plus short-term gain) attributable to such domestic corporations for each of the Funds for 2018.

<b>Northern Funds</b>	<b>Payment Frequency</b>	<b>DRD%</b>	<b>QDI%</b>
Active M Emerging Markets Equity Fund	Annual	0.55%	100.00%
Active M International Equity Fund	Annual	0.00%	100.00%
Active M U.S. Equity Fund Q1	Quarterly	100.00%	100.00%
Active M U.S. Equity Fund Q2	Quarterly	100.00%	100.00%
Active M U.S. Equity Fund Q3	Quarterly	-	-
Active M U.S. Equity Fund Q4	Quarterly	-	-
Emerging Markets Equity Index Fund	Annual	0.19%	62.00%
Global Sustainability Index Fund	Annual	48.26%	100.00%
Global Real Estate Index Fund Q1	Quarterly	0.04%	24.76%
Global Real Estate Index Fund Q2	Quarterly	0.03%	32.67%
Global Real Estate Index Fund Q3	Quarterly	0.02%	11.07%
Global Real Estate Index Fund Q4	Quarterly	0.05%	18.03%
Global Tactical Asset Allocation Fund – February	Quarterly	0.00%	39.74%
Global Tactical Asset Allocation Fund – May	Quarterly	0.00%	0.00%
Global Tactical Asset Allocation Fund – August	Quarterly	13.31%	15.31%
Global Tactical Asset Allocation Fund – November	Quarterly	13.85%	10.32%
Global Tactical Asset Allocation Fund - December	Quarterly	25.08%	18.29%
Income Equity Fund - January	Monthly	100.00%	100.00%
Income Equity Fund - February	Monthly	100.00%	100.00%
Income Equity Fund - March	Monthly	100.00%	100.00%
Income Equity Fund - April	Monthly	100.00%	100.00%
Income Equity Fund - May	Monthly	100.00%	100.00%
Income Equity Fund - June	Monthly	100.00%	100.00%
Income Equity Fund - July	Monthly	100.00%	100.00%
Income Equity Fund - August	Monthly	100.00%	100.00%

*Please see back page for additional DRD and QDI percentages*

<b>Northern Funds</b>	<b>Payment Frequency</b>	<b>DRD%</b>	<b>QDI%</b>
Income Equity Fund - September	Monthly	100.00%	100.00%
Income Equity Fund - October	Monthly	100.00%	100.00%
Income Equity Fund - November	Monthly	100.00%	100.00%
Income Equity Fund - December	Monthly	11.45%	100.00%
International Equity Fund	Annual	0.00%	100.00%
International Equity Index Fund	Annual	0.00%	100.00%
Large Cap Core Fund Q1	Quarterly	64.59%	98.74%
Large Cap Core Fund Q2	Quarterly	97.65%	100.00%
Large Cap Core Fund Q3	Quarterly	100.00%	100.00%
Large Cap Core Fund Q4	Quarterly	100.00%	100.00%
Large Cap Value Fund	Annual	100.00%	100.00%
Mid Cap Index Fund	Annual	57.39%	87.39%
Multi-Manager Global Listed Infrastructure Fund Q1	Quarterly	-	-
Multi-Manager Global Listed Infrastructure Fund Q2	Quarterly	8.09%	100.00%
Multi-Manager Global Listed Infrastructure Fund Q3	Quarterly	56.15%	100.00%
Multi-Manager Global Listed Infrastructure Fund Q4	Quarterly	18.52%	100.00%
Multi-Manager Global Real Estate Fund Q1	Quarterly	-	42.38%
Multi-Manager Global Real Estate Fund Q2	Quarterly	-	32.30%
Multi-Manager Global Real Estate Fund Q3	Quarterly	-	11.81%
Multi-Manager Global Real Estate Fund Q4	Quarterly	-	3.36%
Northern Engage360™ Fund	Annual	42.45%	100.00%
Small Cap Core Fund	Annual	78.88%	100.00%
Small Cap Index Fund	Annual	25.62%	92.12%
Small Cap Value Fund	Annual	100.00%	100.00%
Stock Index Fund Q1	Quarterly	90.64%	98.24%
Stock Index Fund Q2	Quarterly	94.18%	98.06%
Stock Index Fund Q3	Quarterly	85.95%	93.89%
Stock Index Fund Q4	Quarterly	84.54%	100.00%
U.S. Quality ESG Fund Q1	Quarterly	100.00%	100.00%
U.S. Quality ESG Fund Q2	Quarterly	100.00%	100.00%
U.S. Quality ESG Fund Q3	Quarterly	100.00%	100.00%
U.S. Quality ESG Fund Q4	Quarterly	100.00%	100.00%

If you have any questions, contact your Relationship Manager, your tax advisor, or call the Northern Funds Center at **800-595-9111** weekdays from 7:00 a.m. to 5:00 p.m. Central Time. For more information about dividend and capital gain distributions, please visit [northernfunds.com/tax-center](http://northernfunds.com/tax-center).

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