

Class A	Class C	Class I
LEQAX	LEQCX	LEQIX

Dynamic Equity Fund - Monthly Commentary

October 2018 Commentary – LoCorr Dynamic Equity Fund

Market Commentary

October proved to be a difficult month for equity markets. The S&P 500 TR Index finished the month down -6.84%, ending six straight months of positive performance. Concerns over corporate earnings caused investor sentiment to turn south, as the S&P 500 experienced its first seven-day decline since the market correction at the end of January/ early February. Fear that the Federal Reserve will raise rates too aggressively was also a negative contributor to the S&P 500's worst month since September 2011 (-7.03%).

During October, only two of the eleven sectors finished the month positive. Consumer Staples (+2.12%) and Utilities (+1.91%) were up, as the "risk-off" trade came into play

with investors focusing on more defensive sectors. Conversely, Consumer Discretionary (-11.33%) was the worst performing sector on concerns of increased trade costs. Industrials were down -10.86% on increased materials costs, and Information Technology stocks were down -8.05%. Small Cap stocks suffered an even tougher October, as the Russell 2000 TR Index closed the month down -10.86%.

Portfolio Update

In October, the LoCorr Long/Short Equity Fund Class I share fell -6.20%, versus the -6.84% decline for the S&P 500 TR Index. Both Billings and Kettle Hill finished the month in the red; the Fund's long book declined during the month, partially offset by

Continued on reverse side ...

October 2018 Performance

LoCorr Dynamic Equity Fund (LEQIX)	S&P 500 Index	MStar L/S Equity Category	LEQIX Excess Return vs. S&P 500 Index	LEQIX Excess Return vs. MStar L/S Eq Cat.
-6.20%	-6.84%	-4.75%	0.64%	-1.45%

Average Annual Total Returns

As of October 31, 2018

As of September 30, 2018

	As of October 31, 2018					As of September 30, 2018		
	Monthly	YTD	1-Year	5-Year	Since Inception ¹	1-Year	5-Year	Since Inception ¹
Class A - LEQAX	-6.20%	-7.87%	-4.01%	1.68%	2.46%	-0.60%	3.57%	3.72%
Class A - LEQAX with Load	-11.61%	-13.16%	-9.50%	0.48%	1.35%	-6.28%	2.35%	2.59%
Class C - LEQCX	-6.29%	-8.52%	-4.87%	0.89%	1.67%	-1.40%	2.77%	2.93%
Class C - LEQCX with Load	-7.23%	-9.43%	-4.87%	0.89%	1.67%	-1.40%	2.77%	2.93%
Class I - LEQIX	-6.20%	-7.69%	-3.87%	1.93%	2.70%	-0.42%	3.82%	3.97%
S&P 500 Index	-6.84%	3.01%	7.35%	11.34%	12.05%	17.91%	13.95%	13.65%
MStar L/S Equity Category	-4.75%	-2.76%	-0.29%	2.57%	3.20%	5.68%	3.95%	4.14%
Russell 2000 Index	-10.86%	-0.60%	1.85%	8.01%	9.98%	15.24%	11.07%	12.34%

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 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 or CDSC been included, the Fund's returns would be lower. The Fund's gross expense ratio is 3.46% for Class A; 4.21% for Class C; and 3.21% for Class I.

¹The Fund commenced operations on May 10, 2013.

Commentary continued.

gains from its short positions. The net exposure increased to 64%, up from the 61% at the end of last month.

In the Fund's long book, the largest losses primarily came from positions in the Consumer Cyclical and Industrials sectors. Within the Consumer Cyclical sector, a specialty vehicle manufacturer and distributor was the sector's largest detractor, with stock prices negatively impacted due to product delivery delays and increasing commodity prices. A position in an automotive supply manufacturer/component distributor slumped during October due to continued trade war concerns. October's losses were partially offset by gains in an international pizza franchise and delivery company, a global media news and information provider, and a residential real estate builder and developer.

The Fund's short book was a positive contributor during October, countering the losses from the long book and led by contributions from the Industrials and Consumer Cyclical sectors. A position in a water-heating equipment manufacturer

contributed to the short book on missed earnings estimates for Q3, along with "issues" and the delay of a product launch at a national retailer. Other gains in the short book came from a retail beauty salon company, which moved lockstep downward with Consumer Cyclicals as weak in-store transactions negatively impacted the stock.

Outlook

We continue to believe the Fund is well positioned, with two highly compatible investment managers employing distinct yet complementary investment strategies. Kettle Hill uses an opportunistic investment approach, and focuses primarily on the small cap market. Its portfolio is expected to be defensive and normally has low market exposure. Billings employs a more concentrated portfolio, and invests across the market capitalization spectrum. Billings uses a long-term investment approach, while typically having high net exposure to the market.

As of the most recent prospectus the Fund's total annual fund operating expenses after fee waiver is 3.39% for Class A; 4.14% for Class C; and 3.14% 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, 2020.

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 Long/Short Equity Category** is an average monthly return of all funds in the Morningstar Long-Short Equity Category. The category contains a universe of funds with similar investment objectives and investment style, as defined by Morningstar. Performance of the indices and Morningstar Category Average is generated on the first business day of the month. **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. One cannot invest directly in an index. Opinions expressed are subject to change at any time, are not guaranteed and should not be considered investment advice.

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 Funds 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.

The LoCorr Dynamic Equity Fund is distributed by Quasar Distributors, LLC. Billings Capital Management and Kettle Hill Asset Management are sub-advisers to the LoCorr Dynamic Equity Fund. The sub-advisers are not affiliated with Quasar Distributors, LLC. © 2018 LoCorr Funds