The Case For Low-Correlation Strategies

October 2025 – Advisor Version

LoCORR® FUNDS

LoCorr Funds - Who We Are

20+ year history focusing on low-correlating investments: **"It's all we do!"**

Research driven: Distinguished institutional alternative sub-advisers

Focused on **education** for advisors and clients

Agenda

1

The Investment Landscape has changed: Is it time to evolve your asset allocation?

2

Inclusion of Low-Correlating Investments and Why

3

Types of Alternatives, Pitfalls and Implementation

The Wall Street Journal Reports…

The 60/40 is Dead

The Classic 60-40 Investment Strategy Falls Apart. 'There's No Place to Hide.'

- The Wall Street Journal | November 2022

The 60/40 is Back

The Standard 60-40 Investment Strategy Is Alive and Well

- The Wall Street Journal | April 2023

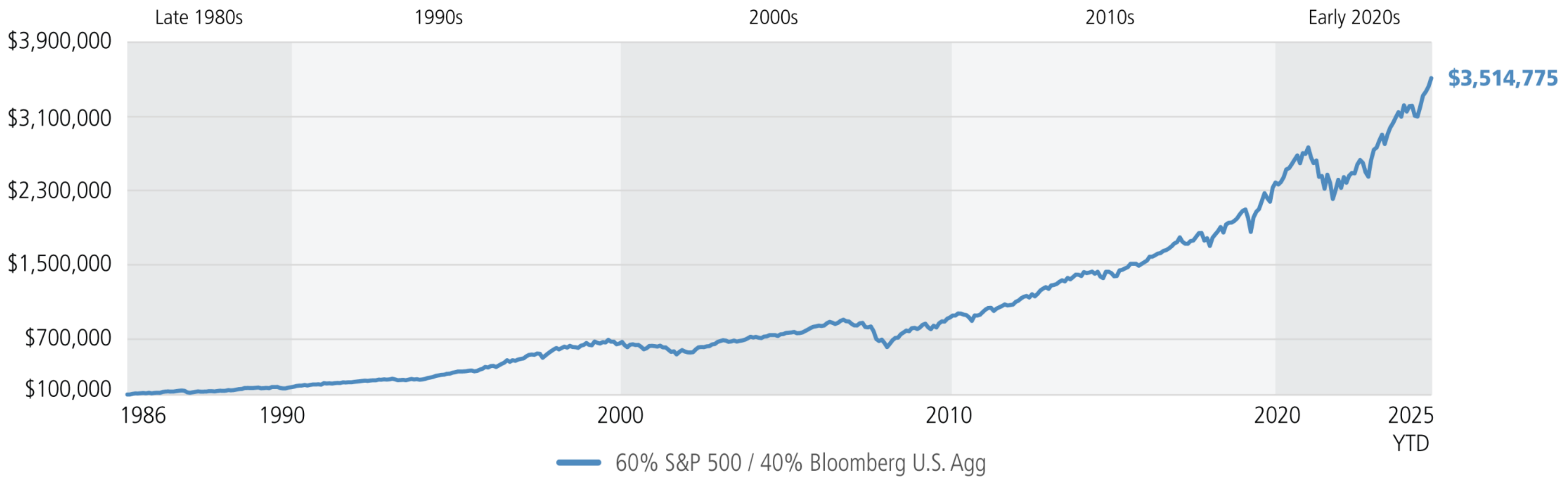
The 60/40 is Dead

The Trusted 60-40 Investing Strategy Just Had Its Worst Year in Generations.

