

Spectrum Income Fund

March 31, 2025

First Quarter Commentary

Market Commentary

The first quarter of 2025 witnessed significant developments and trends in the U.S. stock and bond markets, driven by a mix of economic policies, investor sentiment shifts, and global factors. The U.S. stock market began 2025 on a high note, continuing the bull market from the previous year. However, this optimism was short-lived as policy uncertainties, particularly around tariffs introduced by President Donald Trump, began to weigh heavily on investor sentiment.

By late February, the market experienced a sharp correction, with major indices falling into "correction territory," defined as a decline of 10% or more from a recent high. Growth stocks, which had been the darlings of 2024, saw significant declines. The technology sector was hit hard, with the "Magnificent 7" tech stocks accounting for the entire loss in the S&P 500 for the quarter, which amounted to -4.28%. This sector rotation saw investors moving away from high-growth tech stocks towards value stocks and sectors like basic materials, healthcare, and energy, which performed relatively well.

In contrast to the stock market, the bond market had a strong first quarter. Concerns about economic growth and policy uncertainties led to a "flight to quality," with investors seeking the relative safety of high-quality bonds. The yield on the 10-year U.S. Treasury bond dropped from 4.57% to 4.21%, boosting bond prices.

One of the notable trends in Q1 2025 was the strong performance of non-U.S. equities. The MSCI EAFE Index, which tracks stocks in Europe, Australasia, and the Far East, rose by +8.1% through March. This performance was driven by robust economic policies in Europe and Japan,

particularly Germany's increased investment in energy independence and defense in response to global instability.

Significant Developments

The first quarter of 2025 was marked by significant policy events and Federal Reserve ("Fed") actions that had profound impacts on the U.S. stock and bond markets. These developments were primarily driven by economic uncertainties and shifts in fiscal policies under President Trump's administration.

The Federal Reserve decided to leave interest rates unchanged throughout the first quarter, maintaining the federal funds rate at approximately 4.5%. This decision was influenced by rising economic uncertainties, particularly due to this administration's tariff policies. The Fed's stance was aimed at providing stability amidst these uncertainties, although it acknowledged the growing risks to economic growth and inflation. In its March meeting, the Federal Reserve lowered its forecast for GDP growth for the year from 2.1% to 1.7%. This adjustment reflected concerns about the potential negative impacts of tariffs and other policy measures on economic activity. Additionally, the Fed projected that inflation could rise to around 3%, up from its previous estimate of 2%, partly due to the tariffs. These projections contributed to increased market volatility, as investors reassessed their expectations for economic performance and monetary policy.

President Trump's administration introduced new tariffs early in the year, which created significant uncertainty in the markets. These tariffs were aimed at protecting domestic industries but raised concerns about potential

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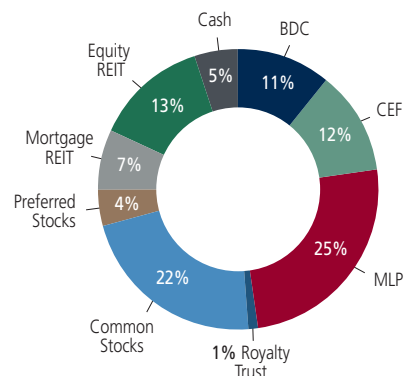
Performance Summary

As of March 31, 2025

	1Q25	YTD	1-Year	5-Year	10-Year	Since Incept.*
Class A - LSPAX	5.12%	5.12%	9.66%	13.59%	2.42%	2.22%
Class A - LSPAX (w/load)	-0.95%	-0.95%	3.28%	12.24%	1.82%	1.68%
Class C - LSPCX	5.01%	5.01%	8.80%	12.76%	1.64%	1.45%
Class C - LSPCX (w/load)	4.01%	4.01%	8.80%	12.76%	1.64%	1.45%
Class I - LSPIX	5.22%	5.22%	9.84%	13.88%	2.68%	2.49%
BBg Aggregate Bond Index	2.78%	2.78%	4.88%	-0.40%	1.46%	1.97%

Spectrum Income Fund Sector Allocation

As of March 31, 2025 (Subject To Change)



*January 1, 2014. The Fund's total annual fund operation expenses are 3.16% for Class A; 3.91% for Class C; and 2.91% 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, 2026.

