Long/Short Commodities Strategy Fund

March 31, 2025

First Quarter Commentary

Market Commentary

The inauguration of President Trump in the beginning of the first quarter was quickly followed with a multitude of executive orders and talks about tariffs. The market reaction was positive initially as equity markets, as measured by the S&P 500 Index, rallied +2.78% in January, despite a selloff in mega cap technology stocks later in the month on a report from China's DeepSeek regarding significantly cheaper AI models. February was marked by tariff announcements and weaker-than-expected economic news and signaled the beginning of a selloff in global equities. In March, tariff talks grew more serious, markets reacted very strongly, and the selloff in equities was amplified.

The U.S. jobs market showed mixed signals once again in Q1. January and February non-farm payrolls came in lower than expected, but March surprised to the upside. The March report showed an increase in non-farm payrolls of 228,000, up from 117,000 in February and well above the 140,000 estimated. The unemployment rate remains quite low, slightly increasing to 4.2% from 4.1% in the previous quarter. While inflation has fallen dramatically from its peak, it still remains stubbornly above the Fed's 2% target. CPI rose +2.8% year-over-year in February, increasing +0.2% from January, but lower than the +3.0% annual rate posted in January. The Fed's preferred inflation index, the Personal Consumption Expenditures Index (PCE), rose +2.5% year-over-year in February, in line with the +2.5% increase in January, and still above the Fed's 2% target.

The Bloomberg Commodity Index posted a strong quarter, gaining +8.88% and posting positive returns in each month. The U.S. Dollar registered negative returns in each month, falling -3.94% against a basket of six major currencies over the course of the quarter, as uncertainty around tariffs and the path of future inflation took hold. Generally, a weakening Dollar provides a tailwind to the commodity complex, a relationship that played out this quarter. The Index was pulled up substantially by precious metals, which added +18.28% as measured by the Bloomberg Precious Metals Subindex, and by

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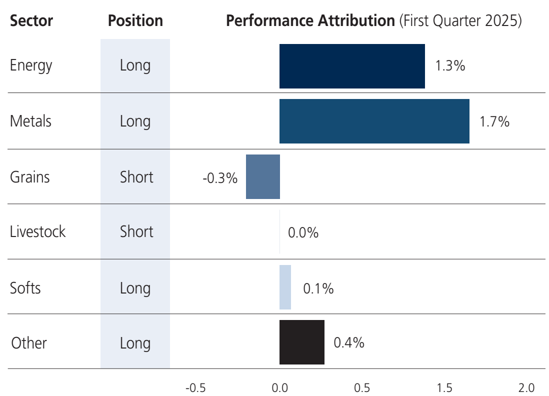
Average Annual Total Returns

As of March 31, 2025

	1Q25	YTD	1-Year	5-Year	10-Year	Since Inc*
Class A - LCSAX	3.59%	3.59%	-6.13%	1.05%	4.76%	3.35%
Class A - LCSAX (load)	-2.40%	-2.40%	-11.51%	-0.14%	4.15%	2.89%
Class C - LCSCX	3.43%	3.43%	-6.85%	0.28%	3.98%	2.55%
Class C - LCSCX (load)	2.43%	2.43%	-6.85%	0.28%	3.98%	2.55%
Class I - LCSIX	3.67%	3.67%	-5.94%	1.28%	5.03%	3.60%
ICE BofAML 3M T-Bill Idx	1.06%	1.06%	4.93%	2.56%	1.89%	1.44%

Exposure and Attribution by Sector

As of March 31, 2025 (subject to change)



**As of December 31, 2011 (the Fund commenced operations on January 3, 2012). The Fund's gross expense ratio is 2.36% for Class A; 3.11% for Class C; and 2.11% 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, 2026. 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 contractual 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.

energy, which rose by +10.97% as measured by the Bloomberg Energy Subindex. Industrial metals, softs and livestock also pulled the Index higher while grains slightly detracted.

