

Strategic Allocation Fund

March 31, 2025

First Quarter Commentary

Market Commentary

The inauguration of President Trump in the beginning of the first quarter was quickly followed with a multitude of executive orders and talks about tariffs. The market reaction was positive initially as equity markets, as measured by the S&P 500 Index, rallied +2.78% in January, despite a selloff in mega cap technology stocks later in the month on a report from China's DeepSeek regarding significantly cheaper AI models. February was marked by tariff announcements and weaker-than-expected economic news and signaled the beginning of a selloff in global equities. In March, tariff talks grew more serious, markets reacted very strongly, and the selloff in equities was amplified.

The U.S. jobs market showed mixed signals once again in Q1. January and February non-farm payrolls came in lower than expected, but March surprised to the upside. The March report showed an increase in non-farm payrolls of 228,000, up from 117,000 in February and well above the 140,000 estimated. The unemployment rate remains quite low, slightly increasing to 4.2% from 4.1% in the previous quarter. While inflation has fallen dramatically from its peak, it still remains stubbornly above the Fed's 2% target. CPI rose +2.8% year-over-year in February,

increasing +0.2% from January, but lower than the +3.0% annual rate posted in January. The Fed's preferred inflation index, the Personal Consumption Expenditures Index (PCE), rose +2.5% year-over-year in February, in line with the +2.5% increase in January, and still above the Fed's 2% target.

The bond market rose as the Bloomberg U.S. Aggregate Bond Index finished the quarter with a +2.78% gain as tariff announcements and trade war fears caused a risk-off move. However, inflationary pressure from the aforementioned tariffs and potential trade war fallout with the U.S. government has seemingly limited the rally in U.S. debt. The 10-year Treasury yield fell approximately -35 bps, finishing the quarter at 4.28%. Globally, the story was different as the 10-year German Bund and the 10-year Japanese Government Bond yields both rose approximately +30 bps and +40 bps, respectively.

U.S. equities declined in the first quarter. The S&P 500 Index was down -4.27%, with most of the losses coming in March. The CBOE Volatility Index, commonly referred to as the market's fear gauge, stayed below 20 for the majority of the quarter until spiking to 27.86 in mid-March due to tariff announcements. The market-cap

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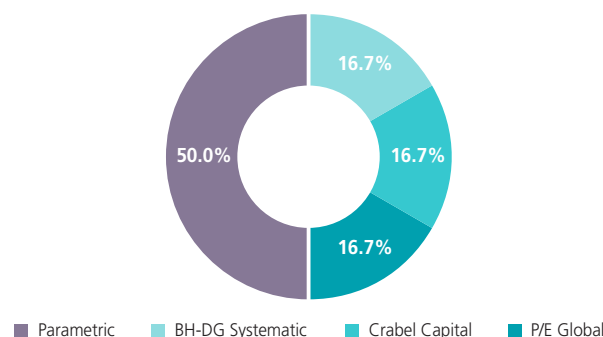
Average Annual Total Returns

As of March 31, 2025

	1-Month	Since Inception ¹
Class A - LSAAX	-3.97%	-5.60%
Class A - LSAAX (Load)	-9.49%	-11.03%
Class I - LSAIX	-3.87%	-5.60%
Barclay CTA Index	-0.15%	-0.37%
ICE BofA 3M U.S. Treasury Note	0.39%	0.98%
SG Trend Index	-2.14%	-5.27%
Bloomberg U.S. Aggregate Bond Index	0.04%	3.23%
S&P 500 TR Index	-5.63%	-4.89%

Target Manager Exposure

As of March 31, 2025 (Subject to Change)



¹As of Fund Inception, January 8, 2025. The Fund's total annual fund operating expenses are 2.03% for Class A; and 1.78% for Class I. Performance data for the Class A Shares does not reflect the CDSC of up to 1%, which only applies to no-load transactions of \$1 million or greater.

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. Performance data current to the most recent month end may be obtained by calling 952.513.8195. 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.

