4Q17 Commentary

Spectrum Income Fund

SEEKING A BETTER WAY TO DIVERSIFY

December 31, 2017

Fourth Quarter Commentary

Market Commentary

While equities continued their seemingly inexorable rise and bonds generally maintained their trading range, sentiment continued to trouble mid-stream energy pipelines through November, at which point they made an apparent bottom. Although global demand for energy continued to grow consistently and the price of oil continued to rise, sentiment toward pipelines remained negative. This may be attributable to tax loss selling and lack of interest in the sector by general equity managers, who have been understandably drawn to growth sectors with outstanding performance this year, particularly in Technology. The investment team is hopeful that this dynamic has drawn to a close, as there appears to now be much more interest in Energy stocks and other value-oriented sectors which lagged the broader equity markets last year.

Apart from the continuation of recent constructive economic fundamentals in the U.S. and abroad, the most significant positive surprise for the market was tax cut/reform. While ordinary equities will see a reduced corporate income tax, pass-through holdings, which do not pay corporate income tax, received a major boost as well. As the team at Trust & Fiduciary Investment Partners ("TFIP") understands the new law, there will be up to a 20% deduction on the income upon which owners of pass-through securities must pay tax. The sub-adviser believes this provision should not only increase the after-tax income from the securities on which the Fund is focused, but also increase investor demand for these sectors.

Portfolio Commentary

LoCorr Spectrum Income Class I share (the "Fund") gained +0.43% during the third quarter, approximately in-line with the +0.39% return for the Bloomberg Barclay's US Aggregate Bond Index. The Fund continued to deliver a $.05/month distribution during the quarter.

Continued on reverse side ...

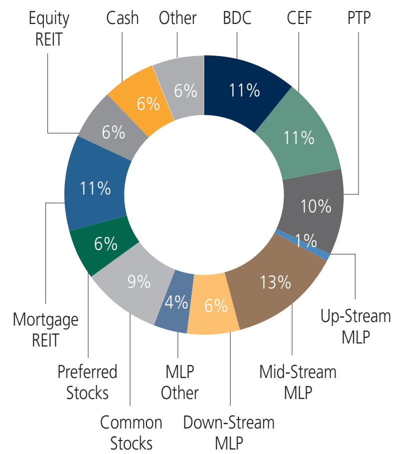
Average Annual Total Returns

As of December 31, 2017

	4Q17	YTD	1 Year	3 Year	Since Inception*
Class A - LSPAX without Load	0.48%	3.50%	3.50%	0.74%	-0.84%
Class A - LSPAX with Load	-5.33%	-2.45%	-2.45%	-1.24%	-2.30%
Class C - LSPCX without Load	0.23%	2.62%	2.62%	-0.03%	-1.60%
Class C - LSPCX with Load	-0.76%	2.62%	2.62%	-0.03%	-1.60%
Class I - LSPIX	0.43%	3.85%	3.85%	1.02%	-0.58%
S&P 500 Index	6.64%	21.83%	21.83%	11.41%	11.98%
BBgBarc U.S. Agg Bond Index	0.39%	3.54%	3.54%	2.24%	3.16%

Spectrum Income Fund Sector Allocation

As of December 31, 2017 (Subject To Change)



January 1, 2014. The Fund's total annual fund operation expenses are 3.06% for Class A; 3.81% for Class C; and 2.81% for Class I.

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. Short term performance, in particular, is not a good indication of the funds future performance, and an investment should not be made based solely on returns. Performance data current to the most recent month end may be obtained by calling 952.513.8195. The Fund imposes a 2.00% redemption fee on shares sold within 60 days. 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. 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.

Commentary continued.

Performance through the quarter was strongest among the Fund's asset manager holdings, which benefited from the strength in most securities markets allowing managers to monetize investments made during previous cycle lows as well as continued growth in assets under management leading to greater fee revenue. Among energy-related holdings, refiners were consistently strong through the quarter, as crack spreads were high due to a shortage of refined products following storms in the Gulf Coast and outages in energy production overseas. Liquid Natural Gas ("LNG") related shippers and processors also did well. Individual securities did well in sectors such as infrastructure and midstream. As noted earlier, however, a number of midstream holdings posted weak performance despite what the TFIP team believes to be very satisfactory operating performance. Mall REITs suffered as concerns continued about competition from online retail, though the investment team considers this sentiment vastly overdone. Legacy wire line companies also struggled, dealing with customer churn and questions around mergers.

Turnover during the period was moderate and generally reflective of individual issue fundamentals or valuation rather than major strategic repositioning. The sub-adviser continued to take profits in asset manager holdings as some had reached price objectives. Other purchases during the quarter were opportunistic, as the investment team accumulated smaller capitalization midstream holdings as they fell through November, as well as retail and dining issues. Toward the end of the year, TFIP added to Business Development Companies and Mortgage REITs on year-end weakness, including a number of smaller capitalization names which appeared to be pressured by tax loss selling. Offsetting sales came from a number of names which did not appear likely to meet prior expectations.

As we enter 2018, TFIP will remain vigilant regarding possible signs that the benign investment backdrop of the past year may be coming to an end. Although strong growth continues to be evident around the world, the U.S. Federal Reserve will likely continue raising rates through the coming year. Additionally, bond rates appear to be rising globally, as are signs of commodity and perhaps wage inflation. Beyond the traditional risks of a maturing investment cycle, of course, there are also geopolitical risks such as trade wars or a conflict on the Korean peninsula. While timely prediction of such developments is difficult at best, TFIP will continue to construct and diversify the portfolio to minimize the potential consequences of such events.

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. **Diversification is no guarantee of future returns.**

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 Capital U.S. Aggregate Bond Index** is the most common index used to track the performance of investment grade bonds in the United States. One cannot invest directly in an index.

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 investment company, and it may be obtained by calling 1.855.LCFUNDS, or visiting www.LoCorrFunds.com. Read it 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 greater volatility and political, economic and currency risks and differences in accounting methods. These risks are greater for emerging markets. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investments in small - and medium-capitalization companies involve additional risks such as limited liquidity and greater volatility. Investments in lower-rated and non-rated securities presents a greater risk of loss to principal and interest than higher-rated securities. The Fund's portfolio will be significantly impacted by the performance of the real estate market generally, and the Fund may be exposed to greater risk and experience higher volatility than would a more economically diversified portfolio. Property values may fall due to increasing vacancies or declining rents resulting from economic, legal, cultural, or technological developments. Investments in Limited Partnerships (including master limited partnerships) involve risks different from those of investing in common stock including risks related to limited control and limited rights to vote on matters affecting the Limited Partnership, risks related to potential conflicts of interest between the Limited Partnership and the Limited Partnership's general partner, cash flow risks, dilution risks and risks related to the general partner's limited call right. Underlying Funds are subject to management and other expenses, which will be indirectly paid by the Fund. 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.

TFIP is the sub-adviser for the LoCorr Spectrum Income Fund.

The LoCorr Funds are distributed by Quasar Distributors, LLC.

LoCorr Funds

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