

# LoCorr Long/Short Commodities Strategy Fund



LCSAX | LCSCX | LCSIX

First Quarter | March 31, 2018

## Fund Objective

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

## Fund Summary

The LoCorr Long/Short Commodities Strategy Fund is a multi-manager commodities strategy with the flexibility to take both long and short positions in global commodity markets.

The Fund seeks to provide:

- The ability to profit in both up and down commodities markets
- Low correlation to stocks and bonds
- A hedge against inflation

## Investment Adviser

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

## Ratings

★★★★★

Overall Morningstar Rating™

Morningstar Category™:

Managed Futures

Class I Shares overall Morningstar rating of 5 stars among 94 Managed Futures Funds based on the three- and five-year risk adjusted return for the period ending 3/31/2018. © 2018 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.

## Exposure and Attribution by Sector

As of 3/31/18 (subject to change)

| Sector    | Position | Performance Attribution (First Quarter 2018) |      |
|-----------|----------|--|------|
| Energy    | Long     |  | 3.1% |
| Metals    | Short    | -0.6%  |      |
| Grains    | Short    | -0.7%  |      |
| Livestock | Short    |  | 2.3% |
| Softs     | Short    | 0.0%   |      |

## Performance Summary | As of 3/31/18

|                        | Since Inception (Jan 1, 2012 - March 31, 2018) |        |        |        |        |               |                    |                        |
|------------------------|--|--------|--------|--------|--------|---------------|--------------------|------------------------|
|                        | 1Q18   | YTD    | 1-Year | 3-Year | 5-Year | Annual Return | Standard Deviation | Correlation to S&P 500 |
| Class A - LCSAX        | 1.75%  | 1.75%  | 6.37%  | 7.23%  | 7.95%  | 2.93%         | 8.36%              | -0.19                  |
| Class A - LCSAX (load) | -4.08%   | -4.08% | 0.22%  | 5.13%  | 6.67%  | 1.96%         | 8.36%              | -0.19                  |
| Class C - LCSCX        | 1.59%  | 1.59%  | 5.55%  | 6.47%  | 7.12%  | 2.11%         | 8.30%              | -0.19                  |
| Class C - LCSCX (load) | 0.59%  | 0.59%  | 5.55%  | 6.47%  | 7.12%  | 2.11%         | 8.30%              | -0.19                  |
| Class I - LCSIX        | 1.83%  | 1.83%  | 6.64%  | 7.55%  | 8.22%  | 3.17%         | 8.33%              | -0.19                  |
| ML 3M T-Bill Index     | 0.35%  | 0.35%  | 1.07%  | 0.52%  | 0.33%  | 0.29%         | 0.11%              | 0.05                   |
| MStar L/S Comm Index   | 1.03%  | 1.03%  | 7.86%  | -2.95% | -1.88% | -2.97%        | 6.15%              | 0.08                   |
| S&P 500 Index          | -0.76%   | -0.76% | 13.99% | 10.78% | 13.31% | 15.01%        | 9.89%              | 1.00                   |

## Calendar Year Returns | As of 3/31/18

|                      | 2018 YTD | 2017   | 2016   | 2015   | 2014   | 2013   | 2012*   |
|----------------------|----------|--------|--------|--------|--------|--------|---------|
| Class I - LCSIX      | 1.83%    | 6.19%  | -2.67% | 22.61% | 22.36% | -8.11% | -16.20% |
| ML 3M T-Bill Index   | 0.35%    | 0.80%  | 0.34%  | 0.08%  | 0.04%  | 0.09%  | 0.10%   |
| MStar L/S Comm Index | 1.03%    | -1.47% | -7.88% | 2.42%  | -5.43% | 5.20%  | -11.37% |
| S&P 500 Index        | -0.76%   | 21.83% | 11.96% | 1.38%  | 13.69% | 32.39% | 16.00%  |

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 (1.0% CDSC). Had the sales charge been included, the fund's returns would be lower. \*January 1, 2012. Past Performance is not a guarantee of future results.

## Correlation | 8/1/2007 - 3/31/2018

|                 | L/S Comm | L-Only Comm | Mgd Futures | U.S. Stocks | Bonds |
|-----------------|----------|-------------|-------------|-------------|-------|
| L/S Comm        | 1.00     |             |             |             |       |
| Long-Only Comm  | 0.33     | 1.00        |             |             |       |
| Managed Futures | 0.52     | 0.08        | 1.00        |             |       |
| U.S. Stocks     | -0.01    | 0.54        | -0.03       | 1.00        |       |
| Bonds           | -0.18    | -0.10       | 0.22        | 0.02        | 1.00  |

L/S Commodities: Morningstar L/S Commodity Index; Long-Only Commodities: Goldman Sachs Commodity Index; Managed Futures: Barclays CTA Index; U.S. Stocks: S&P 500 Total Return Index; Bonds: Bloomberg Barclays U.S. Aggregate Bond Index.

## Fund Facts

Total Net Assets: \$99.1 million (as of 3/31/18)

Inception Date: January 1, 2012

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

| Expense Ratios | Net   | Gross |
|----------------|-------|-------|
| Class A        | 2.71% | 2.73% |
| Class C        | 3.46% | 3.48% |
| Class I        | 2.46% | 2.48% |

Expense cap: Class A 2.20%, Class C 2.95%, Class I 1.95%. 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 1.95%/daily average net assets attributable to each class of the Fund, as stated above, net of contractual waiver through April 30, 2019. Net 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".

## Millburn

- Firm dates back to 1971, making it one of the most established systematic Commodity Trading Advisors
- Launched its commodity program in 2005
- Employs a systematic approach incorporating multi-factor directional, multi-factor calendar spread, and trend-following strategies
- Commodity exposure may be long, short, or neutral depending on market conditions
- Trades across 40+ commodity markets

## Long/Short Commodities

Exposure to experienced and complementary managers with different low-correlating investment styles to provide the potential for:

- Increased returns
- Low correlation to stocks and bonds
- Lower volatility
- A hedge against inflation



## J E Moody

- Commodity program launched in 2006
- Employs a systematic relative value strategy taking positions in intra-market calendar spreads
- Typically has little directional commodity exposure regardless of market conditions
- Trades across 20+ commodity markets

Millburn + J E Moody + Nuveen = LoCorr Long/Short Commodities Strategy Fund

*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 is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to an individual investment's volatility than a diversified fund. The Fund invests in foreign investments 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 will incur a loss as a result of a short position if the price of the short position instrument increases in value between the date of the short position sale and the date on which an offsetting position is purchased. The Fund may invest in derivative securities, which derive their performance from the performance of an underlying asset or index. 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.

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. 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. Goldman Sachs Commodity Index (GSCI) is a composite index of commodity sector returns which represents a broadly diversified, unleveraged, long-only position in commodity futures. Performance as of 3/31/18 is 13.83%

1-Yr, -11.88% 5-Yr, -10.82% 10-Yr. 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. Barclays Capital 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 that have at least one year to maturity. This index includes net dividends. Morningstar Long/Short Commodity Index is fully collateralized commodity futures index that uses the momentum rule to determine if each commodity is held long, short, or flat.

One cannot invest directly in an index. Correlation measures how much the returns of two investments move together over time. Max drawdown is an indicator of the risk of a portfolio chosen based on a certain strategy. It measures the largest single drop from peak to bottom in the value of a portfolio (before a new peak is achieved). 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.

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

Fund holdings and sector allocations are not yet funded, 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 Long/Short Commodities Strategy Fund was rated 5 stars among 94 Managed Futures funds in the last 3 years, and was rated 5 stars among 58 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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