

NORTHERN FUNDS

TAX FACTS

2025

Northern Funds Tax Facts provides specific information about your Northern Funds investment income and capital gain distributions for 2025. 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

Tax rules require 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	2.81%
California Intermediate Tax-Exempt	5.80%
California Tax-Exempt	8.02%
High Yield Municipal ⁽¹⁾	15.01%
Intermediate Tax-Exempt	12.18%
Limited Term Tax-Exempt	12.37%
Tax-Advantaged Ultra-Short Fixed Income	3.53%
Tax-Exempt	11.34%

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 Active M Emerging Markets Equity, Active M International Equity, Emerging Markets Equity Index, Global Tactical Asset Allocation, International Equity, International Equity Index and Multi-Manager Global Listed Infrastructure during 2025. 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 General Taxpayer IRS Hotline at 800-829-1040.

NORTHERN FUNDS	Foreign Source Income
Active M Emerging Markets Equity	100.00%
Active M International Equity	86.43%
Emerging Markets Equity Index	96.62%
Global Tactical Asset Allocation	23.59%
International Equity	98.94%
International Equity Index	98.47%
Multi-Manager Global Listed Infrastructure	58.89%

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

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 2025 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 2025 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 2025 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 2025. For monthly, quarterly or annual information (as applicable) please see the 2025 Corporate Dividends Received Deduction information on northernfunds.com/tax-center.

NORTHERN FUNDS	% of QDI ST Gain	% QDI	% DRD
Active M Emerging Markets Equity	—	84.34%	0.17%
Active M International Equity	87.36%	87.36%	0.74%
Emerging Markets Equity Index	—	39.92%	0.18%
Global Real Estate Index	—	28.50%	0.05%
Global Tactical Asset Allocation	—	100.00%	18.07%
Income Equity	60.21%	60.21%	57.11%
International Equity	—	100.00%	—
International Equity Index	—	67.73%	—
Large Cap Core	100.00%	100.00%	97.03%
Large Cap Value	100.00%	100.00%	100.00%
Mid Cap Index	55.55%	55.55%	52.91%
Multi-Manager Global Listed Infrastructure	100.00%	100.00%	34.11%
Multi-Manager Global Real Estate	—	25.35%	0.21%
Small Cap Core	79.69%	79.69%	70.80%
Small Cap Index	—	81.04%	72.94%
Small Cap Value	66.77%	66.77%	56.33%
Stock Index	87.92%	87.92%	84.29%
U.S. Quality ESG	—	100.00%	100.00%
World Selection Index**	75.98%	75.98%	36.58%

**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 to the World Selection Index.

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 2025 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 2025.

NORTHERN FUNDS	U.S. Treasury	Federal Farm Credit Bank	Federal Home Loan Bank	Student Loan Marketing Association	Tennessee Valley Authority
MONEY MARKET FUNDS					
U.S. Government Money Market	13.54%	9.09%	23.73%	—	—
U.S. Government Select Money Market	12.10%	11.33%	24.74%	—	—
FIXED INCOME FUNDS					
Arizona Tax-Exempt	10.65%	8.89%	25.71%	—	—
Bond Index	41.90%	0.40%	0.73%	—	0.06%
California Intermediate Tax-Exempt	6.83%	5.70%	16.49%	—	—
California Tax-Exempt	10.59%	8.84%	25.56%	—	—
Core Bond	15.22%	0.31%	0.90%	—	—
Fixed Income	8.22%	0.10%	0.28%	—	—
High Yield Fixed Income	0.20%	0.12%	0.34%	—	—
High Yield Municipal ⁽¹⁾	18.11%	7.53%	16.30%	—	—
Intermediate Tax-Exempt Bond	8.26%	6.90%	19.95%	—	—
Limited Term Tax-Exempt	10.64%	8.88%	25.68%	—	—
Limited Term U.S. Government	95.59%	0.05%	0.14%	—	—
Multi-Manager High Yield Opportunity	0.18%	0.15%	0.45%	—	—
Short Bond	17.37%	0.11%	0.33%	—	—
Tax-Advantaged Ultra-Short Fixed Income	2.79%	1.04%	3.00%	—	—
Tax-Exempt	10.46%	8.73%	25.24%	—	—
Ultra-Short Fixed Income	3.61%	0.16%	0.48%	—	—
U.S. Government	92.80%	0.04%	0.12%	—	—
U.S. Treasury Index ⁽²⁾	98.29%	0.17%	0.49%	—	—
EQUITY FUNDS					
Active M Emerging Markets Equity	0.38%	0.26%	0.76%	—	—
Active M International Equity	—	—	—	—	—
Emerging Markets Equity Index	0.31%	0.25%	0.74%	—	—
Global Real Estate Index	0.11%	0.10%	0.28%	—	—
Global Tactical Asset Allocation	0.43%	0.29%	0.83%	—	—
Income Equity	0.26%	0.13%	0.37%	—	—
International Equity	0.08%	0.07%	0.20%	—	—
International Equity Index	0.03%	0.02%	0.06%	—	—
Large Cap Core	0.34%	0.17%	0.48%	—	—
Large Cap Value	0.31%	0.14%	0.41%	—	—
Mid Cap Index	0.25%	0.12%	0.34%	—	—
Multi-Manager Global Listed Infrastructure	0.40%	0.26%	0.75%	—	—
Multi-Manager Global Real Estate	0.35%	0.29%	0.85%	—	—
Small Cap Core	1.01%	0.52%	1.26%	—	—
Small Cap Index	0.85%	0.54%	1.09%	—	—
Small Cap Value	0.82%	0.36%	1.05%	—	—
Stock Index	0.64%	0.32%	0.91%	—	—
U.S. Quality ESG	0.55%	0.27%	0.78%	—	—
World Selection Index**	0.14%	0.12%	0.34%	—	—

