Spectrum Income Fund

December 31, 2025

Fourth Quarter Commentary

Market Commentary

The fourth quarter of 2025 saw continued equity gains despite lingering macro concerns, while bond markets posted solid returns. U.S. stocks finished the year near all-time highs, international equities outperformed, and fixed income benefited from easing inflation and supportive central bank policy.

U.S. equities extended their 2025 rally in Q4, though at a slower pace than earlier in the year. Large-cap stocks rose about +3% for the quarter, outperforming mid- and small-cap indices. Value stocks outpaced growth across large-, mid-, and small-cap stocks, reflecting broader market participation and rising concentration concerns in mega-cap growth names. Despite geopolitical and trade uncertainty, resilient earnings, and improving sentiment helped markets continue to "climb a wall of worry." For the full year, U.S. large caps, as measured by the S&P 500 Index, gained +17.9 and small caps, as measured by the Russell 2000 Index, rose +12.8%.

International equities significantly outperformed in both Q4 and full-year 2025. Developed markets, as measured by the MSCI World ex USA Index, rose +31.9%, while emerging markets, as measured by the MSCI Emerging Markets Index, gained +34.4%, supported by a weaker U.S. Dollar, improving global growth expectations, and accommodative monetary policy abroad. Key drivers included ongoing Fed easing, global monetary support, AI-related productivity optimism, and broader equity participation beyond mega-cap technology.

Bond markets delivered strong returns in 2025, with Q4 contributing meaningfully. U.S. short-term bonds, as measured by the Bloomberg U.S. Government/Credit 1-3 Year Index, gained +5.4%, aggregate bonds, as measured by the Bloomberg U.S. Aggregate Bond Index, rose +7.3%, and global bonds, as measured by the Bloomberg Global Aggregate Index, returned +8.2%. Cooling inflation, expectations for continued Fed easing into 2026, and improving credit conditions supported the rally.

Significant Developments

The fourth quarter unfolded amid the longest U.S. government shutdown in history, reducing economic data visibility and increasing policy uncertainty. Limited access to key statistics complicated assessments of growth, inflation, and labor markets, though the underlying economy remained resilient, supported by consumer spending and private-sector momentum.

Trade policy continued to generate volatility. While earlier tariff shocks faded, ongoing trade tensions and shifting geopolitical alignments kept markets alert to renewed risks in 2026,

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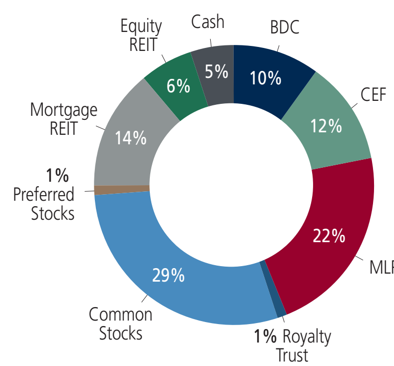
Performance Summary

As of December 31, 2025

	4Q25	YTD	1-Year	5-Year	10-Year	Since Incept.*
Class A - LSPAX	2.34%	9.45%	9.45%	5.47%	4.29%	2.42%
Class A - LSPAX (w/load)	-3.54%	3.14%	3.14%	4.21%	3.68%	1.92%
Class C - LSPCX	2.09%	8.77%	8.77%	4.72%	3.51%	1.66%
Class C - LSPCX (w/load)	1.09%	8.77%	8.77%	4.72%	3.51%	1.66%
Class I - LSPIX	2.44%	9.84%	9.84%	5.76%	4.57%	2.70%
BBg Aggregate Bond Index	1.10%	7.30%	7.30%	-0.36%	2.01%	2.21%

Spectrum Income Fund Sector Allocation

As of December 31, 2025 (Subject To Change)



*January 1, 2014. The Fund's total annual fund operation expenses are 3.89% for Class A; 4.64% for Class C; and 3.64% 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.

particularly around tariff-related inflation and supply-chain disruptions in manufacturing and technology. Fiscal policy also drew attention, as a loose U.S. stance and rising debt levels fueled longer-term sustainability concerns, contributing to cautious fixed-income sentiment despite falling rates.

The Federal Reserve remained a key stabilizing force. In response to deteriorating economic visibility, the Fed cut rates and resumed balance sheet expansion, supporting both equities and bonds. By late 2025, markets viewed policy as "nearer neutral", with expectations for additional easing in 2026. Lower short-term rates reduced equity discount-rate pressures, increased demand for duration, and helped keep credit spreads contained.