- The Wall Street Journal | October 2023

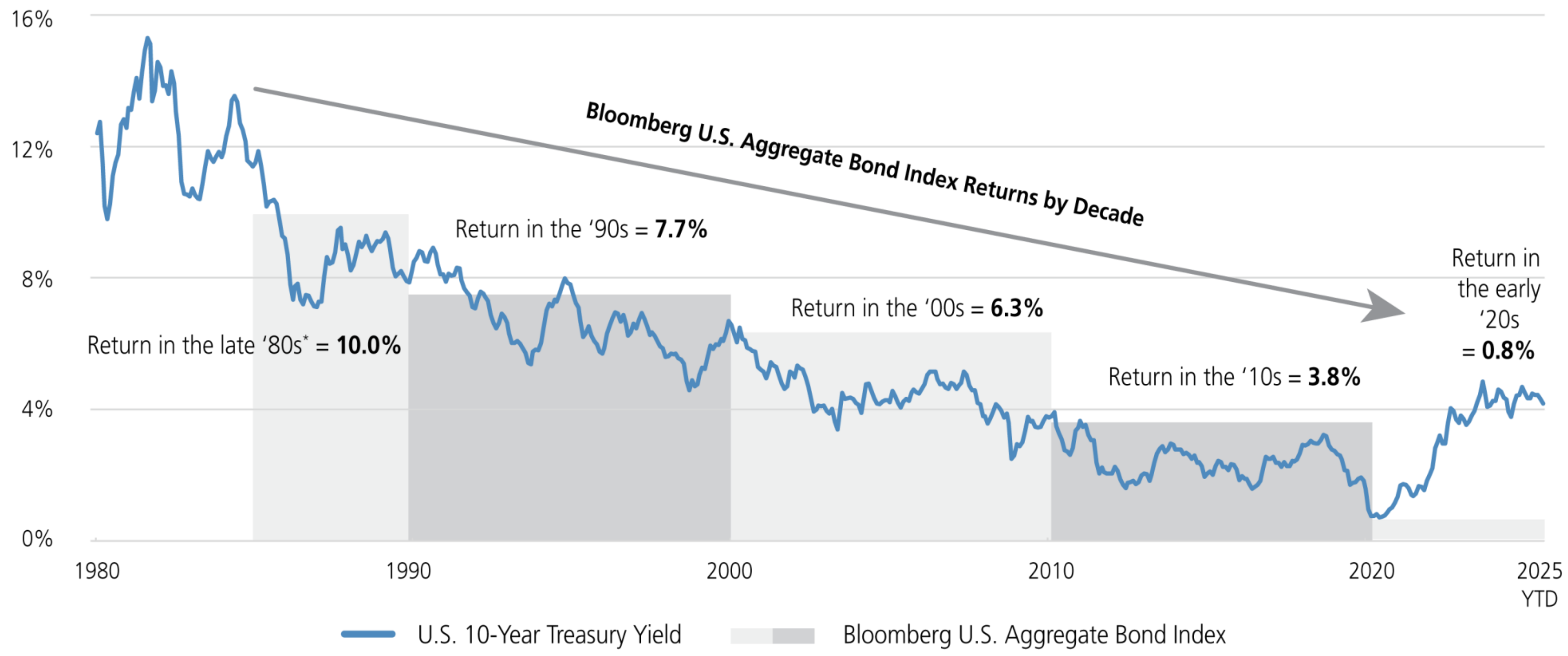
What’s Been Great About 60/40?

Growth of a Hypothetical $100,000 Investment* – January 1986 - September 2025



Source: Morningstar Direct. *Assumes reinvestment of dividends and capital gains. Calculated using monthly returns. **Past performance is not a guarantee of future results.**

Can Bonds Repeat Their Past Performance?

