

Spectrum Income Fund

December 31, 2022

Fourth Quarter Commentary

Market Commentary

Despite a weak December, stocks generally logged modest gains in the fourth quarter to bring an end to a tumultuous year for global markets. This relief was correlated with apparent peaks in the U.S. dollar and Treasury yields, which occurred roughly at the close of the prior quarter. Inflation and interest rates continue to be the chief concerns for market participants and will likely remain so going forward. While inflation seems to have peaked, it continues to be at a level far above the Fed's 2% target and has required draconian action by the Fed to get inflation readings (albeit backward looking) to move down from peak levels. It remains to be seen what effects these measures will have on growth, whether they will cause a recession, and how deep that potential recession could be.

After announcing its fourth consecutive 75 basis point hike in November, the Fed dialed back its pace of hikes and "only" raised rates by 50 basis points at its December meeting,

placing the target federal funds range at 4.25% - 4.50%. While markets initially celebrated this, commentary from the Fed indicated that they are still committed to taming inflation at the expense of growth and that the terminal policy rate could be higher than markets may be expecting. Both corporate earnings and unemployment numbers have remained resilient in the face of recent rate hikes. The U.S. jobs market also added 261,000 and 263,000 new jobs in October and November, respectively, marking the 23rd month in a row of job gains. Despite continued tightening, the U.S. dollar weakened over -7% against a basket of global currencies in the fourth quarter, and the Treasury yield curve, as measured by the 2/10-year yield spread, continued to invert through the quarter.

Portfolio Commentary

Spectrum Income Class I share (the "Fund") was up 1.35%

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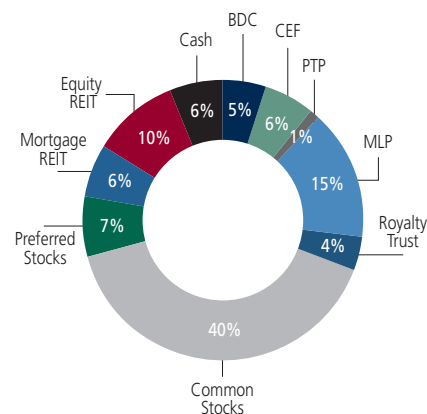
Average Annual Total Returns

As of December 31, 2022

	4Q22	YTD	1-Year	3-Year	5-Year	Since Incept.*
Class A - LSPAX	1.28%	-11.31%	-11.31%	1.53%	2.60%	1.06%
Class A - LSPAX (Load)	-4.49%	-16.46%	-16.46%	-0.46%	1.39%	0.39%
Class C - LSPCX	1.24%	-11.83%	-11.83%	0.76%	1.86%	0.30%
Class C - LSPCX (Load)	0.24%	-11.83%	-11.83%	0.76%	1.86%	0.30%
Class I - LSPIX	1.35%	-10.99%	-10.99%	1.76%	2.87%	1.32%
BBg US Agg Bond Index	1.87%	-13.01%	-13.01%	-2.71%	0.02%	1.40%

Spectrum Income Fund Sector Allocation

As of December 31, 2022 (Subject To Change)



*January 1, 2014. The Fund's total annual fund operation expenses are 3.68% for Class A; 4.43% for Class C; and 3.43% for Class I. The Fund's expense cap is 2.05% (A), 2.80% (C), 1.80% (I), net of contractual waiver through April 30, 2023.

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Short term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns. Performance data current to the most recent month end may be obtained by calling 888.628.2887. The Fund imposes a 2.00% redemption fee on shares redeemed within 60 days. Investment performance reflects fee waivers in effect. In the absence of such waivers, total return would be reduced. Performance data shown with load for Class A shares reflects a 5.75% sales load and for Class C shares reflects a 1.00% CDSC. Performance data shown without the load does not reflect the current maximum sales charges for Class A shares (up to 5.75% front-end) and Class C shares (1.00% CDSC). Had the sales charge been included, the Fund's returns would be lower. Performance data for the Class A Shares does not reflect the 1.00% CDSC, which only applies to certain no-load transactions of \$1 million or greater.

Commentary continued.

during the quarter, modestly underperforming the Bloomberg U.S. Aggregate Bond Index which closed the quarter up 1.87%. In the fourth quarter, Bramshill (the Fund's sub-adviser) has continued to favor defensive allocations which have minimal cash flow risk in a slowing economy, as well as select commodity-related holdings. Energy, for example, is not a stereotypical defensive holding but the impact of the war in Ukraine, as well as the sympathetic policy of OPEC+, has significantly reduced the global energy supply relative even to a slowing economy. During the quarter, Bramshill reduced holdings in spread lending structures that rely on short-term borrowing, primarily mortgage REITs, and bought preferred equities, which had sold off with the Treasury yield backup, essentially moving up the cap structure. They also sold non-LNG shippers in anticipation of a global showdown in trade, and initiated positions in several domestic energy royalty trusts.

The Fund's top performer in the fourth quarter was AES Corporation (0.00% of the Fund as of 12/31/22), a utility and power generation C-Corp, which reported solid earnings and

was upgraded by several sell-side analysts. Next was AT&T (1.83% of the Fund as of 12/31/22), a telecommunications holding company, which had a lackluster third quarter, but then rallied on better-than-expected earnings. This was followed by Kraft Heinz (1.81% of the Fund as of 12/31/22), a multi-national food C-Corp, which benefited from a strong environment for Consumer Staples and the market recognizing its low valuation relative to its peers.

The top detractor during the quarter was Algonquin Power (0.00% of the Fund as of 12/31/22), a utility and power generation C-Corp, which reported less than stellar earnings and suffered several sell-side downgrades before Bramshill sold the position. Also detracting from returns in the fourth quarter was Brookfield Renewable Partners (1.24% of the Fund as of 12/31/22), a publicly traded partnership, which announced an acquisition that temporarily weighed on the stock. Lastly, CVR Partners (1.46% of the Fund as of 12/31/22), a nitrogen fertilizer manufacturer, which sold off as global fertilizer prices declined.

Fund holdings and sector allocations are subject to change at any time and should not be considered a recommendation to buy or sell any security. Opinions expressed are subject to change at any time, are not guaranteed, and should not be considered investment advice. **Diversification is no guarantee of future returns.**

Basis Point is a unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security. **Bloomberg U.S. Aggregate Bond Index** is the most common index used to track the performance of investment grade bonds in the United States. One cannot invest directly in an index. **The Organization of the Petroleum Exporting Countries (OPEC)** is a group of 13 of the world's major oil-exporting nations that aim to regulate the supply of oil in order to set the price on the world market.

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 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. 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 presents a greater risk of loss to principal and interest than higher-rated securities. The Fund's portfolio will be significantly impacted by the performance of the real estate market generally, and the Fund may be exposed to greater risk and experience higher volatility than would a more economically diversified portfolio. Property values may fall due to increasing vacancies or declining rents resulting from economic, legal, cultural, or technological developments. 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. Underlying Funds are subject to management and other expenses, which will be indirectly paid by the Fund. Investments in Real Estate Investment Trusts (REITs) involve additional risks such as declines in the value of real estate and increased susceptibility to adverse economic or regulatory developments.

Bramshill is the sub-adviser for the LoCorr Spectrum Income Fund.

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