

## NORTHERN FUNDS

### 2011 CAPITAL GAIN DISTRIBUTIONS

At least once a year, mutual funds must distribute to shareholders any capital gains realized from selling securities within the funds. In 2011, Northern Funds paid capital gain distributions on December 19 to shareholders of record as of December 16.

The table below lists per share distribution amounts — dividends and short- and long-term gains — for Northern Funds. The actual distribution amounts you receive will be reported on your year-end statement and on your Form 1099-DIV, which will be mailed to you in January 2012. Northern Money Market Funds did not pay any capital gains for 2011.

| PER SHARE DISTRIBUTION AMOUNTS          |          |                |                 |
|---|----------|----------------|-----------------|
| Northern Fixed Income Funds             | Dividend | Long-Term Gain | Short-Term Gain |
| Arizona Tax-Exempt                      | ***      | 0.038702       | —               |
| Bond Index                              | ***      | 0.021283       | 0.051264        |
| California Intermediate Tax-Exempt      | ***      | —              | —               |
| California Tax-Exempt                   | ***      | 0.014707       | 0.072276        |
| Fixed Income                            | ***      | 0.036360       | 0.105610        |
| Global Fixed Income                     | 0.280339 | 0.189231       | 0.020136        |
| High Yield Fixed Income                 | ***      | —              | —               |
| High Yield Municipal                    | ***      | —              | —               |
| Intermediate Tax-Exempt                 | ***      | 0.017857       | 0.001936        |
| Multi-Manager High Yield Opportunity    | 0.089047 | 0.181855       | 0.037328        |
| Short-Intermediate Tax-Exempt           | ***      | —              | —               |
| Short-Intermediate U.S. Government      | ***      | 0.035545       | 0.413916        |
| Tax-Advantaged Ultra-Short Fixed Income | ***      | 0.008256       | 0.001849        |
| Tax-Exempt                              | ***      | —              | —               |
| Ultra-Short Fixed Income                | ***      | 0.010230       | 0.005551        |
| U.S. Government                         | ***      | 0.106801       | 0.168586        |

Please see back page for Equity Funds distribution amounts.

\*\*\* These funds are daily accruing funds with distributions paid monthly. The dividend will be reported separately at month end.



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| PER SHARE DISTRIBUTION AMOUNTS <i>continued</i> |          |                |                 |
|---|----------|----------------|-----------------|
| Northern Equity Funds                           | Dividend | Long-Term Gain | Short-Term Gain |
| Emerging Markets Equity Index                   | 0.153561 | —              | —               |
| Enhanced Large Cap                              | 0.040493 | —              | —               |
| Global Real Estate Index*                       | 0.039792 | —              | —               |
| Global Sustainability Index                     | 0.161000 | —              | —               |
| Global Tactical Asset Allocation**              | 0.070929 | —              | —               |
| Income Equity                                   | 0.056659 | —              | —               |
| International Equity                            | 0.125917 | —              | —               |
| International Equity Index                      | 0.260857 | —              | —               |
| Large Cap Equity                                | 0.029539 | —              | —               |
| Large Cap Growth                                | —        | —              | —               |
| Large Cap Value                                 | 0.140541 | —              | —               |
| Mid Cap Index                                   | 0.099866 | —              | —               |
| Multi-Manager Emerging Markets Equity           | 0.208196 | 1.952902       | 0.442444        |
| Multi-Manager Global Real Estate*               | 0.023121 | 0.953655       | —               |
| Multi-Manager International Equity              | 0.158642 | —              | —               |
| Multi-Manager Large Cap                         | 0.017182 | 0.268326       | —               |
| Multi-Manager Mid Cap                           | 0.014916 | 0.351079       | —               |
| Multi-Manager Small Cap                         | —        | 0.928828       | 0.036738        |
| Small Cap Core                                  | 0.035996 | —              | —               |
| Small Cap Index                                 | 0.060439 | —              | —               |
| Small Cap Value                                 | 0.097580 | 0.024490       | —               |
| Stock Index                                     | 0.075509 | —              | —               |
| Technology                                      | —        | —              | —               |

\*Shareholders in the Global Real Estate Index Fund and the Multi-Manager Global Real Estate Fund will not receive tax information for those funds until February; as Real Estate Investment Trusts (REITs) often don't provide complete tax information until after the calendar year-end.

\*\*The Global Tactical Asset Allocation Fund would have had a distribution date of December 22 for shareholders of record as of December 21.

If you have any questions, contact your financial advisor, or call the Northern Funds Center at **800-595-9111** weekdays from 7:00 a.m. to 7:00 p.m. Central Time.

*Please carefully read the prospectus and summary prospectus and consider the investment objectives, risks, charges and expenses of Northern Funds before investing. Call **800-595-9111** to obtain a prospectus and summary prospectus, which contains this and other information about the funds.*



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