LoCORR FUNDS

SEEKING A BETTER WAY TO DIVERSIFY

Is Your “Balanced” Portfolio Still Balanced?

CE Presentation

Questions

- Do you run balanced portfolios?
- Is asset allocation a core principle of your investment process?
- How are you allocating assets to build better diversification?

Goal of Asset Allocation

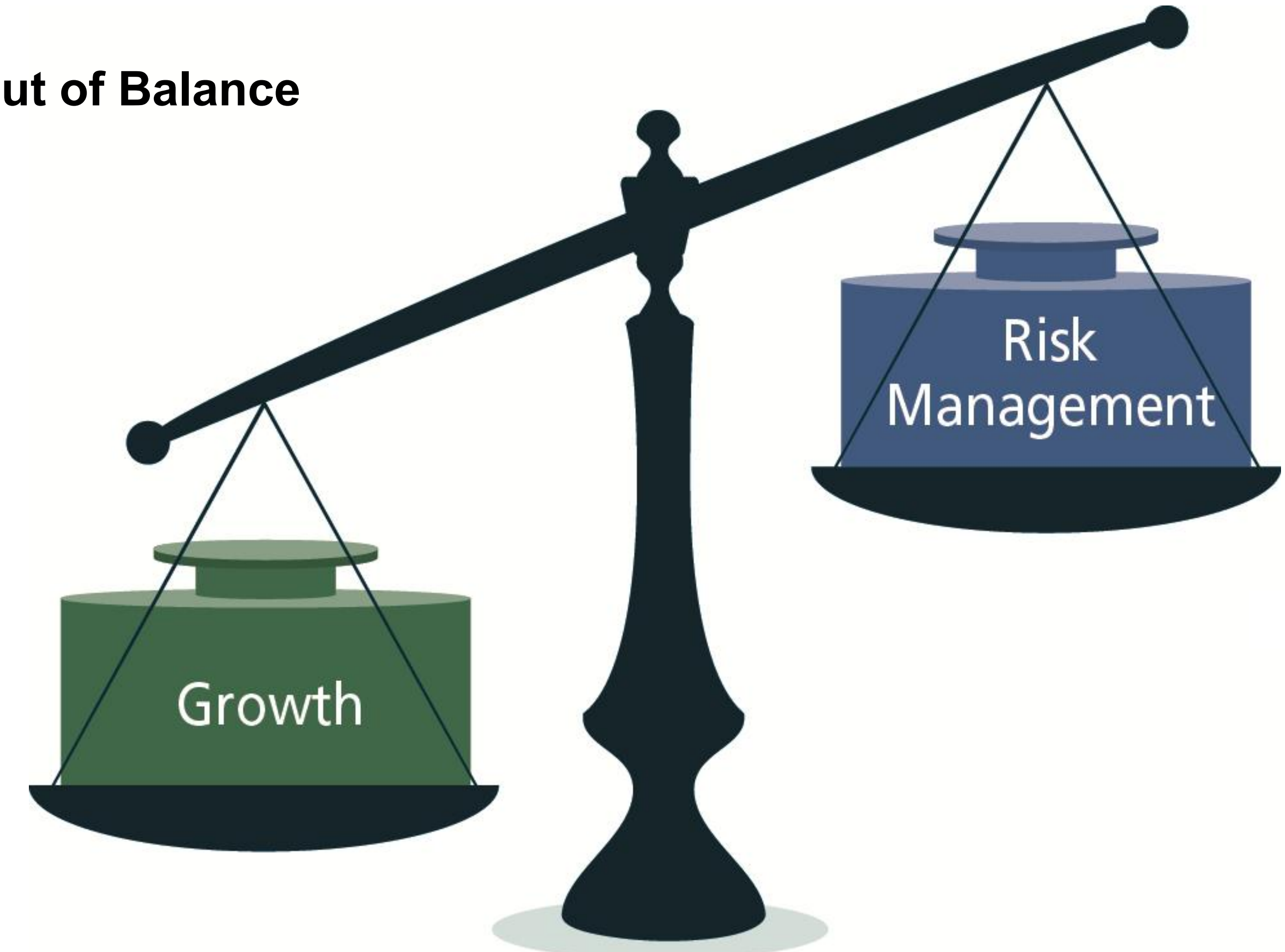
Balanced Portfolio

Examples of Traditional Asset Allocation

Using Equity Style Boxes	International Stocks	Emerging Market Stocks	Adding Bonds

Traditional Asset Allocation

Portfolios Out of Balance



What Led to This Imbalance?

Historically Low Bond Yields	High Equity Returns Recently	"Chasing" Equity Returns	High Equity Correlations

How Much of Your Portfolio is Tied to the S&P 500?

Maybe More Than You Think

Correlations to the S&P 500 TR Index

	Value	Blend	Growth
Large	**0.94**	**1.00**	**0.96**
Mid	**0.91**	**0.94**	**0.92**
Small	**0.82**	**0.86**	**0.86**

International Stocks	**0.86**
Emerging Market Stocks	**0.68**
High-Yield Bonds	**0.78**

Source: Morningstar Direct 1/1/2015 – 12/31/2024. Large Value represents the Russell 1000 Value Index which is an unmanaged index considered representative of large-cap value stocks. Large Blend represents the Russell 1000 Index which is an unmanaged index considered representative of large-cap stocks. Large Growth represents the Russell 1000 Growth Index which is an unmanaged index considered representative of large-cap growth stocks. Mid Value represents the Russell Midcap Value Index which is an unmanaged index considered representative of mid-cap value stocks. Mid Blend represents the Russell Midcap Index which is an unmanaged index considered representative of mid-cap stocks. Mid Growth represents the Russell Midcap Growth Index which is an unmanaged index considered representative of mid-cap growth stocks. Small Value represents the Russell 2000 Value Index which is an unmanaged index considered representative of small-cap value stocks. Small Blend represents the Russell 2000 Index which is an unmanaged index considered representative of small-cap stocks. Small Growth represents the Russell 2000 Growth Index which is an unmanaged index considered representative of small-cap growth stocks. International Stocks are represented by MSCI EAFE Index which was designed to measure the equity market performance of developed markets outside of the U.S. & Canada. Emerging Market Stocks are represented by MSCI Emerging Markets Index that is designed to measure equity market performance in global emerging markets. High-Yield Bonds are represented by the Bloomberg Global High-Yield TR Index that provides a broad-based measure of the global high-yield fixed income markets. **Past Performance does not guarantee future results.**

