LoCORR™ FUNDS

What is

Systematic Trend?

Why LoCorr

Founded in 2003 on the belief that non-traditional investments with low correlation to stocks and bonds can increase diversification, reduce risk, and enhance portfolio returns, LoCorr offers a family of investment solutions to a broad range of investors, helping them achieve their financial goals in an increasingly complex investment environment.

Our firm's conviction in telling the low-correlation investment story is a powerful driving force. Even our name, LoCorr, reflects our focus and belief in the importance of these strategies for a healthy portfolio.

Specialists in Combining Low-Correlation Strategies

LoCorr has expertise in combining low-correlating strategies to target specific investing outcomes, and improve a portfolio's risk/return profile. We believe combining two or more low-correlating strategies within a portfolio, referred to as a "sleeve" is an effective method for achieving diversification, as well as potentially enhancing performance and reducing risk.

An ideal methodology for building an alternative sleeve is to combine two or three strategies that don't correlate highly to stocks and bonds or to each other. By blending low-correlating strategies, these sleeves seek to deliver a more consistent return stream and provide a smoother ride across multiple market environments.

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What is Systematic Trend?

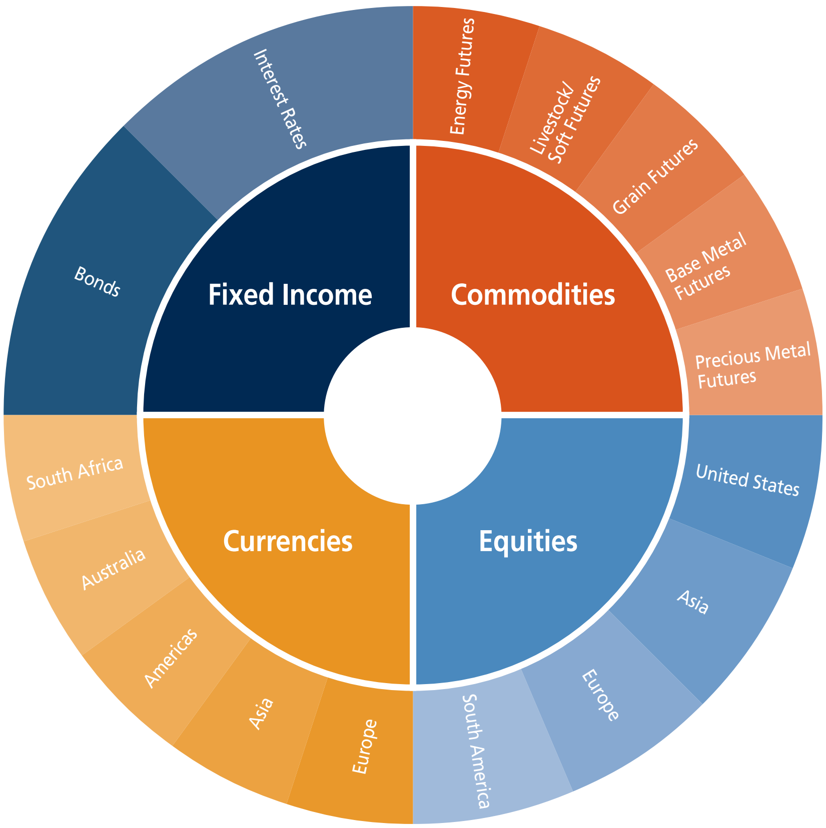
Systematic trend is an investment strategy that takes long or short positions in futures contracts of equities, fixed income, currencies, and commodities.

These strategies can take long positions when signals indicate prices will rise and short positions when signals indicate prices will fall.

Historically, systematic-trend strategies have had low correlation to traditional assets, like stocks and bonds, making them a good source of diversification. Since these strategies are not long all of the time, the ride could be potentially smoother than with traditional long-only strategies.

Systematic-trend strategies can benefit from not being 100% long all the time.

Systematic-trend strategies offer exposure to global markets across a wide range of markets and asset classes helping to create a truly well-diversified portfolio.

