

REVISED

Global Real Estate Index Fund Information Updated as of 10.22.21

NORTHERN FUNDS

TAX
FACTS

2020

Northern Funds Tax Facts provides specific information about your Northern Funds investment income and capital gain distributions for 2020. If you have any questions about how to apply this information to your income tax returns, please consult a tax advisor. For questions about the data provided or about your Northern Funds accounts, please call **800-595-9111**.



ALTERNATIVE MINIMUM TAX

The Tax Reform Act of 1986 requires that interest income from certain municipal obligations called “private activity bonds” be included as a tax preference item for the Alternative Minimum Tax (AMT) computation on your federal tax return. Form 1099-DIV (box 12) reports the tax-exempt income that is subject to AMT. The following table reports the percentage of the Fund’s distributions that are subject to the AMT. You may want to consult with a professional tax advisor to determine your exposure to the AMT.

TAX-EXEMPT FUNDS	% AMT
Arizona Tax-Exempt	—
California Intermediate Tax-Exempt	9.06%
California Tax-Exempt	11.79%
High Yield Municipal	16.69%
Intermediate Tax-Exempt	5.20%
Municipal Money Market	4.50%
Short-Intermediate Tax-Exempt	0.67%
Tax-Advantaged Ultra-Short Fixed Income	5.95%
Tax-Exempt	5.42%

FOREIGN TAXES

To avoid double taxation, you are entitled to claim a foreign tax credit or take an itemized deduction, as applicable, on your federal income tax return for the foreign taxes paid by the Emerging Markets Equity Index, Global Real Estate Index*, International Equity, International Equity Index, Active M Emerging Markets Equity, Multi-Manager Global Real Estate*, Multi-Manager Global Listed Infrastructure and Active M International Equity Funds during 2020. Generally, you will owe less federal income tax if you claim the foreign tax credit by filing IRS Form 1116. (For corporations, use Form 1118.)

Determining Your Credits & Deductions

Qualifying Foreign Taxes Paid: Form 1099-DIV (box 7) reports the foreign taxes paid. This is your qualifying foreign taxes paid used in Part II of Form 1116. If you do not receive a 1099-DIV form, the foreign tax credit per share information is available on northernfunds.com/tax-center.

Gross Income from Sources Outside the U.S.: Multiply the “Foreign Source Income Factor” in the table below by the amount in box 1a of your Form 1099-DIV. This result is your gross income from sources outside the U.S. used in Part I of Form 1116.

For additional information, refer to IRS Publication 514, Foreign Tax Credit for Individuals, or call the Foreign Tax Credit Department of the IRS at 800-829-1040.

NORTHERN FUNDS	Foreign Source Income
Active M Emerging Markets Equity	96.09%
Active M International Equity	98.01%
Emerging Markets Equity Index	98.10%
Global Real Estate Index	48.68%
International Equity	99.98%
International Equity Index	99.45%
Multi-Manager Global Listed Infrastructure	58.25%
Multi-Manager Global Real Estate	—

*If you are an investor in the Global Real Estate Index Fund or the Multi-Manager Global Real Estate Fund, your Form 1099-DIV which will be used to report your Foreign Income Tax Credit, will be sent separately.

PERCENTAGE OF EXEMPT-INTEREST DIVIDENDS

The amount of dividends paid that may be excluded from gross income for federal income tax purposes is reported on Form 1099-DIV (box 10).

PERCENTAGE OF QDI AND DRD

Income & Capital Gain Distributions

Listed in this table are the annualized percentages of ordinary income distributed (dividend income and short-term gain) by the equity funds, as applicable, that can be treated as Qualified Dividend Income (QDI). For monthly, quarterly or annual information (as applicable) please see the 2020 Qualified Dividend Income information on northernfunds.com/tax-center.

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 2020 by the Funds listed below may qualify for this deduction. The table below shows the portion of annualized ordinary income distribution (dividend income plus short-term gain) attributable to such domestic corporations for each of the Funds for 2020. For monthly, quarterly or annual information (as applicable) please see the 2020 Corporate Dividends Received Deduction information on northernfunds.com/tax-center.

