LoCORR FUNDS
SEEKING A BETTER WAY TO DIVERSIFY

Macro Strategies Fund

December 31, 2022

Fourth Quarter Commentary

Market Commentary

While the final quarter of 2022 started strong on the hopes of a dovish Federal Reserve ("Fed") and the possibility of a soft landing, doubts reemerged in December, pushing markets lower. The Fed continued its hawkish posture in response to surging prices, raising the federal funds rate by three-quarters of a point in November and by half of a point in December. These moves now place the target federal funds range at 4.25% - 4.50%.

While many areas of the economy are expected to slow, the U.S. jobs market remained resilient, adding 261,000 and 263,000 new jobs in October and November, respectively. Moreover, November marked the 23rd month in a row of job gains. However, after hitting a post-pandemic low unemployment rate of 3.5% this summer, the rate ticked up modestly to 3.7% in the period. The robust job market has continued in an unrelenting fashion despite the Fed's attempts to slow the economy. While prices of household goods remained elevated, gas prices moderated in the fourth quarter, after a steep decline in the prior period.

While volatile, global equity prices rose during the quarter. The S&P 500 Index was up +7.56%, closing the year down -18.11%, its worst calendar year return since the 2008 Financial Crisis. Equities rebounded significantly in October, up +8.10%, and up +5.59% in November, but this unsupported optimism aided the December pullback, down -5.76%. The CBOE Volatility Index, commonly referred to as the market's fear gauge, rose to 33.63 on October 11th, up more than 100% from the beginning of the year. Investors became increasingly skittish in response to growing recessionary risk, as fear surrounding the aforementioned potential Fed policy error swelled. The continuation of rising interest rates and recessionary concerns would pressure growth and high-valuation stocks while value and more defensive sectors along with commodity stocks would perform better on a relative basis.

Global bond yields flatlined in the period, coming off a historic rise in the prior quarters as it became increasingly clear the Fed and other central banks would not abandon their aggressive interest rate hikes to quell inflation. The U.S. 10-year Treasury yield topped out at 4.25% in late October, a high for 2022, before retreating downward, hitting a low for the year at 3.42% in early December. The volatility in interest rates continued to be driven by the potential

Continued on reverse side ...

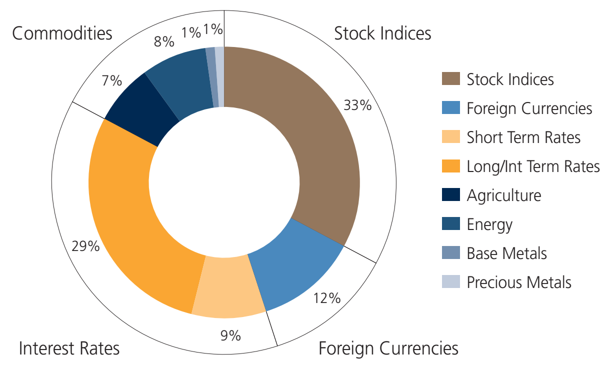
Average Annual Total Returns

As of December 31, 2022

	4Q22	YTD	1 Year	5 Year	10 Year	Since Inc.[1]
Class A - LFMAX	-3.90%	15.01%	15.01%	5.21%	4.73%	2.85%
Class A - LFMAX (Load)	-9.40%	8.34%	8.34%	3.96%	4.10%	2.33%
Class C - LFMCX	-4.10%	14.17%	14.17%	4.43%	3.96%	2.09%
Class C - LFMCX (Load)	-4.93%	14.17%	14.17%	4.43%	3.96%	2.09%
Class I - LFMIX	-3.79%	15.40%	15.40%	5.49%	5.00%	3.12%
ICE BofA ML 3M T-Bill Idx	0.91%	1.49%	1.49%	1.31%	0.79%	0.69%
Barclays CTA Index	-1.84%	7.41%	7.41%	3.94%	2.36%	1.64%
Mstar Systematic Trend Cat	-5.10%	14.53%	14.53%	3.79%	2.46%	0.81%

Macro Strategies Sector Diversification

As of December 31, 2022 (Subject To Change)[2]



[1]*As of April 1, 2011 (the Fund commenced operations on March 22, 2011, but did not trade its Managed Futures strategy until April 2011). The Fund's total annual fund operating expenses are 2.15% for Class A; 2.90% for Class C; and 1.90% for Class I.*

[2]LoCorr 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 CDSC of up to 1%, 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.

Commentary continued.

of peaking inflation and the subsequent possibility of a Fed pivot. Overall, the Bloomberg U.S. Aggregate Bond Index rose +1.87% during the quarter. Despite this positive period, 2022 proved to be the worst year for the Index since its inception in 1980, down -13.01%.