Commodity performance was mixed. Gold benefited from geopolitical risk, policy uncertainty, and declining real yields, reinforcing its role as a hedge. Oil prices trended lower amid OPEC+'s relatively generous output policy, though volatility remained elevated due to geopolitical tensions, AI-driven energy demand, and uneven global growth expectations.

Entering the new year, Bramshill (the Fund's sub-adviser) remains constructive toward their strategy and opportunity set. Ongoing Federal Reserve easing—including the end of quantitative tightening and renewed liquidity support—has lowered short-term rates while placing upward pressure on longer-term yields, steepening the yield curve and weakening the dollar. Neither fiscal policy nor potential Fed leadership changes are expected to reverse this trend.

Against this backdrop, Bramshill is emphasizing high-yielding hard assets—such as pipelines, metal miners, and royalty trusts—alongside spread lenders that benefit from borrowing at lower short-term rates and investing at higher long-term yields. Mortgage REITs represent the most aggressive expression of this opportunity, complemented by closed-end funds, business development companies, financials, and MLPs. Despite heightened geopolitical concerns, the Fund's portfolio remains primarily domestic, with limited exposure beyond global commodity pricing.

Looking to early 2026, Bramshill expects inflation to ease gradually, driven by lower energy and housing costs. Combined with continued economic momentum—albeit concentrated in AI-related investment—the sub-adviser sees a supportive environment for their holdings. While the macro outlook later in the year is less certain, the portfolio's focus on essential products and services should remain resilient. Bramshill remains prepared to reduce exposure as risks rise and add selectively where opportunities emerge.

Portfolio Commentary

The LoCorr Spectrum Income Fund, Class I share (the "Fund") was up +2.44% during the quarter, outperforming the Bloomberg U.S. Aggregate Bond Index (the "Index") which was up +1.10%. In Q4, Master Limited Partnerships ("MLPs"), as measured by the Alerian MLP Index, rose +3.79%; Equity Real Estate Investment Trusts ("REITs"), as measured by the MSCI U.S. IMI Real Estate 20/50 Index, fell -2.39%; Mortgage REITs ("mREITs"), as measured by the FTSE Nareit Mortgage REITs Index, rose +5.40%; and Business Development Companies ("BDCs"), as measured by the MVIS U.S. Business Development Companies Index, rose +0.50%.

Portfolio Management Review

The Fund's most profitable positions in the quarter included mREITs, such as Annaly Capital (3.20% of the Fund as of 12/31/2025), AGNC Investment Corp. (2.02% of the Fund as of 12/31/2025), and Invesco Mortgage Capital (2.38% of the Fund as of 12/31/2025), which benefited from lower short-term rates and higher spreads. Also contributing in the fourth quarter were gold miners, such as AngloGold Ashanti (2.31% of the Fund as of 12/31/2025), and Barrick Mining Corp. (1.25% of the Fund as of 12/31/2025), which performed well with rising gold prices, and CVR Partners (2.29% of the Fund as of 12/31/2025), a nitrogen fertilizer C-Corp, which rose after announcing better-than-expected 3Q earnings and forward guidance.

The top detractor in the fourth quarter was Brandywine Realty Trust (0.00% of the Fund as of 12/31/2025), a diversified commercial REIT, which suffered from continued commercial mortgage softness. Also detracting in the quarter were chemical C-Corps, such as LyondellBasell (0.00% of the Fund as of 12/31/2025), and Olin Corp. (0.00% of the Fund as of 12/31/2025), which traded off in a deteriorating global chemical environment, which were both sold. Lastly, Kinetik Holdings (1.18% of the Fund as of 12/31/2025), a midstream energy C-Corp, which reported lackluster earnings and guidance.

Portfolio turnover remained relatively muted during the quarter; however, on the margin, Bramshill monetized gains in mREITs and increased exposure to BDCs. Additionally, Bramshill increased activity in buy/writes, selling near the money calls in stable, liquid C-Corps with the goal of generating additional income.

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.**

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. The Russell 2000 serves as a benchmark for small-cap stocks in the United States. **MSCI World ex USA Index** captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries--excluding the United States. The index covers approximately 85% of the free float-adjusted market capitalization in each country. **Bloomberg 1-3 Yr Gov/Credit Index** is a broad-based benchmark that measures the non-securitized component of the US Aggregate Index. It includes investment grade, US dollar-denominated, fixed-rate Treasuries, government-related and corporate securities with 1 to 3 years to maturity. **Bloomberg Global Aggregate Index** is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. **MSCI Emerging Markets Index** is designed to measure equity market performance in global emerging markets. (An index created by Morgan Stanley Capital International (MSCI)). **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. **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. **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. 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**). Mortgage Real Estate Investment Trusts (**mREITS**).

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.

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