

Long/Short Commodities Strategy Fund

December 31, 2017

Fourth Quarter Commentary

Market Commentary

Commodity prices, which tend to move inversely to the U.S. dollar, were buoyed by the declining greenback during the quarter. The S&P GSCI Index, a proxy for commodity prices, surged higher to the tune of +9.90%, maintaining its upward trajectory established in the prior quarter.

In Energy markets, oil prices reached their highest levels since mid-2015 on the back of extended OPEC production cuts, strong economic activity, and a pipeline closure in the North Sea which more than offset concerns regarding increased shale crude production. Oil-derived commodities including RBOB gasoline and heating oil also moved higher. Natural gas prices moved lower before recouping much of its losses due to the cold-snap at the end of the year that gripped much of the U.S.

Buoyed by continued strong global economic growth, base metal prices moved higher during the quarter. China continued to be an aggressive purchaser of many base metals as a focus on infrastructure and an improving growth picture spurred demand. With inventory levels moving lower and strong demand, copper prices surged during the quarter to levels not seen since the summer of 2014. Other base metals including aluminum also saw prices move upward. In the Precious Metal sector, gold and silver prices increased slightly during the quarter.

Agricultural commodities were mixed as bumper crops led to softness in Grain prices including wheat, corn, and soybean. In Softs, prices were somewhat mixed as cotton and sugar moved higher while commodities like cocoa and coffee declined.

Continued on reverse side ...

Average Annual Total Returns

As of December 31, 2017

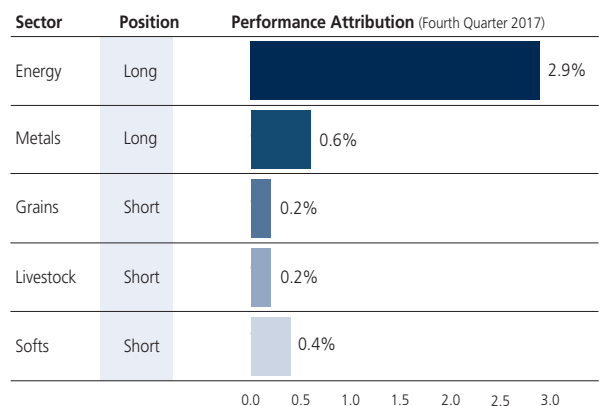
	4Q17	YTD	1 Year	3 Year	5 Year	Since Inc*
Class A - LCSAX without Load	2.56%	5.91%	5.91%	7.93%	7.06%	2.75%
Class A - LCSAX with Load	-3.36%	-0.18%	-0.18%	5.82%	5.80%	1.74%
Class C - LCSCX without Load	2.42%	5.05%	5.05%	7.12%	6.23%	1.93%
Class C - LCSCX with Load	1.42%	5.05%	5.05%	7.12%	6.23%	1.93%
Class I - LCSIX	2.74%	6.19%	6.19%	8.21%	7.34%	3.00%
BofA ML 3-Month T-Bill Index	0.26%	0.80%	0.80%	0.41%	0.27%	0.24%
Morningstar L/S Comm Index	5.78%	-1.47%	-1.47%	-2.40%	-1.55%	-3.26%
S&P 500 Index	6.64%	21.83%	21.83%	11.41%	15.79%	15.82%

*As of January 1, 2012 (the Fund commenced operations on January 3, 2012). The Fund's gross expense ratio is 2.73% for Class A; 3.48% for Class C; and 2.48% 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. 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 2.20% for Class A; 2.95% for Class C; and 1.95% for Class I, net of contractual fee waiver through April 30, 2018. Net expense ratios 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. 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 12/31/17 (subject to change)



Commentary continued.

Performance Overview

LoCorr Long/Short Commodities Strategy Fund Class I share (the "Fund") climbed +2.74% during the quarter versus the +9.90% jump in the S&P GSCI Index. In a year that saw commodity prices broadly finish higher, we were pleased with the Fund's +6.19% return, which outpaced the +5.77% return for the S&P GSCI Index. During the quarter, the Fund's long/short commodity strategy managed by Millburn Ridgefield Corporation produced positive returns that were partially offset by slight losses from JE Moody's portfolio, though both strategies generated positive returns for the year. Overall, both directional and relative value (calendar spread) trading was profitable in the fourth quarter.

Trading in Energy markets was the most profitable sector for the Fund during the quarter, though all other sectors were also slightly in the black. In the Energy sector, long positions in oil and oil-derivatives including heating oil and RBOB gasoline, benefitted in December from higher prices. Calendar spread trading was

also profitable in the Energy sector during the quarter.

Trading in Metals was the second largest contributor to the Fund's positive results. Long positions in copper and nickel were particularly profitable. Long positions in palladium were also profitable as the price of palladium reached its highest level since 2001. Partially offsetting these gains, were losses from trading in silver and gold. Silver experienced a sharp reversal during the quarter, creating challenging trading conditions. Trading in gold was also unprofitable during the quarter.

Trading in Softs was modestly profitable as small losses in calendar spread trading were offset by gains from directional positions. Short positions in coffee and cocoa were the largest contributors. Elsewhere in Agricultural commodities, trading in Grains and Livestock was marginally profitable.

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.

¹LoCorr 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.

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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