LoCORR FUNDS
SEEKING A **BETTER** WAY TO DIVERSIFY

Long/Short Commodities Strategy Fund

June 30, 2023

Second Quarter Commentary

Market Commentary

Investors looked to start the second quarter of 2023 off on the right foot as banking sector fears were quickly put in the rear-view mirror along with the concerns of a hard landing. As pessimism surrounding bank contagion faded, all eyes turned to the looming U.S. debt ceiling deadline. While this debate was ultimately put to rest, it didn't come without its fair share of nerves and speculation. June was the cherry on top of a strong quarter for equities, capping off the best month for the S&P 500 Index since October of 2022. Despite the aforementioned concerns, the Federal Reserve ("Fed") continued its hiking campaign to fight inflation and raised the federal funds rate by 25 basis points in May, bringing the target rate to 5.00% - 5.25%.

Though many areas of the economy are expected to slow in the second half of the year, the U.S. jobs market remained resilient, adding 253,000 and 339,000 jobs in April and May, respectively. Moreover, April marked the 30th month in a row of job gains and May registered an unemployment rate of 3.4%, the lowest level since 1969, before ticking back up to 3.7%. The robust job market has continued in an unrelenting fashion, particularly in job openings which topped 10 million in April. Sky rocketing prices of household goods slowed and oil prices continued to decline from elevated levels, providing relief to the consumer's pocketbooks.

The Bloomberg Commodity Index fell -2.56% over the quarter, continuing its downtrend since June of last year. The month of May saw the biggest losses for the index, as the U.S. Dollar appreciated heavily, providing a headwind for commodities. Energy markets fell modestly across the board, as oil volatility consolidated and prices fell into a tight trading range creating particularly difficult conditions for commodity traders. Whipsawing markets within this tight range can be largely attributed to investors balancing recessionary concerns and supply cuts by OPEC. At the same time, oil sanctions do not appear to be restricting Russian oil supply in the market. While crude oil and many of its distillates closed Q2 down in the range of -3% to -5%, unleaded gasoline and natural gas bucked that trend in the energy complex, up +3.97% and +2.15%, respectively.

Industrial metals, particularly zinc, nickel, and aluminum were volatile, falling sharply in Q2 as speculators and consumers worked to understand the economic growth outlook, particularly

Continued on next page ...

Average Annual Total Returns

As of June 30, 2023

	2Q23	YTD	1-Year	5-Year	10-Year	Since Inc*
Class A - LCSAX	-2.81%	-4.26%	-2.89%	5.25%	7.41%	4.26%
Class A - LCSAX with Load	-8.43%	-9.79%	-8.45%	4.01%	6.77%	3.73%
Class C - LCSCX	-2.97%	-4.59%	-3.53%	4.48%	6.60%	3.45%
Class C - LCSCX with Load	-3.94%	-5.55%	-3.53%	4.48%	6.60%	3.45%
Class I - LCSIX	-2.67%	-4.09%	-2.56%	5.53%	7.69%	4.52%
ICE BofAML 3-M T-Bill Index	1.18%	2.33%	3.69%	1.61%	1.02%	0.90%

Exposure and Attribution by Sector

As of 6/30/23 (subject to change)

Sector	Position	**Performance Attribution** (Second Quarter 2023)
Energy	Long	-0.8%
Metals	Long	-1.0%
Grains	Short	-0.4%
Livestock	Long	-0.1%
Softs	Short	0.1%
Commodity Equities	Long	-0.1%

-1 0 1

**As of January 1, 2012 (the Fund commenced operations on January 3, 2012). The Fund's gross expense ratio is 2.43% for Class A; 3.18% for Class C; and 2.18% for Class I. Expense cap: 2.20% (A), 2.95 (C), 1.95% (I). The Fund's expense cap listed here includes the 12b-1 distribution and/or servicing fees per share class, but excludes 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 will not exceed 1.95%/daily average net assets attributable to each class of the Fund, as stated above, net of contractual waiver through April 30, 2024. Net expense ratios (operation expenses after fee waiver) are as of the 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. Performance data current to the most recent month end may be obtained by calling 888.628.2887. 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.

Chinese growth and the subsequent demand for metals. While the Bloomberg Commodity Industrial Metals sub-index slid -10.49% over the quarter, the tin market stood out as it rose +6.08% over the same period. In the face of ballooning inventories, demand for solar energy has kept tin prices elevated.

Precious metals, gold in particular, fared better than industrial metals during the period but were still negative overall, as market participants rotated out of safe haven names, many of which were entered during the banking scare in March. Gold sold off -2.52% during the quarter, as rising interest rates continued to weigh on demand. It did hold up better than silver, however, which was down -5.14% over the period, due to central banks buying more gold to diversify their reserves.

