

Long/Short Commodities Strategy Fund

September 30, 2018

Third Quarter Commentary

Market Commentary

Agricultural commodities fell during the quarter as Grain and Soft commodity prices were weak, while Livestock prices moved higher. In the Grain markets, bumper crops and trade war concerns between the U.S. and China continued to negatively impact these commodities, leading to declines in corn, wheat, and soybean prices. Soft commodities plunged during the quarter, as evidenced by the -12.24% in the S&P GSCI Soft Index. Cocoa, coffee, and sugar prices were all down more than -10% due to excess supply and tariff issues. Arabica coffee prices reached their lowest levels since 2005, due to record crop and the weak Brazilian Real (Brazil is the largest global coffee producer). In livestock, after a huge 2nd quarter rally, lean hogs lost close to a quarter of their value on a lack of demand from China, the world's largest consumer of the meat.

In Metals markets, Industrial and Precious Metal prices declined during the quarter. In Precious Metals, losses were largest in

silver but also extended to gold and platinum, as interest rates moved higher and geopolitical tension outside of trade concerns were relatively tame. In Industrial Metals, prices moved lower across copper, aluminum, zinc and nickel. While higher interest rates and a stronger U.S. dollar pressured these commodities, an escalation in the U.S./China trade dispute was the primary issue.

In Energy markets, after sliding in the first half of the quarter, global oil prices (Brent) moved sharply higher during the second half. Brent oil prices moved past \$80 per barrel, a four-year high, during September as oil supply remained constrained by steady OPEC production, resumption of Iranian sanctions, larger-than-expected declines in U.S. crude stockpiles, and significant production declines in Venezuela and Libya. During the quarter, the United States became the largest global crude oil producer in

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Average Annual Total Returns

As of September 30, 2018

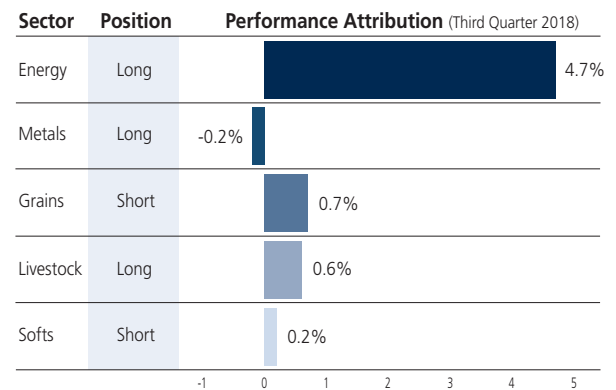
	3Q18	YTD	1 Year	3 Year	5 Year	Since Inc*
Class A - LCSAX without Load	4.07%	10.61%	13.43%	8.10%	10.84%	3.98%
Class A - LCSAX with Load	-1.92%	4.27%	6.89%	6.00%	9.55%	3.08%
Class C - LCSCX without Load	3.92%	9.99%	12.65%	7.30%	10.00%	3.16%
Class C - LCSCX with Load	2.92%	8.99%	12.65%	7.30%	10.00%	3.16%
Class I - LCSIX	4.12%	10.81%	13.84%	8.36%	11.14%	4.23%
BofA ML 3-Month T-Bill Index	0.51%	1.35%	1.62%	0.84%	0.52%	0.41%
Morningstar L/S Comm Index	4.20%	11.14%	17.56%	0.77%	-0.09%	-1.37%
S&P 500 Index	7.71%	10.56%	17.91%	17.31%	13.95%	15.99%

*As of January 1, 2012 (the Fund commenced operations on January 3, 2012). The Fund's gross expense ratio is 2.79% for Class A; 3.54% for Class C; and 2.54% for Class I. The Fund's total annual fund operation expenses after fee waiver is 2.71% for Class A; 3.46% for Class C; and 2.46% for Class I. Expense cap: 2.20% (A), 2.95 (C), 1.95% (I). The Fund's expense cap listed here includes the 12b-1 distribution and/or servicing fees per share class, but excludes 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 will not exceed 1.95%/daily average net assets attributable to each class of the Fund, as stated above, net of contractual waiver through April 30, 2020. Net expense ratios (operation expenses after fee waiver) are as of the 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. 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.

Exposure and Attribution by Sector

As of 9/30/18 (subject to change)



Commentary continued.

the world, having surpassed Saudi Arabia in February and Russia in August. This is the first time since February 1999 that the United States has passed Russia in crude oil production. During the quarter RBOB gasoline supplies were interrupted by Hurricane Florence, causing prices to move higher.

Performance Overview

The LoCorr Long/Short Commodities Strategy Fund Class I share (the Fund) gained +4.12% during the quarter, continuing its strong year-to-date performance. Both underlying managers generated positive returns in the quarter and through the first nine months of 2018. The Fund's positive returns were driven by its relative value trading, though directional trading also proved profitable to a lesser extent.

Energy trading was the largest positive contributor to the Fund's returns during the quarter. Long positions benefitted from the sharp move higher in oil prices from mid-August through the end of September. A long position in U.K. natural gas was profitable as demand was boosted by cooling needs during the

summer heat wave. Relative value positions were also profitable, particularly in July.

Trading in Agricultural commodities was profitable during the quarter led by gains from Grain and Livestock positions while trading in Softs was also a slightly positive contributor. In Grains, short positions in corn and wheat generated gains, particularly in August as grain prices were pressured by ongoing trade concerns causing U.S. exports to hit multi-year lows, sizable inventories, and recent record harvests. In Livestock, gains were primarily from relative value trading as volatility along the forward curve created profitable opportunities. Finally, in Softs, short positions in coffee and sugar were profitable as abundant supplies weighed on prices. Long positions in cocoa caused losses, however, as the production forecast from the Ivory Coast was larger than expected.

Trading in Metals was slightly unprofitable during the period, led by losses from directional positions. A short gold trade and a long palladium position were profitable, but long positions in silver, aluminum and gold were unprofitable.

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 Long/Short Commodity Index** is a fully collateralized commodity futures index that uses the momentum rule to determine if each commodity is held long, short, or flat. One cannot invest directly in an index. **BofA 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. **S&P GSCI Commodity Index** is a composite index of commodity sector returns which represents a broadly diversified, unleveraged, long-only position in commodity futures. Index returns as of 12/31/17 were 5.77% 1-Year, -12.16% 5-Year, -10.16% 10-Year, -12.23% since Fund inception (1/1/2012). **Calendar Spread** the simultaneous purchase and sale of separate futures contracts for the same commodity for delivery in different months. **Spread Trading** is the simultaneous purchase of one security and sale of a related security, called legs, as a unit. **Reformulated Gasoline Blendstock for Oxygen Blending (RBOB)** is the term given to unleaded gas futures. **Organization of Petroleum Exporting Countries (OPEC)**, is a union of oil producing countries that regulate the amount of oil each country is able to produce.

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 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 an individual investment's volatility than a diversified fund. The Fund invests in foreign investments 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 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. The Fund may invest in derivative securities, which derive their performance from the performance of an underlying asset or index. 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 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.

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