

# LoCorr Spectrum Income Fund

LSPAX | LSPCX | LSPIX

Second Quarter | June 30, 2018

## Fund Objective

The Fund's primary objective is current income with capital appreciation as a secondary objective.

## Fund Summary

The LoCorr Spectrum Income Fund is an income-focused strategy that invests in securities outside of bonds that have historically produced high income. The Fund seeks to provide:

- A consistent dividend
- Low correlation to bonds
- Risk mitigation in rising interest rate environments

## Sub-Adviser

The Fund's portfolio is sub-advised by Trust and Fiduciary Income Partners (TFIP). TFIP's primary focus is generating a high and consistent distribution. The manager implements this income-oriented strategy by investing in a portfolio of primarily pass-through securities. The strategy is long-only and the team employs a value-oriented investment approach that is fundamentally driven to identify securities with typically attractive yields.

## Investment Adviser

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

## Top Ten Holdings

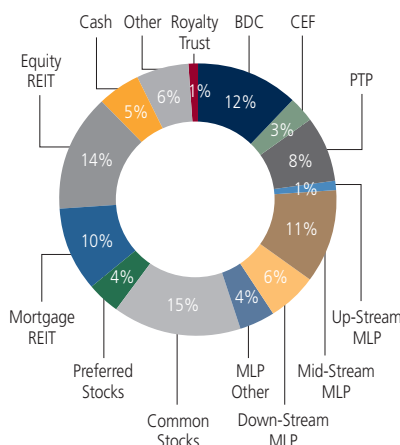
As of 6/30/18

Holdings	Symbol	Sector	% of Net Assets
Kinder Morgan, Inc.	KMI.PRA	Pref Stock	2.97%
Blackstone Group	BX	PTP	2.83%
Carlyle Group LP	CG	PTP	2.82%
Crestwood Equity Partners	CEQP	MLP	2.72%
Icahn Enterprises LP	IEP	MLP	2.70%
Ares Capital Corp.	ARCC	BDC	2.36%
Global Partners LP	GLP	MLP	2.16%
Targa Resources Corp.	TRGP	C-Corp	2.16%
Washington Prime Group, Inc.	WPG	REIT	2.10%
CyrusOne, Inc.	CONE	REIT	2.06%

Acronym Key: Business Development Companies (BDC), Closed-End Fund (CEF), Master Limited Partnerships (MLP), Publicly Traded Partnerships (PTP), Real Estate Investment Trusts (REIT)

## Allocation by Sector

As of 6/30/18 (subject to change)



## Distribution Rate and SEC Yield

As of 6/30/18 (Class I Share, subject to change)

12-Month Distribution Rate <sup>1</sup>	8.20%
30-Day SEC Yield (Subsidized) <sup>2</sup>	4.11%
30-Day SEC Yield (Unsubsidized) <sup>3</sup>	4.11%

<sup>1</sup>12-Month Distribution Rate is the combined distribution over the trailing twelve months divided by the period ending NAV. Net interest income, distributions may include capital gains and returns of capital. <sup>2</sup>Subsidized yield reflects the effect of current contractual fee waivers and expense reimbursements. Returns would be lower without those reimbursements. <sup>3</sup>Unsubsidized SEC Yield represents what a fund's 30-Day SEC Yield would have been had no fee waiver or expense reimbursement been in place over the period. Without reimbursement and/or fee waivers, the Fund's 30-Day SEC yield for LSPIX would have been 4.11%.

## Performance Summary | As of 6/30/18

	As of 6/30/18				Since Inception (1/1/14 - 6/30/18)	
	2Q18	YTD	1-Year	3-Year	Annual Return	Standard Deviation
Class A - LSPAX	9.48%	3.24%	4.06%	1.05%	-0.04%	9.88%
Class A - LSPAX (w/load)	3.13%	-2.68%	-1.86%	-0.92%	-1.35%	9.88%
Class C - LSPCX	9.14%	2.83%	3.27%	0.24%	-0.81%	9.87%
Class C - LSPCX (w/load)	8.14%	1.84%	3.27%	0.24%	-0.81%	9.87%
Class I - LSPIX	9.42%	3.43%	4.42%	1.34%	0.23%	9.87%

## Calendar Year Returns | As of 6/30/18

	2018 YTD	2017	2016	2015	2014
Class I - LSPIX	3.43%	3.85%	6.85%	-7.10%	-5.23%

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. The Fund imposes a 2.00% redemption fee on shares sold within 60 days. 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. Past Performance is not a guarantee of future results.

## Fund Facts

<b>Total Net Assets:</b>	\$81 million (as of 6/30/18)		
<b>Inception Date:</b>	January 1, 2014		
<b>Distribution Frequency:</b>	Monthly		
<b>Minimum Investment:</b>	Class A & C - \$2,500 initial;		
	\$500 subsequent		
	Class I - \$100,000 initial;		
	\$500 subsequent		
<b>Redemption Fee:</b>	2% fee within first 60 days		
<b>Expense Ratios</b>	Net <sup>1</sup>	Net	Gross
Class A	1.95%	2.99%	2.99%
Class C	2.70%	3.74%	3.74%
Class I	1.70%	2.74%	2.74%

<sup>1</sup>Net expenses excluding acquired Fund fees. Expense cap: Class A 2.05%, Class C 2.80%, Class I 1.80%. 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 1.80%/daily average net assets attributable to each class of the Fund, as stated above, net of contractual waiver through April 30, 2020. 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".

## TFIP

- Principal investment strategy for the Fund
- Extensive track record dating back to 2001 and spanning a variety of market environments
- Experience managing through two major bear markets in equities
- Seeks to provide above-market stable, distributable income regardless of market environment
- Differentiated strategy that provides exposure to multiple segments of the pass-through market within a single portfolio
- Ability to tactically allocate to the various segments of the pass-through market depending on the market environment

### Spectrum Income

Income-oriented strategy focused on investments striving to produce current income, provides potential for:

- Low-correlation to bond market
- Competitive annual yields
- Consistent monthly dividends
- Daily liquidity



## LOCORR

- Exclusive focus on offering alternative investments for over 12 years
- Grown Fund family AUM to \$1.6B since inception of LoCorr Funds (2011)
- Dedicated distribution team
  - Regionally-based wholesalers averaging over 20 years experience
- Relationships with 120+ major broker/dealers nationwide across regional, independent and wirehouse channels
- Consultative approach focused on education and training

TFIP + LOCORR = Spectrum Income Fund

*This material must be preceded or accompanied by a prospectus.*

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. 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. The Fund's portfolio will be significantly impacted by the performance of the real estate market generally, and the Fund may be exposed to greater risk and experience higher volatility than would a more economically diversified portfolio. Property values may fall due to increasing vacancies or declining rents resulting from economic, legal, cultural, or technological developments. Investments in Limited Partnerships (including master limited partnerships) involve risks different from those of investing in common stock including risks related to limited control and limited rights to vote on matters affecting the Limited Partnership, risks related to potential conflicts of interest between the Limited Partnership and the Limited Partnership's general partner, cash flow risks,

dilution risks and risks related to the general partner's limited call right. Underlying Funds are subject to management and other expenses, which will be indirectly paid by the Fund. 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.

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.

One cannot invest directly in an index. Correlation measures how much the returns of two investments move together over time.

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