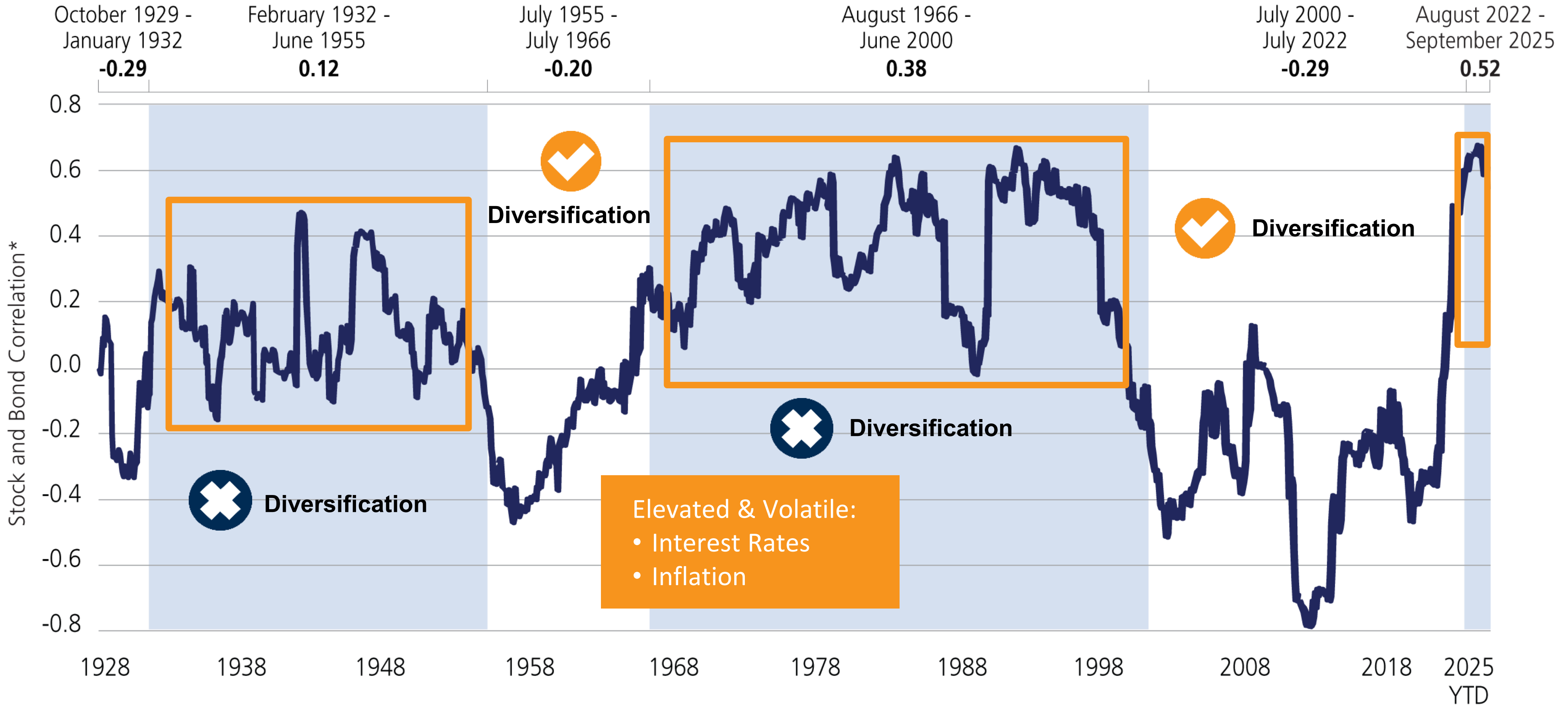


Annualized Return of the Bloomberg U.S. Aggregate Bond Index Since Inception?

5.55% → Is this possible going forward?

Source: FRED, Morningstar Direct. **Past performance is not a guarantee of future results.** Data time period February 1986 – September 2025.

