Potential Benefits of Diversifying Income Portfolios

In today's market, the search for yield and income is more challenging than ever. With treasuries, corporate bonds, and bank products yields low, the tools investors used in the past to generate income may no longer be effective. The question is, where can investors go to find income in today's environment?

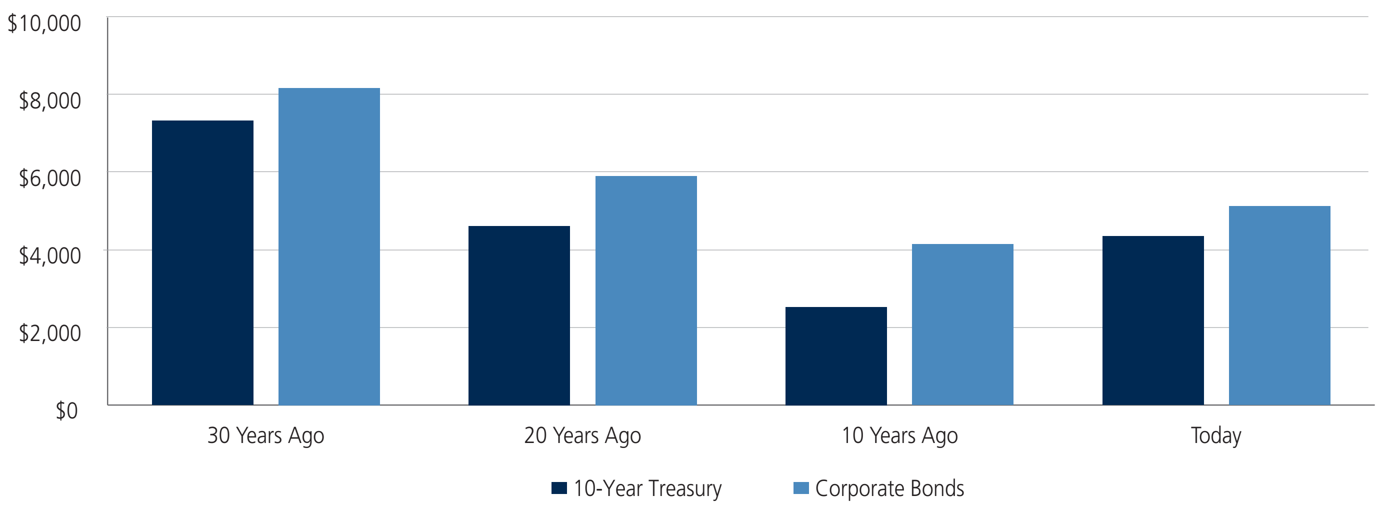
The History of Treasury Yields (January 1, 1962 - June 30, 2024)

Source: FRED Economic Data

Past performance is not a guarantee of future results. The referenced indices are shown for general market comparisons and are not meant to represent the Funds.

Annual Income Over Time

In analyzing the income generated by certain income-oriented strategies over time, we can see the effect of the current low-yielding market. The graph below illustrates the historical annual income from a hypothetical $100,000 bond investment at various points in time.

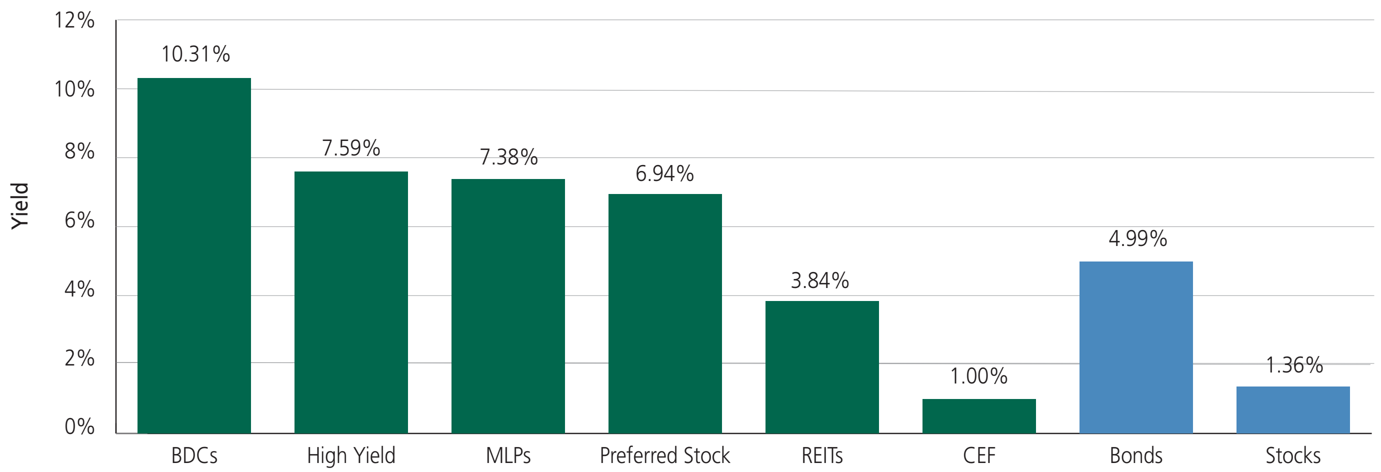


Above graph illustrates the performance of hypothetical $100,000 investments made 06/01/1994, 06/01/2004, 06/01/2014, and 06/01/2024. Rates for above time periods: 10-year Treasury 7.34%, 4.62%, 2.53%, and 4.36% respectively and Corporate bonds (represented by Moody's Seasoned Aaa Corporate Bond Yield©) 8.18%, 5.91%, 4.15%, and 5.13% respectively. All scenarios assume distribution of income without reinvestment, and do not reflect the effect of any applicable sales charges or redemption fees. This graph is not intended to imply any future performance and represents past performance.

