1Q18 Commentary

Macro Strategies Fund

Formerly the LoCorr Managed Futures Strategy Fund

LoCorr FUNDS

SEEKING A BETTER WAY TO DIVERSIFY

March 31, 2018

First Quarter Commentary

Market Commentary

The low volatility that characterized the rising 2017 Equity market came to an abrupt end in late January, as investors took notice of rising interest rates and building inflationary pressure. The surge in volatility caused by this rapid move out of Equities was exacerbated when the Chicago Board of Exchange Volatility Index (VIX) jumped from 11.08 on January 26 to an intra-day high of 50.30 on February 6. The spiking volatility led to the demise of a number of inverse volatility ETFs that proved vulnerable to these conditions. This further contributed to the sell-off in Equities.

The severity of the sell-off is exemplified by the largest intra-day move in the history of the Dow Jones Industrial Average (DJIA.) The DJIA experienced an intra-day decline of nearly 1,600 points (close 24,345.75) on February 5. In total, the DJIA corrected -10.26% from January 29 to February 8 (market low). The sell-off was rather short lived -- investors flocked back to risk assets and Equity markets recovered much of their losses. This environment persisted until mid-March, when fears of protectionism and the potential for a trade war with China escalated, causing risk assets to weaken yet again.

In Fixed Income markets, the 10-year U.S. Treasury yield jumped more than 50 basis points during the first seven weeks of the quarter. This was due in part to robust economic growth, expectations for higher inflation, and the Fed signaling its intent for three rate hikes in 2018. International interest rates also moved higher in January and into February. As investor appetite for risk diminished and there was a move to perceived "safe haven" assets, interest rates gave back some of their gains as bond prices rallied.

In Commodities, the largest gains were generally in agricultural and softs; these were led by sizable moves higher from cocoa and, to a lesser extent, soybeans. Similar to Equities, there was a significant reversal in oil markets during the risk-off period in February. For example, West Texas Intermediate (WTI) oil, a proxy for oil prices, fell approximately -12% from its highs (intra day high on 2/1 to intra day low on 2/9). In Foreign Currency markets, after weakening for much of the second half of 2017, the U.S. dollar rallied to a 15-month high during the flight-to-safety period in February.

Continued on reverse side ...

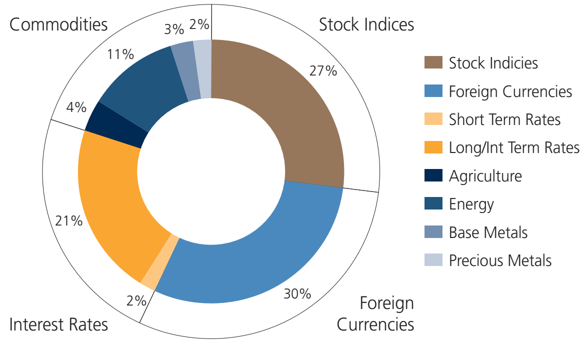
Average Annual Total Returns

As of March 31, 2018

	1Q18	YTD	1 Year	3 Year	5 Year	Since Inc.[1]
Class A - LFMAX	-5.09%	-5.09%	-3.76%	0.51%	2.45%	0.35%
Class A - LFMAX (Load)	-10.58%	-10.58%	-9.29%	-1.46%	1.25%	-0.49%
Class C - LFMCX	-5.20%	-5.20%	-4.37%	-0.22%	1.69%	-0.38%
Class C - LFMCX (Load)	-6.15%	-6.15%	-4.47%	-0.22%	1.69%	-0.38%
Class I - LFMIX	-5.02%	-5.02%	-3.49%	0.78%	2.71%	0.61%
ML 3M T-Bill Index	0.35%	0.35%	1.11%	0.53%	0.34%	0.27%
Barclays CTA Index	-1.46%	-1.46%	0.15%	-2.23%	0.32%	-0.40%
S&P 500 Index	-0.76%	-0.76%	13.99%	10.78%	13.31%	13.06%

Macro Strategies Sector Diversification

As of March 31, 2018 (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). The Fund's total annual fund operating expenses are 2.31% for Class A; 3.06% for Class C; and 2.06% 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 1.00% CDSC, 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.

Performance Overview

LoCorr Macro Strategies Fund Class I share (the Fund) finished first quarter 2018 down -5.02%, falling short of the estimated -1.41% return for the Barclay's CTA Index. During the quarter, trading in Fixed Income was slightly profitable, but was more than offset by losses in Equities, Foreign Currency, and Commodities.

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

- Millburn Ridgefield Corporation: 40%
- Graham Capital Management: 40%
- Revolution Capital Management: 20%

The Fund benefitted considerably in 2017 and into early 2018 from the steady rise in equity prices since the 2016 U.S. Presidential elections. However, trading in Equities accounted for the bulk of its losses during the first quarter. Long positions in Equities suffered from the sharp correction in global Equities that occurred in late January/early February. The underlying sub-advisers' systematic approaches responded to these changing market conditions as the Fund's overall equity exposure shifted to short in mid-February. In our opinion, if the sell-off had persisted, the Fund's short positions would likely have benefitted. Beginning on February 9, however, stocks came roaring back, recovering the bulk of their losses from earlier in the month. The quarter ended with positions slightly long in Equities, though positioning amongst the sub-advisers varied considerably.

Trading in Fixed Income markets was slightly profitable during the first three months of 2018. Interest rates surged higher globally during the first half of the quarter, before retreating as the risk-off/flight-to-safety environment emerged. U.S. Fixed Income positions were consistently short during the period, while international Fixed Income positions were primarily long.

The short U.S. dollar position was negatively impacted by the greenback's recovery during the early February flight-to-safety environment. This resulted in slightly unprofitable currency trading in the March quarter. Commodity trading was somewhat unprofitable overall, with losses in base metals and agricultural markets more than offsetting small gains from trading in precious metals. Long positions in oil and oil-derived commodities were quite profitable for most of the quarter as prices moved higher. These gains in energy were lost during the early February risk-off market which extended into other markets beyond Equities, including oil.

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. **Barclays CTA Index** is an unweighted index which attempts to measure the performance of the Commodity Trading Advisor (CTA) industry. The Index measures the combined performance of all CTAs reporting to Barclays Trading Group who have more than four years past performance. Fees and transaction costs are reflected. One cannot invest directly in an index. **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. **Dow Jones Industrial Average** (DJIA) is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq. **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.

Diversification does not assure a profit nor protect against loss in a declining market.

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.