

# HEDGED INCOME SLEEVE | MAY 2025

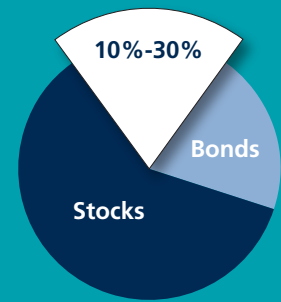
## May 2025 Overview from LoCorr Funds Research

The month of May was marked by a rotation back into risk assets as the S&P 500 Index rallied over +6%, carrying the Index into positive territory on the year. The tariff-related selloff that occurred in April was reversed by news that the U.S. and China agreed to a 90-day tariff pause. Debt sustainability, however, was brought into question as the U.S. sovereign rating was lowered by Moody's. This caused yields to rise and bond prices to sell off as the Bloomberg U.S. Aggregate Bond Index dropped -0.72%. Outside of traditional asset classes, commodities were mixed as energy products and metals rose while agricultural commodities fell. The U.S. Dollar declined slightly against a basket of major foreign currencies as investors continued to weigh the impact of tariffs.

## Hedged Income Sleeve Highlights

The LoCorr **Hedged Income** sleeve (*equal weighting of Macro Strategies, Long/Short Commodities Strategy and Spectrum Income Funds, rebalanced monthly*), was up in May. We believe this blend of funds, which have historically complemented each other, is well-positioned to deliver meaningful diversification, income, and a buffer against inflation. The sleeve can take long and short positions in commodities, real assets, and commodity-linked securities, which have the ability to benefit from higher prices while striving to maintain the strategy's distribution rate and help manage downside risk during risk-off periods.

## Low-Correlating Sleeve Allocation



The addition of a **low-correlating sleeve** provides the potential for a return stream independent of equities and fixed income and a more balanced portfolio. The **Hedged Income Sleeve** has a long-term track record of delivering positive returns.

## Performance Summary | As of May 31, 2025

	As of May 31, 2025						Since Common Inception <sup>1</sup>				As of March 31, 2025		
	Monthly	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception	Correlation to BBg Agg	Correlation to S&P 500	Beta to S&P 500	1-Year	5-Year	10-Year
<b>LoCorr Hedged Income Sleeve</b> (LFMIX 33 / LCSIX 33 / LSPIX 33)	0.05%	0.30%	-3.20%	-0.87%	4.77%	4.05%	4.83%	0.16	0.55	0.24	1.11%	6.68%	4.21%
BBg U.S. Aggregate Bond Index	-0.72%	2.45%	5.46%	1.49%	-0.90%	1.49%	1.91%	1.00	0.35	0.11	4.88%	-0.40%	1.46%
Macro Strategies (LFMIX)	-0.65%	-1.92%	-4.93%	-0.21%	3.41%	3.64%	4.66%	-0.19	-0.01	-0.01	-0.43%	4.34%	3.44%
L/S Commodities Strategy (LCSIX)	-0.91%	0.34%	-8.95%	-3.53%	1.13%	4.68%	6.29%	0.05	-0.15	-0.08	-5.94%	1.28%	5.03%
Spectrum Income (LSPIX)	1.72%	2.38%	4.37%	0.39%	9.15%	2.35%	2.21%	0.27	0.76	0.81	9.84%	13.88%	2.68%

The pie chart above represents an allocation of 10-30% away from stocks and bonds to low-correlating assets. **Performance since individual Fund inceptions through 5/31/25, LFMIX (3/24/11) 2.42%, LCSIX (12/31/11) 3.30%, LSPIX (12/31/13) 2.21%.** <sup>1</sup>Since common inception 1/1/14. Returns are annualized for periods greater than one year. 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. Performance data current to the most recent month end may be obtained by calling 888.628.2887. Investment performance reflects contractual fee waivers in effect. In the absence of such waivers, total return would be reduced. LoCorr Fund Management has contractually agreed to reduce its fees and/or absorb expenses of its Funds, until at least April 30, 2026. Gross expense ratios; LFMIX 1.88%, LCSIX 2.12%, LSPIX 3.64%. Performance as of 5/31/25, S&P 500 Total Return Index: 13.52% 1-Year, 15.94% 5-Year, 11.06% since inception. Source: Morningstar and LoCorr Funds