Beyond the Bond

Given today's interest rate environment, pass-through securities have become more attractive as investors focus on income-oriented investments. The current yields in these sectors are significantly higher than those of traditional investments such as stocks and bonds, and we believe they can provide a dynamic complement to an income portfolio.

Income Sector Yields vs. Traditional Investments (Last twelve months as of 6/30/24)



Bonds are represented by the Bloomberg U.S. Aggregate Bond Index . Stocks are represented by the S&P 500 Index. REITS are represented by the MSCI US REIT Index. MLPs are represented by the Alerian MLP Index. Business Development Companies (BDCs) are represented by the S&P BDC Index. Closed-End Funds (CEFs) are represented by the S-Network Closed End Fund Index. Preferred stocks are represented by the ICE BofAML Core Fixed Rate Preferred Index. High Yields are represented by the ICE BofAML US High Yield Master II Index. One cannot invest directly in an index.

Closed-end funds are closed to new investors. Closed-end funds do not trade at their NAVs. Instead, their share prices are based on the supply of and demand for their funds. Consequently, closed-end funds can trade at premiums or discounts to their NAVs. BDCs being regulated investment companies, they must distribute over 90% of their profits to shareholders. BDC holdings may be invested in illiquid securities subjective to fair value estimates and may take sudden and quick losses. MLPs issue units instead of shares. These units are often traded on nationals stock exchanges. Unit holders are limited partners in the MLP. They are allocated a share of the MLP's income, deductions, losses and credits on a K-1 tax form. This may complicate tax filings for some investors. Preferred stock is a type of stock which may have any combination of features not possessed by common stock including properties of both an equity and a debt instrument, and is generally considered a hybrid instrument. Preferred stocks are higher ranking to common stock, but subordinate to bonds in terms of claim and may have priority over common stock in the payment of dividends and upon liquidation. The REIT market is smaller than the broader equity and bond markets and often trades with less liquidity than these markets depending upon the size of the individual issue and the demand of these securities. Tax features of a bond, stock or REIT may vary based on individual circumstances. REITs may have lower trading volumes and may be subject to more abrupt or erratic price movements than the overall securities markets. Stocks are generally perceived to have more financial risk than bonds in that bond holders have a claim on firm operations or assets that is senior to that of equity holders. In addition, stock prices are generally more volatile than bond prices. A stock may trade with more or less liquidity than a bond depending on the number of shares and bonds outstanding, the size of the company, and the demand for the securities.

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. **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. **MSCI US REIT Index** is a free float market capitalization weighted index that is comprised of Equity REITs securities that belong to the MSCI US Investable Market 2500 Index. **Alerian MLP Index** is a market-cap weighted, float-adjusted index created to provide a comprehensive benchmark for investors to track the performance of the energy MLP sector. **S-Network Composite Closed-End Fund Index** is a rules-based index intended to give investors a means of tracking the overall performance of a global universe of U.S.-listed closed-end funds. CEFX is reconstructed on a quarterly basis from a universe of approximately 350 closed-end funds. **ICE BofAML Core Fixed Rate Preferred Securities Index** tracks the performance of fixed-rate US dollar denominated preferred securities issued in the US domestic market. This index is comprised of 100% retail securities and does not require securities to be investment-grade rated. **ICE BofAML US High Yield Master II Index** tracks the performance of US dollar denominated below investment grade rated corporate debt publically issued in the US domestic market. **S&P BDC Index** is designed to track leading business development companies that trade on major U.S. exchanges. One cannot invest directly in an index. **Moody's Seasoned Aaa Corporate Bond Yield** measures the yield on corporate bonds that are rated Aaa. **U.S. 10-Year Treasury** is a debt obligation issued by the United States government that matures in 10 years.

Past performance is not a guarantee of future results. The referenced indices are shown for general market comparisons and are not meant to represent the Fund. Current standardized performance for the Fund can be obtained by calling 1.855.8637 or by visiting www.LoCorrFunds.com

The Fund's investment objectives, risks, charges, and expenses must be considered carefully before investing. The statutory 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 investment volatility than a diversified fund. Investments in Limited Partnerships (including master limited partnerships) involve risks different from those of investing in common stock including risks related to limited control and limited rights to vote on matters affecting the Limited Partnership, risks related to potential conflicts of interest between the Limited Partnership and the Limited Partnership's general partner, cash flow risks, dilution risks and risks related to the general partner's limited call right. Liquidity risk exists when particular investments of the Fund would be difficult to purchase or sell, possibly preventing the Fund from selling such illiquid securities at an advantageous time or price, or possibly requiring the Fund to dispose of other investments at unfavorable times or prices in order to satisfy its obligations. Investments in lower-rated and non-rated securities presents a greater risk of loss to principal and interest than higher-rated securities.

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

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