Commentary continued.

skew that has been present in recent years continued this quarter as the Russell 2000 Index underperformed large cap stocks by -5.21%. The S&P 500 Equal Weight Index was down -0.61% in Q1, outperforming the cap-weighted S&P 500 by +3.66%. Global stocks also outperformed the S&P 500 Index during the quarter as the MSCI World Index detracted -1.79%.

The Bloomberg Commodity Index rose significantly in the quarter, gaining +8.88%. The U.S. Dollar ("USD") weakened precipitously in Q1 which propelled most commodities markets in the quarter. The Index finished the quarter with strong gains as tariff headlines created inflationary pressure. Gold reached all-time highs as investors flocked to the safe haven asset. The metal finished up +18.21% in the quarter as measured by the Bloomberg Gold Subindex. Copper and Tin each also rose over +25%. Crude oil, as measured by the Bloomberg WTI Crude Oil Subindex, rose by +2.12%, though has been range-bound for the past two years. Livestock also was also a positive contributor, while the grains sector was the only detractor in the commodity complex.

In currency markets, the USD fell significantly against a basket of major currencies, down -3.94%. The move lower in the greenback can be attributed to the inflationary pressures caused by the tariff announcements coming from the Trump administration.

In the first quarter, value stocks outperformed growth stocks, as the Russell 1000 Value Index rose +2.14% while the Russell 1000 Growth Index fell -9.97%. This type of dispersion was also evident in the S&P 500 Index, with seven out of the eleven sectors ending in the black and five in the red. The largest gains came from the Energy and Health Care sectors, up +10.21% and +6.54%, respectively. The weakest sectors were Consumer Discretionary and Technology, which concluded the quarter down -13.80% and -12.65%, respectively.

Performance Overview

The LoCorr Strategic Allocation Fund (the "Fund") is the latest diversification solution from LoCorr. Launched on January 8, 2025, it combines tax-managed equities and multi-manager futures strategies to deliver a solution for navigating volatile markets. The Fund's Class I shares fell -5.60% in the quarter compared to -4.27% and -4.54% losses for the S&P 500 Index and SG Trend Index, respectively. Overall, the Fund's negative performance during the quarter was driven by its long equity allocation to Parametric and by its systematic macro manager, P/E Global. Overall, the Fund posted losses in equities, fixed income, foreign currency, and commodities. Intentional in the balance to

Parametric's long equity position, the Commodity Trading Advisor allocation posted gains in equities across Asian and U.S. indices.

During the period, the target allocation to each sub-adviser remained constant:

- Parametric Portfolio Associates: 50.00%
- BH-DG Systematic: 16.67%
- Crabel Capital Management: 16.67%
- P/E Global: 16.67%

The USD fell against a basket of foreign currencies in each month during the quarter, with the plurality of losses coming in March. The Fund had been positioned for continued strength in the USD coming off a strong 2024 and 4th quarter, up +7.06% and +7.65%, respectively. The largest FX losses came from short Euro, Swedish Krona, and Swiss Franc positioning, and the Fund ended the period with a short foreign currency vs. a long USD exposure. However, this long dollar position steadily decreased throughout the quarter with the reduction accelerating into quarter end.

The dip in U.S. interest rates was a headwind for the Fund late in the quarter as certain short positions were hurt from the rally in bonds. The largest losses in the U.S. were in the 10-year Bond and 5-year Note. Additionally, short exposure in Europe was a detractor, particularly in the Euro BTP as rates generally rose in the region. Although the Fund experienced losses in short fixed income positions early in the quarter, the losses were mitigated as positioning was reduced prior to the bond rally in late February. The Fund ended the period with an overall short fixed income position, concentrated in European, Asian, and U.S. bonds, while Canada remained long.

