



MANAGER OVERVIEW

Dynamic Opportunity Fund

The financial markets have become more challenging over the last decade and, now more than ever, investors need help navigating through the economic landscape. With three significant declines in the stock market since 2000 and bond markets not likely to provide reliable diversification on their own, we believe investors need to reassess the risk in their portfolios and consider a fresh approach to investing.

Endowments and large institutions have paved the way for this new investment approach, by using low-correlating strategies seeking to enhance long-term portfolio performance with lower risk. Today, investors have many products available that provide access to premier institutional money managers in a daily liquid mutual fund structure.

LoCorr is proud to offer a family of mutual funds for financial professionals and individual investors seeking positive returns and reduced risk, through investments with low correlation to traditional asset classes.

Real Managers with Real Track Records

Dynamic Opportunity Fund

Kettle Hill Capital Management Overview

Kettle Hill Capital Management is an employee-owned investment firm established in 2003. Kettle Hill has managed a U.S.-focused equity long/short small-cap strategy using a consistent investment discipline since the firm's inception. The team seeks to generate alpha by employing a bottom-up fundamental investment philosophy with a top-down overlay, to identify asymmetric risk/reward opportunities primarily in the relatively inefficient small-cap segment of the market. Risk controls are employed to help prevent loss of capital.

About Kettle Hill:

- A New York-based investment manager that is a small-cap equity long/short specialist
- Targets strong, risk-adjusted returns over an investment cycle, while focusing on capital preservation and downside volatility
- Manages approximately \$620 million (as of 6/30/23)

Firm Established: 2003

Key Professionals:

Andrew Y. Kurita, CFA **Portfolio Manager/Founder**

Mr. Kurita is the founder of Kettle Hill Capital Management, LLC and has served as the Portfolio Manager since its inception in 2003. Previously, he was a Vice President at Andor Capital Management, in 2002. From 1996 until 2001, he worked at Cramer Rosenthal McGlynn, LLC, where he was a Vice President and Analyst on the hedge fund and small-cap value products. Mr. Kurita is a CFA® charterholder with more than 20 years of small-cap and hedge fund investing experience.

Investment Team:

The investment team consists of four analysts supporting Mr. Kurita. Additionally, the team conducts proprietary survey work to help provide insight to their investment research.

The Kettle Hill Difference

Investment Approach

- Gross and net exposure and individual position sizes are dynamically managed based on market view and overall risk/reward
- Historically low net exposure – generally targeting 20-40% net long exposure, though this will vary depending on market conditions
- Conducts deep, fundamental due diligence to identify companies with asymmetric risk/reward of 50% upside potential, with 10% downside risk based on the team's valuation assessment and fundamental analysis
- Strict risk controls seek to preserve capital, including a 20% stop-loss for individual securities and a 5% portfolio-level stop-loss which triggers a reduction in market exposure
- Typically 55 – 80 positions



Millrace Asset Group Overview

Millrace Asset Group is an employee-owned investment firm established in 2001. Since 2002, Millrace has managed a U.S.-focused long/short equity strategy that employs a bottom-up fundamental investment philosophy. The team focuses on identifying high growth businesses in the relatively inefficient micro- to small-cap segment of the market. A disciplined risk management process is used to help prevent loss of capital and mitigate downside volatility.

About Millrace:

- A Pennsylvania-based investment manager that is a micro- to small-cap growth equity long/short specialist
- Seeks to compound capital at long-term equity rates over the course of a market cycle with significantly less volatility
- Manages approximately \$184 million (as of 6/30/23)

Firm Established: 2001

Key Professionals: **Bill Kitchel**
Portfolio Manager/Co-Founder

Bill Kitchel is a co-founder of Millrace Asset Group and has served as Portfolio Manager since its inception in 2001. Previously, Bill held roles as an Analyst and/or Portfolio Manager across various firms since he began his investment career in 1983.

Whit Maroney
Portfolio Manager/Co-Founder

Whit Maroney is a co-founder of Millrace Asset Group and has served as Portfolio Manager since its inception in 2001. Previously, Whit held roles as an Analyst, Portfolio Manager, and Managing Director across various firms since he began his investment career in 1991.

Investment Team:

The investment team consists of two Research Analyst/Portfolio Managers in addition to Bill and Whit. The four of them support the strategy with their research, analysis, and risk management expertise.

The Millrace Difference

Investment Approach

- Variable net exposure, generally targeting 30-70% net long, with a long/short ratio typically within the 2x-4x range
- Conducts deep, fundamental due diligence to identify companies with asymmetric risk/reward and an expected return of at least 30% in a short time horizon
- Opportunistic, catalyst-driven approach that emphasizes growth sectors of the economy
- Strict risk controls seek to preserve capital, including a rolling 20% loss alert for individual securities
- Typically 70 – 130 positions



Seeking to Build a Better Portfolio with Complementary Managers

At LoCorr Funds, we are focused on partnering with great managers who provide innovative investment processes, robust buy and sell disciplines, targeted research, and impressive industry experience. As a result, these managers help us bring carefully crafted low-correlating products to market. We call that hiring “Real Managers with Real Track Records”.

Kettle Hill

- Small-cap equity long/short specialist
- Focuses on capital preservation and downside volatility
- Seeks to generate alpha by employing a bottom-up fundamental investment philosophy
- Top-down and thematic overlay
- Risk controls employed seeking to help prevent permanent loss of capital
- Manager founded in 2003

Millrace

- Micro- to small-cap equity long/short specialist
- Emphasizes growth sectors of the economy
- Employs a bottom-up fundamental investment approach
- Focus on capital preservation and reducing downside volatility
- Attempt to recognize key changes prior to other investors
- Manager founded in 2001

Dynamic Opportunity

Exposure to different investment styles and various markets provides the ability for:

- Lower volatility
- Increased returns
- More consistent returns
- Reduced correlation
- Added downside risk mitigation



Kettle Hill + Millrace = LoCorr Dynamic Opportunity Fund

To learn more about how LoCorr can help you reach your investment goals, contact us at **888-628-2887** or visit us at www.LoCorrFunds.com.

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 Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual stock volatility than a diversified fund. The Fund invests 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 Fund may make short sales of securities, which involves the risk that losses may exceed the original amount invested. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investments in small- and medium-capitalization companies involve additional risks such as limited liquidity and greater volatility. Investments in lower-rated and non-rated securities 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.

Diversification does not assure a profit nor protect against loss in a declining market. Correlation measures how much the returns of two investments move together over time. Alpha - measures the difference between an actual return for a stock or a portfolio and its equilibrium expected return.

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