LoCORR FUNDS
SEEKING A BETTER WAY TO DIVERSIFY

Market Trend 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 most international developed and emerging market countries.

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 Market Trend Fund Class I share (the "Fund") declined -2.54%, trailing the +3.09% gain for the S&P 500 and the Barclay's CTA Index (-0.79%), but outperforming the SG Trend Index (-5.00%). The Fund benefitted from upward trending equity markets as trading in Equity Indices was the most profitable asset class followed by Commodities. These gains were more than offset by losses from positions in Foreign Currencies and Fixed Income.

Continued on reverse side …

Average Annual Total Returns

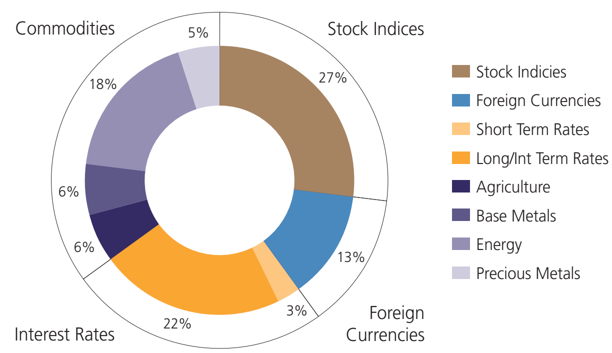
As of June 30, 2017

	2Q17	YTD	1 Year	Since Inception*
Class A - LOTAX	-2.65%	-3.38%	-15.10%	3.06%
Class A - LOTAX w/load	-8.21%	-8.94%	-19.97%	1.05%
Class C - LOTCX	-2.87%	-3.70%	-15.75%	2.28%
Class C - LOTCX w/load	-3.84%	-4.67%	-15.75%	2.28%
Class I - LOTIX	-2.54%	-3.18%	-14.85%	3.35%
S&P 500 Index	3.09%	9.34%	17.90%	9.61%
Barclays CTA Index	-0.79%	-1.63%	-4.42%	0.81%

Trend Strategy Sector Allocation

As of June 30, 2017

(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.

Equity Indices

The continued upward move in global equity prices buoyed the Fund, which was positioned long across U.S., Asian, and European Equity Indices throughout the quarter. Trading in U.S. and Asian markets produced the largest gains with European equities also slightly profitable. The upward trend in equities has remained in place throughout 2017, with trading from this asset class generating the largest gains for the Fund this year.

Commodities

Overall, trading in the Commodities sector was slightly profitable with substantial gain from Energy followed by Softs. These gains were largely offset by losses from short positions in Grains and long positions in Precious and Base Metals. Overall, short positions in oil and oil-derived commodities were highly profitable for much of the quarter as oil prices fell due primarily to supply/production concerns. Much of these gains were erased during the final week of the quarter, however, as oil prices rallied sharply on speculation that U.S. shale production may be slowing.

Interest Rate

Trading in Interest Rate futures was unprofitable as long fixed income positions were hurt following ECB President Mario Draghi's comments which hinted at tapering quantitative easing. This contributed to a spike in bond yields globally which hurt long positions. Long positions in Canada produced the largest losses with U.S. and European markets also detracting significantly.

Foreign Currencies

Foreign Currencies were unprofitable during the quarter with the largest losses stemming from trading in the Yen, Australian Dollar, and British Pound. Since early March, the Yen has experienced multiple reversals versus the U.S. dollar as numerous factors including tension in North Korea, economic activity, and Bank of Japan dovish policy shifted sentiment toward the currency. This environment proved challenging for Graham's trend-following models to navigate and led to positioning that shifted inopportunely between long and short. Early in the quarter, a short position in the British Pound was unprofitable as the currency reversed its downward trend, soaring to six-month highs following Prime Minister Theresa May's call for a snap election in June.

[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. **Barclays CTA Index** is an unweighted index which attempts to measure the performance of the Commodity Trading Advisor (CTA) industry. The Index measures the combined performance of all CTAs reporting to Barclays Trading Group who have more than four years past performance. Fees and transaction costs are reflected. **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. **The 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. **Value at risk (VaR)** is a statistical technique used to measure and quantify the level of financial risk within a firm or investment portfolio over a specific time frame.

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.

The LoCorr Funds are distributed by Quasar Distributors, LLC.

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