Diversification Within Equities ≠ Diversification Within a Portfolio

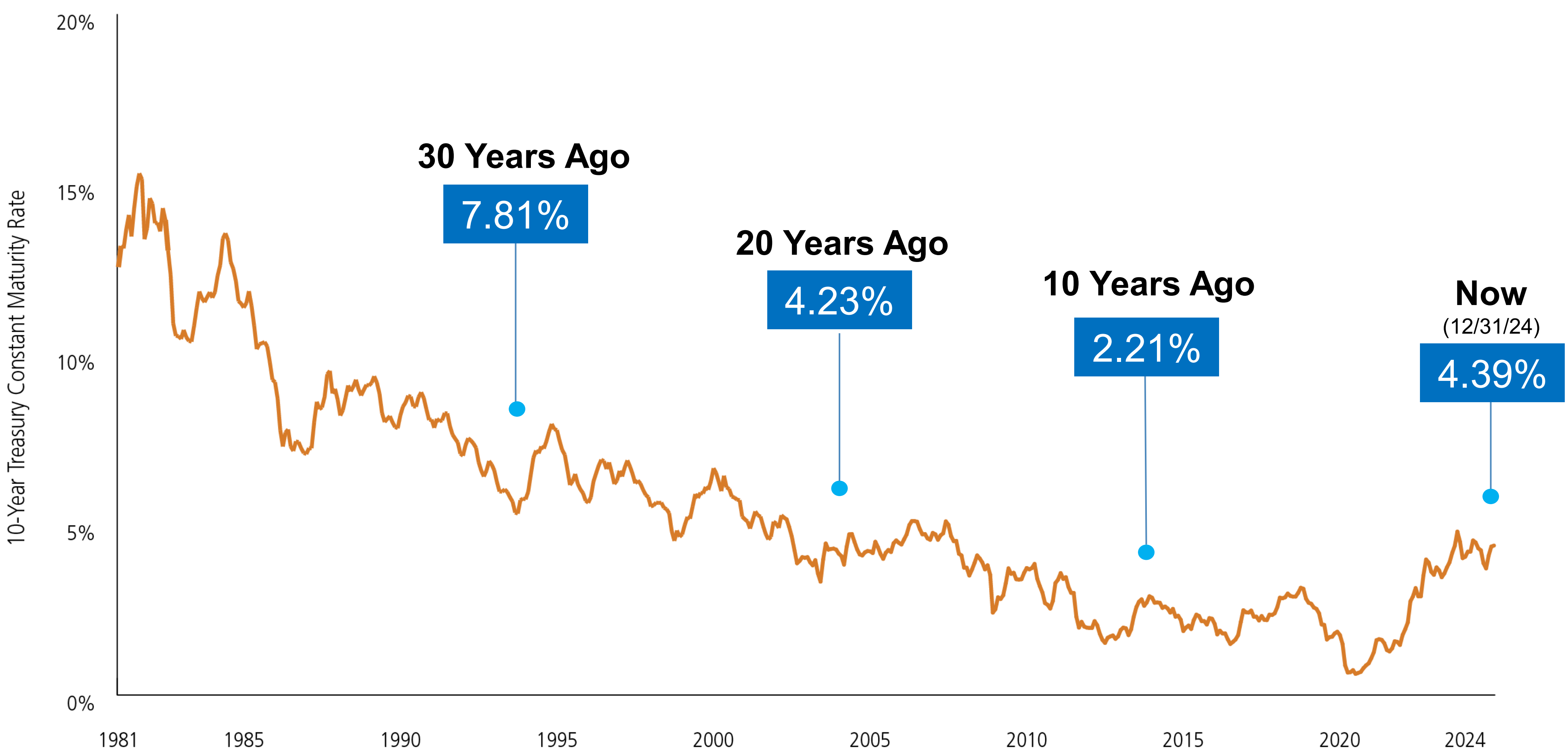
As the S&P 500 Index has risen, so have other equity categories.
But, when stocks went down, did “diversification” within equities help your portfolio?

	Cumulative Total Returns			
	Large Cap Stocks	Small Cap Stocks	Int’l Stocks	Emerging Mkt Stocks
Winter 2022 - Fall 2022	**-24.5%**	**-25.0%**	**-27.5%**	**-28.1%**
Spring 2020	**-33.8%**	**-40.7%**	**-32.7%**	**-31.2%**
Fall 2018	**-19.4%**	**-26.1%**	**-13.6%**	**-7.9%**
Summer 2015 - Winter 2016	**-13.0%**	**-23.7%**	**-20.2%**	**-23.0%**
Summer 2011	**-18.6%**	**-29.1%**	**-24.1%**	**-28.1%**
Summer 2010	**-15.6%**	**-19.1%**	**-14.0%**	**-10.2%**
Fall 2007 - Spring 2009	**-55.3%**	**-58.5%**	**-59.5%**	**-60.3%**

Source: Morningstar Direct. The above data represents cumulative total returns for mentioned Indices and time periods. Large cap stocks are represented by the S&P 500 TR Index. Small Cap stocks are represented by the Russell 2000 Index. International stocks are represented by the MSCI EAFE Index. Emerging Market stocks are represented by the MSCI Emerging Markets Index. Spring 2022-Fall 2022 represents 1/4/22-10/12/22. Spring 2020 represents 2/20/20-3/23/20. Fall 2018 represents 9/21/18-12/24/18. Summer 2015-Winter 2016 represents 7/21/15-2/11/16. Summer 2011 represents 4/30/11-10/3/11. Summer 2010 represents 4/24/10-7/2/10. Fall 2007-Spring 2009 represents 10/10/07-3/9/09. **Past Performance does not guarantee future results.**

Bonds?

10-Year Treasury Yield – 1/1/1981-12/31/2024



Source: FRED, Board of Governors of the Federal Reserve System (US). Graph illustrates the 10-Year Treasury constant maturity rate by percent, daily, not seasonally adjusted. Treasury Bills are guaranteed as to the timely payment of principal and interest and are backed by the full faith and credit of the U.S. Government. **Past Performance does not guarantee future results.**

Can Bonds Provide Downside Mitigation Going Forward?