NORTHERN FUNDS	% of QDI ST Gain	% QDI	% DRD
Active M Emerging Markets Equity	—	100.00%	4.51%
Active M International Equity	—	100.00%	1.86%
Emerging Markets Equity Index	—	37.56%	0.22%
Global Real Estate Index	—	60.23%	0.04%
Global Sustainability Index	—	100.00%	57.49%
Global Tactical Asset Allocation	—	32.86%	—
Income Equity	—	100.00%	100.00%
International Equity	—	61.94%	—
International Equity Index	—	100.00%	—
Large Cap Core	—	100.00%	100.00%
Large Cap Value	—	100.00%	100.00%
Mid Cap Index	—	90.81%	55.23%
Multi-Manager Global Listed Infrastructure	—	100.00%	43.25%
Multi-Manager Global Real Estate	—	22.84%	0.02%
Northern Engage360™	—	100.00%	60.61%
Small Cap Core	—	100.00%	100.00%
Small Cap Index	—	71.85%	42.06%
Small Cap Value	79.64%	100.00%	66.35%
Stock Index	—	96.21%	93.98%
U.S. Quality ESG	—	100.00%	100.00%

DIRECT U.S. GOVERNMENT & AGENCY OBLIGATIONS

Percentage of Dividends from Direct U.S. Government and Agency Obligations

In some states, mutual fund dividends derived from certain direct U.S. government and agency obligations may be exempt from state income taxes. A portion of the dividend income paid by Northern Funds during 2020 may qualify for this exemption. The table below shows

the percentage of dividends (the amount reported in box 1a of Form 1099-DIV) attributable to direct U.S. government and agency obligations for each of the Northern Funds during 2020.

NORTHERN FUNDS	U.S. Government	Federal Farm Credit Bank	Federal Home Loan Bank	Student Loan Marketing Association	Tennessee Valley Authority
MONEY MARKET FUNDS					
Money Market	3.05%	—	0.18%	—	—
Municipal Money Market	—	—	—	—	—
U.S. Government Money Market	28.53%	10.78%	29.99%	—	—
U.S. Government Select Money Market	27.83%	12.53%	36.53%	—	—
FIXED INCOME FUNDS					
Arizona Tax-Exempt	26.20%	13.64%	28.44%	—	—
Bond Index	27.14%	0.07%	0.35%	—	0.11%
California Intermediate Tax-Exempt	19.09%	9.94%	20.72%	—	—
California Tax-Exempt	3.96%	2.06%	4.29%	—	—
Core Bond	4.39%	0.03%	0.07%	—	—
Fixed Income	4.93%	0.04%	0.08%	—	—
High Yield Fixed Income	0.04%	0.02%	0.04%	—	—
High Yield Municipal	22.14%	11.53%	24.04%	—	—
Intermediate Tax-Exempt	0.73%	0.38%	0.79%	—	—
Multi-Manager Emerging Markets Debt Opportunity	—	—	—	—	—
Multi-Manager High Yield Opportunity	—	—	—	—	—
Short Bond	17.94%	0.06%	0.13%	—	—
Short-Intermediate Tax-Exempt	0.73%	0.38%	0.79%	—	—
Short-Intermediate U.S. Government	46.16%	0.49%	1.02%	—	—
Tax-Advantaged Ultra-Short Fixed Income	8.20%	0.50%	1.05%	—	—
Tax-Exempt	4.03%	2.10%	4.38%	—	—
Ultra-Short Fixed Income	5.86%	0.26%	0.15%	—	—
U.S. Government	11.09%	0.09%	0.18%	—	—
U.S. Treasury Index	99.89%	0.02%	0.04%	—	—
EQUITY FUNDS					
Active M Emerging Markets Equity	0.36%	0.05%	0.11%	—	—
Active M International Equity	0.55%	0.11%	0.24%	—	—
Emerging Markets Equity Index	0.05%	0.03%	0.06%	—	—
Global Real Estate Index	0.04%	0.02%	0.04%	—	—
Global Sustainability Index	0.07%	0.04%	0.07%	—	—
Global Tactical Asset Allocation	0.08%	0.04%	0.09%	—	—
Income Equity	0.08%	0.01%	0.03%	—	—
International Equity	0.01%	0.01%	0.02%	—	—
International Equity Index	0.03%	0.02%	0.03%	—	—
Large Cap Core	0.09%	0.02%	0.04%	—	—
Large Cap Value	0.13%	0.02%	0.05%	—	—
Mid Cap Index	0.15%	0.03%	0.07%	—	—
Multi-Manager Global Listed Infrastructure	0.25%	0.10%	0.21%	—	—
Multi-Manager Global Real Estate	0.10%	0.05%	0.11%	—	—
Northern Engage360™	0.22%	0.09%	0.19%	—	—
Small Cap Core	0.30%	0.07%	0.15%	—	—
Small Cap Index	0.18%	0.06%	0.12%	—	—
Small Cap Value	0.18%	0.04%	0.09%	—	—
Stock Index	0.15%	0.05%	0.10%	—	—
U.S. Quality ESG	0.09%	0.03%	0.06%	—	—

LONG-TERM CAPITAL GAIN DISTRIBUTIONS

Listed in the table below are the long-term capital gain distributions per share made by each equity, fixed income and money market fund, as applicable. For more information about capital gain distributions, visit northernfunds.com/tax-center.

