

Class A	Class C	Class I
LEQAX	LEQCX	LEQIX

Long/Short Equity Fund - Monthly Commentary

March 2017 Commentary – LoCorr Long/Short Equity Fund

Market Commentary

While it may seem the most recent leg of the bull market is due to the election results, the reality is its new lease on life started almost a year ago as U.S. businesses and consumer confidence showed signs of recovery after some weakness in 2015. After a long uphill run, in March U.S. equity markets took a breather to reassess the new administration's ability to deliver on its policy agenda. The inability to repeal and replace the Affordable Care Act highlighted the fact that the Republican majority in Congress is far from united. The market is likely to remain highly attuned to the political wrangling in Washington. Despite the political uncertainties, it is clear that U.S. consumers and businesses are significantly more positive about the outlook than they were this time last year.

Portfolio Update

The LoCorr Long/Short Equity Fund Class I share declined -1.08% in March, lagging the +0.12% gain for the S&P 500 Index. Returns from both managers were negative during the month,

due to moderate losses from both the long and short book. Net exposure for the Fund was approximately 40% at the end of March, similar to the prior month and at the lower end of the Fund's typical range as both managers continue to have ample capital to deploy in the event of a market pull back or idiosyncratic individual stock opportunities that present themselves.

In the long book, the largest contributions came from holdings in the Technology sector, with smaller contributions from Financial, Real Estate, and Utilities positions. Within the Technology sector, Exar Corporation, a designer of analog mixed-signal integrated circuits in the semiconductor industry, jumped following the announcement that it would be acquired. Signet Jewelers was a notable contributor in the Consumer Cyclical sector, rallying during the month following the release of fourth quarter earnings and recouping some of its losses from earlier in the year. These gains were offset by overall losses in the Consumer Cyclical sector

Continued on reverse side ...

March 2017 Performance

LoCorr Long/Short Equity Fund (LEQIX)	S&P 500 Index	Morningstar Global L/S Equity Index	LEQIX Excess Return vs. S&P 500 Index	LEQIX Excess Return vs. Morningstar Global L/S Equity Index
-1.08%	0.12%	1.80%	-1.20%	-2.88%

Average Annual Total Returns

As of March 31, 2017

	Monthly	YTD	1-Year	3-Year	Since Inception*
Class A - LEQAX without Load	-1.17%	-2.16%	21.15%	4.47%	4.46%
Class A - LEQAX with Load	-6.87%	-7.81%	14.23%	2.44%	2.88%
Class C - LEQCX without Load	-1.21%	-2.30%	20.15%	3.70%	3.65%
Class C - LEQCX with Load	-2.20%	-3.28%	20.15%	3.70%	3.65%
Class I - LEQIX	-1.08%	-2.05%	21.51%	4.76%	4.73%
S&P 500 Index	0.12%	6.07%	17.17%	10.37%	12.29%
Morningstar Global L/S Equity Index	1.80%	5.45%	10.70%	0.23%	3.04%
Russell 2000 Index	0.13%	2.47%	26.22%	7.22%	11.00%

*The Fund commenced operations on May 10, 2013. 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. The Fund imposes a 1.00% redemption fee on shares sold within 30 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, CDSC, or redemption fee been included, the Fund's returns would be lower. The Fund's gross expense ratio is 3.91% for Class A; 4.66% for Class C; and 3.66% for Class I.

Commentary continued.

and to a lesser extent Energy and Basic Material positions. In the Consumer Discretionary sector, Tailored Brands was trimmed after the stock traded down following their earnings release which showed negative sales comps – in line with the overall dreary retail environment. While the sub-adviser believes they were right in their expectation that the acquisition turnaround would be a boon to the company they underestimated how negative the retail environment proved to be.

On the short side, the largest gains occurred in Financials followed by the Industrial sector. In the Financials sector, a short position in a provider of analytical applications in the financial industry fell following the release of weaker-than-expected revenue growth in their fourth quarter earnings release. Other contributors included a restaurant service company in the Technology sector that

continued to decline following the release of lackluster fourth quarter earnings and an operator of salons. These gains were offset by losses in The Technology and Basic Material sectors. In the Basic Materials sector, losses were led by gains from a producer of commercial building materials while losses in the Technology sector were led by a software company that reported better-than-expected earnings.

Outlook

While the Fund has given up some of its 2016 gains thus far in 2017, we continue to believe that it is well positioned to perform well in the future with two highly complementary investment managers with long track records of success.

As of the most recent prospectus the Fund's total annual fund operating expenses after fee waiver is 3.54% for Class A; 4.29% for Class C; and 3.29% for Class I; and were applicable to investors. The Fund's expense cap (exclusive of any Rule 12b-1 distribution and/or servicing fees, taxes, interest, brokerage commissions, expenses incurred in connection with any merger or reorganization, indirect expenses, short selling 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) is 2.90% for all share classes, net of contractual fee waiver through April 30, 2017.

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. **Morningstar Global Long/Short Equity Index** uses historical fund data dating back to the Fund's inception. Funds that have been liquidated or merged are included in analysis. The inception of the index is determined by the date at which the benchmark obtains five or more constituents, without falling below two constituents going forward. It includes funds with exposure to long and short positions in global equities or derivatives and is equally weighted. **Russell 2000 Index** measures the performance of approximately 2,000 small-cap companies in the Russell 3000 Index, which is made up of 3,000 of the biggest U.S. stocks. The Russell 2000 serves as a benchmark for small-cap stocks in the United States. Fund holdings and sector allocations are subject to change and should not be considered a recommendation to buy or sell any security. One cannot invest directly in an index. **Market capitalization** (market cap) is the total market value of the shares outstanding of a publicly traded company; it is equal to the share price times the number of shares outstanding.

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 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 political, economic and currency risks, greater volatility and differences in accounting methods. This risk is increased for emerging markets. The Fund may make short sales of securities, which involves the risk that losses may exceed the original amount invested. 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. Investments in Real Estate Investment Trusts (REITs) involve additional risks such as declines in the value of real estate and increased susceptibility to adverse economic or regulatory developments. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer term debt securities. Investing in ETFs are subject to additional risks that do not apply to conventional mutual funds, including the risks that the market price of the shares may trade at a discount to its net asset value ("NAV"), an active secondary trading market may not develop or be maintained, or trading may be halted by the exchange in which they trade, which may impact a Fund's ability to sell its shares. The Fund can invest in small- and medium-capitalization companies, which tend to have limited liquidity and greater price volatility than large-capitalization companies. Investment by the Fund in lower-rated and non-rated securities presents a greater risk of loss to principal and interest than higher-rated securities.

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