

Market Trend Fund

September 30, 2018

Third Quarter Commentary

Market Commentary

On the back of a booming domestic economy, it was another strong quarter for U.S. equities. The S&P 500 Index ended the quarter up +7.71%, while hitting a new high of \$2,940.91 during the month of September. Elsewhere across the globe, equities were mixed. With the exception of Japan, most Asian equities traded down on fears of a continued escalation of the trade dispute between China and the U.S. In Europe, equities are fighting against Brexit uncertainty as well as a return of Italian political and debt concerns. Emerging Market equities slid, as countries with large dollar-denominated debt struggle, as the Fed continues to hike interest rates and the U.S. dollar continues to strengthen.

Similar to the first two quarters of the year, the Federal Reserve decided to raise rates at their September meeting on continued positive U.S. economic data. Treasuries drifted higher, with the 10-year ending the quarter at 3.05% after ending the prior quarter at 2.85%. Investment Grade bonds were fairly flat on the quarter, while High Yield and Emerging Market Debt posted the largest gains.

In commodities markets, crude oil prices remained steady, with a small drop in West Texas Intermediate prices while Brent moved

higher. During the quarter, the United States became the largest global crude oil producer in the world, having surpassed Saudi Arabia in February and Russia in August. This is the first time since February 1999 that the United States has passed Russia in crude oil production. After a huge second quarter rally, lean hogs lost close to a quarter of their value on a lack of demand from China, the world's largest consumer of the meat. Base metals also moved lower across the board, due to the commodity being ground zero for trade war disputes between China and the U.S.

The U.S. Dollar Index continued its move higher over the period, propped up by safe haven flows going away from emerging markets as well as tighter monetary policy by the Federal Reserve. The Euro has remained weak on the European Central Bank's continued loose monetary policy, as well as worries with Brexit and Italian Budget issues.

Performance Overview

The LoCorr Market Trend Fund Class I share (the Fund) gained +5.49% during the third quarter as the environment for trend

Continued on reverse side ...

Average Annual Total Returns

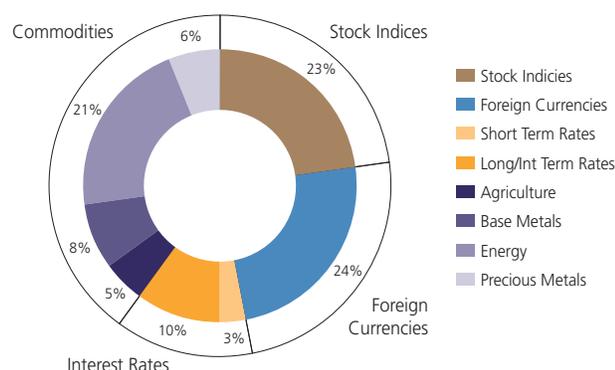
As of September 30, 2018

	3Q18	YTD	1 Year	3 Year	Since Inception*
Class A - LOTAX	5.43%	-3.17%	5.53%	-4.33%	3.05%
Class A - LOTAX w/load	-0.65%	-8.72%	-0.56%	-6.19%	1.62%
Class C - LOTCX	5.25%	-3.69%	4.82%	-5.05%	2.28%
Class C - LOTCX w/load	4.25%	-4.66%	4.82%	-5.05%	2.28%
Class I - LOTIX	5.49%	-2.98%	5.91%	-4.09%	3.31%
ML 3M T-Bill Idx	0.51%	1.35%	1.62%	0.84%	0.61%
SG Trend Index	2.09%	-3.30%	4.14%	-2.97%	2.66%
S&P 500 Index	7.71%	10.56%	17.91%	17.31%	12.06%

Trend Strategy Sector Allocation

As of September 30, 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 2.01% for Class A; 2.76% for Class C; and 1.76% 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.

following improved. The Fund outperformed the +2.09% return for the SG Trend Index. Specifically, the Fund benefitted from significant positive contribution from trading in Commodities, Equities, and Foreign Currency markets. Trading in Fixed Income markets was also profitable, though overall contributions were smaller than the other asset classes.

Equity Indices

Trading in Equities was profitable in the third quarter as long positions benefitted from rising stock prices, particularly in the U.S. Elsewhere, trading activity in Asia contributed positively as long positions in the Nikkei 225 Index boosted returns, particularly in September when Japanese stocks rallied sharply as Japanese economic growth accelerated. Trading in European equities detracted from returns due to losses from mixed positions in the FTSE, DAX, and DJ EuroStoxx 50 Indices.

Commodities

Trading in Commodities was a positive contributor to the Fund's returns during the quarter. Short positions in Precious Metals were the largest contributor, as gold and silver prices moved lower on higher interest rates while geopolitical tension, outside of trade tariff noise, was generally quiet for much of the quarter. Short

positions in Base Metal prices were unprofitable, as prices declined on the ongoing trade tariff dispute. After sliding in the first half of the quarter, global oil prices (Brent) moved sharply higher during the second half. Brent oil prices moved past \$80 per barrel, a four-year high, during September as oil supply remained constrained by steady OPEC production, Iran sanctions, and significant production declines in Venezuela. Long positions in oil and oil-derived commodities proved profitable, while trading in natural gas had losses.

Foreign Currency

Trading in Foreign Currency (FX) markets was profitable, as long U.S. dollar (USD) positions benefitted from the greenback's rise against most major currencies including the Euro, Australian Dollar, and Japanese Yen. The bulk of the profits were generated in August and September as the USD rallied on strong domestic economic data, higher interest rates, and additional U.S. tariffs on Chinese goods.

Fixed Income

Trading in Fixed Income markets was slightly profitable as short positions in U.S. fixed income benefitted from the rise in interest rates. Trading in European fixed income was unprofitable as long positions were hurt by a rise in interest rates in the region, most notably in the UK Gilt.

¹LoCorr 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. **U.S. dollar index (USDIX)** is a measure of the value of the U.S. dollar relative to the value of a basket of currencies of the majority of the U.S.'s most significant trading partners. This index is similar to other trade-weighted indexes, which also use the exchange rates from the same major currencies. **Nikkei 225 Index**, the leading and most-respected index of Japanese stocks. It is a price-weighted index comprised of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange. The Nikkei is equivalent to the Dow Jones Industrial Average Index in the United States. **FTSE 100 Index** (Financial Times Stock Exchange) is a share index of the 100 companies listed on the London Stock Exchange with the highest market capitalization. **DAX Index** is a blue chip stock market index consisting of the 30 major German companies trading on the Frankfurt Stock Exchange. **Dow Jones EURO STOXX 50 Index** is a market capitalization-weighted stock index of 50 large, blue-chip European companies operating within eurozone nations. The universe for selection is found within the 18 Dow Jones EURO STOXX Supersector indexes, from which members are ranked by size and placed on a selection list.

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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