Stock and Bond Correlation: Back To The Future?



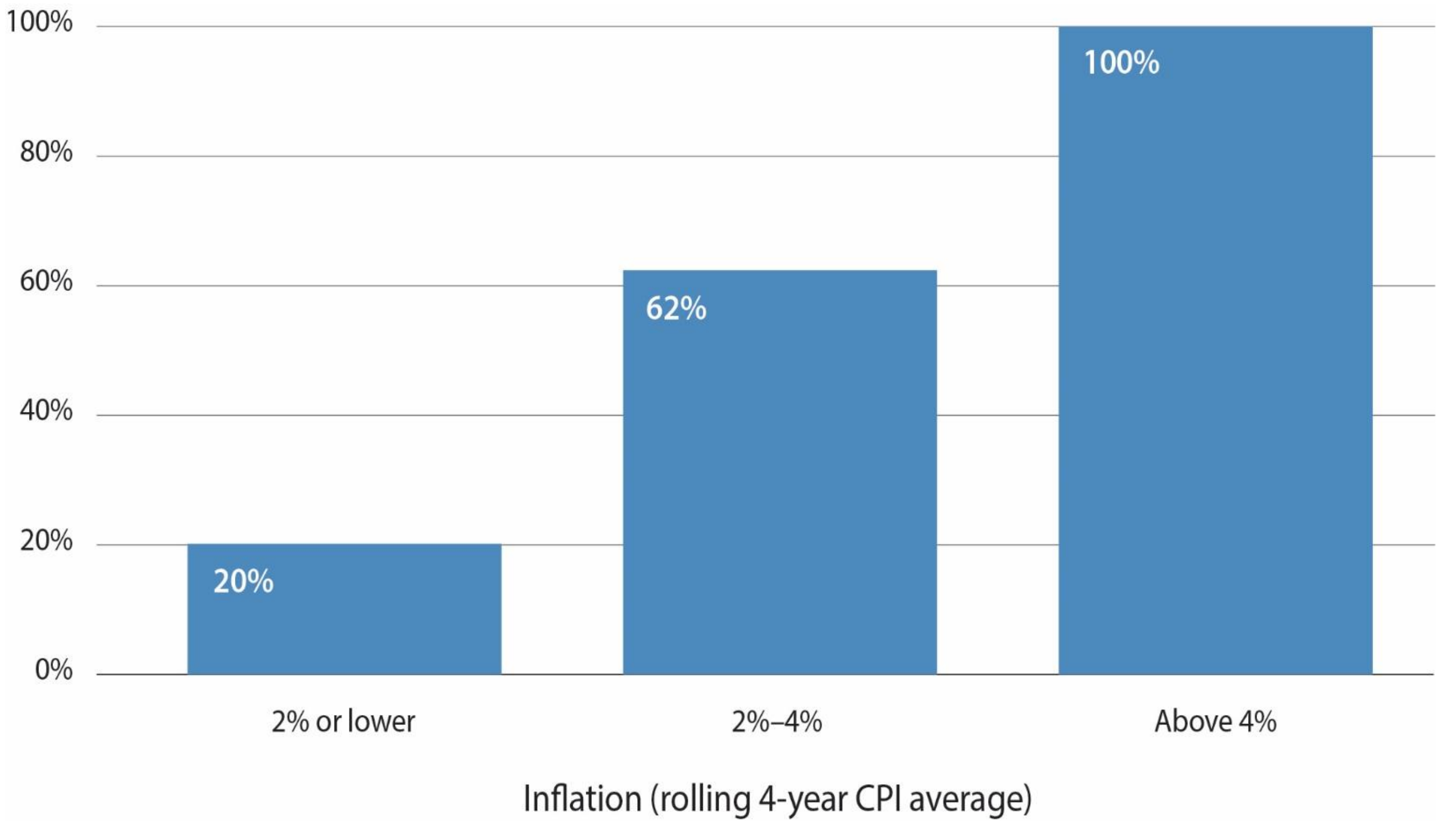
Source: LoCorr Fund Management and Morningstar Direct. Calculated using monthly data**. Past performance is not a guarantee of future results.**

