

NORTHERN FUNDS

**TAX FACTS
2011**

NORTHERN GLOBAL REAL ESTATE INDEX
FUND AND NORTHERN MULTI-MANAGER
GLOBAL REAL ESTATE FUND

TRUST NORTHERN FOR WHAT REALLY MATTERS



Managed by
Northern Trust

TAX FACTS

The underlying investments in the **Global Real Estate Index Fund** and/or the **Multi-Manager Global Real Estate Fund**, are Real Estate Investment Trusts (REITs), which provide complete tax information to the Funds after the calendar year-end. As a result, you will receive your Form 1099 for the Global Real Estate Index Fund and/or the Multi-Manager Global Real Estate Fund separate from other Northern Funds that you may own.

Please refer to the Northern Funds Tax Guide for explanations about your Northern Funds tax forms and other important instructions related to your tax filings. If you have questions about how to apply this information to your income tax returns, please consult your tax advisor. For questions about the data provided or about your Northern Funds account, please call **800-595-9111**.

LONG-TERM CAPITAL GAIN DISTRIBUTIONS

Listed in the table are the long-term capital gain distributions per share made by the Global Real Estate Index Fund and the Multi-Manager Global Real Estate Fund, as applicable. For more information about capital gain distributions, see the 2011 Northern Funds Tax Guide or visit northernfunds.com/tax-center.

NORTHERN FUND	CAPITAL GAINS
GLOBAL REAL ESTATE INDEX	—
MULTI-MANAGER GLOBAL REAL ESTATE	0.948402

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 Global Real Estate Index Fund and/or the Multi-Manager Global Real Estate Fund during 2011. Generally, you may 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 6) reports the foreign taxes paid. This is your qualifying foreign taxes paid used in Part II of Form 1116.

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 FUND	FOREIGN SOURCE INCOME FACTOR
GLOBAL REAL ESTATE INDEX	0.596400
MULTI-MANAGER GLOBAL REAL ESTATE	0.578600

QUALIFIED DIVIDEND INCOME

Listed in this table are the percentages of ordinary income distributed by the Global Real Estate Index Fund and the Multi-Manager Global Real Estate Fund that can be treated as Qualified Dividend Income (QDI).

NORTHERN FUND	% QDI
GLOBAL REAL ESTATE INDEX	50.56%
MULTI-MANAGER GLOBAL REAL ESTATE	66.73%

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 FUND	ASSETS HELD MORE THAN 1 YEAR AND UP TO 5 YEARS	ASSETS HELD MORE THAN 5 YEARS
GLOBAL REAL ESTATE INDEX	—	—
MULTI-MANAGER GLOBAL REAL ESTATE	100%	—

IRS CIRCULAR 230 NOTICE: The information in this guide is not intended to be used and cannot be used by a tax payer for the purpose of avoiding penalties that may be imposed by law. For more information about this notice, see northerntrust.com/circular230.

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