

What is Trend Following?

Trend following is an investment strategy based on the technical analysis of changing market prices, rather than on the fundamental strengths of the investments. This strategy believes that prices tend to move upwards or downwards over time. Therefore, trend followers try to take advantage of these “market trends” by observing current trends and deciding whether to buy or sell based on these factors.

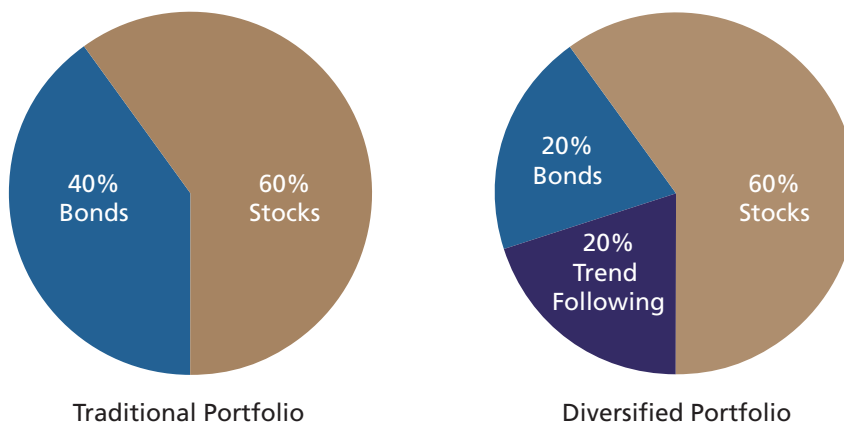
Potential Benefits of Trend-Following Strategies

Owning trend-following strategies within your portfolio may bring many benefits, such as the potential to:

- 1 Improve Portfolio Diversification
- 2 Provide Low Correlation to Traditional Investments
- 3 Preserve Capital in Declining Equity Markets
- 4 Provide Exposure to a Broad Range of Markets

1 Potential to Improve Portfolio Diversification

Adding a trend-following strategy to your portfolio has the potential to enhance diversification. As you can see below, by simply allocating 20% to a trend-following strategy, you have the possibility to enhance returns and help diversify your portfolio.



Time Period: September 1, 2000 - December 31, 2022

	Average Annual Return	Maximum Drawdown	Sharpe
Traditional Portfolio	5.60%	-32.54%	0.47
Diversified Portfolio	6.38%	-30.34%	0.54

Bonds are represented by Bloomberg U.S. Aggregate Bond Index, Stocks are represented by S&P 500 TR Index, and Trend Following is represented by SG Trend Index. The referenced indices are shown for general market comparisons and are not meant to represent a specific Fund. One cannot invest directly in an index. Sources: Morningstar, LoCorr Fund Management.

## 2 Seeks to Provide Low Correlation to Traditional Investments

Trend-following strategies have historically shown low or virtually zero correlation to a variety of traditional and alternative investments, providing the ability to further diversify an investment portfolio.

### Correlation Table

Time Period: 9/1/2000 - 12/31/2022

	Trend Following	Bonds	Foreign Stocks	U.S Stocks
Trend Following	1.00			
Bonds	0.08	1.00		
Foreign Stocks	-0.06	0.11	1.00	
U.S. Stocks	-0.12	0.04	0.87	1.00