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 contractual 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. Performance figures one year and greater are annualized.

Commentary continued.

retaliatory measures from trading partners and the overall impact on global trade. The uncertainty surrounding these policies led to increased market volatility, with stocks experiencing sharp corrections and bond yields fluctuating. The bond market responded strongly to the economic uncertainties and policy shifts. Investors sought the relative safety of bonds, leading to increased bond purchases. In late March, the President deferred some of the planned tariffs while announcing that a major updated version of the tariff program would be announced on April 2nd.

The Fund's sub-adviser, Bramshill, has no special insight into how this process will evolve. However, they enter Q2 with both a fundamental and a tactical strategy. Fundamentally, Bramshill expects U.S. economic growth to slow while being subjected to some degree of inflationary pressures from a weaker dollar. Bramshill believes their basic portfolio holdings are well suited to such an environment, as they provide non-discretionary products and services such as energy, real estate, and credit and are largely involved in hard assets. Additionally, they provide steady income based on stable cash flows. Tactically, while sustaining cash distributions, Bramshill expects to be more aggressive than usual in the use of derivatives to hedge against extremes of volatility in the portfolio while being alert to opportunities to add attractive holdings which may be seriously undervalued.

Portfolio Commentary

Spectrum Income Fund, I Share (the "Fund") was up +5.22% during the quarter, outperforming the Bloomberg U.S. Aggregate Bond Index which was up +2.78%. In Q1, Master Limited Partnerships (MLPs), as measured

by the Alerian MLP Index, rose +12.58%; Equity Real Estate Investment Trusts ("REITs"), as measured by the MSCI U.S. IMI Real Estate 25/50 Index, rose +2.69%; Mortgage REITs (mREITs), as measured by the FTSE Nareit Mortgage REITs Index, rose +6.85%; and Business Development Companies ("BDCs"), as measured by the MVIS U.S. Business Development Companies Index, rose +1.38%.

Portfolio Management Review

The Fund's most profitable position in the quarter was Cheniere Energy Partners (2.55% of the Fund as of 3/31/25), an LNG-related Publicly Traded Partnership, which rallied with natural gas and provided strong forward guidance on their earnings call. Next was Agnico Eagle Mines (0.00% of the Fund as of 3/31/25), a Canadian-based gold producer, which rose with all-time high gold prices and strong operational performance. Also contributing was Plains All American (1.40% of the Fund as of 3/31/25), a midstream MLP, which traded higher after announcing a cap structure simplification, accretive bolt-on acquisitions and a distribution boost.

The top detractor in Q1 was Digital Realty Trust (1.70% of the Fund as of 3/31/25), a data center REIT, which sold off with the DeepSeek news which called into question the amount of Capex needed for AI buildout. Also detracting from returns in the first quarter was Iron Mountain (1.82% of the Fund as of 3/31/25), an information management services REIT, which fell on concerns of Federal exposure with potential DOGE cuts, despite increasing its distribution. Lastly, Brandywine Realty Trust (0.86% of the Fund as of 3/31/25), an office REIT, which traded lower after releasing tepid forward guidance.

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

MSCI EAFE Index was designed to measure the equity market performance of developed markets outside of the U.S. & Canada. **S&P 500 Total Return 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. **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. **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. **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. **FTSE NAREIT US Real Estate Index** is designed to present investors with a comprehensive family of REIT performance indexes that span the commercial real estate space across the US economy, offering exposure to all investment and property sectors. In addition, the more narrowly focused property sector and sub-sector indexes provide the facility to concentrate commercial real estate exposure in more selected markets. **MSCI US IMI Real Estate 25/50 Index** is designed to capture the large, mid and small cap segments of the U.S. equity universe. All securities in the index are classified in the Real Estate sector according to the Global Industry Classification Standard. **MVIS US Business Development Companies Index** tracks the performance of the largest and most liquid Business Development Companies that are listed and incorporated in the United States. Sector Key: Business Development Companies (BDC), Closed-End Fund (CEF), Master Limited Partnerships (MLP), Publicly Traded Partnerships (PTP), Real Estate Investment Trusts (REIT), Preferred Stocks (PFD).

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 which involve greater volatility and political, economic and currency risks and differences in accounting methods. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. 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 Fund 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 Fund. Investments in lower-rated and nonrated 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. 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.

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

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