LoCORR FUNDS

SEEKING A **BETTER** WAY TO DIVERSIFY

Multi-Strategy Fund

June 30, 2017

Second Quarter Commentary

Market Commentary

Buoyed by steady economic global growth and relatively benign inflationary pressure, volatility remained low across most asset classes until late in the quarter. While the Fed hiked rates as expected in June, central banks in Europe and in Canada adopted a more hawkish stance during the period. European Central Bank ("ECB") President Mario Draghi indicated in late June the potential to slow or reverse the ECB's quantitative easing program. This shocked many market participants and contributed to a sharp sell-off in the bond market, particularly in Europe.

Equity markets continued to exhibit strong trending activity, as has been the case throughout 2017. The second quarter was the seventh consecutive quarter of positive returns for the S&P 500 Index and globally, returns were positive in both the international developed and emerging markets.

Commodity prices were generally negative during the quarter (S&P GSCI -5.46% return) though pockets of strength included wheat and livestock. Energy prices experienced a number of substantial reversals, but ended the quarter lower due primarily to concerns stemming from rising U.S. shale production. During the last week of June, however, oil reversed sharply as reports on oversupply concerns eased. Metal prices declined slightly while softs experienced substantial weakness.

In Foreign Currency trading, the U.S. Dollar retreated with the more hawkish stance as global central banks pressured the greenback. In the U.S., market skepticism regarding the potential for additional Fed rate hikes this year increased following weaker-than-expected economic data. The U.S. Dollar Index, which measures the value of the U.S. dollar versus a basket of foreign currencies, declined -4.70% during the quarter.

Performance Overview

In the second quarter, LoCorr Multi-Strategy Fund's Class I share (the "Fund") declined -1.07%. The Fund's exposure is approximately equally divided between an allocation to managed futures strategies and to equity-oriented strategies. During the

Continued on reverse side ...

Average Annual Total Returns

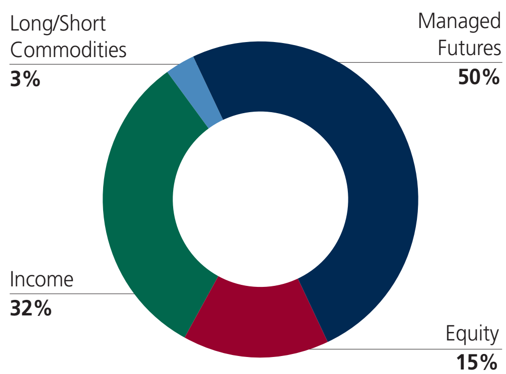
As of June 30, 2017

	2Q17	YTD	1 Year	Since Inception*
Class A - LMUAX without Load	-1.14%	-1.89%	-3.69%	-7.30%
Class A - LMUAX with Load	-6.84%	-7.56%	-9.17%	-9.72%
Class C - LMUCX without Load	-1.25%	-2.10%	-4.44%	-8.00%
Class C - LMUCX with Load	-2.23%	-3.07%	-4.44%	-8.00%
Class I - LMUIX	-1.07%	-1.74%	-3.40%	-7.08%
S&P 500 Index	3.09%	9.34%	17.90%	9.38%
Mstar Multialternative Category	0.64%	2.27%	3.00%	-0.80%

Multi-Strategy Fund - Strategy Allocation

As of June 30, 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.

quarter, the equity strategy allocation's positive returns were more than offset by negative returns generated by the Fund's managed futures portfolio.

The Fund's equity allocation is comprised of 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"). During the second quarter, the long/short equity portfolio generated solid positive absolute returns for the Fund, as sizable gains from the portfolio's long book offset small losses from the short positions. Overall, gains from holdings in the Financial Services and Industrial sector more than offset losses from the Consumer Cyclical and Basic Material sectors. The income-oriented portfolio had slightly positive returns in the quarter, as positions in alternative asset managers continued to benefit from robust public markets which allow them to sell private equity investments at attractive prices. Non-energy master limited partnerships ("MLP") also did well, but the Fund's midstream MLPs fell in sympathy with the price of oil, though these pipeline companies' underlying businesses are more directly tied to the movement of oil.

For the managed futures portion of the Fund, the diversified medium- to long-term trend-following program managed by Graham Capital experienced negative returns. This is primarily attributable to weakness in the final week of the quarter when sizable reversals in Interest Rate and Energy markets caused losses that more than offset previous gains for the quarter. Overall, profitable trading in Equity Indices, and to a lesser extent Commodities, were more than offset by losses from Interest Rates and Foreign Currencies. The long/short commodity portfolio managed by Millburn Ridgefield had negative returns during the quarter as small gains from calendar spread trading were more than offset by losses from directional trading, particularly in the Energy and Grain markets.

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 advise.

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 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. **Correlation** measures how much the returns of two investments move together over time. **Calendar Spread** the simultaneous purchase and sale of separate futures contracts for the same commodity for delivery in different months.

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.**

The LoCorr Funds are distributed by Quasar Distributors, LLC.

SEEKING A BETTER WAY TO DIVERSIFY

LoCorr Fund Management | 261 School Avenue, 4th Floor | Excelsior, MN 55331
Phone: 952.513.8195 | To Invest: 1.855.LCFUNDS | www.LoCorrFunds.com