With bond yields relatively low, are bonds providing the desired downside balance and protection?

	Cumulative Total Returns		
	Stocks	Bonds	Short-Term Bonds Bonds
Winter 2022 – Fall 2022	**-24.5%**	**-14.4%**	**-4.5%**
Spring 2020	**-33.8%**	**-0.9%**	**0.4%**
Fall 2018	**-19.4%**	**1.6%**	**1.1%**
Summer 2015 - Winter 2016	**-13.0%**	**3.0%**	**0.7%**
Summer 2011	**-18.6%**	**5.4%**	**0.8%**
Summer 2010	**-15.6%**	**3.0%**	**1.0%**
Fall 2007 - Spring 2009	**-55.3%**	**7.2%**	**7.5%**

Source: Morningstar Direct. The above data represents cumulative total returns. Stocks are represented by the S&P 500 Index. Bonds are represented by the Bloomberg U.S. Aggregate Bond Index. Short-term bonds are represented by the Bloomberg U.S. Agg 1-3 Year TR Index. Winter 2022-Fall 2022 represents 1/4/22-10/12/22. Spring 2020 represents 2/20/20-3/23/20. Fall 2018 represents 9/21/18-12/24/18. Summer 2015-Winter 2016 represents 7/21/15-2/11/16. Summer 2011 represents 4/30/11-10/3/11. Summer 2010 represents 4/24/10-7/2/10. Fall 2007-Spring 2009 represents 10/10/07-3/9/09. **Past Performance does not guarantee future results.**

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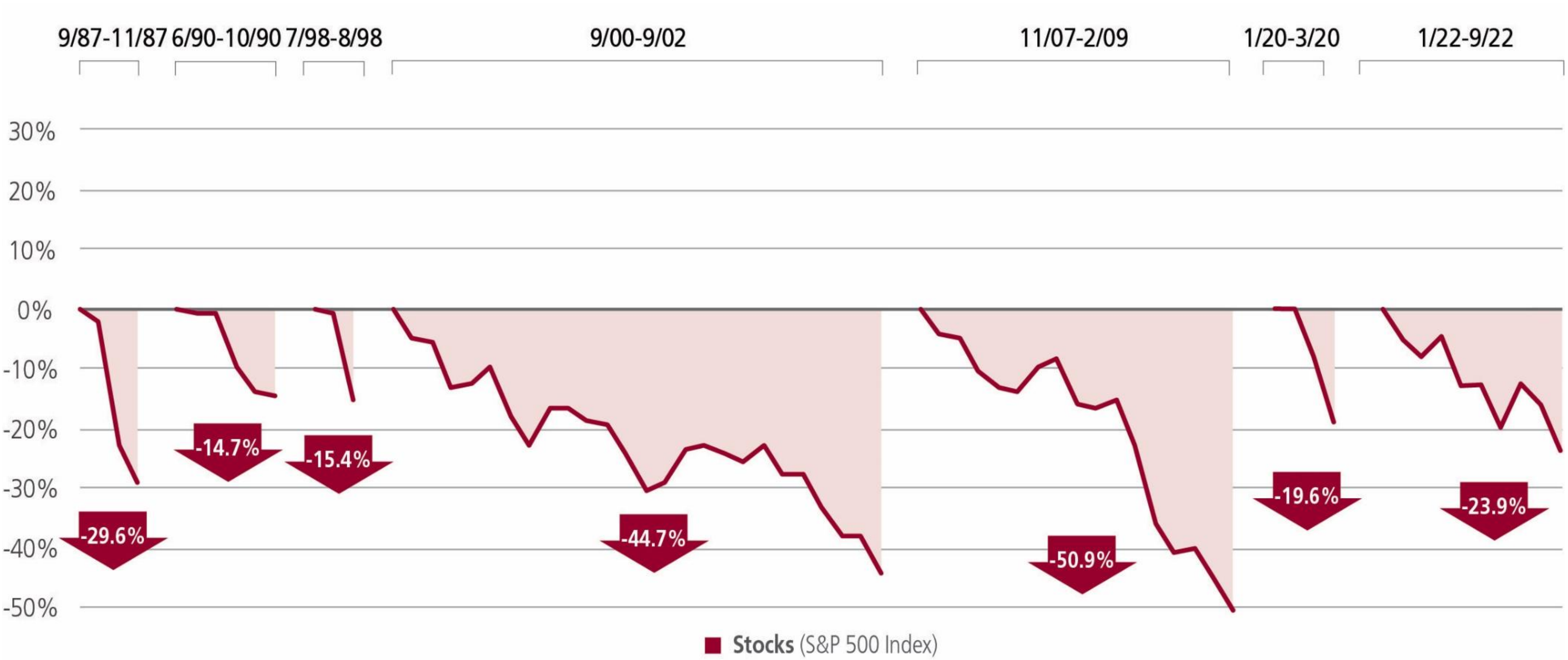
What in Your Portfolio Provides Downside Protection?

Significant S&P 500 Drawdowns from January 1, 1987, through December 31, 2024



Source: Morningstar Direct. The chart shows significant S&P drawdowns using month-end data.

What Does All of This Mean?

- If you are running balanced portfolios, but the tools you've traditionally used to balance portfolios are broken, what's next?

Consider

- Do you believe in Asset Allocation?

- Is Asset Allocation a core principle of your investment process?

