

NORTHERN FUNDS

# TAX FACTS

2024

Northern Funds Tax Facts provides specific information about your Northern Funds investment income and capital gain distributions for 2024. 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 13) 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	2.69%
California Intermediate Tax-Exempt	5.57%
California Tax-Exempt	7.30%
High Yield Municipal	15.01%
Intermediate Tax-Exempt	7.80%
Limited Term Tax-Exempt	7.32%
Tax-Advantaged Ultra-Short Fixed Income	2.89%
Tax-Exempt	7.81%

## FOREIGN TAXES

To avoid double taxation, you may be 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, International Equity, International Equity Index, Active M Emerging Markets Equity, Multi-Manager Global Listed Infrastructure and Active M International Equity Funds during 2024. 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](http://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 Taxpayer IRS Hotline at 800-829-1040.

NORTHERN FUNDS	Foreign Source Income Factor
Active M Emerging Markets Equity	100.00%
Active M International Equity	81.58%
Emerging Markets Equity Index	95.00%
International Equity	99.34%
International Equity Index	98.68%
Multi-Manager Global Listed Infrastructure	61.02%

## 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 12).

## PERCENTAGE OF QDI AND DRD

### Income & Capital Gain Distributions

For the 2024 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 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 2024 Qualified Dividend Income information on [northernfunds.com/tax-center](http://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 2024 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 2024. For monthly, quarterly or annual information (as applicable) please see the 2024 Corporate Dividends Received Deduction information on [northernfunds.com/tax-center](http://northernfunds.com/tax-center).

NORTHERN FUNDS	% of QDI ST Gain	% QDI	% DRD
Active M Emerging Markets Equity	—	100.00%	2.16%
Active M International Equity	89.11%	89.11%	0.34%
Emerging Markets Equity Index	—	39.08%	0.17%
World Selection Index (fka Global Sustainability Index)*	97.01%	97.01%	47.48%
Global Real Estate Index	—	23.12%	0.05%
Global Tactical Asset Allocation	—	51.04%	18.26%
Income Equity	55.34%	55.34%	53.43%
International Equity	—	73.30%	—
International Equity Index	—	80.60%	—
Large Cap Core	67.19%	67.19%	63.50%
Large Cap Value	36.13%	36.13%	33.80%
Mid Cap Index	34.15%	34.15%	32.95%
Multi-Manager Global Listed Infrastructure	100.00%	100.00%	34.26%
Multi-Manager Global Real Estate	—	28.41%	0.72%
Multi-Manager High Yield Opportunity	—	0.11%	0.03%
Small Cap Core	53.73%	53.73%	47.62%
Small Cap Index	43.73%	43.73%	38.97%
Small Cap Value	100.00%	100.00%	100.00%
Stock Index	61.82%	61.82%	59.70%
U.S. Quality ESG	—	95.90%	90.10%

\*Effective February 3, 2025, the Board of Trustees of the Northern Funds approved a change in the Fund’s name from the Global Sustainability Index Fund to the World Selection Index Fund.

## 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 2024 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 2024.