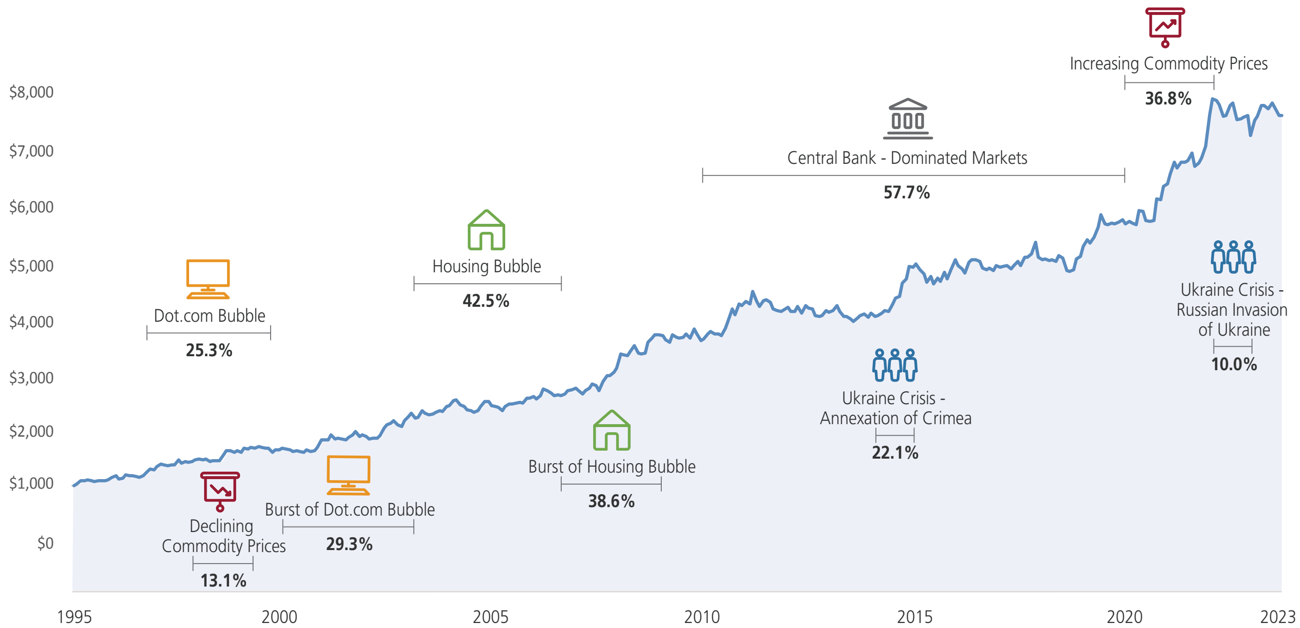


Highlights: Understanding Systematic Trend

Successful Systematic Trend Trade During Different Regimes

Systematic trend's ability to take long or short positions offers these strategies the potential to profit in both rising and falling markets leading to a differentiated return profile.

For instance, during the Dot.com Bubble of the late 1990s, systematic trend returned 25.3%. When that bubble burst in the early 2000s, systematic trend returned 29.3% — capturing both the rising and falling equity market.



Returns are shown cumulative for the CISDM CTA Index. Time frame 1/1/95-12/31/23. **Past performance is not a guarantee of future results.** Dot.com Bubble: 12/1/96-12/31/99, Declining Commodity Prices: 11/1/97-1/31/99, Burst of Dot.com Bubble: 2/1/00-12/31/02, Housing Bubble: 1/1/01-7/31/06, Burst of Housing Bubble: 7/1/06-12/31/08, Ukraine Crisis - Annexation of Crimea: 4/1/14-1/31/15, Central Bank - Dominated Markets: 1/1/09-8/31/19, Increasing Commodity Prices: 3/1/20-5/31/22, Ukraine Crisis - Russian Invasion of Ukraine: 2/1/22-12/31/22

What are the Potential Benefits of Systematic Trend

Systematic-trend strategies can play a very meaningful role in a portfolio. When added to a portfolio of stocks and bonds, they may provide:

- **Increased Diversification:** Systematic-trend strategies provide a very different sequence of returns with their ability to be long or short equities, fixed income, currencies or commodities.
- **Green on a Red Day:** Systematic-trend strategies have the potential to provide positive returns when traditional assets are struggling.
- **Increased Returns and Reduced Portfolio Volatility:** When added to a portfolio of stocks and bonds, systematic-trend strategies have historically increased returns and lowered volatility of the overall portfolio.