NORTHERN FUNDS	Capital Gains
Active M Emerging Markets Equity	1.319739
Bond Index	0.100520
California Intermediate Tax-Exempt	0.019706
California Tax-Exempt	0.051784
Core Bond	0.000294
Global Real Estate Index	None
Global Sustainability Index	0.000408
Global Tactical Asset Allocation	0.481356
Income Equity	0.839435
Intermediate Tax-Exempt	0.017480
Large Cap Core	None
Large Cap Value	None
Mid Cap Index	0.683703
Multi-Manager Global Real Estate	None
Multi-Manager Global Listed Infrastructure	0.037874
Northern Engage360™	None
Short-Intermediate Tax-Exempt	0.075486
Small Cap Core	1.220101
Small Cap Index	0.345264
Small Cap Value	0.091974
Stock Index	1.036058
Tax-Advantaged Ultra-Short Fixed Income	0.005482
Tax-Exempt	0.030670
Ultra-Short Fixed Income	0.006981
U.S. Quality ESG	0.077321

FOREIGN TAX CREDIT

The funds below intend to make an election that will allow shareholders to treat their proportionate share of foreign taxes paid by the Funds as having been paid by them. The amounts per share which represent taxes paid to foreign countries are as follows:

NORTHERN FUNDS	Payment Frequency	FTC
Active M International Equity	Annual	\$0.019597
Active M Emerging Markets Equity	Annual	\$0.031262
Emerging Markets Equity Index	Annual	\$0.020686
International Equity	Annual	\$0.029441
International Equity Index	Annual	\$0.023835
Global Real Estate Index Fund Q1	Quarterly	\$0.002750
Global Real Estate Index Fund Q2	Quarterly	\$0.003232
Global Real Estate Index Fund Q3	Quarterly	—
Global Real Estate Index Fund Q4	Quarterly	—
Multi-Manager Global Real Estate Fund Q1	Quarterly	—
Multi-Manager Global Real Estate Fund Q2	Quarterly	—
Multi-Manager Global Real Estate Fund Q3	Quarterly	—
Multi-Manager Global Real Estate Fund Q4	Quarterly	—
Multi-Manager Global Listed Infrastructure Q1	Quarterly	\$0.003119
Multi-Manager Global Listed Infrastructure Q2	Quarterly	\$0.007879
Multi-Manager Global Listed Infrastructure Q3	Quarterly	\$0.001608
Multi-Manager Global Listed Infrastructure Q4	Quarterly	\$0.001566

CAPITAL GAIN INFORMATION FOR RESIDENTS OF RHODE ISLAND

For Rhode Island residents, the following chart shows the percentage of capital gain distributions for assets held one to five years and five years or more. This information may be necessary to prepare your Rhode Island state tax filings.

NORTHERN FUNDS	Assets held more than 1 year and up to 5 years	Assets held more than 5 years
Active M Emerging Markets Equity	20.36%	79.64%
Bond Index	61.65%	38.35%
California Intermediate Tax-Exempt	48.48%	51.52%
California Tax-Exempt	100.00%	—
Core Bond	83.57%	16.43%
Global Real Estate Index	—	—
Global Sustainability Index	19.50%	80.50%
Global Tactical Asset Allocation	17.77%	82.23%
Income Equity	49.16%	50.84%
Intermediate Tax Exempt	100.00%	—
Large Cap Core	—	—
Large Cap Value	—	—
Mid Cap Index	—	100.00%
Multi-Manager Global Real Estate	—	—
Multi-Manager Global Listed Infrastructure	100.00%	—
Northern Engage360™	100.00%	—
Short-Intermediate Tax-Exempt	100.00%	—
Small Cap Core	48.03%	51.97%
Small Cap Index	—	100.00%
Small Cap Value	100.00%	—
Stock Index	46.91%	53.09%
Tax-Advantaged Ultra-Short Fixed Income	100.00%	—
Tax-Exempt	100.00%	—
Ultra-Short Fixed Income	100.00%	—
U.S. Quality ESG	100.00%	—

Legal, Investment and Tax Notice: This information is not intended to be and should not be treated as legal advice, investment advice or tax advice. Readers, including professionals, should under no circumstances rely upon this information as a substitute for their own research or for obtaining specific legal or tax advice from their own counsel.

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.

Amortized Cost NAV Funds (NF Money Market Fund, NF Municipal Money Market Fund, NF U.S. Government Money Market and NF U.S. Government Select Money Market): You could lose money by investing in the Fund. All purchase and sale activity is being transacted at the Amortized Cost NAV of \$1.00. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The Fund may impose a fee upon sale of your shares or may temporarily suspend your ability to sell shares if a Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