NORTHERN FUNDS	U.S. Treasury	Federal Farm Credit Bank	Federal Home Loan Bank	Student Loan Marketing Association	Tennessee Valley Authority
<b>MONEY MARKET FUNDS</b>					
U.S. Government Money Market	14.98%	9.70%	17.90%	—	—
U.S. Government Select Money Market	14.92%	11.19%	18.22%	—	—
<b>FIXED INCOME FUNDS</b>					
Arizona Tax-Exempt	35.86%	6.73%	14.57%	—	—
Bond Index	39.28%	0.35%	0.58%	—	0.07%
California Intermediate Tax-Exempt	30.37%	4.97%	10.76%	—	—
California Tax-Exempt	32.95%	6.56%	14.20%	—	—
Core Bond	23.29%	0.72%	1.56%	—	—
Fixed Income	12.91%	0.14%	0.29%	—	—
High Yield Fixed Income	0.34%	0.17%	0.36%	—	—
High Yield Municipal <sup>(1)</sup>	18.11%	7.53%	16.30%	—	—
Intermediate Tax-Exempt Bond	54.37%	4.02%	8.70%	—	—
Limited Term Tax-Exempt	40.49%	6.25%	13.52%	—	—
Limited Term U.S. Government	97.36%	—	—	—	—
Multi-Manager Emerging Markets Debt Opportunity**	16.65%	8.28%	17.92%	—	—
Multi-Manager High Yield Opportunity	0.32%	0.20%	0.43%	—	—
Short Bond	51.15%	0.44%	0.96%	—	—
Tax-Advantaged Ultra-Short Fixed Income	5.15%	1.18%	2.55%	—	—
Tax-Exempt	46.99%	5.56%	12.04%	—	—
Ultra-Short Fixed Income	7.53%	0.26%	0.56%	—	—
U.S. Government	90.17%	0.42%	0.90%	—	—
U.S. Treasury Index	99.34%	0.20%	0.44%	—	—
<b>EQUITY FUNDS</b>					
Active M Emerging Markets Equity	2.35%	1.28%	2.77%	—	—
Active M International Equity	0.76%	0.42%	0.91%	—	—
Emerging Markets Equity Index	0.51%	0.31%	0.68%	—	—
Global Real Estate Index	0.22%	0.14%	0.29%	—	—
World Selection Index (fka Global Sustainability Index)*	0.41%	0.25%	0.54%	—	—
Global Tactical Asset Allocation	0.38%	0.13%	0.27%	—	—
Income Equity	0.67%	0.34%	0.73%	—	—
International Equity	0.06%	0.04%	0.08%	—	—
International Equity Index	0.06%	0.04%	0.08%	—	—
Large Cap Core	0.58%	0.29%	0.64%	—	—
Large Cap Value	0.32%	0.16%	0.35%	—	—
Mid Cap Index	0.61%	0.31%	0.68%	—	—
Multi-Manager Global Listed Infrastructure	0.61%	0.32%	0.69%	—	—
Multi-Manager Global Real Estate	0.84%	0.51%	1.11%	—	—
Small Cap Core	2.71%	1.46%	2.89%	—	—
Small Cap Index	1.08%	0.66%	1.06%	—	—
Small Cap Value	3.04%	1.62%	3.50%	—	—
Stock Index	1.08%	0.57%	1.23%	—	—
U.S. Quality ESG	0.74%	0.39%	0.84%	—	—

\*Effective February 3, 2025, the Board of Trustees of the Northern Funds approved a change in the Fund's name from the Global Sustainability Index Fund to the World Selection Index Fund.

\*\*Effective March 27, 2024, the Multi-Manager Emerging Markets Debt Opportunity Fund was liquidated and closed.

<sup>(1)</sup>Effective January 31, 2025, the High Yield Municipal Fund was liquidated and closed.

## TAX-EXEMPT INCOME EARNED BY STATE

Generally, the U.S. government does not impose income tax on interest income derived from municipal obligations. In addition, most states do not impose income tax on interest income derived from their own municipal obligations, or obligations from Guam, Puerto Rico, U.S. Virgin Islands, American Samoa and the Commonwealth of the

Northern Mariana Islands. This table shows the portion of dividends derived from interest income on state and local obligations on a state-by-state basis during 2024 for applicable Northern tax-exempt fixed income funds, as reported on your Form 1099-DIV (box 12).