Incorporating systematic-trend strategies into a portfolio can allow investors to potentially achieve improved diversification.

Systematic Trend May Offer Increased Diversification

A characteristic of systematic trend is its ability to offer a differentiated return stream. These strategies have historically exhibited a ***lower or non-existent correlation*** with traditional asset classes, like stocks and bonds, but also to other alternatives, including REITs, energy, private equity, and private credit.

Correlation Matters

Understanding a fund's correlation should be central to an investor's decision-making process. Correlations range on a scale from 1 (perfectly correlated) to -1 (perfectly *inversely* correlated). If your primary objective is diversification, an optimal correlation might range between roughly -0.5 to 0.5.

Anything below -0.5 has high inverse correlation, which could create a semi-constant drag on performance. On the other hand, for diversification purposes, anything above 0.5 could move too closely in tandem with the other portfolio asset classes.

	Systematic Trend	U.S. Stocks	Bonds	REITs	Energy	Private Equity	Private Credit
Systematic Trend	1.00						
U.S. Stocks	0.04	1.00					
Bonds	-0.28	0.49	1.00				
REITs	-0.12	0.61	0.81	1.00			
Energy	0.30	0.35	-0.21	0.11	1.00		
Private Equity	0.04	0.92	0.55	0.74	0.34	1.00	
Private Credit	0.08	0.79	0.27	0.63	0.54	0.87	1.00

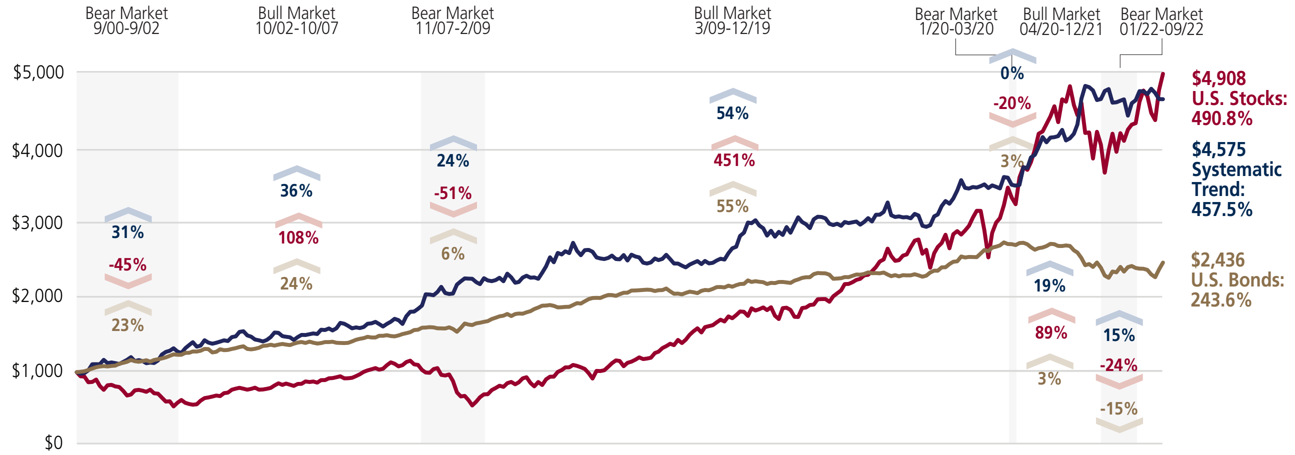
Time period 2/1/19-12/31/23. Systematic Trend is represented by CISDM CTA Index, U.S. Stocks represented by S&P 500 Index, Bonds represented by Bloomberg U.S. Aggregate Bond Index, REITs by the ICE BofA U.S. Real Estate Index, Energy by the Bloomberg Energy Subindex, Private Equity by the Red Rocks Global Listed Private Equity Index, and Private Credit by Indxx Private Credit Index, using monthly data. Source: LoCorr Fund Management.

