

Multi-Strategy Fund

December 31, 2017

Fourth Quarter Commentary

Market Commentary

Suppressed volatility, a lack of inflationary pressure, and continued solid economic growth contributed to higher equity prices. For 2017, many equity markets surged 20 – 30% during the year. The Federal Reserve’s reversal of quantitative easing by hiking interest rates and through its balance sheet rationalization program along with healthy economic activity contributed to upward pressure in interest rates during the quarter, particularly in the short end of the curve. U.S. 2-year Treasury yields surged approximately 40 basis points to 1.89%, at levels last seen in 2008 as the yield curve flattened to a decade low. 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 TR USD Index, a proxy for commodity prices, surged higher to the tune of +9.90. 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. In Foreign Currency markets, the U.S. dollar, as measured by the ICE U.S.

Dollar Index (an index of the value of the U.S. dollar versus a basket of foreign currencies) declined slightly in the quarter. The Euro finished 2017 near its highest level in three years relative to the U.S. Dollar which had its worst year of performance since 2003.

Performance Overview

LoCorr Multi-Strategy Fund’s Class I share (the “Fund”) gained +9.27% during the fourth quarter, well ahead of the +6.64% surge in the S&P 500 Index and the +1.74% gain for the Morningstar Multi-alternative category. The Fund’s exposure continues to be approximately equally divided between an allocation to managed futures strategies and to equity-oriented strategies. During the quarter, the largest contributor to the Fund’s robust gains was the managed futures allocation though the Fund’s equity sub-portfolio also generated positive returns.

Continued on reverse side ...

Average Annual Total Returns

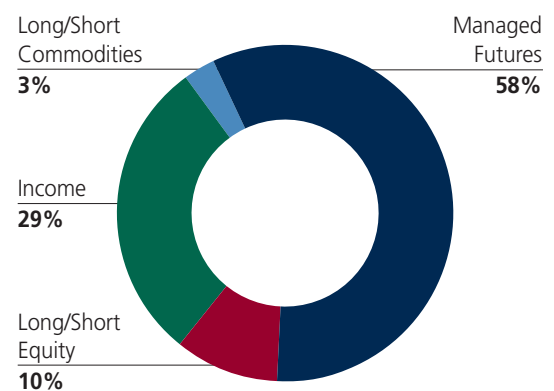
As of December 31, 2017

	4Q17	YTD	1 Year	Since Inception*
Class A - LMUAX without Load	9.17%	5.17%	5.17%	-3.58%
Class A - LMUAX with Load	2.85%	-0.91%	-0.91%	-5.64%
Class C - LMUCX without Load	9.02%	4.56%	4.56%	-4.30%
Class C - LMUCX with Load	8.02%	4.56%	4.56%	-4.30%
Class I - LMUIX	9.27%	5.51%	5.51%	-3.33%
BofA ML 3-Month T-Bill Index	0.26%	0.80%	0.80%	0.44%
Mstar Multialternative Category	1.74%	5.68%	5.68%	0.52%
S&P 500 Index	6.64%	21.83%	21.83%	11.93%

Multi-Strategy Fund - Strategy Allocation

As of December 31, 2017 (Subject To Change)

Percent of total investment exposure.



*April 6, 2015. The Fund’s total annual fund operation expenses are 3.97% for Class A; 4.72% for Class C; and 3.72% for Class I. Net expenses excluding acquired Fund Fees (0.63%) are 3.54% for Class A, 4.29% for Class C, and 3.29% 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 2.29% for Class A; 3.04% for Class C; and 2.04% for Class I, net of contractual fee waiver through April 30, 2018. Net expense ratios, 3.47% for Class A, 4.22% for Class C, 3.22% for Class I, 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. 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. 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.

Commentary continued.

A long/short equity portfolio sub-advised by Billings Capital Management (“Billings”) and an income-oriented portfolio sub-advised by Trust and Fiduciary Income Partners (“TFIP”) constitute the Fund’s equity portfolio. The continued surge in equity markets provided a nice tailwind for the long/short equity portfolio. Overall, strong contributions from long positions in the Financial Services and Consumer Cyclical sectors drove performance during the quarter. The income-oriented portfolio managed by TFIP produced returns that were slightly positive during the quarter with the strongest returns coming from asset manager holdings. Amongst the portfolio’s energy-related holdings, refiners and liquid natural gas shippers performed well while a number of mid-stream Master Limited Partnerships (MLP) holdings languished despite what the team believed to be strong operating results.

The Fund’s managed futures allocation is comprised of a diversified medium- to long-term trend-following futures portfolio providing exposure to Equity, Fixed Income, Commodity, and Foreign Currency asset classes that is managed by Graham Capital (“Graham”) as well as a dedicated long/short commodity portfolio that is managed by Millburn Ridgefield Corporation (“Millburn”). The diversified managed futures portfolio enjoyed substantial gains during the period, led by strong gains from trading in Equities, Energy, and Base Metals markets and solid positive contributions from positions in Fixed Income markets. The long/short commodity portfolio managed by Millburn Ridgefield also produced solid gains for the Fund led by directional trading though relative value (spread) trading also contributed positively. The portfolio generated positive returns across all five commodity sectors (Energy, Metals, Grains, Livestock, and Softs).

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. **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. **Morningstar Multialternative Category** – the category funds will use a combination of alternative strategies such as taking long and short positions in equity and debt, trading futures, or using convertible arbitrage, among others. Funds in this category have a majority of their assets exposed to alternative strategies and include both funds with static allocations to alternative strategies and funds tactically allocating among alternative strategies and asset classes. **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. **Basis Points (bps)** - A unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security. **Spread Trading** is the simultaneous purchase of one security and sale of a related security, called legs, as a unit. Spread trades are usually executed with options or futures contracts as the legs, but other securities are sometimes used.

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 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 nondiversified, 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 lower-rated and non-rated securities presents a greater risk of loss to principal and interest than higher-rated securities. Underlying Funds are subject to management and other expenses, which will be indirectly paid by the Fund. The Fund may invest in derivatives, which involve risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. ABS, MBS and CMBS are subject to credit risk because underlying loan borrowers may default. 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. 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 may use leverage which may exaggerate the effect of any increase or decrease in the value to portfolio securities or the Net Asset Value of the fund, and money borrowed will be subject to interest costs. 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. The Fund may make short sales of securities, which involves the risk that losses may exceed the original amount invested. 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.

One cannot invest directly in an index. **Diversification does not assure a profit nor protect against loss in a declining market.**

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