	Arizona Tax-Exempt	California Intermediate Tax-Exempt	California Tax-Exempt	High Yield Municipal <sup>(1)</sup>	Intermediate Tax-Exempt	Limited Term Tax-Exempt	Tax-Advantaged Ultra-Short Fixed Income	Tax-Exempt
Alabama	—	—	—	1.07%	1.67%	7.10%	5.07%	1.66%
Alaska	—	—	—	—	0.90%	0.01%	0.03%	—
Arizona	96.34%	—	—	3.77%	1.49%	2.13%	1.74%	1.23%
Arkansas	—	—	—	0.35%	0.29%	0.05%	0.03%	0.26%
California	—	100%	100%	11.94%	4.70%	4.76%	4.44%	5.06%
Colorado	1.22%	—	—	3.59%	4.88%	5.12%	3.56%	7.84%
Connecticut	—	—	—	0.88%	1.85%	0.52%	3.46%	2.06%
Delaware	—	—	—	—	—	—	0.10%	—
District of Columbia	—	—	—	0.94%	1.56%	1.67%	0.37%	2.82%
Florida	0.78%	—	—	9.63%	6.69%	5.06%	4.65%	9.33%
Georgia	—	—	—	1.80%	2.39%	3.80%	0.48%	1.52%
Guam	—	—	—	0.57%	—	—	—	—
Hawaii	—	—	—	—	2.40%	0.04%	0.64%	1.28%
Idaho	—	—	—	0.95%	0.15%	—	0.30%	0.32%
Illinois	—	—	—	3.11%	5.46%	2.96%	2.77%	5.44%
Indiana	—	—	—	5.14%	1.70%	1.31%	1.79%	0.83%
Iowa	—	—	—	0.57%	0.18%	0.48%	0.20%	0.25%
Kansas	0.38%	—	—	2.26%	0.14%	1.29%	0.90%	—
Kentucky	—	—	—	0.38%	6.63%	2.60%	0.70%	2.49%
Louisiana	—	—	—	1.49%	1.73%	1.08%	0.99%	2.35%
Maine	—	—	—	—	0.28%	0.88%	0.16%	0.01%
Maryland	—	—	—	0.61%	2.04%	1.72%	1.71%	0.31%
Massachusetts	—	—	—	2.46%	1.93%	3.92%	0.89%	5.56%
Michigan	—	—	—	1.40%	2.18%	2.18%	3.15%	2.24%
Minnesota	—	—	—	1.70%	1.06%	1.29%	4.49%	0.55%
Mississippi	—	—	—	0.36%	0.06%	—	0.26%	0.08%
Missouri	—	—	—	1.03%	1.16%	1.58%	1.41%	1.69%
Montana	—	—	—	—	—	—	—	0.01%
Nebraska	—	—	—	—	0.86%	0.02%	0.42%	1.07%
Nevada	—	—	—	0.47%	1.58%	1.81%	1.70%	0.48%
New Hampshire	—	—	—	0.14%	0.19%	0.17%	0.12%	—
New Jersey	0.19%	—	—	2.53%	0.45%	1.67%	4.89%	1.00%
New Mexico	—	—	—	0.69%	0.14%	—	1.14%	0.42%
New York	—	—	—	5.75%	15.57%	11.56%	9.27%	12.92%
North Carolina	—	—	—	0.37%	1.68%	0.55%	4.82%	0.95%
North Dakota	—	—	—	—	—	—	0.04%	0.20%
Northern Mariana Islands	—	—	—	—	—	—	—	—
Ohio	0.10%	—	—	2.99%	2.01%	3.58%	1.63%	1.51%
Oklahoma	—	—	—	0.71%	0.32%	3.08%	0.12%	0.46%
Oregon	—	—	—	0.96%	0.64%	2.42%	1.06%	1.94%
Pennsylvania	—	—	—	1.70%	2.74%	2.31%	7.12%	3.50%
Puerto Rico	—	—	—	0.94%	—	—	0.22%	—
Rhode Island	—	—	—	0.33%	0.15%	—	—	0.72%
South Carolina	—	—	—	1.22%	2.12%	—	1.82%	2.21%
South Dakota	—	—	—	—	—	—	0.20%	—
Tennessee	—	—	—	0.28%	2.26%	0.71%	2.04%	0.51%
Texas	0.21%	—	—	9.60%	7.09%	14.32%	10.09%	8.41%
Utah	—	—	—	1.94%	0.71%	1.37%	0.06%	1.21%
Vermont	—	—	—	—	—	—	0.16%	—
Virgin Islands	—	—	—	1.62%	—	—	—	—
Virginia	0.78%	—	—	1.94%	0.72%	0.44%	0.71%	1.72%
Washington	—	—	—	3.67%	5.45%	3.21%	6.32%	4.58%
West Virginia	—	—	—	0.39%	—	—	0.06%	—
Wisconsin	—	—	—	5.01%	1.76%	1.23%	1.52%	1.00%
Wyoming	—	—	—	0.75%	0.04%	—	0.18%	—
American Samoa or Other	—	—	—	—	—	—	—	—
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<sup>(1)</sup>Effective January 31, 2025, the High Yield Municipal Fund was liquidated and closed.

