LoCorr Chart Series

Systematic Macro Strategies May Offer Increased Diversification

Systematic macro strategies are known for their ability to offer a differentiated return stream. These strategies have historically exhibited a low or non-existent correlation with traditional asset classes, like stocks and bonds, but also to other alternatives, including REITs, energy, private equity, and private credit.

Correlation Comparison | February 2019 – June 2026

	Systematic Macro	REITs	Energy	Private Equity	Private Credit	Buffer ETFs	Bonds	Stocks
Systematic Macro	1.00							
REITs	0.11	1.00						
Energy	0.24	0.19	1.00					
Private Equity	0.07	0.81	0.28	1.00				
Private Credit	0.06	0.70	0.48	0.85	1.00			
Buffer ETFs	0.04	0.82	0.26	0.89	0.77	1.00		
Bonds	-0.20	0.61	-0.21	0.49	0.21	0.50	1.00	
Stocks	0.09	0.81	0.23	0.88	0.74	0.98	0.46	1.00

Source: LoCorr Fund Management. Systematic Macro is represented by CISDM CTA Index, REITs by the Morningstar U.S. REIT Index, Energy by the S&P GSCI Energy Index, Private Equity by the Red Rocks Global Listed Private Equity Index, Private Credit by Indxx Private Credit Index, Buffer ETFs by Morningstar U.S. Fund Defined Outcome Category, Bonds represented by Bloomberg U.S. Aggregate Bond Index, and Stocks represented by S&P 500 Index, using monthly data. Index performance is not illustrative of Fund performance. One cannot invest directly in an index. **Past performance is not a guarantee of future results.**

Key Takeaways

- If adding diversification to a portfolio of stocks & bonds is the goal, look for strategies with low correlation to these assets.
- Systematic macro strategies have historically served as diversifiers in portfolios with almost no correlation to both equities and fixed income.
- Not all "alternatives" offer low correlation to traditional investments or provide diversification.

The performance of the index is shown for comparison purposes only. The securities and other instruments included in this index is 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 this index 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.**

Opinions expressed are subject to change at any time, are not guaranteed and should not be considered investment advice. There can be no guarantee that any strategy will be successful.

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.

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. The investment return and principal value will fluctuate so that an investor's shares, when redeemed may be worth more or less than the original cost. Securities in the Funds do not match those in the indexes 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/.

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.

S&P 500 Index is a capitalization weighted unmanaged benchmark index that includes the stocks 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 period. **Defined Outcome** funds deliver investors a predefined range of outcomes over a set period. This range is determined by equity market performance and the derivative contracts that underlie each fund. The funds' features primarily include upside caps and downside buffers. Underlying asset classes tend to be equity-based but may be derived from other asset classes. The products predominantly use options to deliver these outcomes but may also utilize swaps or other derivatives. **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. **CISDM CTA Index** is designed to broadly represent the performance of all CTA programs in the Morningstar database that meet the inclusion requirements. **Morningstar U.S. REIT Index** is a free-float weighted index that tracks the performance of publicly listed Real Estate Investment Trusts (REITs). **Red Rocks Global Listed Private Equity Index** measures the performance of private equity firms which are publicly traded on any nationally recognized exchange worldwide. It is comprised of 40 to 75 public companies and provides diversified exposure to private companies that are owned and managed by private equity firms. Index constituents are modified market capitalization weighted. **Indxx Private Credit Index** tracks the performance of the Business Development Corporations (BDCs) and Closed-End Funds (CEFs), trading in the US, with significant exposure to private credit, as defined by Indxx. **S&P GSCI Energy Index** is a sub-index of the S&P GSCI, that provides investors with a reliable and publicly available benchmark for investment performance in the energy commodity market.

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.

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