



**The
North
Country
Funds**

NCEGX

1st Quarter Commentary

FUND PERFORMANCE

As of March 31, 2026

	QTR	YTD	1 Year	3 Year	5 Year	10 Year
NCEGX	-7.34%	-7.34%	11.79%	16.13%	9.51%	13.04%
S&P 500 TR Index	-4.33%	-4.33%	17.80%	18.32%	12.06%	14.16%

*Inception date: 3/1/2001 Expense Ratio: 0.99%

Return for periods greater than one year annualized

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Visit www.northcountryfunds.com for returns updated daily. Call (US Toll Free) 888-350-2990 for returns current to the most recent month-end.

For the quarter, the North Country Large Cap Equity Fund (the Fund) returned -7.34%, compared to -3.86% for the Morningstar U.S. Large Blend Fund Category and -4.33% for the S&P 500 index. Stocks suffered their worst quarter in four years, primarily driven by war in the Middle East. Since the U.S. and Israel began their joint efforts against Iran, oil prices have surged, bond yields have risen dramatically, and stock prices have erased all their gains from the past seven months.

Notably, the Nasdaq dropped 7.1% in the quarter, which aligns with our tech-dominated portfolio.

Amid this backdrop, we will continue to run a low-turnover, high conviction portfolio that favors innovative firms with the most potential for long-term growth.

Performance during the quarter reflected a clear divergence across sectors. The primary areas of weakness were concentrated in our technology holdings, where short-term volatility—driven primarily by geopolitical uncertainty surrounding the war in Iran—pressured share prices. In our view, these movements were largely sentiment-driven and did not alter the fundamental outlook or long-term earnings power of these businesses. Conversely, the Fund's strongest areas of performance came from the Fund's positions in energy, industrials, and heavily entrenched retail companies (Costco and Walmart).

Largest Contributors vs. Benchmark

	Rescaled Weight (%)	Return (%)	Contribution (basis points)
Caterpillar Inc	3.27	23.97	67.82
Williams Companies	1.84	21.94	35.88
Exxon Mobil	0.89	41.95	32.46
Chevron	0.90	37.09	29.25
Walmart	2.66	11.78	29.09
Johnson & Johnson	1.71	18.74	28.89
Digital Realty Trust	1.62	17.27	25.98
Honeywell International	1.58	16.43	22.61
Costco	1.04	15.71	14.87
Amgen Inc	1.31	8.23	9.93

Largest Detractors vs. Benchmark

	Rescaled Weight (%)	Return (%)	Contribution (basis points)
Salesforce	2.18	-13.17	-32.18
Netflix	1.66	-9.39	-16.96
Honeywell	1.59	-7.54	-12.61
KKR & Co	1.95	-3.11	-12.06
Intercontinental Exchange	1.63	-7.04	-11.87
Adobe Inc	1.27	-8.57	-11.71
Eli Lilly	1.54	-1.40	-9.11
Vertex Pharmaceuticals	0.53	-11.39	-8.86
Amazon	4.53	-1.67	-8.17
Stryker Corp	1.33	-5.56	-7.88

Concern over private credit funds was a notable event in the first quarter. These funds hold privately negotiated business loans and typically offer higher rates in return to compensate investors for the extra risk they take relative to traditional bond mutual funds. But there's a catch – in return for the extra yield, investors must accept much less liquidity than other fixed income vehicles.

The institutional investors that typically invest in such funds don't have an issue with a lack of liquidity. The flood of retail investors in private credit funds, however, are another matter. Spooked from the recent weakness in tech stocks and geopolitical tensions, a wave of smaller investor redemptions has caused considerable tension and a plethora of media attention on the sector.

There is a clear connection between the recent wave of private credit angst and our tech-centered, long-term oriented portfolio. Private credit is now a core part of the financing for tech, more specifically the artificial intelligence and software sectors. When stress builds up in private credit, the reduction in available cash can lead to higher interest rates for borrowers and eventually leak into equity valuations, as we've seen in the past few quarters.