## PERCENTAGE OF 163(j) INTEREST DIVIDEND

Internal Revenue Service regulations permit regulated investment companies (RICs) to pass through interest income to corporate shareholders for purposes of determining such corporations' interest expense limitation under section 163(j). Regulations provide a RIC's corporate shareholders with interest income rather than ordinary dividend income, potentially increasing the amount of interest expense the shareholders can deduct.

Listed below are the percentages of total ordinary income distributed by the fund during the 2024 calendar year (box 1a on form 1099-DIV) that can be treated as a 163(j) interest dividend.

NORTHERN FUNDS	163(j) Percentage
<b>MONEY MARKET FUNDS</b>	
U.S. Government Money Market	100.00%
U.S. Government Select Money Market	100.00%
<b>FIXED INCOME FUNDS</b>	
Arizona Tax-Exempt	100.00%
Bond Index	100.00%
California Intermediate Tax-Exempt	100.00%
California Tax-Exempt	100.00%
Core Bond	100.00%
Fixed Income	99.98%
High Yield Fixed Income	100.00%
High Yield Municipal	97.02%
Intermediate Tax-Exempt Bond	100.00%
Limited Term Tax-Exempt	100.00%
Limited Term U.S. Government	100.00%
Multi-Manager Emerging Markets Debt Opportunity**	100.00%
Multi-Manager High Yield Opportunity	92.38%
Short Bond	100.00%
Tax-Advantaged Ultra-Short Fixed Income	100.00%
Tax-Exempt	100.00%
Ultra-Short Fixed Income	99.21%
U.S. Government	100.00%
U.S. Treasury Index	100.00%
<b>EQUITY FUNDS</b>	
Active M Emerging Markets Equity	21.32%
Active M International Equity	14.07%
Emerging Markets Equity Index	3.98%
World Selection Index (fka Global Sustainability Index)*	3.37%
Global Real Estate Index	1.74%
Global Tactical Asset Allocation	1.63%
Income Equity	2.36%
International Equity	3.11%
International Equity Index	4.79%
Large Cap Core	1.82%
Large Cap Value	0.93%
Mid Cap Index	1.74%
Multi-Manager Global Listed Infrastructure	3.79%
Multi-Manager Global Real Estate	5.83%
Small Cap Core	7.62%
Small Cap Index	4.04%
Small Cap Value	6.71%
Stock Index	3.13%
U.S. Quality ESG	2.11%

\*Effective February 3, 2025, the Board of Trustees of the Northern Funds approved a change in the Fund's name from the Global Sustainability Index Fund to the World Selection Index Fund.

\*\*Effective March 27, 2024, the Multi-Manager Emerging Markets Debt Opportunity Fund was liquidated and closed.

## 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](http://northernfunds.com/tax-center).

NORTHERN FUNDS	Capital Gains
<b>MONEY MARKET FUNDS</b>	
U.S. Government Money Market	0.000001
U.S. Government Select Money Market	—
<b>EQUITY FUNDS</b>	
Active M International Equity	1.239283
World Selection Index (fka Global Sustainability Index)**	1.672224
Income Equity	0.628818
Large Cap Core	2.135855
Large Cap Value	0.704332
Mid Cap Index	1.448513
Multi-Manager Global Listed Infrastructure	0.087185
Small Cap Core	8.105546
Small Cap Index	0.697029
Small Cap Value	7.263053
Stock Index	0.699110
U.S. Quality ESG	0.211830

## 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 Emerging Markets Equity	Annual	0.040416
Active M International Equity	Annual	0.004176
Emerging Markets Equity Index	Annual	0.032116
International Equity	Annual	0.021817
International Equity Index	Annual	0.014537
Multi-Manager Global Listed Infrastructure Q1	Quarterly	0.001998
Multi-Manager Global Listed Infrastructure Q2	Quarterly	0.006398
Multi-Manager Global Listed Infrastructure Q3	Quarterly	0.003560
Multi-Manager Global Listed Infrastructure Q4	Quarterly	0.005090

**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.

*You could lose money by investing in the Money Market Funds. Although each of the Money Market Funds seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The Funds' sponsor has no legal obligation to provide financial support to the Funds, and you should not expect that the sponsor will provide financial support to the Funds at any time.*

