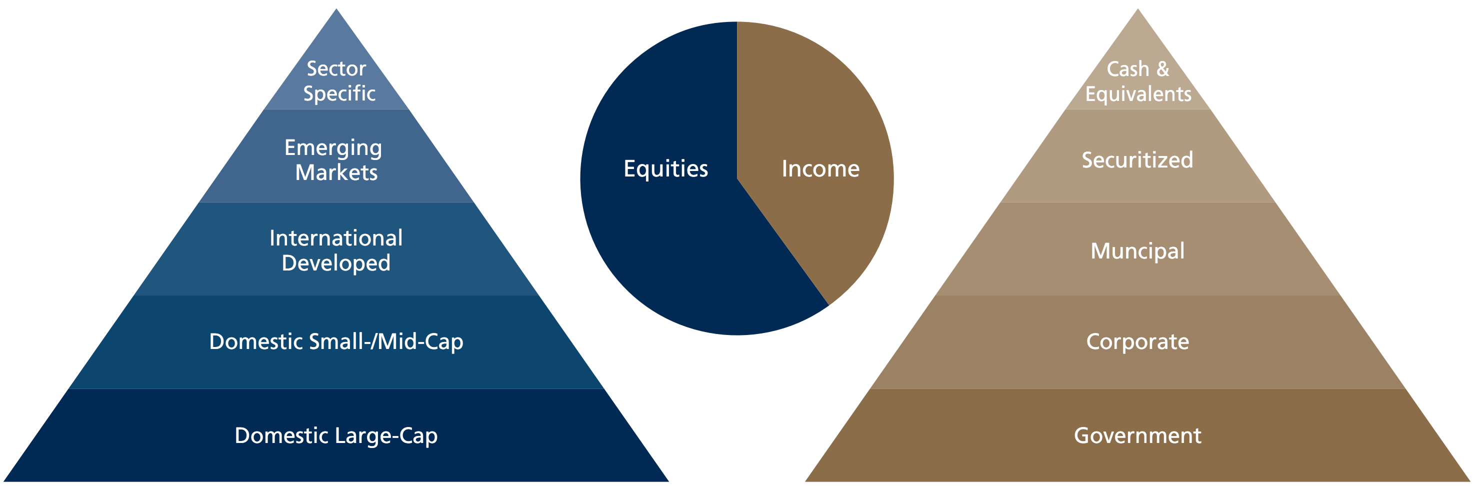
Building a Modern Portfolio

LoCORR FUNDS

For years, most investors have developed two-dimensional portfolios using only stocks and bonds. However, the investment landscape has changed and individual investors now have access to a third dimension of strategies that have been used by institutional investors for decades.

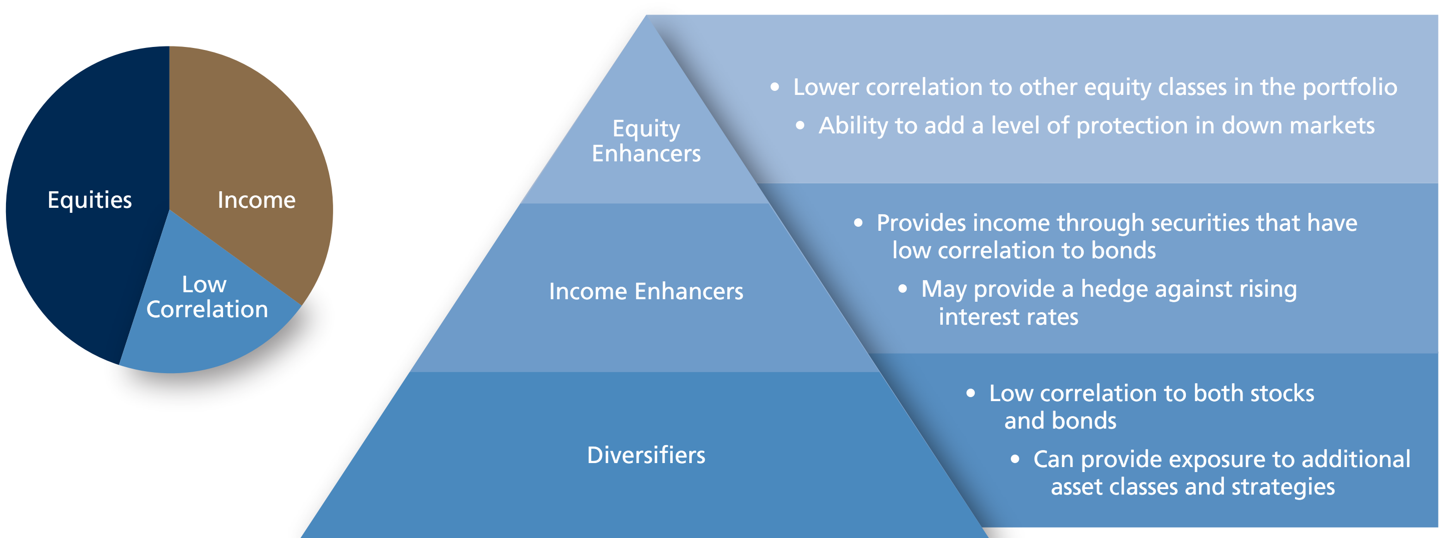
The Legacy Two-Dimensional Portfolio

Many investors still have exposure only to stocks and bonds. While these portfolios can do well in some market conditions, in times of market declines, correlations between these holdings can rise, and can leave investors exposed to downside risk.



The Modern Three-Dimensional Portfolio

For years, sophisticated investors, including institutions and large endowments have moved a large percentage of their portfolios to strategies with low correlations to stocks and bonds. These strategies can help to not only manage the risk of a portfolio, but also potentially improve overall returns.



Five Recommendations for Adding Low-Correlated Investments

Choose Strategies based on your needs	Various strategies and assets can play different roles in a portfolio and have unique benefits. It is important to understand the correlations throughout your portfolio to identify where you are overexposed.
Take a Long-Term Perspective	Low-correlated strategies are designed to help manage portfolio risk and generate returns over time and through various market cycles. They are largely designed for long-term investment horizons.
Look at Manager Track Records	Manager qualifications and experience are extremely important when making an investment decision. Look for managers who are focused experts in a particular strategy and who have demonstrated performance over a variety of market conditions.
Diversify Strategies and Managers	Just as an investor's equity and income components contain different investments, so too should the low-correlation portion of their portfolio. Investing in different strategies as well as multi-manager funds can help accomplish this.
Understand Performance	By having low-correlation to stocks, bonds or both, these strategies by definition, have return streams that are unique. For example, if the S&P 500 Index rises 1% on a given day, a strategy with zero correlation to stocks could be up, down or flat.

Past performance does not guarantee future results. One cannot invest directly into an index.

S&P 500 TR 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.

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. Non-diversified investments may concentrate assets in fewer individual holdings than diversified investments. Therefore, the investments are more exposed to individual stock volatility than diversified funds. 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. The Funds may invest in derivative securities, which 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. 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 Funds. As a result, the cost of investing in the Funds 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 or protect against loss in a declining market. Correlation measures how much the returns of two investments move together over time.

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