** 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 to the World Selection Index.

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

⁽²⁾ Effective March 31, 2025, the U.S. Treasury Index 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, Virgin Islands, American Samoa and 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 2025 for applicable Northern tax-exempt money market and 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 ⁽¹⁾	Intermediate Tax-Exempt	Limited Term Tax-Exempt	Tax-Advantaged Ultra-Short Fixed Income	Tax-Exempt
Alabama	—	—	—	1.07%	2.52%	7.83%	3.34%	2.64%
Alaska	—	—	—	—	1.03%	0.82%	0.24%	0.34%
Arizona	95.29%	—	—	3.77%	2.25%	3.01%	1.83%	1.80%
Arkansas	—	—	—	0.35%	0.30%	—	0.09%	0.24%
California	—	99.98%	100.00%	11.94%	7.40%	5.90%	4.54%	7.79%
Colorado	1.04%	—	—	3.59%	5.46%	5.75%	3.37%	7.48%
Connecticut	—	—	—	0.88%	1.73%	0.13%	2.75%	1.92%
Delaware	—	—	—	—	0.06%	—	0.19%	0.05%
District of Columbia	—	—	—	0.94%	2.14%	1.50%	0.25%	2.21%
Florida	0.57%	—	—	9.63%	8.58%	5.64%	4.20%	9.38%
Georgia	—	—	—	1.80%	2.51%	3.13%	0.93%	2.06%
Guam	—	—	—	0.57%	—	—	—	—
Hawaii	—	—	—	—	1.68%	0.05%	0.67%	0.65%
Idaho	—	—	—	0.95%	—	—	1.00%	0.30%
Illinois	—	—	—	3.11%	6.63%	3.98%	4.36%	7.33%
Indiana	—	—	—	5.14%	1.26%	1.98%	1.43%	1.80%
Iowa	—	—	—	0.57%	0.16%	1.59%	0.02%	0.30%
Kansas	0.29%	—	—	2.26%	0.24%	0.91%	1.85%	—
Kentucky	—	—	—	0.38%	4.83%	0.69%	1.88%	1.56%
Louisiana	—	—	—	1.49%	1.50%	0.66%	0.85%	2.79%
Maine	—	—	—	—	0.29%	0.94%	0.12%	—
Maryland	—	—	—	0.61%	1.30%	0.98%	2.16%	0.18%
Massachusetts	—	—	—	2.46%	1.74%	3.28%	1.88%	5.18%
Michigan	—	—	—	1.40%	3.22%	1.90%	2.84%	2.18%
Minnesota	—	—	—	1.70%	0.28%	1.13%	4.97%	0.37%
Mississippi	—	—	—	0.36%	0.06%	—	0.04%	0.08%
Missouri	—	—	—	1.03%	1.32%	1.15%	2.14%	1.26%
Montana	—	—	—	—	—	0.15%	—	0.01%
Nebraska	—	—	—	—	1.17%	0.63%	0.17%	0.88%
Nevada	—	—	—	0.47%	0.95%	1.48%	1.63%	0.20%
New Hampshire	—	—	—	0.14%	0.37%	0.36%	0.14%	—
New Jersey	—	—	—	2.53%	0.62%	1.66%	5.11%	0.40%
New Mexico	—	—	—	0.69%	0.27%	—	0.75%	0.27%
New York	0.16%	—	—	5.75%	14.03%	8.31%	10.39%	12.06%
North Carolina	0.11%	—	—	0.37%	0.91%	0.40%	2.66%	0.51%
North Dakota	—	—	—	—	—	0.21%	—	0.27%
Northern Mariana Islands	—	—	—	—	—	—	—	—
Ohio	0.28%	0.02%	—	2.99%	2.72%	4.25%	2.67%	2.32%
Oklahoma	—	—	—	0.71%	0.52%	5.12%	1.49%	0.97%
Oregon	—	—	—	0.96%	0.52%	1.84%	1.35%	1.47%
Pennsylvania	—	—	—	1.70%	1.83%	3.96%	5.69%	3.20%
Puerto Rico	—	—	—	0.94%	—	—	0.08%	—
Rhode Island	—	—	—	0.33%	0.15%	—	0.66%	0.73%
South Carolina	—	—	—	1.22%	1.42%	0.48%	0.68%	0.88%
South Dakota	—	—	—	—	0.08%	—	0.04%	—
Tennessee	—	—	—	0.28%	1.61%	—	1.66%	0.49%
Texas	0.40%	—	—	9.60%	5.34%	13.70%	9.36%	6.67%
Utah	—	—	—	1.94%	1.58%	1.52%	0.06%	1.59%
Vermont	—	—	—	—	—	—	—	—
Virgin Islands	—	—	—	—	—	—	—	—
Virginia	1.86%	—	—	1.94%	0.79%	0.16%	0.56%	0.81%
Washington	—	—	—	3.67%	4.41%	2.22%	5.20%	4.44%
West Virginia	—	—	—	0.39%	0.10%	—	0.05%	0.01%
Wisconsin	—	—	—	5.01%	2.11%	0.60%	1.52%	1.93%
Wyoming	—	—	—	0.75%	0.01%	—	0.14%	—
American Samoa or Other	—	—	—	1.62%	—	—	—	—
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%