Why Systematic Trend as a Diversifier to Stocks and Bonds?

Systematic trend has historically produced positive returns in both bull and bear markets. Since these strategies can invest both long and short, therefore moving differently than stocks and bonds, this has allowed them to produce positive returns in both market environments. In addition, systematic trend has outperformed bonds in five of the last seven of these market environments.

Performance of Systematic Trend, U.S. Stocks, and U.S. Bonds

Growth of a hypothetical $1,000 investment – September 1, 2000 through December 31, 2023



Past performance is not a guarantee of future results. U.S. stocks are represented by S&P 500 TR Index, Systematic Trend is represented by CISDM CTA Index, and U.S. bonds are represented by Bloomberg U.S. Aggregate Bond Index, using monthly data. Source: LoCorr Fund Management.

Retirement Strategies

Two fictional couples, the Larsons and the Millers, invested for their retirement. See how their different investing choices impacted their retirement years.

The Larsons

Investing Choice – The Traditional Route

The Larsons had their retirement savings invested in a traditional 60% stock/40% bond portfolio. They were confident the 60/40 portfolio would provide them with both the diversification and growth required to sustain their retirement years. They planned to withdraw 5% annually to provide for living expenses.

Retired in 1993

$1,000,000

Original Investment

Investment Strategy

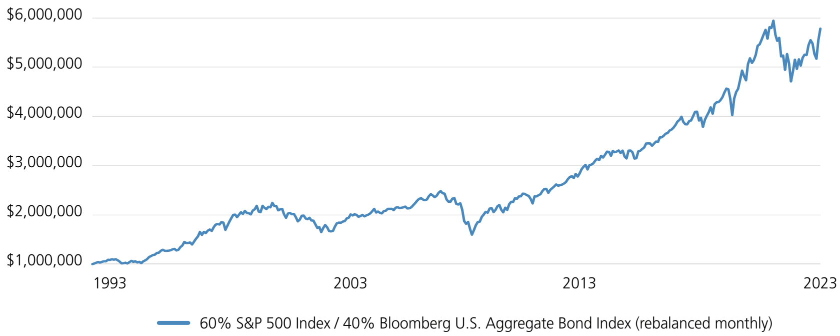
60% Stocks | **40%** Bonds

$5,783,235

Investment Value

as of December 31, 2023

$1M investment with 5% Annual Withdrawal



Retired in 1993

$1,000,000

Original Investment

Investment Strategy

60% Stocks | **20%** Bonds | **20%** Low-Correlating Strategies

$7,141,562

Investment Value

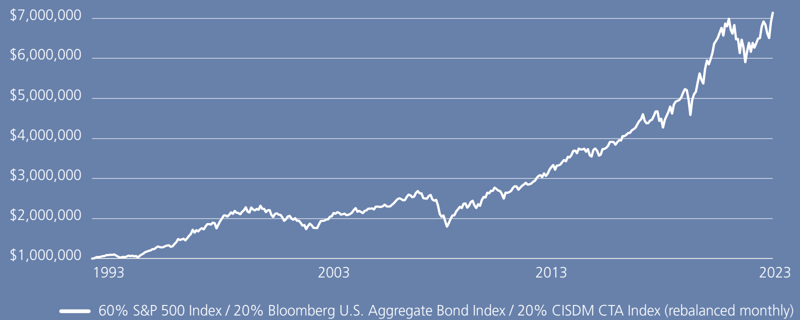
as of December 31, 2023

The Millers

Investing Choice – The Modernized Route

The Millers invested differently than the Larsons. They chose to take a more modern approach to the portfolio construction process and invested their retirement savings in a 60% stock/20% bond/20% low-correlating strategies portfolio. The Millers wanted to ensure their retirement savings lasted as long as they needed, so they included a 20% allocation to low-correlating strategies to help buoy their portfolio through unexpected storms. They also planned to withdraw 5% annually for living expenses.