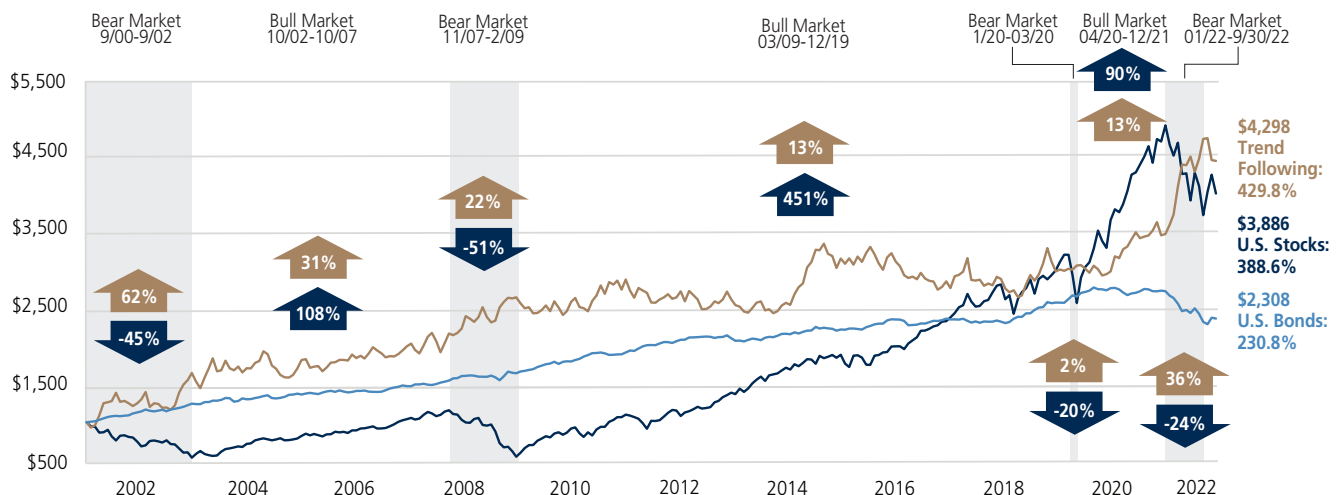
Bonds are represented by Bloomberg U.S. Aggregate Bond Index, U.S. Stocks are represented by S&P 500 TR Index, Foreign Stocks are represented by MSCI EAFE Index, and Trend-Following Strategies are represented by SG Trend Index. The referenced indices are shown for general market comparisons and are not meant to represent the Fund. Performance for the referenced indices through 12/31/22 is as follows: Bloomberg U.S. Aggregate Bond Index -13.01% YTD, -13.01% 1-year, 0.02% 5-years, 1.06% 10-years; S&P 500 TR Index -18.11% YTD, -18.11% 1-year, 9.42% 5-years, 12.56% 10-years; MSCI EAFE Index -14.01% YTD, -14.01% 1-year, 2.03% 5-years, 5.16% 10-years; SG Trend Index 27.35% YTD, 27.35% 1-year, 8.18% 5-years, 5.74% 10-years. Sources: Morningstar and LoCorr Fund Management.

## 3 Strives to Preserve Capital in Down Equity Markets

Trend-following strategies can potentially enhance a portfolio’s overall performance by producing positive returns in bull and bear markets. As the graph illustrates, these strategies have yielded positive long-term performance, even during market downturns.

### Performance of Trend-Following Strategies, U.S. Stocks, and U.S. Bonds

Growth of a hypothetical \$1,000 investment – September 1, 2000 through December 31, 2022



Past Performance is not a guarantee of future results. The referenced indices are shown for general market comparisons and are not meant to represent a specific fund. U.S. Stocks represented by S&P 500 TR Index. U.S. Bonds represented by Bloomberg U.S. Aggregate Bond Index. Trend-Following Strategies represented by SG Trend Index. Source: LoCorr Fund Management.

## 4

## Exposure to a Broad Range of Global Markets

Trend-following strategies have the ability to provide exposure to a broad range of global markets. This may include, but is not necessarily limited to, sectors such as currencies, stock indices, commodities and fixed income. As you can see below, there are multiple markets within each sector, providing the ability for more diversification as compared to traditional stock and bond portfolios.

Currencies	Stock Indices	Commodities		Fixed Income
Australian Dollar British Pound Canadian Dollar Euro Japanese Yen Mexican Peso New Zealand Dollar Swiss Franc U.S. Dollar Index	CAC – 40 DAX Index DJ Euro STOXX 50 Dow Jones FTSE 100 Index Hang Seng NASDAQ NIKKEI Russell 2000 S&P 500 TOPIX Index	<b>Metals</b>	<b>Agriculture</b>	Australian 10-Year Bond Canadian 10-Year Bond Euribor Euro Bobl Euro Bund Euro Schatz EuroDollar Japanese Gov't Bond Long Gilt Short Sterling 3-Month Sonia U.S. 2-Year T-Note U.S. 5-Year T-Note U.S. 10-Year T-Note U.S. 30-Year T-Bond
		London Aluminum	Corn	
		London Copper	Soybeans	
		London Zinc	Soybean Meal	
		CME Copper	Soybean Oil	
		Gold	Wheat – CBOT	
		Silver	Wheat – KCBT	
			Coffee	
			Cotton #2	
			London Cocoa	
	World Sugar #11			
		<b>Energy</b>		
		Brent Crude Oil		
		Crude Oil		
		Gas Oil		
		Gasoline		
		Heating Oil		
		Natural Gas		

The above list is a partial representation of possible market exposure.