## Calendar Year Returns

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>LoCorr Hedged Income Sleeve</b> (LFMIX 33 / LCSIX 33 / LSPIX 33)	2.35%	-2.36%	3.32%	11.92%	6.71%	8.33%	0.56%	4.55%	3.81%	6.11%	10.48%
BBg U.S. Aggregate Bond Index	1.25%	5.53%	-13.01%	-1.54%	7.51%	8.72%	0.01%	3.54%	2.65%	0.55%	5.97%
LoCorr Macro Strategies (LFMIX)	6.70%	-6.58%	15.40%	0.08%	5.70%	12.72%	-5.08%	2.96%	6.69%	3.72%	15.56%
LoCorr L/S Commodities Strategy (LCSIX)	-8.34%	-3.07%	6.06%	14.82%	9.91%	-5.97%	15.40%	6.19%	-2.67%	22.61%	22.36%
LoCorr Spectrum Income (LSPIX)	9.13%	2.02%	-10.99%	21.53%	-2.60%	18.74%	-7.91%	3.85%	6.85%	-7.10%	-5.23%

Performance data quoted represents past performance; past performance does not guarantee future results.

## May 2025 Review - Hedged Income Sleeve

### 3- and 5-Year Rolling Returns | 1/1/2017 - 5/31/2025

	3-Year Average	3-Year Maximum	3-Year Minimum	5-Year Average	5-Year Maximum	5-Year Minimum
<b>LoCorr Hedged Income Sleeve</b> (LFMIX 33 / LCSIX 33 / LSPIX 33)	4.92%	11.16%	-2.16%	5.23%	7.85%	0.66%
BBg U.S. Aggregate Bond Index	1.22%	6.25%	-5.91%	1.85%	4.55%	-1.09%

Returns are annualized for periods greater than one year. Performance data quoted represents past performance; past performance does not guarantee future results.

### 5-Year Rolling Returns | As of May 31, 2025



### Help further diversify your portfolio with a sleeve of alternative investments that seeks to provide:

- Low correlation to traditional investments
- Reduced risk in portfolios
- Profit in both up and down markets
- Enhanced returns
- A buffer against inflation

*Each Funds investment objectives, risks, charges, and expenses must be considered carefully before investing. The summary and statutory prospectuses contain this and other important information about the investment company, and it may be obtained by calling 1.855.LCFUNDS, or visiting [www.LoCorrFunds.com](http://www.LoCorrFunds.com). Read it carefully before investing.*

Mutual fund investing involves risk. Principal loss is possible. The Funds invests in foreign investments which involve greater volatility and political, economic and currency risks and differences in accounting methods. 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. 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. Derivative contracts ordinarily have leverage inherent in their terms which can magnify the Fund's potential for gains or losses through increased long and short position exposure. The Funds may access derivatives via a swap agreement. A risk of a swap agreement is the risk that the counterparty to the agreement will default on its obligation to pay the Funds. The Fund will incur a loss as a result of a short position if the price of the short position instrument increases in value between the date of the short position sale and the date on which an offsetting position is

purchased. Investments in lower-rated and nonrated securities presents a greater risk of loss to principal and interest than higher rated securities. Underlying Funds are subject to management and other expenses, which will be indirectly paid by the Fund. 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. Small and mid-sized companies may have limited product lines, markets or financial resources, and they may be dependent on a limited management group. There is no assurance that any hedging strategies utilized by the Fund will successfully provide a hedge to the portfolio's holdings which could negatively impact Fund performance.

**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. 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 that have at least one year to maturity. This index includes net dividends. S&P 500 Total Return Index, is a stock market index tracking the stock performance of 500 large companies listed on stock exchanges in the United States. Beta measures the sensitivity of a stock's return relative to the return of a selected market index. When beta is greater than one, it means a stock will rise or fall more than the market.

The performance of various indices is shown for comparison purposes only. The performance of those indices 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. One cannot invest directly into an index.

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