In our view, the stress in private credit thus far reflects a timing mismatch between liabilities and available liquidity, not a structural deterioration in borrower quality. It has caused nearly all valuations in the tech sector to drop regardless of the strength of companies. According to Goldman Sachs, Nvidia stock traded at a discount to the S&P 500 on a forward P/E basis, even though the company's earnings growth significantly outpaces the overall market. We see the current environment as a buying opportunity and believe that this largely explains the significant rally in tech shares so far in April.

Thesis Progression

Our investment philosophy centers on building a low-turnover, high-conviction portfolio composed of innovative companies with the strongest potential for long-term growth. We believe in disciplined capital allocation, focusing on a select group of businesses that can demonstrate a durable competitive advantage. This can minimize unnecessary trading and maximizes the compounding effect of holding great companies through market cycles. We remain focused on quality, innovation, and long-term fundamentals, while emphasizing the most attractive market sectors.

We continue to position the Fund around a core allocation to high-quality technology companies with durable competitive advantages and strong long-term growth potential. Alongside these holdings, we have been incrementally increasing our exposure to Financials, particularly large, well-capitalized banks. Our view is that, over time, interest rates are likely to resume a downward trajectory, creating a more favorable operating environment for these institutions through improved funding costs, loan growth, and capital markets activity. We believe this dynamic is not fully reflected in current valuations and presents an attractive opportunity to add balance to the portfolio.

Importantly, this positioning also serves a broader portfolio objective. Our Financials exposure provides a natural counterbalance to higher-beta growth holdings, helping to mitigate volatility while preserving upside participation. The result is a deliberate “barbell” approach—pairing secular growth leaders with businesses that stand to benefit from a lower-rate environment. In our view, this structure introduces a degree of positive convexity to the Fund, allowing us to participate meaningfully in favorable market environments while maintaining resilience across a range of outcomes.

Disclosures:

The views expressed herein represent the opinions of the portfolio manager as of the date of this communication and are subject to change without notice. This commentary is intended for informational purposes only and should not be construed as investment advice or a recommendation to buy or sell any security, fund, or strategy.

Tax-loss harvesting strategies discussed are general in nature, are subject to current tax laws which may change, and may not be suitable for all investors. Investors should consult with a tax professional for guidance specific to their situation.

Important Risks: There is no guarantee the North Country Large Cap Equity Fund will achieve its investment objective. No investment product or strategy is guaranteed to generate a profit or prevent a loss.

The fund may be appropriate for investors who are willing to ride out the stock market fluctuations in pursuit of potentially high long-term returns. The fund is designed for those who are looking for an investment that focuses on well-known, established companies. You may have a gain or loss when you sell shares.

The fund may invest in illiquid securities which may not be readily marketable. The fund may invest in the securities of foreign based companies. Investments in foreign securities may be subject to special risks including limited information availability, different accounting and reporting standards, reduced liquidity, economic or political instability and foreign withholding.

Investing in mutual funds involves risk, including loss of principal. Risks specific to The North Country Large Cap Equity Fund are detailed in the prospectus and include market risk; investing in mutual funds risk; management risk; foreign security risk; large cap stock risk; sector risk and cybersecurity risk. For a complete description of risks specific to the Fund, please refer to Fund's prospectus.

Request A Prospectus: Investors should carefully consider the investment objectives, risks, charges and expenses of The North Country Large Cap Equity Fund prior to investing. This and other important information can be found in the Fund's prospectus and summary prospectus. To obtain a prospectus, please call (888) 350-2990 (toll free) or you may visit www.northcountryfunds.com.

Relationship Disclosure: Advisors Preferred, LLC serves as Advisor to The North Country Large Cap Equity Fund, distributed by Northern Lights Distributors, LLC, Member FINRA/SIPC. Advisors Preferred, LLC and Northern Lights Distributors, LLC are not affiliated.

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