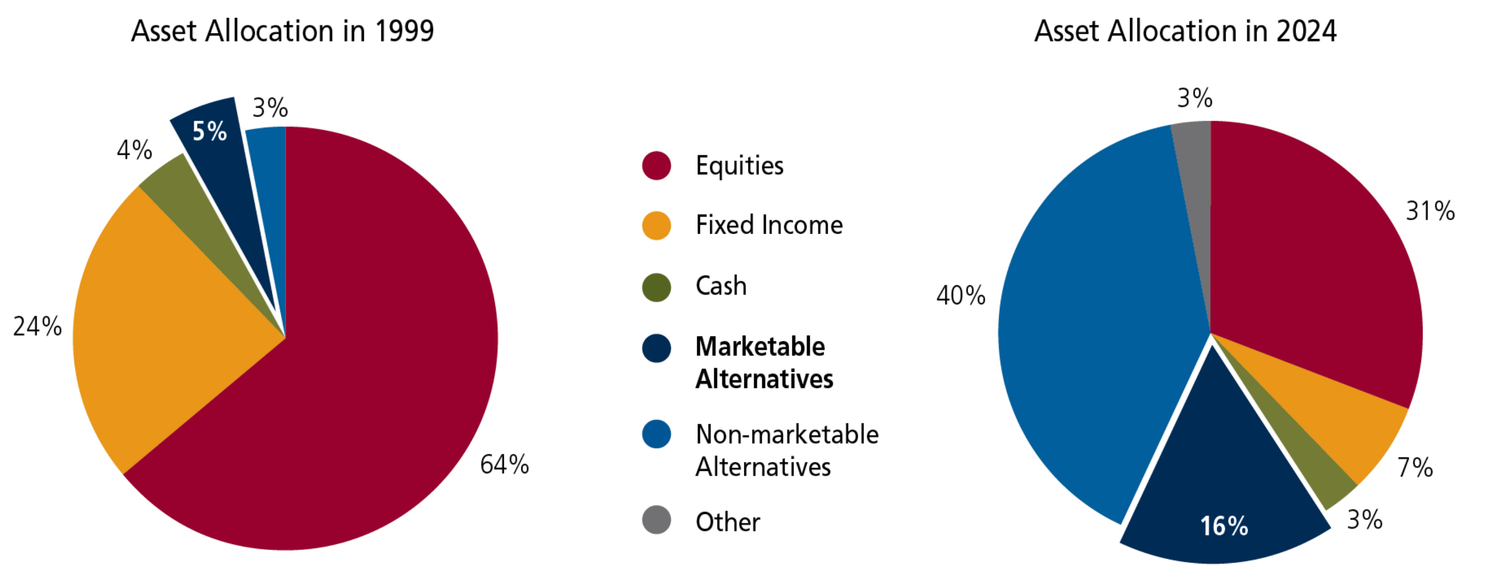
- Do you believe the tools you have used in the past are broken?

It Might be Time to Consider a Change

- In the current environment, one thing you can control is how you build portfolios
- It might be time to take a closer look at the risk in your stock and bond investments
- Low-correlating strategies have the potential to provide:
  - A different source of returns as stocks and bonds become increasingly correlated
  - Diversification for portfolios with returns that can move independently from stocks and bonds
  - A new source of Alpha in a market dominated by Beta

Today's Investment Landscape

- Traditional approaches to asset allocation might not provide the level of confidence investors seek or the level of risk management you might be seeking
- Endowments and universities face the same challenges individual investors face: finding ways to balance long-term performance while addressing risk
  - Many institutions have broadened their portfolios by adding low-correlating investments while reducing exposure to traditional stocks and bonds
  - Many of those low-correlating solutions are now available to all investors

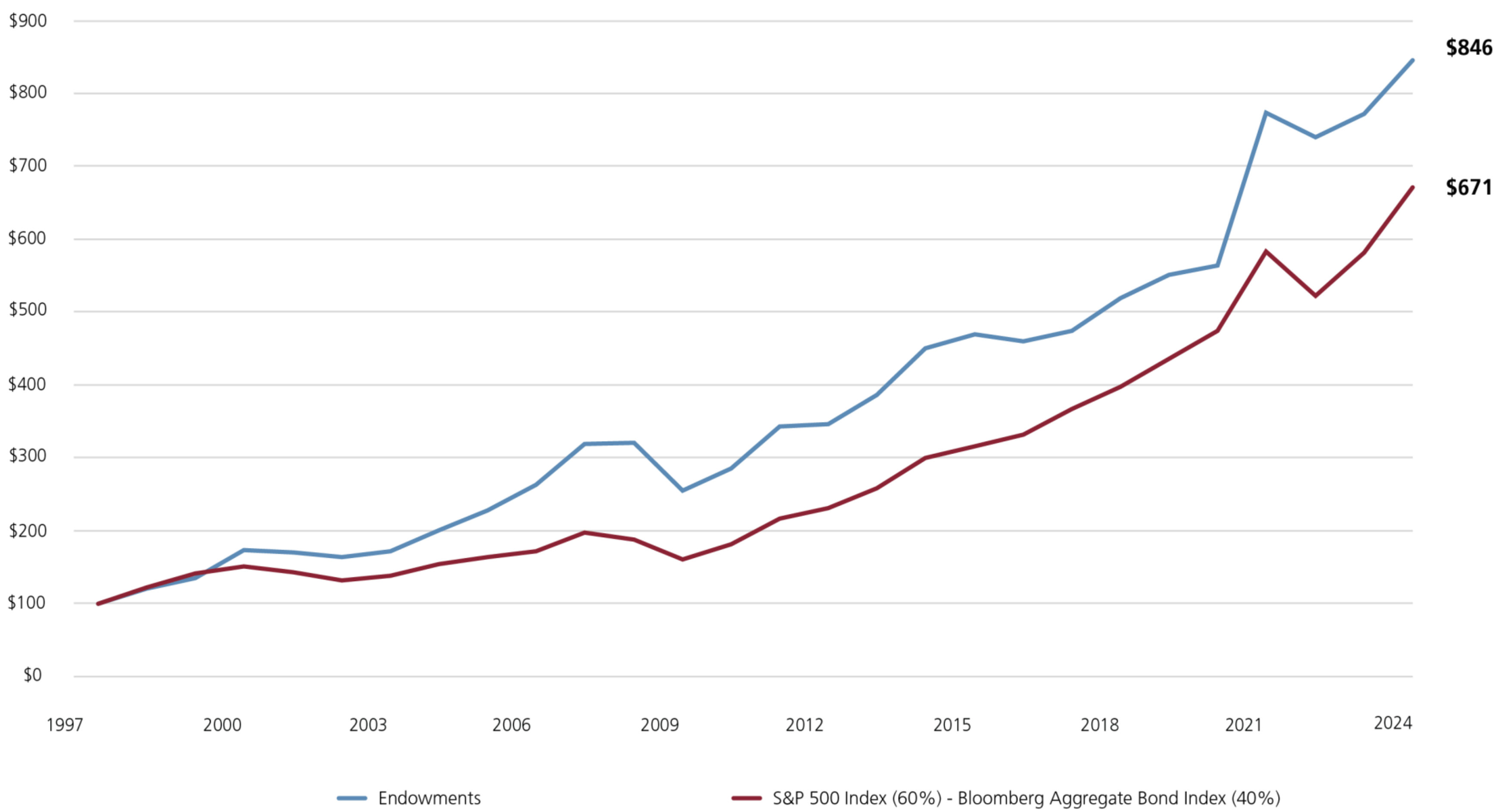


Source: 2024 NACUBO-Common fund Study of Endowments, www.nacubo.org. Data is based on endowments with greater than $1B in investment assets.