$1M investment with 5% Annual Withdrawal

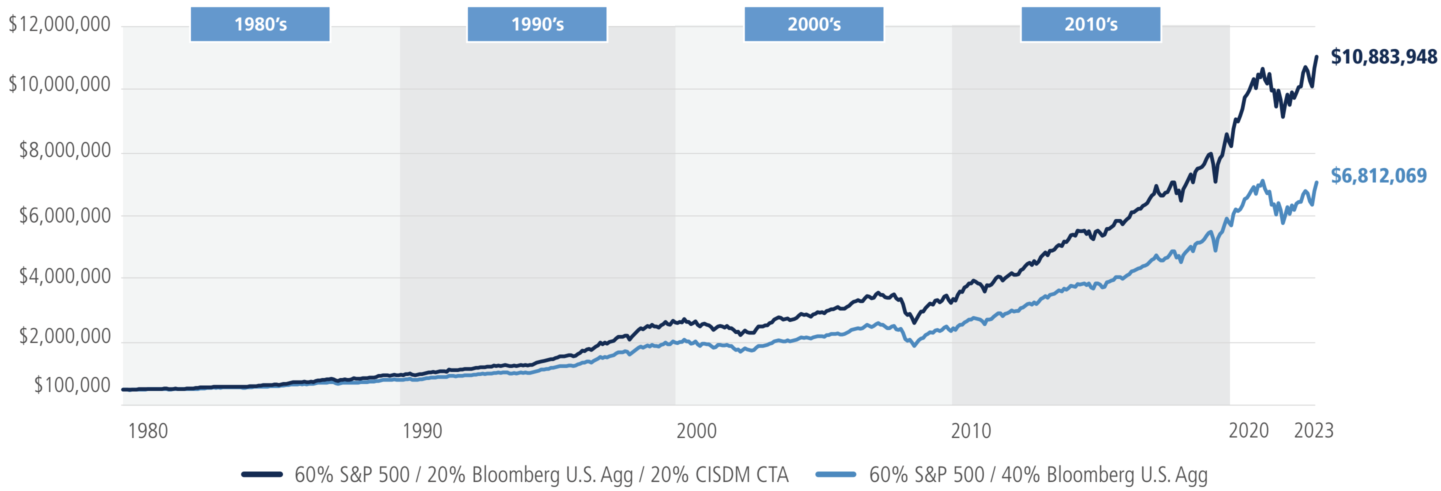


Is a 40% Allocation to Bonds Still Justified?

As we saw with the story of the Larsons and the Millers, taking 20% from your bond allocation and investing that in a low-correlating sleeve has the potential to provide higher returns and a stable return stream while enhancing diversification.

In the story, we compared a 60% stock/40% bond portfolio to a 60% stock/20% bond/20% low-correlating sleeve portfolio since 1993. If you look at a longer time period, like the last four decades, incorporating a low-correlating allocation to create a 60/20/20 portfolio has provided a stable return stream, enhanced diversification, and lowered volatility as measured by standard deviation from 9.90% to 9.77%.

Growth of a Hypothetical $100,000 Investment



1980s	Return	Beta	1990s	Return	Beta	2000s	Return	Beta	2010s	Return	Beta	Jan 2020-Dec 2023	Return	Beta
60 S&P 500 / 20 Bbg Agg / 20 CISDM CTA	19.3%	0.6	60 S&P 500 / 20 Bbg Agg / 20 CISDM CTA	14.6%	0.6	60 S&P 500 / 20 Bbg Agg / 20 CISDM CTA	2.7%	0.6	60 S&P 500 / 20 Bbg Agg / 20 CISDM CTA	9.9%	0.6	60 S&P 500 / 20 Bbg Agg / 20 CISDM CTA	9.0%	0.6
60 S&P / 40 Bbg Agg	15.9%	0.7	60 S&P / 40 Bbg Agg	14.1%	0.7	60 S&P / 40 Bbg Agg	2.3%	0.6	60 S&P / 40 Bbg Agg	9.8%	0.6	60 S&P / 40 Bbg Agg	7.1%	0.7

Source: Morningstar Direct. Time period is 1/1/80-12/31/23. The CISDM CTA Index represents a low-correlating sleeve. Beta is based on monthly returns versus S&P 500 Index.
Past performance is not a guarantee of future results.

