



The
North
Country
Funds

NCEGX

3rd Quarter Commentary

FUND PERFORMANCE

As of September 30, 2025

	QTR	YTD	1 Year	3 Year	5 Year	10 Year
NCEGX	7.81%	11.66 %	15.31%	24.07%	13.42%	14.23%
S&P 500 TR Index	8.12%	14.83%	17.60%	24.94%	16.47%	15.30%

*Inception date: 3/1/2001 Expense Ratio: 1.03%

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 returned 7.81%, compared to 6.92% for the Morningstar U.S. Large Blend Fund Category and 8.12% for the S&P 500 index. The main catalysts for the quarter include lower interest rates, robust earnings, and solid consumer spending.

Against 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 based on our analysis.

It is no surprise that our list of largest contributors of return versus the S&P 500 index (see below) is dominated by tech stocks. We believe that the integration of artificial intelligence (AI) in global commerce is the next phase of an industrial revolution that will change the way business is conducted in the future. Companies are scrambling to stay competitive, and in many cases are betting that AI will help reduce headcount even as revenue and profits continue to rise.

The S&P 500's third quarter 2025 earnings season shows strong performance, with a blended earnings growth rate of 10.7%. Through November 2nd, 83% of companies beat EPS estimates, which is above historical averages. This marks the ninth consecutive quarter of year-over-year earnings growth for the index, despite some companies facing scrutiny over AI investment costs and the overall market exhibiting high valuations.

The biggest single contributor for the Fund in the third quarter was Apple, which gained nearly 25% in the three-month period. The softness in the stock over the previous quarter was reversed due to stellar growth in iPhone demand, and solid beats on both income and earnings over the period. Equally impressive was the ability of the company to withstand nearly \$1 billion in tariff-related costs while still posting double-digit growth.

NVIDIA (+18.1%), the Fund's largest position, was another positive contributor. The company continues to grow at an unprecedented rate, up 94% year-over-year, and boasts gross margins of nearly 75%. The stock continues to trade at a premium valuation to many competitors but given its high growth expectations, many investors believe the premium is justified.

AI computing will increase "by a billion X," technology company Nvidia CEO Jensen Huang said on a recent "BG2" podcast. "That's the part that most people haven't completely internalized," Huang continued.. "...This is the industrial revolution."

Alphabet (+38%), the parent company of Google, was also a contributor. The company continues to squeeze additional revenue from their user base, mainly due to robust demand for AI and data infrastructure. And despite concerns that AI chatbots might erode search traffic, search revenue grew 14% in the quarter – an impressive display of resilience.

The largest individual detractor of performance during the third quarter for the Fund was Salesforce (-12.9%). The weakness in the stock reflects the company's forward-looking expectations on their AI investments, which trailed Wall Street estimates. Even so, we view Salesforce as a firm on the cutting edge of AI integration and will continue to add to our position during periods of market weakness. Netflix (-10.4%) was also a detractor,

mainly due to concerns over cost structure and weaker than expected earnings. Finally, Honeywell (-9.1%) detracted from results but the stock's weakness was largely reversed after their earnings announcement on October 23rd.

Largest Contributors vs. Benchmark			Largest Detractors vs. Benchmark		
	Rescaled Weight (%)	Contribution (basis points)		Rescaled Weight (%)	Contribution (basis points)
Apple	6.72	160	Salesforce	2.03	-28
NVIDIA	8.73	151	Netflix	1.64	-19
Alphabet	4.19	149	Honeywell	1.58	-15
Oracle Corp	2.00	55	Intercontinental Exch.	1.61	-13
Amphenol	2.12	52	Adobe	1.26	-12
Caterpillar	2.04	46	Vertex Pharmaceuticals	0.74	-9
Tesla	1.05	43	Stryker Corp	1.32	-9
Microsoft	8.13	35	Costco	1.05	-7
JPMorgan	2.89	27	Visa	1.56	-6
Johnson & Johnson	1.22	26	American Tower Corp	0.39	-5

Outlook and Positioning

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 approach minimizes 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 still believe that companies that can execute in this fast-paced, AI-driven economic environment will continue to outperform their peers. Such a favorable stock-pickers environment should be positive for the Fund, given our emphasis on these types of firms.

The Fund's largest overweight is the Financials sector. In our view, these companies will successfully leverage the power of AI to reduce costs and increase top-line revenue. Our portfolio concentration has increased, with our top ten positions representing nearly 50% of total holdings. We continue to believe that clarity and conviction matter more than ever, concentrating on a few exceptional holdings allows investors to stay aligned with the most resilient long-term trends.

As always, the press is full of stories about high valuations and increased volatility in the equity markets. Although there are salient points to this outlook, we see a plethora of reasons to be positive. Growth has remained resilient despite earlier concerns about inflation and interest rates. With inflation moderating and the Federal Reserve signaling potential rate cuts ahead, we are feeling more confident that the economic expansion has staying power. We see an encouraging backdrop at year-end—one that reflects steady momentum, improving fundamentals, and a broad sense of renewed confidence in the technology sector.

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.

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