Why Do They Do This?

Performance of a Traditional 60/40 Portfolio vs. Endowments

June 30, 1997 – June 30, 2024

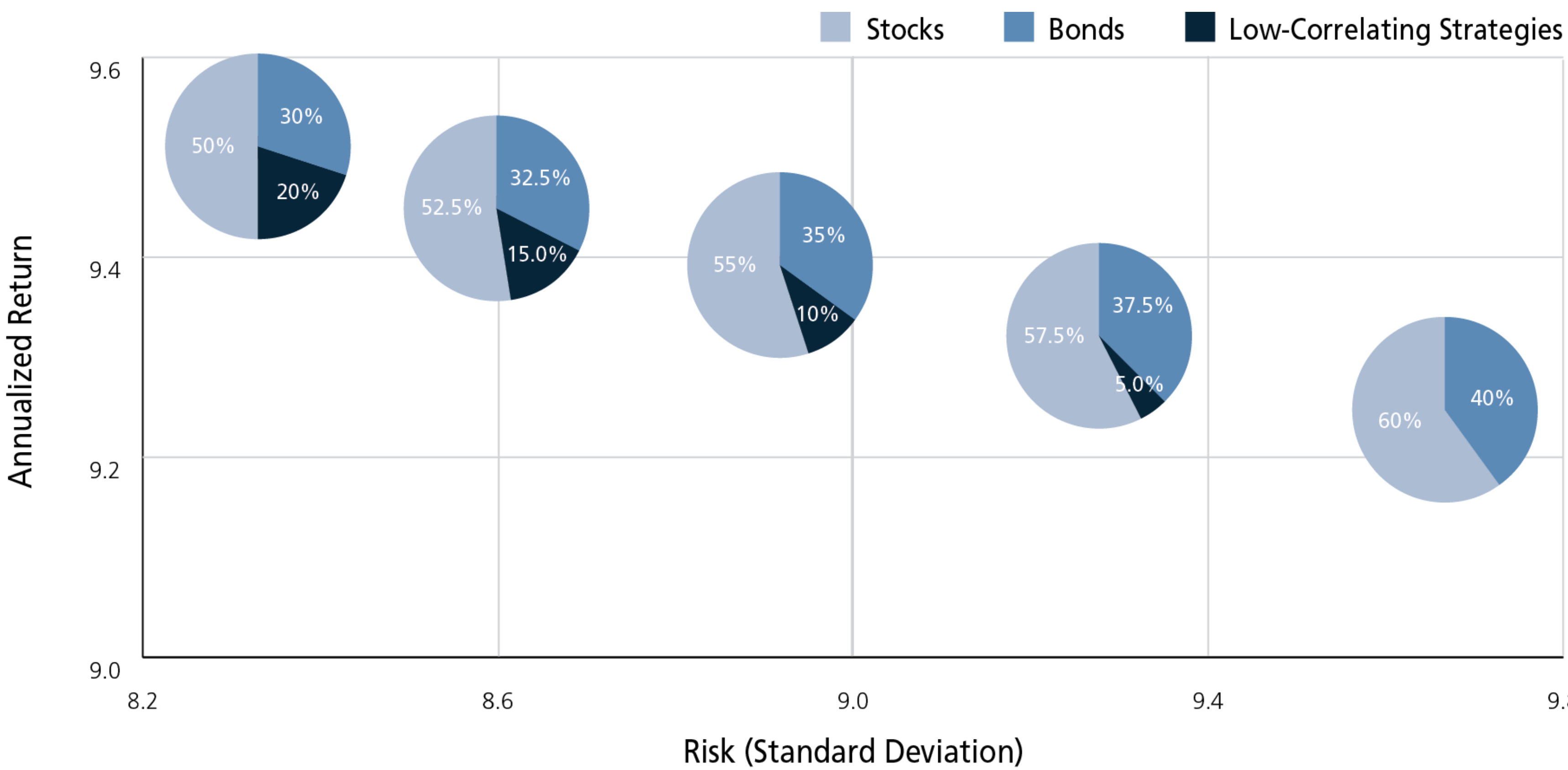


Sources: Morningstar Direct, 2024 NACUBO-Commonfund Study of Endowments and www.nacubo.org. Data is based on endowments with greater than $1 billion in investment assets. Time period is the latest data available. The 60/40 portfolio represents a portfolio consisting of 60% equities (S&P 500 TR Index), and 40% bonds (U.S. Bloomberg Aggregate Bond Index), rebalanced monthly. **Past Performance does not guarantee future results.**