*Average 3-yr rolling correlation between IA SBBI U.S. Large Stock TR Index and IA SBBI U.S. Long-Term Government TR Index, which transitioned to the Bloomberg U.S. Government Long Index on 12/31/1975.

Correlation - Inflationary Environments

During periods of elevated inflation, stocks and bonds have been positively correlated.

Percent of Time Positive Stock & Bond Correlation – January 1986 – September 2025



Correlation is Key

Source: Morningstar Direct. Inflation as defined by the Consumer Price Index, measured on a rolling 4-year basis. Stocks represented by the S&P 500 Index; Bonds represented by the Bloomberg U.S. Aggregate Bond Index. **Past performance is not a guarantee of future results**.

Is There a Better Way to Invest?

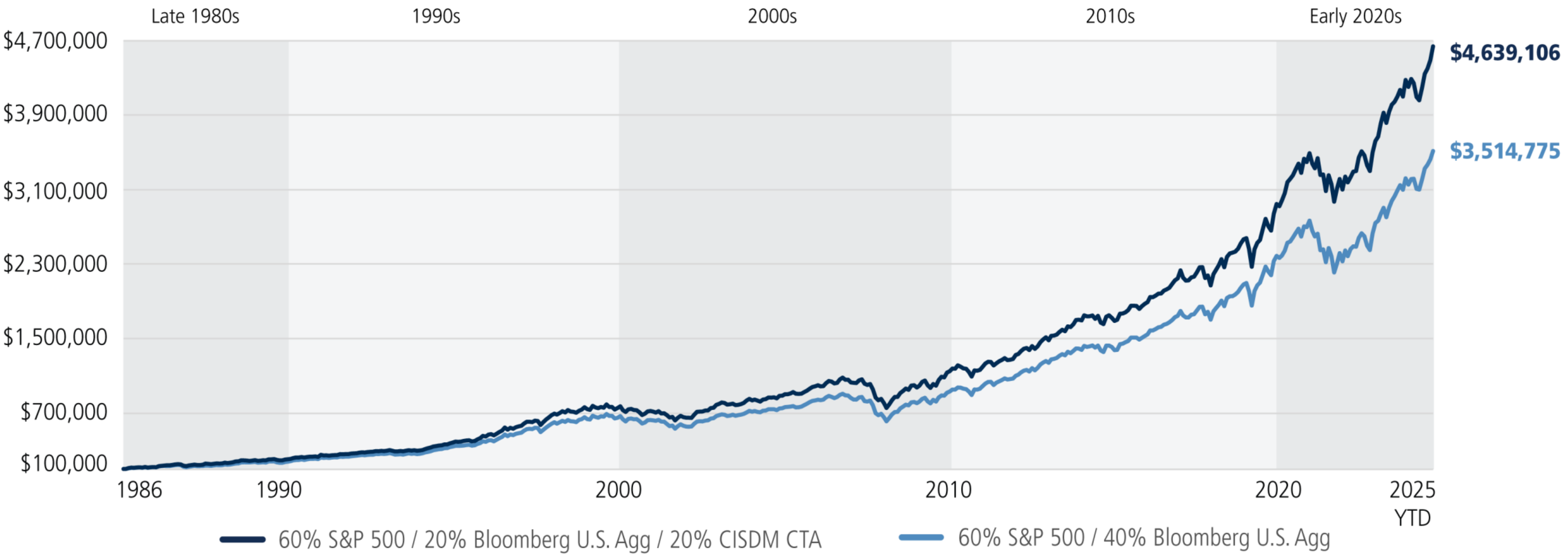
The 60/40 has worked, but is there a better way to invest?

