

# Macro Strategies Fund

March 31, 2025

## First Quarter Commentary

### Market Commentary

The inauguration of President Trump in the beginning of the first quarter was quickly followed with a multitude of executive orders and talks about tariffs. The market reaction was positive initially as equity markets, as measured by the S&P 500 Index, rallied +2.78% in January, despite a selloff in mega cap technology stocks later in the month on a report from China's DeepSeek regarding significantly cheaper AI models. February was marked by tariff announcements and weaker-than-expected economic news and signaled the beginning of a selloff in global equities. In March, tariff talks grew more serious, markets reacted very strongly, and the selloff in equities was amplified.

The U.S. jobs market showed mixed signals once again in Q1. January and February non-farm payrolls came in lower than expected, but March surprised to the upside. The March report showed an increase in non-farm payrolls of 228,000, up from 117,000 in February and well above the 140,000 estimated. The unemployment rate remains quite low, slightly increasing to 4.2% from 4.1% in the previous quarter. While inflation has fallen dramatically from its peak, it still remains stubbornly above the Fed's 2% target. CPI rose +2.8% year-over-year in February,

increasing +0.2% from January, but lower than the +3.0% annual rate posted in January. The Fed's preferred inflation index, the Personal Consumption Expenditures Index (PCE), rose +2.5% year-over-year in February, in line with the +2.5% increase in January, and still above the Fed's 2% target.

The bond market rose as the Bloomberg U.S. Aggregate Bond Index finished the quarter with a +2.78% gain as tariff announcements and trade war fears caused a risk-off move. However, inflationary pressure from the aforementioned tariffs and potential trade war fallout with the U.S. government has seemingly limited the rally in U.S. debt. The 10-year Treasury yield fell approximately -35 bps, finishing the quarter at 4.28%. Globally, the story was different as the 10-year German Bund and the 10-year Japanese Government Bond yields both rose approximately +30 bps and +40 bps, respectively.

U.S. equities declined in the first quarter. The S&P 500 Index was down -4.27%, with most of the losses coming in March. The CBOE Volatility Index, commonly referred to as the market's fear gauge, stayed below 20 for the majority of the quarter until spiking to 27.86 in mid-March due to tariff announcements.

*Continued on reverse side ...*

## Average Annual Total Returns

As of March 31, 2025

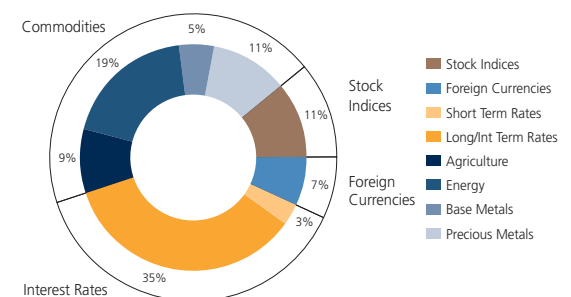
	1Q25	YTD	1 Year	5 Year	10 Year	Since Inc.
Class A - LFMAX	-0.13%	-0.13%	-0.73%	4.08%	3.18%	2.32% <sup>1</sup>
Class A - LFMAX (Load)	-5.92%	-5.92%	-6.41%	2.86%	2.56%	1.89% <sup>1</sup>
Class C - LFM CX	-0.14%	-0.14%	-1.47%	3.32%	2.42%	1.57% <sup>1</sup>
Class C - LFM CX (Load)	-1.14%	-1.14%	-1.47%	3.32%	2.42%	1.57% <sup>1</sup>
Class I - LFMIX	0.00%	0.00%	-0.43%	4.34%	3.44%	2.59% <sup>1</sup>
ICE BofA ML 3M T-Bill Idx	1.06%	1.06%	4.93%	2.56%	1.89%	1.37% <sup>2</sup>
Barclays CTA Index	-0.37%	-0.37%	-1.46%	3.79%	1.65%	1.55% <sup>2</sup>
Mstar Systematic Trend Cat	-1.96%	-1.96%	-8.38%	3.20%	0.54%	0.32% <sup>2</sup>

<sup>1</sup>As of March 24, 2011 (Class A Shares commenced operations on 3/22/11, Class C & I Shares commenced operations on 3/24/11) but did not trade its Managed Futures strategy until April 2011). <sup>2</sup>As of April 1, 2011. The Fund's total annual fund operating expenses are 2.14% for Class A; 2.89% for Class C; and 1.89% for Class I.

<sup>3</sup>The Fund also holds cash, cash equivalents and fixed income securities, which are excluded from sector chart 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 888.628.2887. Investment performance reflects contractual 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 March 31, 2025 (Subject to Change)<sup>3</sup>


*Commentary continued.*

The market-cap skew that has been present in recent years continued this quarter as the Russell 2000 Index underperformed large cap stocks by -5.21%. The S&P 500 Equal Weight Index was down -0.61% in Q1, outperforming the cap-weighted S&P 500 by +3.66%. Global stocks also outperformed the S&P 500 Index during the quarter as the MSCI World Index detracted -1.79%.