Commodity trading was a detractor in the quarter as losses in energy products, grains, and softs were partially offset by gains in precious & base metals and meats markets. Within energy products, the Fund's largest losses were in WTI crude. While falling crude prices hurt performance, losses were mitigated as exposure was reduced throughout the quarter. Long natural gas in the U.S. and Europe was a contributor as prices rose on generally colder-than-expected weather. Gains in metals were concentrated in gold and copper as long positioning benefited from economic uncertainty and potential global trade restrictions. The Fund ended the period with short positions in grains, energy, and softs, while precious and base metals, and livestock were long.

Commentary continued.

Outside of Parametric's strategic long-only allocation to S&P 500 Index stocks, trading in equity indices was a positive contributor in Q1, highlighting the diversification abilities of the Commodity Trading Advisor allocation. The largest gains came from Asian and U.S. equity positioning with modest losses from European, Canadian, and Australian indices. The Fund reduced its long equity posture across the globe during the quarter with the largest reduction in the U.S., flipping short in March, and in Europe, where it maintained its long posture.

The Fund maintained its strategic 50% weighting to Parametric during the quarter. Parametric was successful in delivering the beta exposure desired by the Fund with a low tracking error to the S&P 500. This intentional introduction of equity market beta gives the Fund the potential to capture upward equity movements combined with futures strategies that tend to provide an independent return stream with the ability to perform well in various market conditions.

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.

Barclay CTA Index is an equal weighted index which attempts to measure the performance of the Commodity Trading Advisor industry. The Index measures the combined performance of all CTAs reporting to Barclay Trading Group who have more than 4 years past performance. Fees and transaction costs are reflected. **Russell 1000 Growth Index** refers to a composite that includes large and mid-cap companies located in the United States that also exhibit a growth probability. The Russell 1000 Growth is published and maintained by FTSE Russell. **Russell 1000 Value Index** refers to a composite of large and mid-cap companies located in the United States that also exhibit a value probability. The Russell 1000 Value is published and maintained by FTSE Russell. **SG Trend Index** is a subset of the SG CTA Index, and follows traders of trend following methodologies. The SG CTA Index is equal weighted, calculates the daily rate of return for a pool of CTAs selected from the larger managers that are open to new investment. **Russell 2000 Index** measures the performance of approximately 2000 small-cap companies in the Russell 3000 Index, which is made up of 3000 of the biggest U.S. stocks. It serves as a benchmark for small-cap stocks in the United States. **ICE BofA Merrill Lynch 3-Month T-Bill Index** tracks the performance of the U.S. dollar denominated U.S. Treasury Bills publicly issued in the U.S. domestic market with a remaining term to final maturity of less than 3 months. **Barclays CTA Index** is an equal weighted index which attempts to measure the performance of the Commodity Trading Advisor industry. The Index measures the combined performance of all CTAs reporting to Barclay Trading Group who have more than 4 years past performance. Fees and transaction costs are reflected. **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. **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. **U.S. 10-Year Treasury** is a debt obligation issued by the United States government that matures in 10 years. **Bloomberg Commodity Index** is a broadly diversified commodity price index distributed by Bloomberg Indexes. The index was originally launched in 1998 as the Dow Jones-AIG Commodity Index and renamed to Dow Jones-UBS Commodity Index in 2009, when UBS acquired the index from AIG. **Core Personal Consumption Index (PCE)** measures the changes in the price of goods and services purchased by consumers for the purpose of consumption, excluding food and energy. Prices are weighted according to total expenditure per item. **The S&P 500 Equal Weight Index (EWI)** is the equal-weight version of the widely-used S&P 500. The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance. **CBOE Volatility Index** is the Chicago Board Options Exchange Volatility Index, which shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options. This volatility is meant to be forward looking, is calculated from both calls and puts, and is a widely used measure of market risk, often referred to as the "investor fear gauge." **MSCI World Index** is a market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world. **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 Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the Fund and may be obtained by calling 888.628.2887 or by visiting www.LoCorrFunds.com. Read carefully before investing.

Mutual fund investing involves risk. Principal loss is possible. Investing in commodities may subject the Fund 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. 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.

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

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