

Macro Strategies Fund

Formerly the LoCorr Managed Futures Strategy Fund

December 31, 2017

Fourth Quarter Commentary

Market Commentary

Suppressed volatility, a lack of inflationary pressure, and continued solid economic growth contributed to higher equity prices as global equities remained the strongest trending asset class. While U.S. markets continued to appreciate, returns in international markets were also robust as evidenced by the +12.04% gain for the Nikkei 225 Index in Japan. Emerging markets were quite strong as well, with the MSCI Emerging Market Local Index rising +5.34% in the quarter. For 2017, many equity markets surged 20 – 30% during the year.

The Federal Reserve's reversal of quantitative easing by hiking interest rates and through its balance sheet rationalization program along with healthy economic activity contributed to upward pressure in interest rates during the quarter, particularly in the short end of the curve. U.S. 2-year Treasury yields surged approximately 40 basis points to 1.89%, at levels last seen in 2008 as the yield curve flattened to a decade low. In International markets, the German 10-year Bund and British 10-year Gilt saw yields tick down slightly while exhibiting trendless conditions within a relatively tight band during the quarter.

Commodity prices, which tend to move inversely to the U.S. dollar, were buoyed by the declining greenback during the quarter. The S&P GSCI Commodity Index, a proxy for commodity prices, surged higher to the tune of +9.90%. Oil prices reached their highest levels since mid-2015 on the back of extended OPEC production cuts, strong economic activity, and a pipeline closure in the North Sea. Oil-derived commodities including RBOB gasoline and heating oil also moved higher. Elsewhere in commodities, industrial metals prices moved higher, particularly in copper and aluminum markets. In grain markets, another banner year for crop production caused corn and wheat prices to move lower.

In Foreign Currency markets, the U.S. dollar, as measured by the ICE U.S. Dollar Index (an index of the value of the U.S. dollar versus a basket of foreign currencies) declined slightly in the quarter. During the first half of the quarter, the U.S. dollar moved higher before reversing course in November. The Euro finished 2017 near its highest level in three years relative to the U.S. Dollar which had its worst year of performance since 2003.

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Average Annual Total Returns

As of December 31, 2017

	4Q17	YTD	1 Year	3 Year	5 Year	Since Inc. ¹
Class A - LFMAX	4.53%	2.65%	2.65%	4.13%	4.25%	1.14%
Class A - LFMAX (Load)	-1.43%	-3.21%	-3.21%	2.09%	3.01%	0.26%
Class C - LFMIX	4.35%	1.93%	1.93%	3.37%	3.49%	0.39%
Class C - LFMIX (Load)	3.37%	1.93%	1.93%	3.37%	3.49%	0.39%
Class I - LFMIX	4.58%	2.96%	2.96%	4.44%	4.51%	1.40%
S&P 500 Index	6.64%	21.83%	21.83%	11.41%	15.79%	13.69%
Barclays CTA Index	2.39%	0.67%	0.67%	-0.66%	0.79%	-0.05%

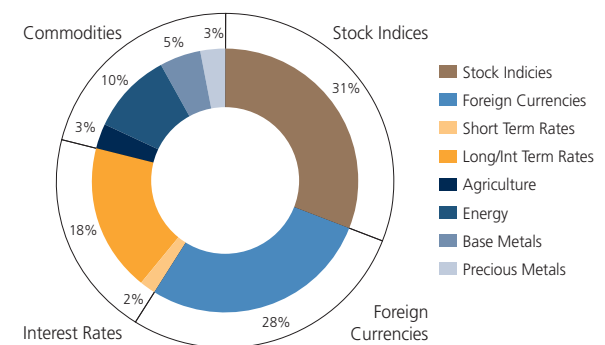
¹As of April 1, 2011 (the Fund commenced operations on March 22, 2011, but did not trade its Managed Futures strategy until April). The Fund's total annual fund operating expenses are 2.31% for Class A; 3.06% for Class C; and 2.06% for Class I.

²LoCorr also holds cash, cash equivalents and fixed income securities, which are excluded from the Managed Futures strategy allocation shown above. Performance data for the Class A Shares does not reflect the 1.00% CDSC, 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 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.

Macro Strategies Sector Diversification

As of December 31, 2017 (Subject To Change)²



Commentary continued.

Performance Overview

LoCorr Macro Strategies Fund Class I share (the "Fund") gained +4.58% in the fourth quarter, exceeding the +2.39% return for the Barclay's CTA Index. During the quarter, Equities trading remained the most profitable asset class for the Fund with smaller gains generated in Energy trading. The largest losses for the Fund occurred in Foreign Currency trading.

During the fourth quarter, all three of the Fund's managed futures sub-advisers generated positive returns, led by strong contributions from the Fund's medium- to long-term trend following sub-adviser. The target allocation to each sub-adviser remained unchanged versus the prior quarter:

- Millburn Ridgefield Corporation: 40%
- Graham Capital Management: 40%
- Revolution Capital Management: 20%

With equity markets continuing their ascent, the Fund's positioning remained long across markets in North America,

Europe, and Asia and was the largest contributor to the Fund's strong gains. Trading in Energy markets was the second largest contributor. The Fund's long positions in the Energy markets benefitted from the surge in prices for oil and oil-derived products that has taken place since June. Trading was also profitable in most other commodity markets including Base Metals and Agricultural & Softs. Trading in Fixed Income markets was profitable as positioning in U.S. fixed income markets shifted from long to short while remaining long in international fixed income markets.

Overall, the largest losses during the quarter were from trading in Foreign Currency. The reversal in the U.S. dollar during November created challenging trading conditions as positioning in the Fund shifted inopportunistically from long to short versus the U.S. dollar. Elsewhere, small losses were also generated from trading in Precious Metals where positioning fluctuated between long and short.

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.

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. **Barclays CTA Index** is an unweighted index which attempts to measure the performance of the Commodity Trading Advisor (CTA) industry. The Index measures the combined performance of all CTAs reporting to Barclays Trading Group who have more than four years past performance. Fees and transaction costs are reflected. One cannot invest directly in an index. **S&P GSCI Commodity Index** is a composite index of commodity sector returns which represents a broadly diversified, unleveraged, long-only position in commodity futures. **Nikkei 225 Index**, the leading and most-respected index of Japanese stocks. It is a price-weighted index comprised of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange. The Nikkei is equivalent to the Dow Jones Industrial Average Index in the United States. **MSCI Emerging Market Local Index** is designed to measure equity market performance in global emerging markets. (An index created by Morgan Stanley Capital International (MSCI)). **ICE U.S. Dollar Index (USDx)** futures contract is a leading benchmark for the international value of the US dollar and the world's most widely-recognized traded currency index. **Basis Points (bps)** - 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. **Reformulated Gasoline Blendstock for Oxygen Blending (RBOB)**, is the term given to unleaded gas futures.

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 prospectus contains this and other important information about the Fund and may be obtained by calling 952.513.8195 or by visiting www.LoCorrFunds.com. Read carefully before investing.

Mutual fund investing involves risk. Principal loss is possible. 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. 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 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 Fund may invest in illiquid securities which involve the risk that the securities will not be able to be sold at the time or prices desired by the Fund, particularly during times of market turmoil. The Fund may use leverage which may exaggerate the effect of any increase or decrease in the value of portfolio securities or the Net Asset Value of the Fund, and money borrowed will be subject to interest costs

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