

Class A	Class C	Class I
LEQAX	LEQCX	LEQIX

## Dynamic Equity Fund - Monthly Commentary

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

#### Market Commentary

June was another positive month for the S&P 500 Index (+0.62%), capping off a solid quarter and first half to the year for equity markets. From a quarterly perspective, the second quarter represented the S&P 500's 7th consecutive positive quarter of performance. The tireless Trump news stream pervaded the month of June, as it seemingly has every month since his election. While little has become effective with respect to many of his ambitious policy initiatives, major political agenda items including health care reform, income tax and repatriations remain on the docket for the 2nd half of 2017. Major geopolitical uncertainties including North Korea's nuclear weapons program, South China Sea, Russia, etc. persist, though the market's attention remains elsewhere. While equity valuation concerns by market participants seem evident, earnings growth continues to come through to support market dynamics. Still, with the strength and longevity of the most recent bull market coupled by the degree of complacency by market participants, we believe a long/short approach to investing remains particularly attractive.

#### Portfolio Update

The LoCorr Dynamic Equity Fund Class I share ("the Fund") gained +2.37% in June, outperforming the S&P 500 Index which rose +0.62%. Both underlying sub-advisers, Billings Capital Management and Kettle Hill Capital Management, finished with positive returns during the month. Overall for the Fund, long positions contributed positively to returns while short positions were modestly negative. Net exposure for the Fund moved higher during the month, finishing June at approximately 41%, as one of the sub-advisers put some of its idle cash to work.

The largest contributors from the long book were in the Consumer Cyclical and Financial Services sectors followed by smaller gains in Technology and Industrial positions. In the Consumer Cyclical sector, Signet Jewelers Ltd, a jewelry retailer, rose +31.48% during the month, recovering some of its losses from earlier in the year as the company reiterated their comfort with Fiscal 2018 earnings guidance, share repurchase, and following reports that the Chairman

*Continued on reverse side ...*

#### June 2017 Performance

LoCorr Dynamic Equity Fund (LEQIX)	S&P 500 Index	HFRX Equity Hedge Index	LEQIX Excess Return vs. S&P 500 Index	LEQIX Excess Return vs. HFRX Equity Hedge Index
2.37%	0.62%	0.86%	1.75%	1.51%

#### Average Annual Total Returns

As of June 30, 2017

	Monthly	YTD	1-Year	3-Year	Since Inception*
Class A - LEQAX without Load	2.39%	-0.58%	17.78%	3.72%	4.58%
Class A - LEQAX with Load	-3.46%	-6.33%	11.02%	1.69%	3.10%
Class C - LEQCX without Load	2.29%	-0.94%	16.92%	2.90%	3.77%
Class C - LEQCX with Load	1.29%	-1.93%	16.92%	2.90%	3.77%
Class I - LEQIX	2.37%	-0.49%	18.03%	3.97%	4.84%
S&P 500 Index	0.62%	9.34%	17.90%	9.61%	12.33%
HFRX Equity Hedge Index	0.86%	3.74%	8.08%	0.52%	1.91%
Russell 2000 Index	3.46%	4.99%	24.60%	7.36%	10.95%

\*The Fund commenced operations on May 10, 2013. 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.

*Commentary continued.*

of the Board purchased stock. In the Technology sector, Twilio Inc, a provider of a cloud-based communications platform, gained +19.74% during June, while Casella Waste Systems Inc., a solid waste services company in the northeast, rose +17.05% during the month. The Communications sector was the largest detractor from performance due to weakness at Gogo Inc. (-10.8%). While there was little news during the month, the stock gave up some of its strong year-to-date performance. Partially offsetting the losses in this sector was Cincinnati Bell Inc., a provider of telecommunication and technology services, that gained +15.00% during June.

In the short book, positions in the Consumer Cyclical, Basic Material, and Technology sectors contributed negatively to performance during the month. A luxury goods retailer and an operator of salons were the largest detractors from the Consumer Cyclical sector. In the Technology sector, a designer and producer of lighting

solutions and services, along with a provider of IT security platform solutions rose during the month, negatively impacting the Fund's performance. Offsetting these losses were small gains from short positions in the Energy sector as an oil service holding declined in price along with the softness in oil prices during the first half of the month.

### Outlook

While the Fund has not kept pace overall with the S&P 500 thus far in 2017, we continue to believe that it is well positioned to perform well in the future. The sub-advisers have long track records of success and are highly complementary to one another. While we've observed one of the sub-advisers beginning to deploy some of its cash, both managers continue to have ample capital to deploy in the event of a market pull back or idiosyncratic individual stock opportunities that present themselves.

*As of 6/30/2017 the above mentioned securities held the following percent of assets in the Fund: Signet Jewelers Ltd 6.55%; Twilio Inc. 0.93%; Casella Waste Systems Inc. 1.02%; Gogo Inc. 9.77%; Cincinnati Bell Inc. 0.76%.*

*Earnings growth is not representative of the Fund's future performance.*

*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. **HFRX Equity Hedge Index** encompasses various equity hedge strategies, also known as long/short equity, that combine core long holdings of equities with short sales of stock, stock indices, related derivatives, or other financial instruments related to the equity markets. **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.

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](http://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

Fund Holdings and asset allocations are subject to change and are not recommendations to buy or sell any security.