

# LoCorr Macro Strategies Fund

Formerly the LoCorr Managed Futures Strategy Fund



LFMAX | LFM CX | LFMIX

Fourth Quarter | December 31, 2017

## Fund Objective

The Fund's primary investment objective is capital appreciation in rising and falling equity markets, with managing volatility as a secondary objective.

## Fund Summary

The LoCorr Macro Strategies Fund is a multi-manager strategy that combines three distinct investment managers with proven expertise in the managed futures space. The fund seeks to provide:

- Low correlation to nearly all asset classes
- Capital appreciation in rising or falling equity markets
- Crisis alpha and downside protection

## Sub-Advisers

The Fund's portfolio is sub-advised by Graham Capital Management, Millburn Ridgefield Corp., and Revolution Capital Management. All sub-advisers offer distinct strategies with long-term track records.

Remaining assets in the Fund are sub-advised by Nuveen Asset Management ("Nuveen") in a shorter duration fixed income strategy.

## Investment Adviser

LoCorr Fund Management is responsible for overseeing the Fund's investments as well as sub-adviser selection, management and allocations.

## Ratings

★★★★

Overall Morningstar Rating™

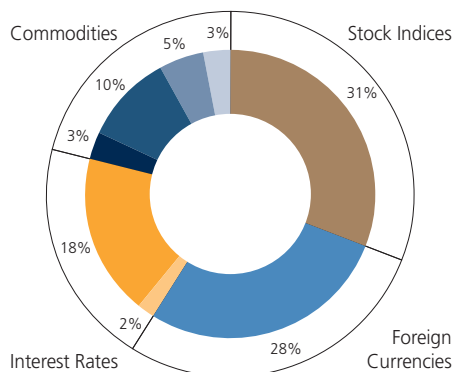
Morningstar Category™:

Managed Futures

Class I Shares overall Morningstar rating of 4 stars among 97 Managed Futures Funds based on the three- and five-year risk adjusted return for the period ending 12/31/2017. © 2017 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

## Sector Risk Exposure<sup>1</sup>

As of 12/31/17 (subject to change)



<sup>1</sup>Based on margin-to-equity.

## Exposure and Attribution by Sector

As of 12/31/17 (subject to change)

Sector	Position	Performance Attribution (Fourth Quarter 2017)
Agriculture	Short	0.06%
Energy	Long	1.50%
Base Metals	Long	0.64%
Precious Metals	Short	-0.42%
Long Term / Int Rates	Long	0.48%
Short Term Rates	Short	0.21%
Foreign Currencies	Short	-1.92%
Stock Indices	Long	4.47%

## Performance Summary | As of 12/31/17

							(April 1, 2011 - Dec. 31, 2017)	
	4Q17	YTD	1-Year	3-Year	5-Year	Since Inception <sup>1</sup>	Standard Deviation	Correlation to S&P 500
Class A - LFMAX	4.53%	2.65%	2.65%	4.13%	4.25%	1.14%	9.14%	0.03
Class A - LFMAX (load)	-1.43%	-3.21%	-3.21%	2.09%	3.01%	0.26%	9.14%	0.03
Class C - LFM CX	4.35%	1.93%	1.93%	3.37%	3.49%	0.39%	9.11%	0.03
Class C - LFM CX (load)	3.37%	1.93%	1.93%	3.37%	3.49%	0.39%	9.11%	0.03
Class I - LFMIX	4.58%	2.96%	2.96%	4.44%	4.51%	1.40%	9.15%	0.03
Barclays CTA Index	2.29%	0.65%	0.65%	-0.67%	0.78%	-0.22%	4.49%	-0.06
ML 3-Month T-Bill Index	0.26%	0.80%	0.80%	0.41%	0.27%	0.22%	0.09%	-0.02
S&P 500 Index	6.64%	21.83%	21.83%	11.41%	15.79%	13.69%	10.82%	1.00

## Calendar Year Returns | As of 12/31/17

	2017	2016	2015	2014	2013	2012	2011 <sup>2</sup>
Class I - LFMIX	2.96%	6.69%	3.72%	15.56%	-5.28%	-5.75%	-6.70%
Barclays CTA Index	0.65%	-1.15%	-1.50%	7.63%	-1.42%	-1.70%	-3.61%
ML 3-Month T-Bill Index	0.80%	0.34%	0.08%	0.04%	0.09%	0.10%	0.07%
S&P 500 Index	21.83%	11.96%	1.38%	13.69%	32.39%	16.00%	-2.37%

<sup>1</sup>March 22, 2011. <sup>2</sup>Period from March 25, 2011 through December 31, 2011. 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.

