

Class A	Class C	Class I
LEQAX	LEQCX	LEQIX

Dynamic Equity Fund - Monthly Commentary

September 2017 Commentary – LoCorr Dynamic Equity Fund *(formerly the LoCorr Long/Short Equity Fund)*

Market Commentary

Despite recent natural disasters including Hurricanes Harvey and Irma along with the 8.1 magnitude earthquake that hit Mexico, the S&P 500 Index closed September up +2.06%. The market was certainly buoyed during the month by optimism surrounding President Trump's tax reform plan which, among other things, would lower corporate taxes and is generally regarded as bullish for corporate earnings.

With another positive month of returns, the S&P 500 Index enjoyed its eleventh consecutive monthly gain. In terms of historical magnitude, the S&P 500 remains in the second longest bull market in history and has risen eight straight quarters and eighteen of the past nineteen. With less than three months left in the year, the S&P 500 has moved 1% or more in either direction on just eight occasions and overall equity volatility remains near historic lows.

Portfolio Update

The LoCorr Dynamic Equity Fund Class I share ("the Fund") gained

+0.24% in September, trailing the +2.06% return for the S&P 500 Index. During the month, Kettle Hill delivered positive returns for the Fund while Billings was slightly in the red. Overall, positive contributions from the Fund's long book were largely offset by losses from the short book. Net exposure for the Fund fell to approximately 49.9% from 56.4%, but remains well within the Fund's typical range of 40 – 60%. With growth stocks dramatically outperforming value stocks thus far in 2017 (Russell 1000 Growth up +20.72% vs. Russell 1000 Value up +7.92%) and large cap stocks (Russell 1000 Index up +14.17%) outperforming small cap stocks (Russell 2000 Index up +10.94%), the Fund has faced considerable headwinds this year from its value and small-to-mid capitalization market bias.

Consumer Cyclical stocks were the largest contributor to returns in the Fund's long book. Two positions in the auto parts industry, Lear Corp and Tenneco Inc, were notable contributors as Hurricanes

Continued on reverse side ...

September 2017 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.
0.24%	2.06%	1.39%	-1.82%	-1.15%

Average Annual Total Returns

As of September 30, 2017

	Monthly	YTD	1-Year	3-Year	Since Inception*
Class A - LEQAX without Load	0.16%	1.16%	7.02%	7.57%	4.73%
Class A - LEQAX with Load	-5.57%	-4.69%	0.83%	5.47%	3.33%
Class C - LEQCX without Load	0.17%	0.68%	6.21%	6.75%	3.94%
Class C - LEQCX with Load	-0.83%	-0.32%	6.21%	6.75%	3.94%
Class I - LEQIX	0.24%	1.40%	7.30%	7.87%	5.00%
S&P 500 Index	2.06%	14.24%	18.61%	10.81%	12.70%
MStar L/S Equity Category	1.39%	6.94%	8.68%	2.67%	6.94%
Russell 2000 Index	6.24%	10.94%	20.74%	12.18%	11.68%

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 3.80% for Class A; 4.55% for Class C; and 3.55% for Class I.

*The Fund commenced operations on May 10, 2013.

Commentary continued.

Harvey and Irma are expected to create a short-term bump in auto sales to replace the estimated one plus million cars that need to be replaced as a result of flooding. Another strong performer in the Consumer Cyclical sector was Signet Jewelers Limited, a jewelry retailer, which continued to rebound following the late August release of stronger than anticipated earnings and an acquisition expected to provide a boost to their e-commerce business. Other segments of the portfolio that performed well included Technology, Financial Services, and Consumer Defensive holdings. Partially offsetting these gains were losses in the Communication Services sector. Gogo Inc., a leading provider of in-flight entertainment, was the largest detractor following the release of a negative report by an analyst at a small sell-side firm, Northland Capital. The sub-adviser continues to hold this stock and remains optimistic regarding its outlook. In the short book, the largest positive contributions came from positions in the Communication Service sector. Most sectors experienced modest losses during the month, with the largest detractors coming from Consumer Cyclical holdings.

Outlook

There seems to be considerable complacency present in the market which, from our perspective, makes the market vulnerable to a correction or more muted returns than what we've been accustomed to. Nine years into a bull market, we believe using a long/short equity approach offers the potential to take advantage of dislocations and increases in volatility in the market.

We continue to believe the Fund is well positioned with two highly complementary 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 adheres to a long-term investment approach while typically having high net exposure to the market.

Earnings growth is not representative of the Fund's future performance. The mentioned securities held positions in the Fund, as of September 30, 2017, as follows; Lear Corp 3.73%, Tenneco Inc. 4.70%, Signet Jewelers Ltd. 6.06%, Gogo Inc. 10.30%.

As of the most recent prospectus the Fund's total annual fund operating expenses after fee waiver is 3.55% for Class A; 4.30% for Class C; and 3.30% 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, 2018.

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. Fund holdings and sector allocations are subject to change and should not be considered a recommendation to buy or sell any security. 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. **Russell 1000 Index** is a stock market index that represents the highest-ranking 1,000 stocks in the Russell 3000 Index, which represents about 90% of the total market capitalization of that index. **Russell 1000 Growth Index** refers to a composite that includes large and mid-cap companies located in the United States that also exhibit a growth probability. The Russell 1000 Growth is published and maintained by FTSE Russell. **Russell 1000 Value Index** refers to a composite of large and mid-cap companies located in the United States that also exhibit a value probability. The Russell 1000 Value is published and maintained by FTSE Russell.

Growth stocks typically are more volatile than value stocks; however, value stocks have a lower expected growth rate in earnings and sales.

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. © 2017 LoCorr Funds

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