	Late 1980s*		1990s		2000s		2010s		Jan 2020 – Sept 2025	
	Return	Sharpe	Return	Sharpe	Return	Sharpe	Return	Sharpe	Return	Sharpe
60% S&P 500 Index / **40%** BBg Agg	15.25%	0.68	14.11%	0.98	2.25%	-0.01	9.77%	1.24	9.54%	0.59
60% S&P 500 Index / **20%** BBg Agg / **20%** CISDM CTA	18.29%	0.86	14.64%	1.07	2.74%	0.03	9.89%	1.16	10.84%	0.72

Source: Morningstar Direct. Calculated using monthly data. *As of Bloomberg U.S. Aggregate Bond Index Inception January 1986. **Past performance is not a guarantee of future results.**

Why 60/20/20?

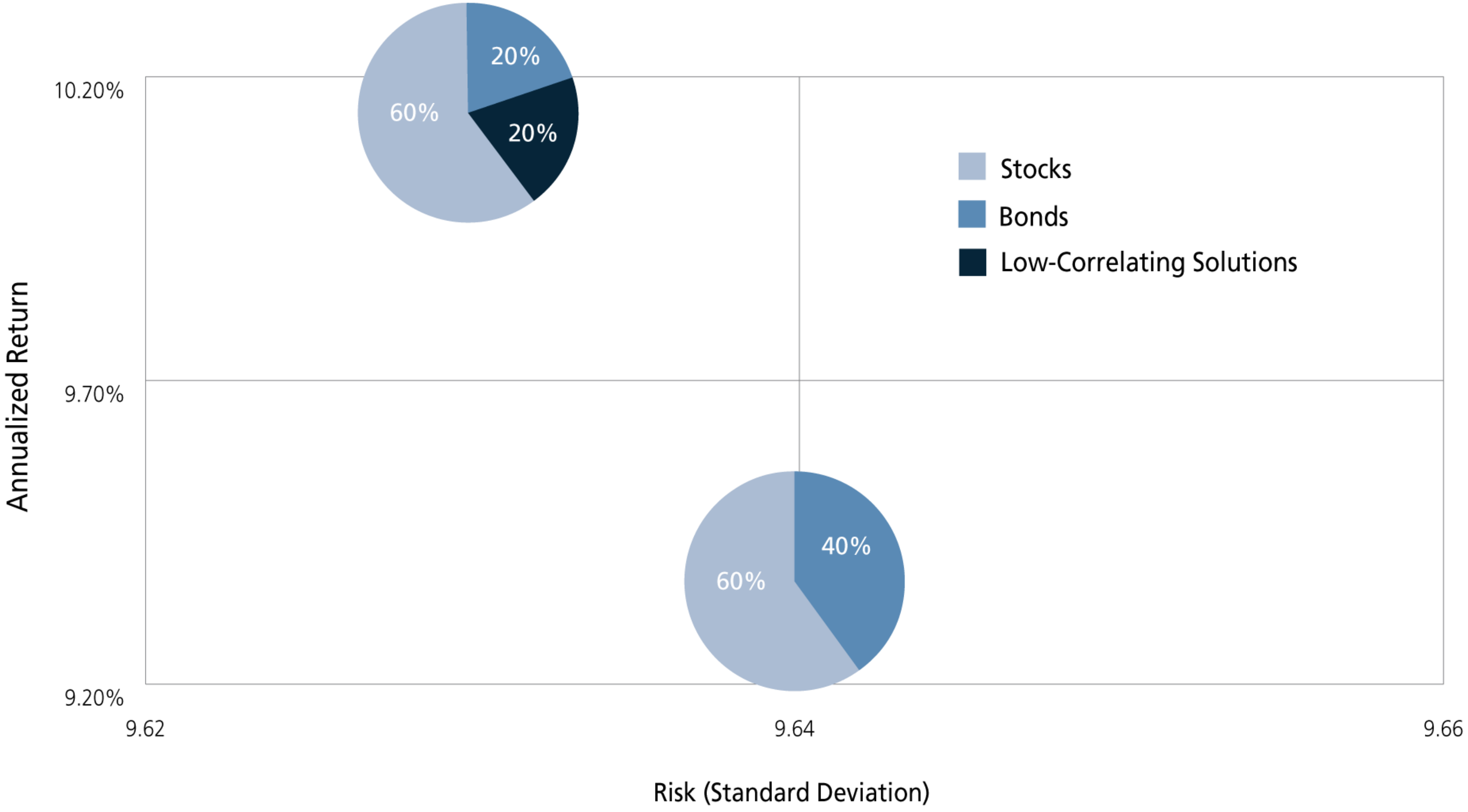
Growth of a Hypothetical $100,000 Investment – January 1986 – September 2025



