

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
LoCorr Spectrum Income Fund		46-4048883	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
Jon C. Essen	952-767-6903	jessen@LoCorrFunds.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and Zip code of contact	
261 School Avenue, 4th Fl		Excelsior, MN 55331	
<b>8</b> Date of action		<b>9</b> Classification and description	
12/31/2016		Nontaxable Return of Capital Distribution	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)
540132875, 540132867, 540132859	N/A	LSPAX & LSPCX & LSPIX	N/A

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ DURING 2016, LoCorr Spectrum Income Fund DECLARED DIVIDENDS.

PLEASE REFERENCE THE ATTACHED SHEET FOR DETAILS RELATING TO THE DATE OF ACTION.

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ FOR EACH DIVIDEND NOTED ABOVE, 38.1258% OF EACH SUCH DIVIDEND WAS A RETURN OF CAPITAL IN ACCORDANCE WITH THE IRS SECTION 301(C)(2). ACCORDINGLY, THE SHAREHOLDER WOULD REDUCE THE HOLDER'S BASIS IN THE STOCK BY THE PORTION OF DISTRIBUTION DETERMINED TO BE RETURN OF CAPITAL.

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ THE BASIS OF SHAREHOLDERS OF RECORD FOR EACH DIVIDEND NOTED ABOVE IS LOWERED BY THE PER SHARE AMOUNT DISCLOSED IN THE ATTACHMENT. THE RATE WAS DETERMINED IN ACCORDANCE WITH IRC SECTION 301 AND SECTION 316.

**Part II Organizational Action** (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC 301, 316

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**18** Can any resulting loss be recognized? ▶ NO LOSS CAN BE RECOGNIZED BY THE SHAREHOLDERS OF EACH DIVIDEND NOTED ABOVE FOR THE NON-TAXABLE RETURN OF CAPITAL DISTRIBUTION RECEIVED.

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**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ THE INFORMATION PROVIDED ABOVE WILL BE PROVIDED ON THE SHAREHOLDER'S 2016 1099-DIV STATEMENT, BOX 3.

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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here** Signature ▶ A signed copy is maintained by the issuer Date ▶ \_\_\_\_\_

<b>Paid Preparer Use Only</b>	Print your name ▶	Preparer's signature	Title ▶	Check <input type="checkbox"/> if self-employed	PTIN
	Print/Type preparer's name		Date	Firm's EIN ▶	
	Firm's name ▶			Phone no.	
	Firm's address ▶				

LoCorr Spectrum Income Fund  
 46-4048883  
 FYE 12/31/2016

LSPAX

Record Date	Ex Date	Payable Date	Total Dividend	Return of Capital	Return of Capital %
1/28/2016	1/29/2016	1/29/2016	0.04790000	0.01826226	38.1258%
2/26/2016	2/29/2016	2/29/2016	0.04790000	0.01826226	38.1258%
3/30/2016	3/31/2016	3/31/2016	0.04790000	0.01826226	38.1258%
4/28/2016	4/29/2016	4/29/2016	0.04790000	0.01826226	38.1258%
5/27/2016	5/31/2016	5/31/2016	0.04790000	0.01826226	38.1258%
6/29/2016	6/30/2016	6/30/2016	0.04790000	0.01826226	38.1258%
7/28/2016	7/29/2016	7/29/2016	0.04790000	0.01826226	38.1258%
8/30/2016	8/31/2016	8/31/2016	0.04790000	0.01826226	38.1258%
9/29/2016	9/30/2016	9/30/2016	0.04790000	0.01826226	38.1258%
10/28/2016	10/31/2016	10/31/2016	0.04790000	0.01826226	38.1258%
11/29/2016	11/30/2016	11/30/2016	0.04790000	0.01826226	38.1258%
12/29/2016	12/30/2016	12/30/2016	0.04790000	0.01826226	38.1258%
			<b>0.57480000</b>	<b>0.21914712</b>	

LSPCX

Record Date	Ex Date	Payable Date	Total Dividend	Return of Capital	Return of Capital %
1/28/2016	1/29/2016	1/29/2016	0.04170000	0.01589846	38.1258%
2/26/2016	2/29/2016	2/29/2016	0.04170000	0.01589846	38.1258%
3/30/2016	3/31/2016	3/31/2016	0.04170000	0.01589846	38.1258%
4/28/2016	4/29/2016	4/29/2016	0.04170000	0.01589846	38.1258%
5/27/2016	5/31/2016	5/31/2016	0.04170000	0.01589846	38.1258%
6/29/2016	6/30/2016	6/30/2016	0.04170000	0.01589846	38.1258%
7/28/2016	7/29/2016	7/29/2016	0.04170000	0.01589846	38.1258%
8/30/2016	8/31/2016	8/31/2016	0.04170000	0.01589846	38.1258%
9/29/2016	9/30/2016	9/30/2016	0.04170000	0.01589846	38.1258%
10/28/2016	10/31/2016	10/31/2016	0.04170000	0.01589846	38.1258%
11/29/2016	11/30/2016	11/30/2016	0.04170000	0.01589846	38.1258%
12/29/2016	12/30/2016	12/30/2016	0.04170000	0.01589846	38.1258%
			<b>0.50040000</b>	<b>0.19078152</b>	

LSPIX

Record Date	Ex Date	Payable Date	Total Dividend	Return of Capital	Return of Capital %
1/28/2016	1/29/2016	1/29/2016	0.05000000	0.01906291	38.1258%
2/26/2016	2/29/2016	2/29/2016	0.05000000	0.01906291	38.1258%
3/30/2016	3/31/2016	3/31/2016	0.05000000	0.01906291	38.1258%
4/28/2016	4/29/2016	4/29/2016	0.05000000	0.01906291	38.1258%
5/27/2016	5/31/2016	5/31/2016	0.05000000	0.01906291	38.1258%
6/29/2016	6/30/2016	6/30/2016	0.05000000	0.01906291	38.1258%
7/28/2016	7/29/2016	7/29/2016	0.05000000	0.01906291	38.1258%
8/30/2016	8/31/2016	8/31/2016	0.05000000	0.01906291	38.1258%
9/29/2016	9/30/2016	9/30/2016	0.05000000	0.01906291	38.1258%
10/28/2016	10/31/2016	10/31/2016	0.05000000	0.01906291	38.1258%
11/29/2016	11/30/2016	11/30/2016	0.05000000	0.01906291	38.1258%
12/29/2016	12/30/2016	12/30/2016	0.05000000	0.01906291	38.1258%
			<b>0.60000000</b>	<b>0.22875492</b>	