Portfolio Balance: A New Perspective

The Impact of Adding Alternatives to a Portfolio

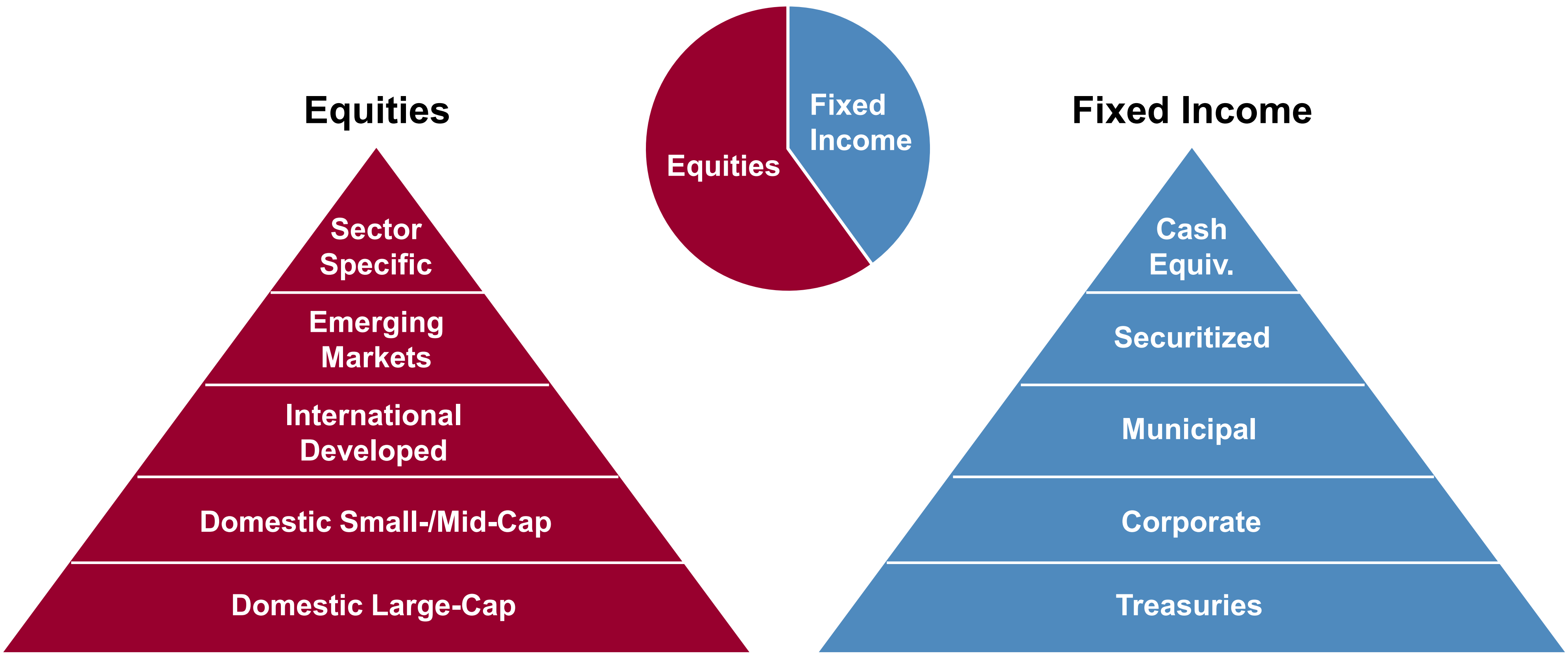
January 1, 1980 – December 31, 2024



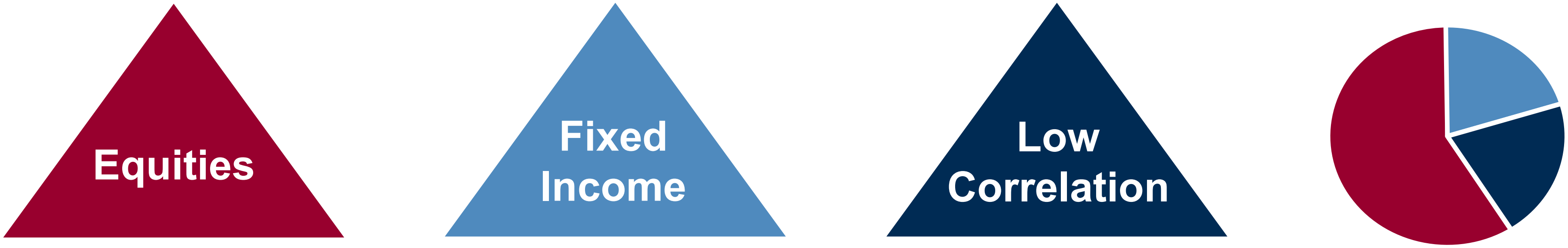
Source: Morningstar Direct. Stocks are represented by the S&P 500 TR Index. Bonds are represented by the Bloomberg U.S. Aggregate Bond Index. Alternatives are represented by the CISDM CTA Equal Weighted Index**. Past Performance does not guarantee future results. Performance as of 12/31/24 is as follows: S&P 500 TR Index: 25.02% 1-Yr, 14.53% 5-Yr, and 13.10% 10-Yr; Bloomberg U.S. Aggregate Bond Index: is 1.25% 1-Yr, -0.33% 5-Yr, and 1.35% 10-Yr; CISDM CTA Index: 10.23% 1-Yr, 8.09% 5-Yr, and 5.96%10-Yr.**

Building a Modern Portfolio

The Traditional Two-Dimensional Portfolio

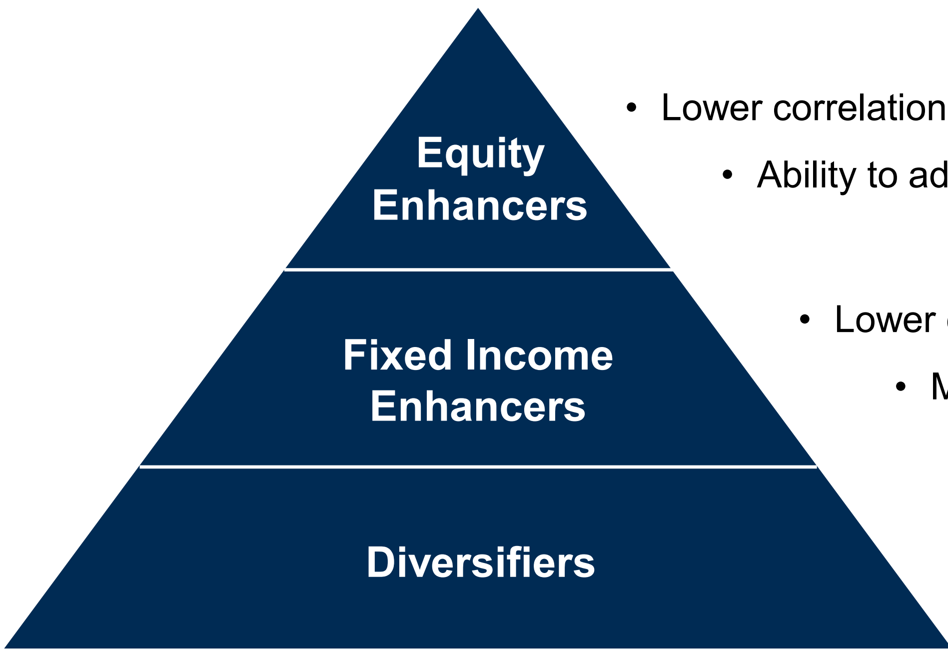


Building a Modern Portfolio



The Third Dimension

Low-Correlating Strategies

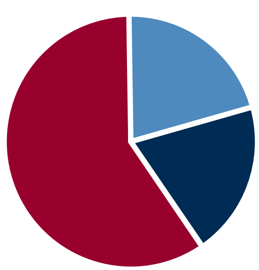


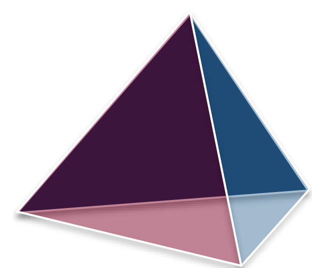
- Lower correlation to other equity classes in the portfolio
  - Ability to add a level of protection in down markets
- Lower correlation to bond holdings in the portfolio
  - May provide a hedge against rising interest rates
- Low correlation to both stocks and bonds
  - May provide exposure to additional asset classes and strategies