Source: Morningstar Direct. Calculated using monthly returns. Assumes reinvestment of dividends and capital gains. **Past performance is not a guarantee of future results.**

Impact of Adding Low Correlation to a Portfolio

February 1986 – September 2025



Source: Morningstar Direct. Data from February 1986 – September 2025. Stocks are represented by the S&P 500 Index. Bonds are represented by the Bloomberg U.S. Aggregate Bond Index. Low-Correlating Soulutions are represented by the CISDM CTA Equal Weighted Index. **Past performance is not a guarantee of future results.**

Check Point

The Investment Landscape has changed

The 60/40 worked, but is it likely to be repeated?

The Impact of Low-Correlating Solutions

Main Retail Investments

Liquid	Illiquid/Private Markets
Open to all investors	Cachet for high-net-worth clients
Easy to allocate and rebalance	Specialty manager access
Daily valuation	Illiquidity premium

Building a Low-Correlating Sleeve

How do you build a low-correlating sleeve in your client portfolios?

1 — Identify why to build the sleeve

2 — Determine how much to allocate

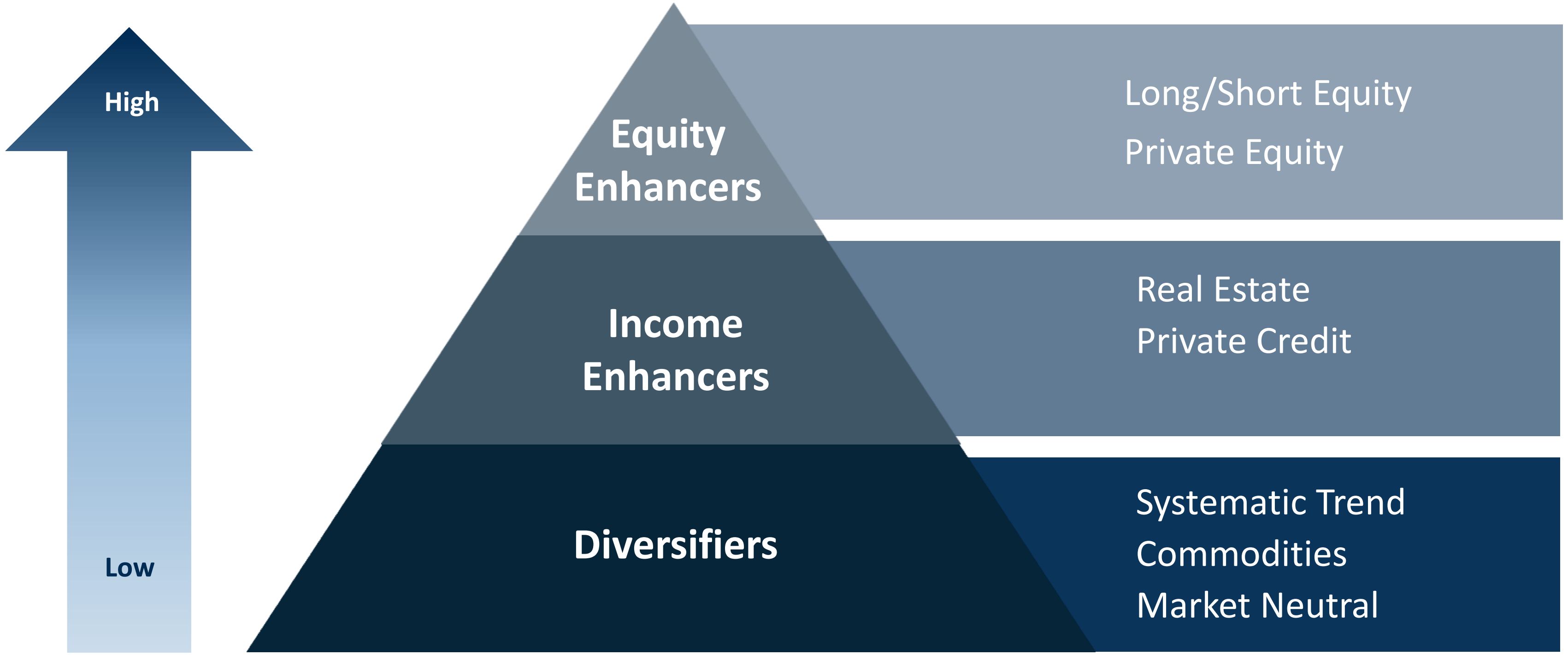
3 — Identify what to put in the sleeve

4 — Decide where to take the money from

5 — Have a conversation with your client

What Should You Put in a Sleeve?

Correlation to Stocks | **Low-Correlating Strategies** | **Example Strategies**



Past performance is not a guarantee of future results.

Successful Outcomes and Common Mistakes

Successful Outcomes

- Use more than one strategy
- Understand correlations
- Permanent part of portfolios
- Allocate enough to make a difference

Common Mistakes:

- Only buying one product
- Sell diversifiers when the stock market is hot
- Try to time the market
- Only consider cost

Finding Low-Correlating Solutions

Entering 2022, you thought "Alternatives" would diversify your portfolio, only to realize the importance of low correlation among those investments.

Morningstar U.S. Category Group – Alternative

Morningstar U.S. Category Alternatives	Net Assets 12/31/22	Annual Return 1/1/22-12/31/22	Correlation[1] to S&P 500 Index
Options Trading	$34.2B	-9.55%	0.92
Multistrategy	$29.3B	-3.00%	0.90
Relative Value Arbitrage	$18.3B	-3.86%	0.81
Event Driven	$19.3B	-1.32%	0.85
Systematic Trend	$21.4B	14.53%	-0.10
Low-Correlating Solutions			
LoCorr Macro Strategies Fund I	$2.4B	15.40%	0.05[2]
LoCorr Long/Short Commodities Strategy Fund I	$1.4B	6.06%	-0.18[2]
LoCorr Market Trend Fund I	$506M	29.94%	0.13[2]
Performance as of 9/30/25	**1-Year**	**5-Year**	**10-Year**
LoCorr Macro Strategies Fund I	1.98%	3.73%	3.92%
LoCorr Long/Short Commodities Strategy Fund I	-4.35%	2.14%	4.28%
LoCorr Market Trend Fund I	-0.82%	6.18%	1.95%

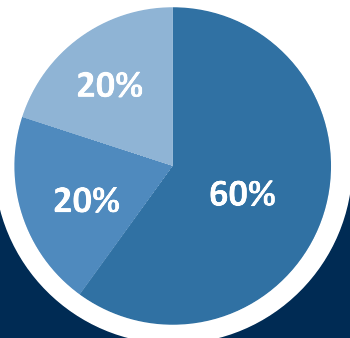
Source: Morningstar Direct. [1]Since common inception 4/1/2007, until 12/31/2022. [2]Since common inception 7/1/2014 - 12/31/2022. *Returns are annualized for periods greater than one year. Performance data quoted represents past performance;* ***past performance does not guarantee future results****. 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 of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 888.628.2887. Investment performance reflects fee waivers in effect. In the absence of such waivers, total return would be reduced. Performance data shown with load for Class A shares reflects a 5.75% sales load and for Class C shares reflects a 1.00% CDSC. Performance data shown without the load does not reflect the current maximum sales charges for Class A shares (up to 5.75% front-end) and Class C shares (1.00% CDSC). Had the sales charge been included, the Fund's returns would be lower.* LoCorr Macro Strategies Fund I expense ratio 1.88%, LoCorr Long/Short Commodities Strategy Fund I expense ratio 2.12%, LoCorr Market Trend Fund I expense ratio 1.77%.

Summary

The Investment Landscape has changed – have you?

Asset allocation still works – but only if it includes low-correlating strategies

Alternatives are no longer just “nice to have” but are now “must have”



60/20/20 is the new “60/40”

Why 60/40 when you can have 60/20/20?