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

PERCENTAGE OF 163(j) INTEREST DIVIDEND

The Treasury Department and the Internal Revenue Service (IRS) have finalized regulations that 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). The final 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 under the new limits implemented by the 2017 tax legislation commonly referred to as the "Tax Cuts and Jobs Act."

Listed below are the percentages of total ordinary income distributed by the fund during the 2025 calendar year (Box 1a Total on Form 1099) that can be treated as a 163(j) Interest Dividend.

NORTHERN FUNDS	163(j) Percentage
MONEY MARKET FUNDS	
U.S. Government Money Market	99.88%
U.S. Government Select Money Market	99.90%
FIXED INCOME FUNDS	
Arizona Tax-Exempt	100.00%
Bond Index	99.87%
California Intermediate Tax-Exempt	99.94%
California Tax-Exempt	100.00%
Core Bond	100.00%
Fixed Income	99.93%
High Yield Fixed Income	99.65%
High Yield Municipal ⁽¹⁾	100.00%
Intermediate Tax-Exempt Bond	98.58%
Limited Term Tax-Exempt	100.00%
Limited Term U.S. Government	99.98%
Multi-Manager High Yield Opportunity	94.03%
Short Bond	99.99%
Tax-Advantaged Ultra-Short Fixed Income	100.00%
Tax-Exempt	100.00%
Ultra-Short Fixed Income	100.00%
U.S. Government	99.98%
U.S. Treasury Index ⁽²⁾	100.00%
EQUITY FUNDS	
Active M Emerging Markets Equity	3.47%
Active M International Equity	3.95%
Emerging Markets Equity Index	3.36%
Global Tactical Asset Allocation	3.52%
Global Real Estate Index	1.33%
Income Equity	1.53%
International Equity	1.77%
International Equity Index	1.84%
Large Cap Core	2.02%
Large Cap Value	1.75%
Mid Cap Index	1.44%
Multi-Manager Global Listed Infrastructure	3.23%
Multi-Manager Global Real Estate	3.34%
Small Cap Core	5.72%
Small Cap Index	4.66%
Small Cap Value	4.46%
Stock Index	3.80%
U.S. Quality ESG	3.29%
World Selection Index**	1.60%

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

⁽²⁾Effective March 31, 2025, the U.S. Treasury Index Fund was liquidated and closed.

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LONG-TERM CAPITAL GAIN DISTRIBUTIONS

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

NORTHERN FUNDS	Capital Gains
MONEY MARKET FUNDS	
U.S. Government Money Market	0.000000124
U.S. Government Select Money Market	—
EQUITY FUNDS	
Active M International Equity	1.021740
Income Equity	0.932053
Large Cap Core	2.304295
Large Cap Value	0.653147
Mid Cap Index	1.011150
Multi-Manager Global Listed Infrastructure	0.452992
Small Cap Core	3.454742
Small Cap Index	0.077755
Small Cap Value	4.060670
Stock Index	1.182288
U.S. Quality ESG	2.530291
World Selection Index**	0.911988

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	0.047958
Active M International Equity	Annual	0.003458
Emerging Markets Equity Index	Annual	0.036052
Global Tactical Asset Allocation	Quarterly	0.000505
Global Tactical Asset Allocation	Quarterly	0.002125
Global Tactical Asset Allocation	Quarterly	0.002717
Global Tactical Asset Allocation	Quarterly	0.002330
Global Tactical Asset Allocation	Annual	0.006361
International Equity	Annual	0.032805
International Equity Index	Annual	0.033227
Multi-Manager Global Listed Infrastructure	Quarterly	0.001527
Multi-Manager Global Listed Infrastructure	Quarterly	0.012052
Multi-Manager Global Listed Infrastructure	Quarterly	0.006178
Multi-Manager Global Listed Infrastructure	Quarterly	0.008176

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.