Building a Modern Portfolio

The Third Dimension

Low-Correlating Strategies	Example Strategies	
Equity Enhancers	Event Driven Long/Short Equity	Private Equity
Fixed Income Enhancers	Absolute Return Long/Short Credit	Pass-Through Securities
Diversifiers	Managed Futures Commodities	Market Neutral Global Macro

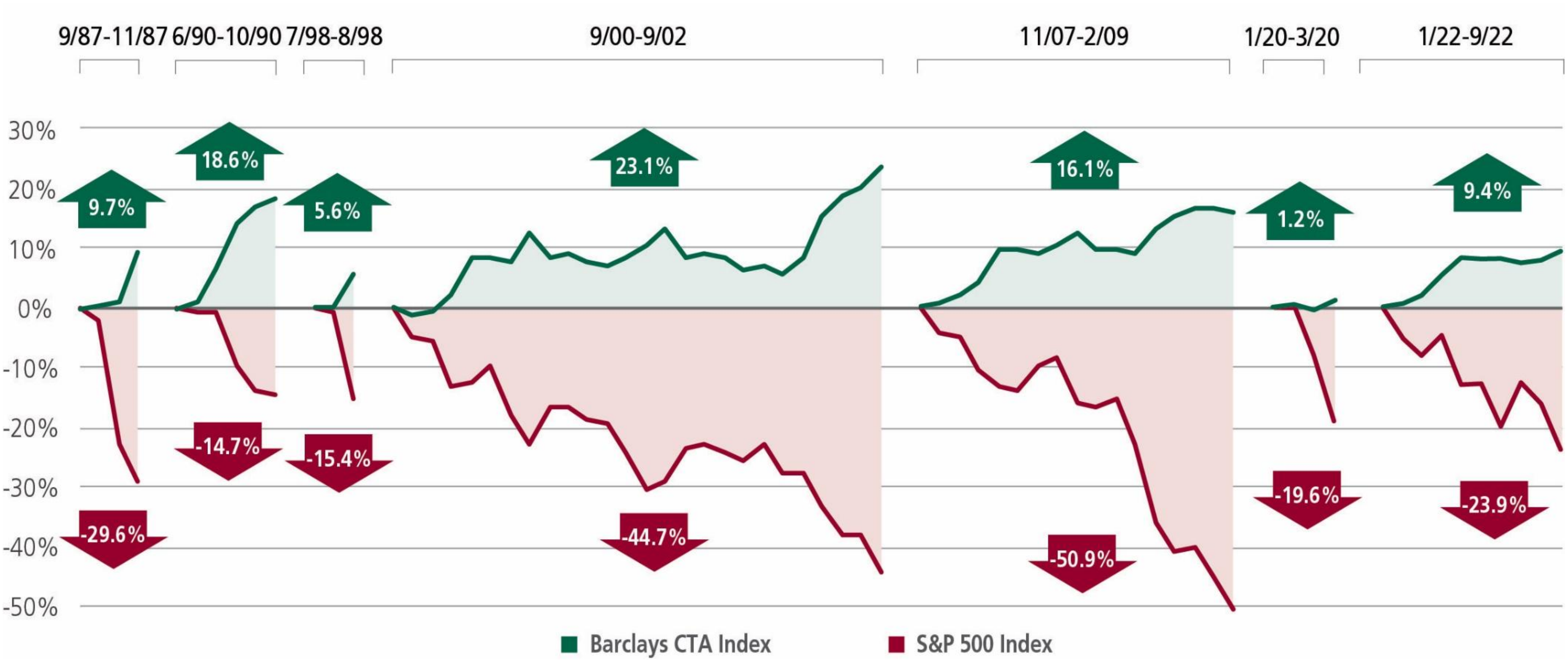




Past Impact of Alternatives in Equity Drawdowns

The Potential Benefit of “Crisis Alpha”

Performance of Alternatives During Significant S&P 500 Drawdowns Between January 1, 1987, and December 31, 2024



Source: Morningstar Direct. The chart shows the significant S&P drawdowns between 1/1/87 and 12/31/24 using month-end data. **Past Performance does not guarantee future results.**

Do’s and Don’ts for Adding Low-Correlating Strategies

DO:

- Understand correlations among your core holdings
- Be clear on why you own it
- Allocate enough to make a difference
- Use more than one strategy
- Know your alternatives managers

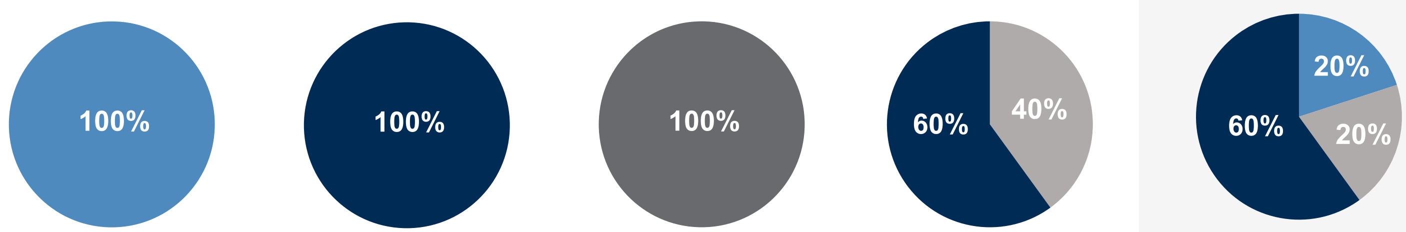
DON’T:

- Lose sight of risk management
- Try to time market cycles
- Sell low-correlating strategies when the stock market is hot
- Go exclusively for the lowest cost provider
- Invest based on backtested or hypothetical returns

Which Track Record Would You Prefer?