The Bloomberg Commodity Index rose significantly in the quarter, gaining +8.88%. The U.S. Dollar ("USD") weakened precipitously in Q1 which propelled most commodities markets in the quarter. The Index finished the quarter with strong gains as tariff headlines created inflationary pressure. Gold reached all-time highs as investors flocked to the safe haven asset. The metal finished up +18.21% in the quarter as measured by the Bloomberg Gold Subindex. Copper and Tin each also rose over +25%. Crude oil, as measured by the Bloomberg WTI Crude Oil Subindex, rose by +2.12%, though has been range-bound for the past two years. Livestock was also a positive contributor, while the grains sector was the only detractor in the commodity complex.

In currency markets, the USD fell significantly against a basket of major currencies, down -3.94%. The move lower in the greenback can be attributed to the inflationary pressures caused by the tariff announcements coming from the Trump administration.

### Performance Overview

The LoCorr Macro Strategies Fund, Class I share (the "Fund") was flat 0.00% in the quarter versus a -4.27% loss for the S&P 500 Index. Against its peers, the Fund outperformed Morningstar's Systematic Trend category by +1.96% during Q1. Overall, the Fund's positive performance during the quarter was driven by one of its short-term managers, Revolution. These gains were partially offset by losses from the Fund's trend following manager, Graham, and the other short-term manager, R.G. Niederhoffer. The Fund's systematic macro manager, Millburn, had relatively neutral performance during the quarter. The Fund provided beneficial portfolio diversification as gains in equities and metals overshadowed losses in currencies and interest rates. Performance in energy was negligible.

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%

Trading in equity indices was a positive contributor in Q1. The strong rally in European equities throughout the quarter benefited long positions, specifically in the German DAX and Euro Stoxx indexes, while the drop in U.S. stocks during the quarter negatively impacted the Fund's long positions in the S&P 500 and NASDAQ 100 indexes. The Fund maintained a consistent long posture in U.S., European, and Asian equities throughout most of the quarter but finished with a slight short position in the U.S.

Commodity trading was a slight negative contributor in the quarter as trading losses in energy products and agriculture were mostly offset by gains in metals. Within energy products, the Fund posted its largest losses in short gasoline RBOB positions. The Fund also posted losses in agricultural commodities. Grains markets accounted for most of the losses within the agriculture sector, specifically short soybean oil and long corn positions. Gains in metals partially offset the losses in other commodity sectors. The gains were concentrated mainly within precious metals, specifically long gold exposure. The Fund ended the period with a short position in grains, while energy, precious metals, base metals, and softs were long.

The USD fell against a basket of foreign currencies in every month during the quarter. The Fund was long the Dollar for most of this period resulting in losses in the asset class. The largest gains came from short Euro, British Pound, and Japanese Yen. The Fund ended the period with a slight net short foreign currency/long USD position. Short exposure steadily decreased throughout the quarter.

The drop in U.S. interest rates was a headwind for the Fund during the quarter as long-term U.S. bond exposure was unprofitable. Trading in the UK Gilt was profitable while short exposure in Europe was a negative contributor, particularly the Euro Schat and Euro Bund. Although the Fund maintained a short posture in Europe for the duration of the quarter, it ultimately ended the period with a small, long position in the U.S.

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.

**EURO STOXX 50 Index** is a blue-chip index designed to represent the 50 largest companies in the eurozone. **Russell 2000 Index** measures the performance of approximately 2000 small-cap companies in the Russell 3000 Index, which is made up of 3000 of the biggest U.S. stocks. It serves as a benchmark for small-cap stocks in the United States. **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. **Core Personal Consumption Index (PCE)** measures the changes in the price of goods and services purchased by consumers for the purpose of consumption, excluding food and energy. Prices are weighted according to total expenditure per item. **The S&P 500 Equal Weight Index (EWI)** is the equal-weight version of the widely-used S&P 500. The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance. **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." **MSCI World Index** is a market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world. **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. **NASDAQ 100 Index (NDX®)** represents 100 of the largest, most dynamic non-financial companies listed on the Nasdaq Stock Market and some of the most innovative companies in the world. These companies are selected based on market capitalization and are renowned for their innovation, market leadership, and growth potential. NDX includes major players across various sectors such as technology, healthcare, consumer goods, and industrials, making it a comprehensive benchmark for growth-focused investors.

*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 888.628.2887 or by visiting [www.LoCorrFunds.com](http://www.LoCorrFunds.com). Read carefully before investing.*

Mutual fund investing involves risk. Principal loss is possible. The Fund invests in foreign investments which involve greater volatility and political, economic and currency risks and differences in accounting methods. 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. 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. 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. 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. Underlying Funds are subject to management and other expenses, which will be indirectly paid by the Fund.

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