The Bloomberg Commodity Index rose modestly in the quarter, up +2.22%. While the start of the period proved strong for commodities, softness in December erased most of those gains. Energy markets remained mixed as oil price volatility remained elevated and investors balanced recessionary fears and geopolitical events. Agricultural markets were quiet, relative to the start of 2022, as geopolitical impacts to commodities, such as wheat markets, lessened. Softs markets, specifically cotton, and metals markets, such as nickel, proved to be volatile as concerns surrounding the impact to China's economy from abandoning its "Zero-COVID" policy emerged.

In currency markets, the U.S. Dollar ("USD") fell over -7% against a basket of major currencies. This downward move was a significant reversal in the yearlong upward trend. We attribute the weakness in the USD to be related to the general increase in risk appetite, an improved energy situation and economic outlook in Europe, along with optimism that the Fed may be closer to reversing its hawkish posture.

Performance Overview

The LoCorr Macro Strategies Fund Class I share (the "Fund") declined -3.79% in the quarter versus the +7.56% and +1.87% gain for the S&P 500 and Bloomberg U.S. Aggregate Bond Indices, respectively. Despite the negative performance over this period, we were pleased to see the Fund's positive performance during a very volatile period for both equities and fixed income. During the worst of the intra-quarter sell-off in stocks from 12/1/22 – 12/28/22, the Fund gained +0.31% as the S&P 500 dropped -7.16%. Negative performance during the quarter was driven by short-term trading strategies with modest negative contributions from the systematic macro and trend-following trading strategy allocations. From an asset class perspective, the Fund's largest losses were from currencies and equities, with fixed income contributing modestly.

The Fund's sub-advisers continued to capitalize on the strong downward trends in global fixed income with the largest gains in European bond markets. The Fund held a consistent short posture throughout the quarter, before reducing this short position modestly into year end. The short exposure benefited from the sell-off in global bonds as rates moved higher, especially early in the quarter. The largest gains were from short German government debt, particularly the Bobl and Bund. Modest short exposure in the U.S. was a detractor as major reversals for most of the quarter proved more difficult for the Fund's managers to trade. Overall, fixed income exposure remained short into the end of the period.

Currency trading was the largest detractor to Fund performance in the fourth quarter, led by short positions in various European currencies. Negative performance within European currencies was led by short exposure to the Euro as easing inflation and an improving energy situation in Europe fueled a rebound in the Euro early in the quarter. At the end of the period and for the first time in 2022, foreign currency exposure moved to long versus the USD.

Predominantly long energy exposure throughout the quarter suffered from dampened volatility and directionless markets which provided limited trading opportunities for the Fund's managers. The largest detractors in energy trading were from mixed crude positioning. Trading in metals was a detractor with losses in both precious metals, notably gold, and base metals, primarily copper. As volatility in the commodity markets remained elevated during the quarter, the Fund's sub-advisers maintained reduced exposure levels. The Fund ended the period with long positions in energy, grains, meats, precious metals, and short positions in softs and base metals.

Trading in equity indices detracted from performance during the period as gains from the Fund's short-term trading strategy were offset by losses in the trend and systematic macro strategies. Overall, modest net equity exposure was generally short in varying sizes during the start of the period before flipping to a modest long in November. Outside the U.S., all major equity markets across the globe were slightly negative, with the DAX Index impacting Fund performance the most. Equity exposure at quarter end was marginally long across the board, with a focus in Europe.

During the period, the target allocation to each sub-adviser remained unchanged versus the prior quarter:

- Millburn Ridgefield Corporation: 37.5%
- Graham Capital Management: 37.5%
- Revolution Capital Management: 15.0%
- R.G. Niederhoffer Capital Management: 10.0%

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.

ICE 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. **Barclays CTA Index** is an equal weighted index which attempts to measure the performance of the Commodity Trading Advisor 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. **Bloomberg 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. **S&P 500 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. **U.S. 10-Year Treasury** is a debt obligation issued by the United States government that matures in 10 years. **Bloomberg Commodity Index** is a broadly diversified commodity price index distributed by Bloomberg Indexes. The index was originally launched in 1998 as the Dow Jones-AIG Commodity Index and renamed to Dow Jones-UBS Commodity Index in 2009, when UBS acquired the index from AIG. **Morningstar Systematic Trend Category** is an average monthly return of all funds in the Morningstar Systematic Trend Category. These funds typically take long and short positions in futures options, swaps, and foreign exchange contracts, both listed and over-the-counter, based on market trends or momentum. A majority of these funds follow trend-following, price-momentum strategies. **CBOE Volatility Index** is the Chicago Board Options Exchange Volatility Index, which shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options. This volatility is meant to be forward looking, is calculated from both calls and puts, and is a widely used measure of market risk, often referred to as the "investor fear gauge." **DAX Index** is a blue chip stock market index consisting of the 30 major German companies trading on the Frankfurt Stock Exchange. **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.

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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