Long/Short Commodities Strategy Fund

December 31, 2023

Fourth Quarter Commentary

Market Commentary

While the fourth quarter started off like much of 2023, with heightened concerns surrounding the Federal Reserve ("Fed") keeping interest rates higher for longer, the market's unease was quickly put in the rearview mirror as the soft-landing narrative resurfaced in full force later in the quarter. Further supporting this was the Fed pausing its rate hiking campaign in the fight against inflation by holding the federal funds rate steady at both meetings in the period, keeping the policy rate between 5.25% and 5.50%. Beyond just pausing, the Fed communicated the intent to cut rates three times in 2024.

The U.S. jobs market has become a "good news is in reality bad news" type of indicator to market participants as stronger-than-expected job growth could cause the Fed to return to its path of higher rates for longer. After a strong end to the third quarter, the U.S. jobs market remained resilient, albeit at a moderating pace, adding 150,000 and 199,000 jobs in October and November, respectively. Moreover, November registered an unemployment rate of 3.7%, near all-time lows, coming down from 3.9% in October. The Core Personal Consumption Index (PCE) continued to fall with the +2.6% year-over-year rise in November above the Fed's target of 2%. While inflation remains elevated and consumers may be feeling the impact, the speed at which inflation has fallen further supported the aforementioned Fed interest rate pause decisions.

The Bloomberg Commodity Index fell -4.63% over the quarter. While October was relatively flat, the Index dropped in November and December as the U.S. Dollar softened -4.60% over the period against a basket of major currencies, which normally creates a tailwind for commodities, as they tend to move inversely to the greenback. The effects from a falling dollar, however, were overpowered by geopolitical and fundamental factors that caused oil prices to fall and pulled down the energy sector-heavy Index, which saw the Bloomberg Ex-Energy sub-index close the quarter up +2.22%.

Energy markets fell significantly, as the Bloomberg Commodity Energy sub-index finished the quarter down -18.15%. West Texas Intermediate ("WTI") crude oil fell -17.48% in Q4, as supply cut vagueness amongst OPEC+ constituents mixed with an uncertain

Continued on next page ...

Average Annual Total Returns

As of December 31, 2023

	4Q23	YTD	1-Year	5-Year	10-Year	Since Inc*
Class A - LCSAX	-1.90%	-3.26%	-3.26%	3.81%	7.85%	4.17%
Class A - LCSAX with Load	-7.56%	-8.86%	-8.86%	2.60%	7.21%	3.66%
Class C - LCSCX	-2.19%	-4.03%	-4.03%	3.02%	7.02%	3.36%
Class C - LCSCX with Load	-3.16%	-4.03%	-4.03%	3.02%	7.02%	3.36%
Class I - LCSIX	-1.92%	-3.07%	-3.07%	4.05%	8.12%	4.42%
ICE BofAML 3-M T-Bill Index	1.37%	5.03%	5.03%	1.92%	1.28%	1.08%

Exposure and Attribution by Sector

As of December 31, 2023 (subject to change)

Sector	Position	Performance Attribution (Fourth Quarter 2023)
Energy	Long	-1.6%
Metals	Long	-0.4%
Grains	Short	-0.2%
Livestock	Short	0.1%
Softs	Short	-0.2%
Commodity Equities	Long	-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.

demand outlook sent prices below $70 per barrel at points in the period. Natural gas prices began the quarter rallying +13.54% in October, but then reversed course, ultimately closing Q4 down -24.61%. With U.S. natural gas storage levels remaining high, and weather remaining mild as we enter the winter season, prices have dropped precipitously.

Precious metals prices rose +10.43% in Q4, as measured by the Bloomberg Commodity Precious Metals sub-index. Gold fared better than most other metals during the period, rising +11.38%, as concerns surrounding U.S. debt levels and negative real interest rates sent the commodity higher. The industrial metals sector began the quarter falling -4.06% in October, was roughly flat in November, and recovered in December to close Q4 relatively unchanged +0.15%, as measured by the Bloomberg Commodity Industrial Metals sub-index. Metals such as tin, aluminum, and zinc helped boost the sector in December, as the United Kingdom implemented new sanctions against Russian-sourced metals.

Agricultural commodities were mixed in Q4, with the Bloomberg Commodity Agriculture sub-index finishing down just -0.30%. The grains markets as a whole, also wrapped up the quarter roughly flat, up just +0.93%. Within the grains complex, wheat prices reversed course, rising +12.76% after four consecutive quarters of negative returns. Although soybean prices closed the quarter flat +0.28%, the further refined product, soybean oil, fell -11.37%. The livestock sector, as measured by the Bloomberg Commodity Livestock sub-index, dropped -9.03% in Q4, as both live cattle and lean hogs' prices fell by a similar magnitude. Although the softs sector finished the quarter flat -0.34%, as measured by the Bloomberg Commodity Softs sub-index, the commodity markets within the sub-index had some large price moves. Coffee and cocoa rallied +33.24% and +23.81% over the period, respectively, while sugar prices dropped -21.22% on an improving outlook for Brazil's sugarcane harvest.

Performance Overview

The LoCorr Long/Short Commodities Strategy Fund Class I share (the "Fund") was down -1.92% for the quarter, but still outgained its Morningstar category, the Systematic Trend category by +3.37% and the Bloomberg Commodity Index by +2.71% over the period. As a long/short strategy which also provides exposure to relative value trading, we do not expect the Fund to outperform long-only commodities like the Bloomberg Index during a sharp bull market rally, but in volatile and declining markets as we've seen lately, it seeks 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 clearer.

Trading in the energy sector was the largest detractor to the Fund this quarter. These losses were primarily driven by long exposure to Brent crude oil, followed by long heating oil positions. These were partially offset by gains from short positions in both natural gas and WTI crude oil. The Fund entered Q4 with long positions in all four of these markets, and those that transitioned short prior to the start of November benefitted from the sector's -20% drawdown over the following six weeks. Also detracting, but to a much smaller degree, were the European power and coal markets.

The metals sector also detracted from Fund performance in Q4, primarily driven by losses in gold and aluminum. These were partially offset by gains in platinum and nickel. Most of the losses in gold came from short positions in October, when the metal quickly rose +7.38%. Very modest, but persistent, long exposure to aluminum was a slow drag on Fund performance throughout the quarter. On the other hand, gains from long platinum and short nickel positions both helped mitigate those losses in the sector.

In agricultural commodities, the Fund experienced modest losses in grains and softs, which were partially offset by marginal gains in livestock trading. The majority of losses in grains came from short wheat positions, as prices reversed their extended downward trend. Within softs, short exposure to both cocoa and coffee drove losses in Q4, as these markets rose as much as +27% and +43% intra-quarter. These losses were significantly mitigated by gains from short sugar positioning, particularly in December when prices dove -20.63%. Performance in livestock trading provided modest gains this quarter, as small, but persistent, short exposure to live cattle benefitted the Fund.

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.

Core Personal Consumption Index (PCE) measures the changes in the price of goods and services purchased by consumers for the purpose of consumption, excluding food and energy. Prices are weighted according to total expenditure per item. **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.

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