**S&P 500 TR 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 a broad-based bond index comprised of government, corporate, mortgage and asset-back issues rated investment grade or higher. **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. **MSCI EAFE Index** was designed to measure the equity market performance of developed markets outside of the U.S. & Canada. It is not possible to invest directly in an index. **U.S. Dollar Index (USDX)** is a measure of the value of the U.S. dollar relative to the value of a basket of currencies of the majority of the U.S.'s most significant trading partners. This index is similar to other trade-weighted indexes, which also use the exchange rates from the same major currencies. **CAC 40 Index** is a French stock market index that represents a capitalization-weighted measure of the 40 most significant values among the 100 highest market caps on the Euronext Paris. **The DAX Index** is a blue chip stock market index consisting of the 30 major German companies trading on the Frankfurt Stock Exchange. **Dow Jones EURO STOXX 50 Index** is a market capitalization-weighted stock index of 50 large, blue-chip European companies operating within eurozone nations. **Dow Jones Industrial Average Index** is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq. **FTSE 100 Index** (Financial Times Stock Exchange) is a share index of the 100 companies listed on the London Stock Exchange with the highest market capitalization. **Hang Seng Index (HSI)** is a freefloat-adjusted market capitalization-weighted stock market index in Hong Kong. It is used to record and monitor daily changes of the largest companies of the Hong Kong stock market and is the main indicator of the overall market performance in Hong Kong. **NASDAQ Composite Index** is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market. Along with the Dow Jones Average and S&P 500, it is one of the three most-followed indices in U.S. stock markets. **Nikkei Index** is a stock market index for the Tokyo Stock Exchange (TSE). It is a price-weighted index, and the components are reviewed once a year. Currently, the Nikkei is the most widely quoted average of Japanese equities, similar to the Dow Jones Industrial Average. **Russell 2000 Index** measures the performance of approximately 2,000 small-cap companies in the Russell 3000 Index, which is made up of 3,000 of the biggest U.S. stocks. The Russell 2000 Index serves as a benchmark for small-cap stocks in the United States. **TOPIX Index** (Tokyo Stock Price Index) is an important stock market index for the Tokyo Stock Exchange (TSE) in Japan, tracking all domestic companies of the exchange's First Section. **3-Month Sonia Index** is a cash settled future based on the interest rate on a three-month sterling deposit.

Stocks and Bonds are not guaranteed. Bonds traditionally experience less volatility than stocks. Stocks may trade with more or less liquidity than a bond depending on the number of shares and bonds outstanding, the size of the company, and the demand for the securities. Treasury notes are guaranteed by the U.S. Government and thus they are considered to be safer than other asset classes. Depending on the entity issuing the bond, it may or may not afford additional protections to the investor, such as a guarantee of return of principal by a government or bond insurance company. There is typically no guarantee of any kind associated with the purchase of individual stocks. Tax features of stocks and bonds may vary based on an individual circumstances. Consult a tax professional for additional information. The tax treatment of returns of bonds and stocks also differs given differential tax treatment of income versus capital gain.

**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. Maximum Drawdown is the worst peak to valley loss since an investment's inception. Sharpe Ratio measures the amount by which a set of values differs from the arithmetical mean, equal to the square root of the mean of the differences' squares.

**Past performance is not a guarantee of future results. The referenced indices are shown for general market comparisons and are not meant to represent the Fund. Current standardized performance for the Fund can be obtained by calling 1.855.523.8637 or by visiting [www.LoCorrFunds.com](http://www.LoCorrFunds.com).**

*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](http://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. These risks are greater for emerging markets. The Fund may make short sales of securities, which involves the risk that losses may exceed the original amount invested. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investments in small- and medium-capitalization companies involve additional risks such as limited liquidity and greater volatility. Investments in lower-rated and non-rated securities presents a greater risk of loss to principal and interest than higher-rated securities. ETF investments are subject to investment advisory and other expenses, which will be indirectly paid by the Fund. As a result, the cost of investing in the Fund will be higher than the cost of investing directly in ETFs and may be higher than other mutual funds that invest directly in stocks and bonds. ETFs are subject to specific risks, depending on the nature of the ETF.**

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