We believe systematic trend checks all the boxes for why you would want an allocation in your portfolio.

Why Allocate to Systematic Trend?

Systematic-trend strategies can play a meaningful role in a portfolio. In addition to potentially providing increased diversification and strong performance when traditional assets are struggling, systematic-trend strategies have historically increased returns and lowered volatility of the overall portfolio. Their ability to take both long and short positions in equities, fixed income, currencies, and commodities provides a good source of diversification and helps to create an all-weather portfolio.

	Stocks	Bonds	Systematic Trend
Long History	✔	✔	✔
Performed Well During Periods of Economic Growth	✔	May or may not	✔
Performed Well During Recessions	✖	May or may not	✔
Helped Provide Diversification	✔	✔	✔
Historically Thrived During Volatility	✖	May or may not	✔

Learn more about how LoCorr can help you reach your investment goals, contact us at: 888-628-2887 or info@locorrfunds.com

Stocks, bonds, and futures are not guaranteed. Investments in equity securities involve risks such as volatility and the potential for loss of principal. Bonds traditionally experience less volatility than stocks and typically decrease in value when interest rates rise. Futures are derivatives which can be volatile and involve various types and degrees of risk, and depending upon the characteristics of a particular derivative, suddenly become illiquid. The use of futures involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These risks include (i) leverage risk (ii) risk of mispricing or improper valuation; and (iii) the risk that changes in the value of the futures contract may not correlate perfectly with the underlying asset. Investments in futures involve leverage, which means a small percentage of assets invested in futures can have a disproportionately large impact on an investment (or fund).

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 in an index. Index performance as of 12/31/23 for S&P 500 Index 26.29% 1-year, 15.69% 5-year, 12.03% 10-year; CISDM CTA Index 0.88% 1-year, 9.36% 5-year, 6.42% 10-year; Bloomberg U.S. Aggregate Bond Index 5.53% 1-year, 1.10% 5-year, 1.81% 10-year.

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. **CISDM CTA Index** is designed to broadly represent the performance of all CTA programs in the Morningstar database that meet the inclusion requirements. Only CTAs that have reported net returns for the particular month are included in the index calculation. **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 EAFE Index** was designed to measure the equity market performance of developed markets outside of the U.S. & Canada. **Bloomberg Energy Subindex** is a subindex of the Bloomberg commodity index. It is composed of futures contracts on crude oil, heating oil, unleaded gasoline, and natural gas. **Red Rocks Global Listed Private Equity Index** measures the performance of private equity firms which are publicly traded on any nationally recognized exchange worldwide. It is comprised of 40 to 75 public companies and provides diversified exposure to private companies that are owned and managed by private equity firms. Index constituents are modified market capitalization weighted. **The Indxx Private Credit Index** tracks the performance of the Business Development Corporations (BDCs) and Closed-End Funds (CEFs), trading in the US, with significant exposure to private credit, as defined by Indxx.

Drawdown refers to a peak-to-trough decline for a specific recorded period. **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. **Standard Deviation** is the statistical measurement of dispersion about an average, which depicts how widely a portfolio's returns varied over a certain period of time. When a portfolio has a high standard deviation, the predicted range of performance is wide, implying greater volatility.

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

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 stock volatility than a diversified fund. The Fund invests in foreign investments and foreign currencies which involve greater volatility and political, economic and currency risks and differences in accounting methods. The Fund may make short sales of securities, which involves the risk that losses may exceed the original amount invested. 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. The Fund may invest in derivative securities, which derive their performance from the performance of an underlying asset, index, interest rate or currency exchange rate. Derivatives can be volatile and involve various types and degrees of risks, and, depending upon the characteristics of a particular derivative, suddenly can become illiquid. 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.

The LoCorr Funds are distributed by Quasar Distributors, LLC.

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