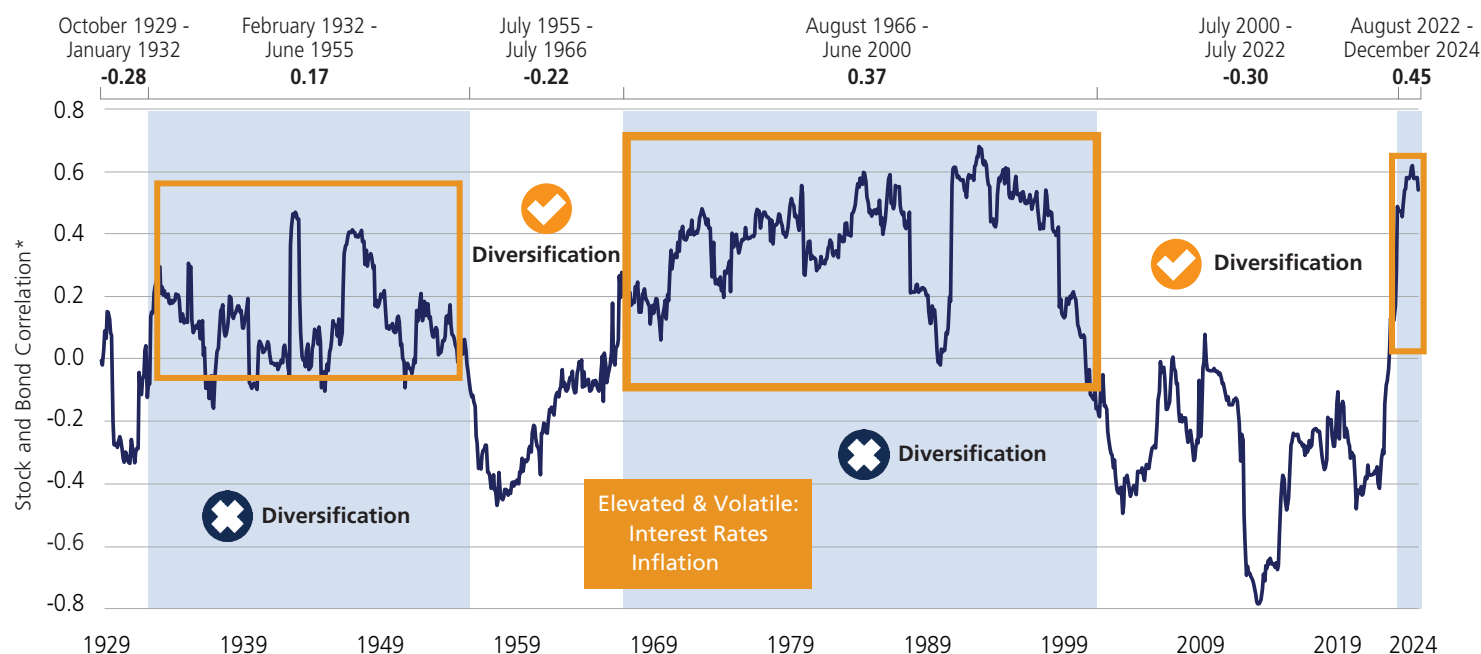


Correlation Regimes Have Fluctuated Over the Years, Leaving Portfolios Vulnerable

Positive stock-bond correlation can negate potential diversification benefits, catching investors off-guard, especially when returns are down.



Key Takeaways

- Since 1929, stock and bond correlation has been positive 58% of the time*.
- When equities and fixed income are positively correlated, potential diversification benefits are negated, leaving investors with what is at times, essentially a long-only portfolio.
- In the face of positive correlation regimes, investors should consider integrating low-correlating assets that exhibit low or negative correlation with stocks and bonds into portfolios.

Source: LoCorrFund Management and Morningstar Direct. Monthly data as of December 31, 2024. Index performance is not indicative of fund performance. To obtain fund performance visit www.LoCorrFunds.com. **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, 1/31/1929 - 12/31/2024.

Index performance is shown for comparison purposes only. The securities and other instruments included in these indices are not necessarily included in any LoCorr Fund portfolio and criteria for inclusion in the index is different than those for investment in any such portfolio. The performance of these 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. **Past performance is not a guarantee of future results.** Securities in the Funds do not match those in the indices and performance of the Funds will differ. It is not possible to invest directly in an index. For current Fund performance, please visit <https://locorrfunds.com/investment-solutions/mutual-funds/>

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IA SBBI U.S. Large Stock TR Index tracks the monthly return of S&P 500 Index. The historical data from 1926 to 1969 is calculated by Ibbotson. **IA SBBI U.S. Long-Term Government TR Index** measures the performance of a single issue of outstanding U.S. Treasury bond with a maturity term of around 21.5 years. It is calculated by Morningstar and the raw data is from Wall Street Journal.

Diversification does not assure a profit or protect against loss in a declining market. Correlation measures how the returns of different assets and markets move in relation to each other over time and can be used to evaluate risk.

The Funds' 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. All risks are described more fully in the prospectus.

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