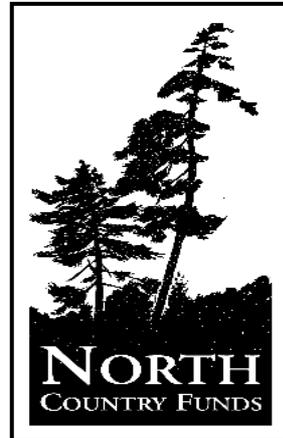


The North Country Funds

Equity Growth Fund Intermediate Bond Fund



Semi-Annual Report
May 31, 2018

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This report and the financial statements contained herein are submitted for the general information of shareholders and are not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus. Nothing herein contained is to be considered an offer of sale or solicitation of an offer to buy shares of the North Country Funds. Such offering is made only by prospectus, which includes details as to offering price and other material information.

The North Country Funds
SEMI-ANNUAL REPORT
May 31, 2018

ECONOMIC SUMMARY (Unaudited)

The U.S. economy got off to a slow start to the year, with modest GDP growth for the first quarter. However, Economists are calling for a rebound in the quarters ahead, with an overall 2018 growth rate of 2.50-3.00% forecasted. Underlying U.S. economic conditions remain strong led by a healthy job market including record employment levels and steady wage growth.

Both US and international markets have rebounded somewhat off of their February lows and are trading near even for the year. Tensions surrounding potential trade tariffs have caused concerns that the US and China may be headed towards a trade war, yet some economists are viewing the heightened concerns as an opportunity to work towards longer term negotiations.

Global economic conditions remain healthy. Increasing uncertainty regarding fixed income markets will likely have investors keeping a close eye on interest rates in the coming months. The Federal Reserve continues to indicate their desire to “normalize” interest rates over the next several years. Inflation remains near the Federal Reserve Banks target rate; however, recently inflation data has been sporadic and has some investors on edge.

We expect continued improvement in the U.S. labor market; and for inflation as measured by the Personal Consumption Expenditures Index, to stabilize near the FOMC’s 2.0% target. We expect that interest rates will trend higher over time and anticipate that the pace of any increases in the Federal Funds Target Rate will be measured.

The North Country Equity Growth Fund

For the six months and one year periods ended May 31, 2018, The North Country Equity Growth Fund returned 6.90% and 18.72% respectively while the S&P 500¹ returned 3.16% and 14.38% for the corresponding time frames. On an annualized basis, the three, five, and ten year total returns for The North Country Equity Growth Fund were 11.53%, 12.95% and 7.77% versus the S&P 500 at 10.97%, 12.98% and 9.14% respectively.

The upward momentum of the U.S. equity market has slowed of late as negative headlines surrounding a potential trade war, the political landscape in the U.S. and rising interest rates have created a head wind. Economic fundamentals remain positive as does the outlook for corporate profit growth. Recently enacted tax cuts, for both corporations and individuals, are expected to be a positive influence on the economy in 2018. We believe that the U.S. equity market is reasonably valued from a historical perspective.

¹ The S&P 500 is an unmanaged market capitalization-weighted index of common stocks. You cannot invest directly in an index.

The North Country Equity Growth Fund began the fiscal year 2018 with an overweight in the consumer discretionary and information technology sectors relative to the S&P 500. We carried underweights in the consumer staples, real estate, telecommunications, and utilities sectors.

Growth stocks in general have outperformed value stocks over the last six and twelve months. We continue to favor growth over value and look for opportunities for stocks that offer attractive growth rates at reasonable prices. We continue to overweight consumer discretionary and information technology sectors, as growth rates and valuations remain attractive in the current environment.

The North Country Intermediate Bond Fund

For the six month and twelve month periods ending May 31, 2018, the North Country Intermediate Bond Fund returned -1.74% and -1.67% respectively while its benchmark, the Barclays U.S. Aggregate Bond Index returned -1.05% and -0.37% for the corresponding time frames. Effective April 1, 2015, The North Country Intermediate Bond Fund changed its benchmark from the Bank of America Merrill Lynch 1-10 Year AAA-A U.S. Corporate & Government Index to the Barclays U.S. Aggregate Bond Index. The North Country Intermediate Bond Fund had annualized total returns for the three year, five year and ten year periods ending May 31, 2018 of 0.48%, 0.80%, and 2.23% while the Barclays U.S. Aggregate Bond Index returned 1.39%, 1.98%, and 3.72% for the respective time periods. The returns of the Bank of America Merrill Lynch 1-10 Year AAA-A U.S. Corporate & Government Index for the three year, five year and ten year periods ending May 31, 2018 were 0.78%, 1.19%, and 2.74% for the respective time periods.

The North Country Intermediate Bond Fund underperformed its benchmark for the six-month and one year periods ending May 31, 2018 due to the fund maintaining an average maturity shorter than that of the Barclays U.S. Aggregate Bond Index during a period in which the U.S yield curve grew flatter as yields for bonds maturing between two to five year rose more significantly than the yields on bonds maturing between five to ten years.

For the three, five and ten year periods ending May 31, 2018 the North Country Intermediate Bond Fund underperformed its current and prior benchmark as we sought to benefit from opportunities for attractive yields in corporate bonds by maintaining an overweight in corporate bonds relative to our benchmark.

Equity Growth Fund:

<u>Annual Fund Operating Expenses:</u>	<u>(As a Percentage of Net Assets)</u>
Total Annual Operating Expenses:	1.04%

Intermediate Bond Fund:

<u>Annual Fund Operating Expenses:</u>	<u>(As a Percentage of Net Assets)</u>
Total Annual Operating Expenses:	0.89%

Average Annual Total Returns as of March 31, 2018 (Latest Calendar Quarter)

	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
North Country Equity Growth Fund	18.07%	13.01%	8.07%
North Country Intermediate Bond Fund	-0.11%	0.71%	2.08%

Average Annual Total Returns as of May 31, 2018 (Fiscal First Half)

	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
North Country Equity Growth Fund	18.72%	12.95%	7.77%
North Country Intermediate Bond Fund	-1.67%	0.80%	2.23%

Performance data quoted above is historical and is no guarantee of future results. Current performance may be higher or lower than the performance data quoted. The principal value and investment return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. You can obtain performance data current to the most recent month-end by calling 1-888-350-2990. Information provided is unaudited.

The views expressed are as May 31, 2018 and are those of the adviser, North Country Investment Advisers, Inc. The views are subject to change at any time in response to changing circumstances in the markets and are not intended to predict or guarantee the future performance of any individual security market sector or the markets generally, or the North Country Funds.

Not FDIC insured. Not obligations of or guaranteed by the bank. May involve investment risks, including possible loss of the principal invested.

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