1Q18 Commentary

SEEKING A BETTER WAY TO DIVERSIFY

Multi-Strategy Fund

March 31, 2018

First Quarter Commentary

Market Commentary

The low volatility that characterized the rising 2017 Equity market came to an abrupt end in late January, as investors took notice of rising interest rates and building inflationary pressure. The surge in volatility caused by this rapid move out of Equities was exacerbated when the Chicago Board of Exchange Volatility Index (VIX) jumped from 11.08 on January 26 to an intra-day high of 50.30 on February 6. The spiking volatility led to the demise of a number of inverse volatility ETFs that proved vulnerable to these conditions. This further contributed to the sell-off in Equities.

The severity of the sell-off is exemplified by the largest intra-day move in the history of the Dow Jones Industrial Average (DJIA.) The DJIA experienced an intra-day decline of nearly 1,600 points (close 24,345.75) on February 5. In total, the DJIA corrected -10.26% from January 29 to February 8 (market low). The sell-off was rather short lived -- investors flocked back to risk assets and Equity markets recovered much of their losses. This environment persisted until mid-March, when fears of protectionism and the potential for a trade war with China escalated, causing risk assets to weaken yet again.

In Fixed Income markets, the 10-year U.S. Treasury yield jumped more than 50 basis points during the first seven weeks of the quarter. This was due in part to robust economic growth, expectations for higher inflation, and the Fed signaling its intent for three rate hikes in 2018. International interest rates also moved higher in January and into February. As investor appetite for risk diminished and there was a move to perceived "safe haven" assets, interest rates gave back some of their gains as bond prices rallied.

In Commodities, the largest gains were generally in agricultural and softs; these were led by sizable moves higher from cocoa and, to a lesser extent, soybeans. Similar to Equities, there was a significant reversal in oil markets during the risk-off period in February. For example, West Texas Intermediate (WTI) oil, a proxy for oil prices, fell approximately -12% from its highs (intra day high on 2/1 to intra day low on 2/9). In Foreign Currency markets, after weakening for much of the second half of 2017, the U.S. dollar rallied to a 15-month high during the "flight-to-safety" period in February.

Continued on reverse side ...

Average Annual Total Returns

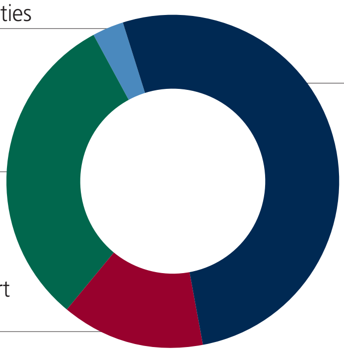
As of March 31, 2018

	1Q18	YTD	1 Year	Since Inception*
Class A - LMUAX without Load	-10.57%	-10.57%	-5.23%	-6.83%
Class A - LMUAX with Load	-15.76%	-15.76%	-10.68%	-8.66%
Class C - LMUCX without Load	-10.75%	-10.75%	-5.87%	-7.54%
Class C - LMUCX with Load	-11.63%	-11.63%	-5.87%	-7.54%
Class I - LMUIX	-10.51%	-10.51%	-4.93%	-6.60%
BofA ML 3-Month T-Bill Index	0.35%	0.35%	1.11%	0.53%
Mstar Multialternative Category	-1.04%	-1.04%	2.89%	0.13%
S&P 500 Index	-0.76%	-0.76%	13.99%	10.60%

Multi-Strategy Fund - Strategy Allocation

As of March 31, 2018 (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 2.84% for Class A, 3.59% for Class C, and 2.59% 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, 2019. 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.

Performance Overview

After an auspicious fourth quarter, LoCorr Multi-Strategy Fund's Class I share (the Fund) had a difficult first quarter, falling -10.51% versus the -0.76% decline by the S&P 500 Index. The Fund's exposure continued to be comparably divided between an allocation to managed futures strategies and to equity-oriented strategies. The challenging conditions during the sharp equity market sell-off in late January/early February proved difficult for both the managed futures allocation and the equity sub-portfolios.

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 long/short equity portfolio had negative returns in the quarter due to adverse performance from its long book, particularly in the Communication Services and Consumer Cyclical sectors. The short book was profitable, but not enough to offset the aforementioned negative attribution. The income-oriented portfolio managed by TFIP also generated negative returns in the quarter, as pass-through sectors were generally weaker. The largest detractors included the portfolio's higher yielding c-corp holdings, along with positions in master limited partnerships (MLPs) and equity real estate investment trusts (REITs).

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 Management (Graham). It also includes a dedicated long/short commodity portfolio that is managed by Millburn Ridgefield Corporation (Millburn). As a trend following strategy, the diversified managed futures portfolio was positioned to benefit from a continued upward trend in equities and oil prices when the late February/early March surge in volatility and sharp sell-off took place. Losses from long Equities and Energy positions, along with losses from trading in Foreign Currency markets during the January 29 to February 8 correction, more than offset gains for the program during the rest of the quarter. The long/short commodity portfolio managed by Millburn Ridgefield had slightly negative returns during the quarter, as strong gains from long positions in Energy were offset by losses in Metals, Grains, and Softs trading.

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. **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. **VIX Index** is the Chicago Board Options Exchange Volatility Index, which shows the 30-day volatility expectations of the S&P 500 Index. The VIX is a widely used measure of market risk and is often referred to as the "investor fear gauge." **Dow Jones Industrial Average** (DJIA) is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq. **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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