## Fund Facts

Total Net Assets: \$789.3 million (as of 12/31/17)

Inception Date: March 22, 2011

Minimum Investment: Class A & C - \$2,500 initial; \$500 subsequent  
Class I - \$100,000 initial; \$500 subsequent

Expense Ratios	Gross
Class A	2.31%
Class C	3.06%
Class I	2.06%

Expense cap: Class A 2.24%, Class C 2.99%, Class I 1.99%. The Fund's expense cap listed here includes the 12b-1 distribution and/or servicing fees per share class, but excludes taxes, interest, brokerage commissions, expenses incurred in connection with any merger or reorganization, indirect expenses, expenses of other investment companies in which the Fund may invest, or extraordinary expenses such as litigation and inclusive of organizational cost incurred prior to the commencement of operations will not exceed 1.99%/daily average net assets attributable to each class of the Fund, as stated above, net of contractual waiver through April 30, 2018. Gross expense ratios are as of a fund's most recent prospectus and were applicable to investors.

## Seeking to build a Better Portfolio with Complementary Managers

At LoCorr Funds, we are focused on collaborating with great managers. Through innovative investment processes, strong investment selections, systematic buy and sell disciplines, targeted fundamental research, thorough market intelligence, and extensive industry experience, these managers help us seek to bring carefully crafted low-correlating products to market. We call that hiring “Real Managers with Real Track Records”.

## Graham

- Long-term track record since 2006 for the underlying strategy
- Extensive experience in the managed futures space and one of the largest Commodity Trading Advisors globally
- A leading investment manager within the alternative investment industry
- Employs a distinct medium- to long-term trend-following strategy combined with a sophisticated risk management framework

## Millburn

- Trading program dates back to 1977
- Among one of the most experienced Commodity Trading Advisors in the market
- Utilizing a composite framework, risk management includes a focus on seeking to reduce volatility and drawdowns
- Employs a variety of traditional trend-following and non trend-following models

## Revolution

- Definitive track record since 2007 for the underlying strategy
- Systematic and quantitative programs constructed to well defined specifications
- Utilizes rigorous statistical analysis in all aspects of research, development and operations
- Employs a short- to medium-term trading strategy incorporating counter-trend and trend reversion signals

Millburn + Graham + Revolution = LoCorr Macro Strategies Fund

## Macro Strategies

Combining these managers brings the potential to:

- Enhance overall returns
- Profit in both bull and bear markets
- Provide low correlation to equities, bonds and other investments



*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](http://www.LoCorrFunds.com). Read it 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 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.**

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 Barclay Trading Group who have more than 4 years past performance. Fees and transaction costs are reflected. BofA Merrill Lynch 3-Month T-Bill Index tracks the performance of the U.S. dollar denominated U.S. Treasury Bills publicly issued in the U.S. domestic market with a remaining term to final maturity of less than 3 months.

One cannot invest directly in an index. The **margin-to-equity** ratio indicates what percentage of a CTA managed account is posted as margin, on average. Essentially, it tells us how much money they have tied up in margin at any given point in time relative to the nominal investment amount. **Correlation** measures how much the returns of two investments move together over time. **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. **Sharpe Ratio** is the 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. **Crisis Alpha** refers to the fact that some strategies earn superior risk-adjusted returns during crises.

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

Fund holdings and sector allocations are subject to change and should not be considered a recommendation to buy or sell any security.

The Morningstar Rating™ for funds is calculated for managed products with at least a three-year history, without adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating™ for a managed product is derived from a weighted average of the performance figures associated with its three- and five-year Morningstar Rating™ metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The LoCorr Macro Strategies Fund was rated 5 stars among 97 Managed Futures funds in the last 3 years, and was rated 4 stars among 50 Managed Futures funds in the last 5 years. The Morningstar Rating is for the Institutional share class only; other classes may have different performance characteristics.

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