

Multi-Strategy Fund

March 31, 2017

First Quarter Commentary

Market Commentary

The post-election rally continued into the first quarter as global equities surged higher in January and February on optimism regarding President Trump's ambitious pro-growth agenda and improving global economic growth. Market enthusiasm faded in March, contributing to the pause in the equity rally, when Healthcare reform failed to pass the House of Representatives, calling into question the ability of the new administration to move forward with its economic and regulatory reform. Equities were strong both domestically and internationally with returns strongest in the emerging markets.

The path toward interest rate normalization continued as the Federal Reserve ("Fed") hiked the federal funds rate in March, which was the Fed's second rate hike in the past three months. U.S. 10-year Treasury yields moved higher for much of the quarter, peaking around 2.6% in mid-March. During the second half of March, U.S. 10-year Treasuries rallied, causing the yield to fall below 2.4% at the end of the month into early April.

Commodity prices were uneven during the quarter with energy prices retreating, metals prices generally moving higher, and agricultural prices mixed. In Energy markets, unseasonably warm weather and an unexpected supply injection in late February contributed to the decline in natural gas prices. West Texas Intermediate ("WTI") crude fell below \$50 per barrel during the quarter on surging U.S. shale production and record U.S. supplies.

In Foreign Currency trading, the U.S. Dollar generally retreated vs. other major currencies, erasing much of its post-election move. During the quarter, President Trump's comments indicating his preference for a weaker dollar and the administration's failure to move forward with some of its pro-growth and tax reform initiatives likely contributed to the weakness in the greenback.

Performance Overview

In the first quarter, LoCorr Multi-Strategy Fund's Class I share (the "Fund") declined -0.68%. The Fund's exposure is approximately

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Average Annual Total Returns

As of March 31, 2017

	1Q17	YTD	1 Year	Since Inception*
Class A - LMUAX without Load	-0.76%	-0.76%	3.01%	-7.63%
Class A - LMUAX with Load	-6.50%	-6.50%	-2.90%	-10.35%
Class C - LMUCX without Load	-0.86%	-0.86%	2.21%	-8.37%
Class C - LMUCX with Load	-1.85%	-1.85%	2.21%	-8.37%
Class I - LMUIX	-0.68%	-0.68%	3.33%	-7.42%
S&P 500 Index	6.07%	6.07%	17.17%	8.93%
Mstar Multialternative Category	1.62%	1.62%	3.18%	-1.18%

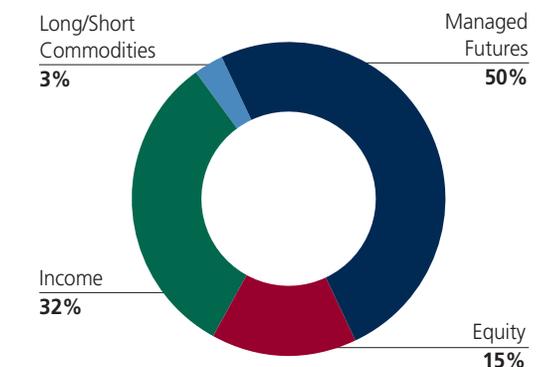
*April 6, 2015. The Fund's total annual fund operation expenses are 3.97% for Class A; 4.72% for Class C; and 3.72% for Class I. Net expenses excluding acquired Fund Fees (0.63%) are 3.54% for Class A, 4.29% for Class C, and 3.29% for Class I. The Fund's expense ratio (exclusive of any Rule 12b-1 distribution and/or servicing fees, taxes, interest, brokerage commissions, expenses incurred in connection with any merger or reorganization, indirect expenses, 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 2.29% for Class A; 3.04% for Class C; and 2.04% for Class I, net of contractual fee waiver through April 30, 2018. Net expense ratios, 3.47% for Class A, 4.22% for Class C, 3.22% for Class I, are as of a fund's most recent prospectus and were applicable to investors.

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. Short term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns. Performance data current to the most recent month end may be obtained by calling 952.513.8195. 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 been included, the Fund's returns would be lower.

Multi-Strategy Fund - Strategy Allocation

As of March 31, 2017 (Subject To Change)

Percent of total investment exposure.



Commentary continued.

equally divided between an allocation to managed futures strategies and to equity-oriented strategies. During the quarter, the equity manager allocation had slightly positive returns for the Fund while the managed futures allocation had negative returns.

The Fund's equity allocation is comprised of a long/short equity portfolio sub-advised by Billings Capital Management ("Billings") and an income-oriented portfolio sub-advised by Trust and Fiduciary Income Partners ("TFIP"). During the quarter, the long/short equity portfolio experienced negative returns. Losses from long positions in the Consumer Cyclical sector accounted for the bulk of the weakness, more than offsetting gains from holdings in the Communication Services and Industrials sectors. The income-oriented portfolio had positive returns in the quarter as positions in alternative asset managers, mortgage real estate investment trusts, and business development companies excelled. Positions in midstream energy companies weakened later in the quarter.

In the managed futures portion of the Fund, the diversified medium- to long-term trend-following program managed by Graham Capital experienced slightly negative returns while the long/short commodity portfolio managed by Millburn Ridgefield was slightly profitable during the quarter. For Graham's portfolio, long positions in equity indices were highly profitable, but were more than offset by weakness in other sectors, particularly in commodities. For example, West Texas Intermediate ("WTI") Crude, a proxy for oil prices, continued to experience trendless conditions marked by sizable reversals, conditions that are challenging for medium-to-long-term trend following approaches. The long/short commodity portfolio was led by profitable relative value (calendar spread) trading while directional trading experienced a small loss. Overall in the long/short commodity program, losses from trading in grains was more than offset by gains in energy, metals, soft, and livestock trading.

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.

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 Multialternative Category** – the category funds will use a combination of alternative strategies such as taking long and short positions in equity and debt, trading futures, or using convertible arbitrage, among others. Funds in this category have a majority of their assets exposed to alternative strategies and include both funds with static allocations to alternative strategies and funds tactically allocating among alternative strategies and asset classes. **Correlation** measures how much the returns of two investments move together over time. **Calendar Spread** the simultaneous purchase and sale of separate futures contracts for the same commodity for delivery in different months.

Performance data for the Class A Shares does not reflect the 1.00% CDSC, which only applies to no-load transactions of \$1 million or greater.

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 nondiversified, 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 lower-rated and non-rated securities presents a greater risk of loss to principal and interest than higher-rated securities. Underlying Funds are subject to management and other expenses, which will be indirectly paid by the Fund. The Fund may invest in derivatives, which involve risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. ABS, MBS and CMBS are subject to credit risk because underlying loan borrowers may default. 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. 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 use leverage which may exaggerate the effect of any increase or decrease in the value to portfolio securities or the Net Asset Value of the fund, and money borrowed will be subject to interest costs. 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 make short sales of securities, which involves the risk that losses may exceed the original amount invested. 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.

One cannot invest directly in an index. **Diversification does not assure a profit nor protect against loss in a declining market.**

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