Agricultural commodities were mixed in Q2, with the Bloomberg Commodity Agriculture sub-index finishing down -1.01%. Grains markets found strength in soybeans, particularly soybean oil, but were offset by weakness in corn. Softs markets, specifically sugar and cocoa, saw the largest gains, as El Nino weather conditions in producing areas pushed prices higher. Livestock markets also did well during the period, with live cattle and lean hogs rallying +12.24% and +5.40%, respectively.

Performance Overview

The LoCorr Long/Short Commodities Strategy Fund Class I share (the "Fund") lost -2.67% during the quarter, roughly in line with the Bloomberg Commodity Index, which was down -2.56%. As a long/short strategy which also provides exposure to relative value trading, we do not expect the Fund to outperform long-only commodities during a sharp bull market rally, but over the long-term we seek to generate strong absolute returns with reduced volatility and smaller drawdowns. While the market conditions for commodities remain challenging, we expect a return to more favorable trading conditions as the future of interest rate policy and economic growth becomes more clear.

Metals trading was the largest detractor to Fund performance in Q2, driven by losses in industrial metals and, to a lesser degree, precious metals. Despite having relatively small positions in the industrial metals markets, large price swings throughout the quarter caused disproportionate losses. In May, the nickel market dropped -15.01%, which impacted the Fund's modestly long position at the start of the month before quickly pivoting to a short posture. The zinc market also dropped significantly, down -22.49% from the start of April to the end of May, leading to losses from the Fund's small long positions. In precious metals, small losses from long gold, platinum, and silver positions, were partially offset by gains from short exposure in palladium, as precious metal prices declined -3.12% in Q2, as measured by the Bloomberg Commodity Precious Metals sub-index.

The energy sector was the next largest detractor to Fund performance this quarter, as losses in crude oil overshadowed the gains made in natural gas and Reformulated Blendstock for Oxygenate Blending ("RBOB") gasoline. Long crude oil positions, in both brent and West Texas Intermediate at various times during the quarter, lost money as oil markets sold off almost -17% from April 13th to May 4th. This was followed by choppy, range-bound prices for the remainder of the quarter, which is generally a difficult environment for commodity traders. On the other hand, the Fund did benefit from bearish relative value positions in natural gas, as the near-term contract fell more precipitously than the deferred. RBOB gasoline was also a positive contributor in Q2, driven from a mixture of both bullish directional and relative value positions.

There were very modest losses in agricultural commodities, as gains in the softs sector weren't quite enough to outweigh the losses in grains and livestock. Sugar was the most profitable agricultural market in Q2, specifically in April, when the Fund was both directionally long and held a bullish calendar spread position as the market rallied +22.11%. These early gains were offset by losses from soybean oil in June, when that market sharply reversed, rising +33.38% and ending the persistent downtrend it had exhibited all year. As this reversal occurred, the Fund's bearish soybean oil positions were hurt fairly equally from both directional and relative value exposure.

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.

ICE BofAML 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. **Bloomberg Commodity Index (BCOM)** is a broadly diversified commodity price index distributed by Bloomberg Indexes. The index was originally launched in 1998 as the Dow Jones-AIG Commodity Index (DJ-AIGCI) and renamed to Dow Jones-UBS Commodity Index (DJ-UBSCI) in 2009, when UBS acquired the index from AIG. **WTI West Texas Intermediate** is crude oil that is produced, refined, and consumed in North America. It is not possible to invest directly in an index. **Morningstar Systematic Trend Category** is an average monthly return of all funds in the Morningstar Systematic Trend Category. These funds typically take long and short positions in futures options, swaps, and foreign exchange contracts, both listed and over-the-counter, based on market trends or momentum. A majority of these funds follow trend-following, price-momentum strategies. **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.

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 Fund and may be obtained by calling 1.855.LCFUNDS or by visiting www.LoCorrFunds.com. Read 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 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 will incur a loss as a result of a short position if the price of the short position instrument increases in value between the date of the short position sale and the date on which an offsetting position is purchased. The Fund may invest in derivative securities, which derive their performance from the performance of an underlying asset or index. 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. 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. 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 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.

LOCORR FUNDS

SEEKING A BETTER WAY TO DIVERSIFY

LoCorr Fund Management | 687 Excelsior Boulevard | Excelsior, MN 55331
Phone: 888.628.2887 | To Invest: 1.855.LCFUNDS | www.LoCorrFunds.com