

NORTHERN FUNDS

TAX FACTS
2007

NORTHERN GLOBAL REAL ESTATE
INDEX FUND

TRUST NORTHERN FOR WHAT REALLY MATTERS



Managed by
Northern Trust

TAX FACTS

You are receiving your Form 1099 as an investor in the **Global Real Estate Index Fund** for tax year 2007.

You should know that unlike most other securities, the REIT investments of the Global Real Estate Index Fund do not provide complete tax information to the Fund until after the calendar year-end. As a result, we are providing the information for the Global Real Estate Index Fund separate from other Northern Funds that you may own.

We refer you also 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**.

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 during 2007. 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: Multiply the “Foreign Tax Paid” for each country in the table on the right by the amount in box 6 of your Form 1099-DIV. This result 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” for each country in the table on the right 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.

GLOBAL REAL ESTATE INDEX FUND		
COUNTRY	FOREIGN TAX PAID	FOREIGN SOURCE INCOME
ARGENTINA	—	—
AUSTRALIA	—	0.1993
AUSTRIA	0.0532	0.0115
BELGIUM	—	0.0071
BERMUDA	—	0.0010
BRAZIL	—	—
CANADA	0.2941	0.0613
CAYMAN ISLANDS	—	0.0035
CHILE	—	—
CHINA	—	0.0006
CZECH REPUBLIC	—	—
DENMARK	—	—
EGYPT	—	—
FINLAND	0.0115	0.0024
FRANCE	0.2084	0.0439
GERMANY	0.0150	0.0075
GREECE	—	0.0005
HONG KONG	—	0.0779
HUNGARY	—	—
INDIA	—	—
INDONESIA	—	—
IRELAND	—	—
ISRAEL	—	—
ITALY	0.0226	0.0027
JAPAN	0.1242	0.0557
LUXEMBOURG	0.0047	0.0027
MALAYSIA	—	—
MEXICO	—	—
NETHERLANDS	0.1577	0.0330
NEW ZEALAND	0.0051	0.0023
NORWAY	0.0053	0.0011
PAKISTAN	—	—
PHILIPPINES	—	—
POLAND	—	—
PORTUGAL	—	—
RUSSIA	—	—
SINGAPORE	—	0.0273
SOUTH AFRICA	—	—
SOUTH KOREA	—	—
SPAIN	0.0015	0.0003
SWEDEN	0.0935	0.0195
SWITZERLAND	0.0032	0.0065
TAIWAN	—	—
THAILAND	—	—
TURKEY	—	—
UNITED KINGDOM	—	0.1142
TOTAL	1.0000	0.6816

LONG-TERM CAPITAL GAIN DISTRIBUTIONS

Listed in the table is the long-term capital gain distribution per share made by your Global Real Estate Index Fund, as applicable. For more information about capital gain distributions, see the 2007 *Northern Funds Tax Guide* or visit northernfunds.com.

NORTHERN FUND

CAPITAL GAINS

NORTHERN FUND	CAPITAL GAINS
GLOBAL REAL ESTATE INDEX	0.049179

QUALIFIED DIVIDEND INCOME

Listed in this table is the percentage of ordinary income distributed by the Global Real Estate Index Fund that can be treated as Qualified Dividend Income (QDI).

NORTHERN FUND

% QDI

NORTHERN FUND	% QDI
GLOBAL REAL ESTATE INDEX	35.20%

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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