January 1, 2000 – December 31, 2024

	Portfolio A	Portfolio B	Portfolio C	Portfolio D	Portfolio E
Average Annual Return	**6.69%**	**7.70%**	**3.94%**	**6.48%**	**7.10%**
Standard Deviation	**8.16%**	**15.32%**	**4.21%**	**9.55%**	**9.46%**
Best Calendar Year	**21.76%**	**32.39%**	**11.63%**	**22.18%**	**23.92%**
Worst Calendar Year	**-5.61%**	**-37.00%**	**-13.01%**	**-22.06%**	**-19.48%**
Number of Down Years	**4**	**6**	**3**	**6**	**6**
	Alternative Investments	**Stocks**	**Bonds**	**Stocks & Bonds**	**Stocks, Bonds & Alternative Investments**



Alternative Investments represented by CISDM CTA Index. Stocks refer to the S&P 500 TR Index. Bonds refer to the Bloomberg U.S. Aggregate Bond Index. Standard Deviation - The statistical measurement of dispersion about an average, which depicts how widely a portfolio's returns varied over a certain period of time. When a portfolio has a high standard deviation, the predicted range of performance is wide, implying greater volatility. ***Past performance is not a guarantee of future results. Index performance is not illustrative of fund performance. One cannot invest directly in an index. Please call 1.855.LCFUNDS (1.855.523.8637) for fund performance.***

Recap

- Traditional asset allocation methods may be broken
- Consider modernizing your asset allocation strategy
- The time to add low-correlating solutions to your portfolio may be now

Disclosure

Index performance is not indicative of fund performance. For current standardized fund performance, please call 1.855.LCFunds or visit www.LoCorrFunds.com. The performance of various indices is shown for comparison purposes only. The performance of those indices was obtained from published sources believed to be reliable, but which are not warranted as to accuracy or completeness. Unless noted otherwise, index returns do not reflect fees or transaction costs and reflect reinvestment of net dividends. One cannot invest directly in an index.

S&P 500 Total Return Index is an index of 500 large capitalization companies in major industries. This total return index includes net dividends and is calculated by adding an indexed dividend return to the index price change for a given time period. Fees and/or transaction costs are not reflected. **Russell 2000® Index** measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index. It serves as a benchmark for small-cap stocks in the United States. **International Stocks** or **MSCI EAFE Index** is an unmanaged weighted index that measures overseas equity markets. **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. MSCI Emerging Markets Index consists of 21 Emerging Market country indices. **Bloomberg U.S. Aggregate Bond Index** is a broad-based bond index comprised of government, corporate, mortgage and asset-back issues rated investment grade or higher. **Bloomberg U.S. Aggregate 1-3-Year TR Index** is a broad-based benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency). **Barclays CTA Index** is an unweighted index which attempts to measure the performance of the Commodity Trading Advisor (CTA) industry. The Index measures the combined performance of all CTAs reporting to Barclay Trading Group who have more than 4 years past performance. Fees and transaction costs are reflected. Correlation is a statistic that measures the degree to which two securities move in relation to each other. **CISDM CTA Equal Weighted Index** is designed to broadly represent the performance of all CTA programs in the Morningstar database that meet the inclusion requirements. **Diversification does not assure a profit or protect against loss in a declining market.**

The Fund's investment objectives, risks, charges, and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company, and it may be obtained by calling 1.855.LCFUNDS, or visiting www.LoCorrFunds.com. Read it carefully before investing.

Mutual fund investing involves risk. Principal loss is possible. The Funds are non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Funds are more exposed to individual stock volatility than a diversified fund. The Funds invest in foreign investments and foreign currencies which involve greater volatility and political, economic and currency risks and differences in accounting methods. These risks are greater for emerging markets. The Funds may make short sales of securities, which involves the risk that losses may exceed the original amount invested. Investing in commodities may subject the Funds to greater risks and volatility as commodity prices may be influenced by a variety of factors including unfavorable weather, environmental factors, and changes in government regulations. Investing in derivative securities derive their performance from the performance of an underlying asset, index, interest rate or currency exchange rate. Derivatives can be volatile and involve various types and degrees of risks, and, depending upon the characteristics of a particular derivative, suddenly can become illiquid. Derivative contracts ordinarily have leverage inherent in their terms which can magnify the Fund's potential for gains or losses through increased long and short position exposure. The Fund may access derivatives via a swap agreement. A risk of a swap agreement is the risk that the counterparty to the agreement will default on its obligation to pay the Fund. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investments in Asset-Backed, Mortgage-Backed, and Collateralized Mortgage-Backed Securities include additional risks that investors should be aware of such as credit risk, prepayment risk, possible illiquidity and default, as well as increased susceptibility to adverse economic developments. The LoCorr Long/Short Equity Fund may invest in small- and medium-capitalization companies which involve additional risks such as limited liquidity and greater volatility. The Fund may also invest in lower-rated and non-rated securities which present a greater risk of loss to principal and interest than higher-rated securities. ETF investments are subject to investment advisory and other expenses, which will be indirectly paid by the Fund. As a result, the cost of investing in the Fund will be higher than the cost of investing directly in ETFs and may be higher than other mutual funds that invest directly in stocks and bonds. ETFs are subject to specific risks, depending on the nature of the ETF. The Spectrum Income Fund's portfolio will be significantly impacted by the performance of the real estate market generally, and the Fund may be exposed to greater risk and experience higher volatility than would a more economically diversified portfolio. Property values may fall due to increasing vacancies or declining rents resulting from economic, legal, cultural, or technological developments. Investments in Limited Partnerships (including master limited partnerships) involve risks different from those of investing in common stock including risks related to limited control and limited rights to vote on matters affecting the Limited Partnership, risks related to potential conflicts of interest between the Limited Partnership and the Limited Partnership's general partner, cash flow risks, dilution risks and risks related to the general partner's limited call right. Underlying Funds are subject to management and other expenses, which will be indirectly paid by the Fund.

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