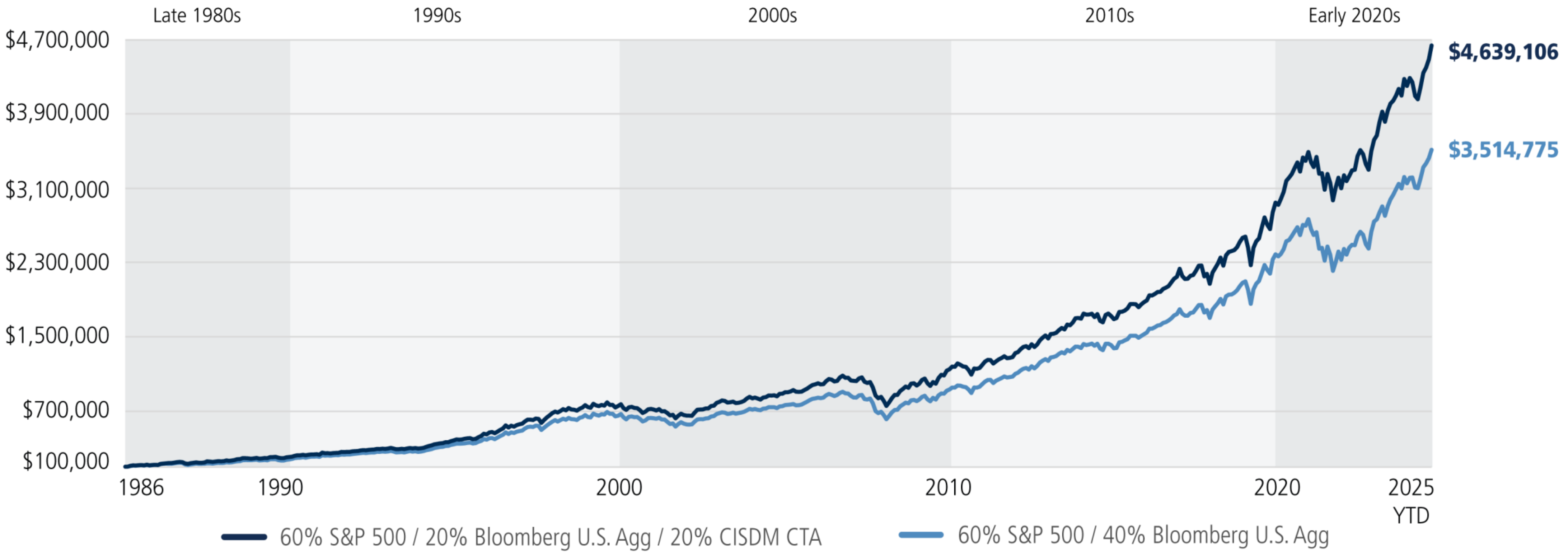
Late 1980s*	Return
60 **S&P 500** / 40 **Bbg Agg**	**15.25%**
60 **S&P 500** / 20 **Bbg Agg** / 20 **CISDM CTA**	**18.29%**

1990s	Return
60 **S&P 500** / 40 **Bbg Agg**	**14.11%**
60 **S&P 500** / 20 **Bbg Agg** / 20 **CISDM CTA**	**14.64%**

2000s	Return
60 **S&P 500** / 40 **Bbg Agg**	**2.25%**
60 **S&P 500** / 20 **Bbg Agg** / 20 **CISDM CTA**	**2.74%**

2010s	Return
60 **S&P 500** / 40 **Bbg Agg**	**9.77%**
60 **S&P 500** / 20 **Bbg Agg** / 20 **CISDM CTA**	**9.89%**

Jan 2020 - Sept 2025	Return
60 **S&P 500** / 40 **Bbg Agg**	**9.54%**
60 **S&P 500** / 20 **Bbg Agg** / 20 **CISDM CTA**	**10.84%**



Source: Morningstar Direct. Calculated using monthly data. *As of Bloomberg U.S. Aggregate Bond Index inception January 1986. **Past performance is not a guarantee of future results.**

LoCorr: A Partnership that Makes Sense

Thank you for your business and continued support of LoCorr Funds.

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Disclosure

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Opinions expressed are subject to change at any time, are not guaranteed and should not be considered investment advice.

Diversification does not assure a profit nor protect against loss in a declining market.

The referenced indices are shown for general market comparisons and are not meant to represent any Fund discussed within. One cannot invest directly in an index. *Bloomberg U.S. Aggregate Bond Index performance as of 9/30/25 is 2.88% 1-Yr, -0.45% 5-Yr, and 1.84% 10-Yr. S&P 500 Index performance as of 9/30/25 is 17.60% 1-Yr, 16.47% 5-Yr, and 15.30% 10-Yr. CISDM CTA Index performance as of 9/30/25 is 0.82% 1-Yr, 7.16% 5-Yr, and 5.57% 10-Yr.*

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 of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 952.513.8195.

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 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. 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.

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