LoCORR FUNDS
SEEKING A BETTER WAY TO DIVERSIFY

Market Trend 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

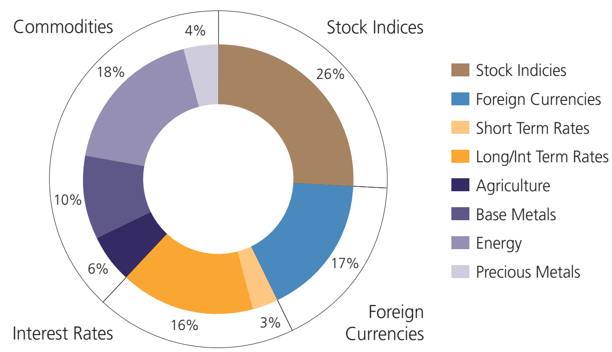
As of March 31, 2018

	1Q18	YTD	1 Year	3 Year	Since Inception*
Class A - LOTAX	-5.89%	-5.89%	-1.80%	-5.56%	2.68%
Class A - LOTAX w/load	-11.28%	-11.28%	-7.40%	-7.40%	1.07%
Class C - LOTCX	-6.00%	-6.00%	-2.49%	-6.24%	1.93%
Class C - LOTCX w/load	-6.94%	-6.94%	-2.49%	-6.24%	1.93%
Class I - LOTIX	-5.77%	-5.77%	-1.51%	-5.30%	2.96%
ML 3M T-Bill Idx	0.35%	0.35%	1.07%	0.52%	0.42%
SG Trend Index	-3.85%	-3.85%	-0.89%	-5.02%	2.86%
S&P 500 Index	-0.76%	-0.76%	13.99%	10.78%	10.54%

Trend Strategy Sector Allocation

As of March 31, 2018

(Subject to change and measured by average standalone VaR during the quarter.)[1]



*July 1, 2014. The Fund's total annual fund operation expenses are 2.03% for Class A; 2.78% for Class C; and 1.78% 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. 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

In a challenging quarter for systematic trend-following strategies, LoCorr Market Trend Fund Class I share (the "Fund") fell -5.77% during the first quarter, falling short of the -3.85% return for the SG Trend Index. The losses in the quarter were led by unprofitable trading in Fixed Income markets, followed by Equities and Foreign Currency. In Commodities, trading in energy and precious metal markets was profitable, but was more than offset by losses in base metals and agricultural/soft commodities.

Equity Indices

The Fund benefitted considerably in 2017 and into early 2018 from the steady rise in equity prices since the 2016 U.S. Presidential elections. However, trading in Equities was unprofitable during the first quarter, due primarily to losses from long positions during the sharp correction that occurred in late January/early February. Positioning moved to short in February, as the surge in volatility and severity of the equity market decline caused positions to shift.

Commodities

Trading in energy markets was profitable during the first quarter. Long positions in oil and oil-derived commodities were profitable in January and March as oil prices climbed higher. Unfortunately, many of these gains were lost during the early February risk-off market that extended into other markets beyond Equities, including oil. Elsewhere, trading in other commodity sectors was unprofitable, led by losses from long positions in base metals.

Interest Rate

Trading in Fixed Income markets was unprofitable during the first quarter. Interest rates surged higher globally during the first half of the quarter, before retreating as the risk-off/flight-to-safety environment emerged. U.S. Fixed Income positions were consistently short during the period, while international Fixed Income positions shifted from long to short. Overall, trading in European Fixed Income generated the largest losses during the quarter, which were partially offset by profitable U.S. short positions.

Foreign Currencies

Positioning in Foreign Currencies was long throughout most of the quarter versus the U.S. dollar. Losses were generated from trading in the Australian dollar, Mexican peso, and the Swiss franc. These losses were partially offset by profitable trading, particularly from long positions early in the quarter, in the British pound and the euro.

[1]LoCorr also holds cash, cash equivalents and fixed income securities, which are excluded from the Market Trend risk allocation shown. The sector risk allocation is measured by the average standalone VaR during the quarter. 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. **SG Trend Index** is a subset of the SG CTA Index, and follows traders of trend following methodologies. The SG CTA Index is equal weighted, calculates the daily rate of return for a pool of CTAs selected from the larger managers that are open to new investment. **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. **Reformulated Gasoline Blendstock for Oxygen Blending** (RBOB), is the term given to unleaded gas futures.

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 non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to an individual investment's 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. The Fund may make short sales of securities, which involves the risk that losses may exceed the original amount invested. 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 invest in derivative securities, which derive their performance from the performance of an underlying asset, index, interest rate or currency exchange rate. Derivatives can be volatile and involve various types and degrees of risks, and, depending upon the characteristics of a particular derivative, suddenly can become illiquid. Derivative contracts ordinarily have leverage inherent in their terms which can magnify the Fund's potential for gains or losses through increased long and short position exposure. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investments in Asset Backed, Mortgage Backed, and Collateralized Mortgage Backed Securities include additional risks that investors should be aware of such as credit risk, prepayment risk, possible illiquidity and default, as well as increased susceptibility to adverse economic developments. 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 use leverage which may exaggerate the effect of any increase or decrease in the value of portfolio securities or the Net Asset Value of the Fund, and money borrowed will be subject to interest costs.

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

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