Precious metals bookended a roughly flat February with substantially positive returns in January and March. Both gold and silver – the most important components of the aforementioned Subindex – followed a similar pattern, returning +18.21% and +18.48%, respectively. Investors flocked to perceived safe haven assets given the cloudy geopolitical outlook, driven primarily by an uncertain path for tariffs and, in turn, implications for future economic growth and inflation. Industrial metals moved +8.57% higher, influenced significantly by copper, which increased by +25.13% over the course of the quarter. Prices moved higher as a function of demand, as U.S. buyers looked to stockpile inventory ahead of potential tariffs, including those that specifically target the metal. Elsewhere, nickel (+3.43%), lead (+2.74%), and aluminum (+0.14%) were positive, while zinc (-4.42%) finished the quarter in the red.

Energy also posted strong returns in the quarter, adding the bulk of its gains in February and March. Natural gas stood as the most significant contributor, gaining more than +30% as colder-than-expected temperatures led to increased demand and prompted significant storage withdrawals. The rise in crude oil was much more subdued, ending the quarter up +2.12% as measured by the Bloomberg WTI Crude Subindex. Though historically a volatile commodity, crude oil futures prices continue to be rangebound in nature, something that has come to define their behavior over the past several months, increasing by less than 4% in each month this quarter.

Agricultural commodities mostly moved higher, as the Bloomberg Agriculture Subindex ended the quarter up +2.02%, driven by strong gains early in the year with the Subindex increasing nearly +5% in January. Coffee prices continued to push significantly higher, rising another +22.92%, including +19% in January. Poor weather conditions have negatively impacted supply in major producing countries like Brazil, Vietnam, and Indonesia, while demand continues to grow in high-population areas such as China and India. Sugar prices also gained in the quarter, rising +6.94% in a move that is also linked to unfavorable weather conditions, especially in Brazil, the world's largest producer of sugar. In a contrary move, cocoa fell precipitously throughout the quarter, concluding the period down -32.55%, with demand weakening as prices rose materially above the cost of production, and speculative positioning no longer providing as much upward price pressure. Livestock markets gained +4.74%, impacted mostly by live cattle prices which were up +8.83% as U.S. beef cattle inventory fell to its lowest level in 64 years. Finally, grains ended the first quarter down -1.46%, as wheat fell -3.81%, corn declined -1.87% and soybeans moved -0.12% lower.

Performance Overview

The LoCorr Long/Short Commodities Strategy Fund, Class I share (the "Fund") gained in the quarter, up +3.67%, outperforming the Morningstar Systematic Trend category by +5.63%. The Fund also outperformed the S&P 500 by 7.94%, highlighting its ability to hedge equity risk and provide beneficial diversification. The Fund's distinctive and exclusive focus on commodity markets, as well as on a variety of stylistic sub-strategies outside of just traditional trend following, proved to be a boon this quarter. Also, given its construction as a long/short product, the Fund's performance is not expected to regularly be linked to commodity index results, though the Fund was able to capitalize on some of the upward moves in commodity markets this quarter.

Energy trading was the top contributor to the Fund in the quarter. The Fund leaned directionally net long in crude oil markets for much of the quarter, though pared that exposure after the initial move up in the first half of January, resulting in a healthy profit in this sector. Tactical spreads in crude across the curve were also steadily profitable throughout the quarter. Smaller gains came from tactical positioning within natural gas, while positioning within the power space that alternated net long and net short was a slight detractor. The Fund ended the quarter with a moderate net long stance in oil & oil products and natural gas, alongside a very small net short in power markets.

Metals trading was a substantial positive contributor as well. Precious metals positioning was especially fruitful, as longs in gold, silver, and platinum provided steady contributions throughout Q1. Industrial metals were a smaller source of profit, as gains from longs in copper outweighed losses from a net long in zinc. The Fund maintained moderate net longs in precious metals and industrial metals at the end of the quarter, with the former position spread across gold, silver, platinum, and palladium, and the latter primarily concentrated in nickel, copper, and aluminum.

Agricultural commodities trading was a detractor over the period, albeit losses were small. Grains led the way downward, as soybeans positioning that skewed net short very early in the quarter posted losses along with longs in corn that detracted throughout January and February, though a persistent net short in wheat helped counter a portion of those losses. A steady long in coffee was helpful in the softs space with aggregate net losses realized elsewhere, most notably from a very small net long stance in cocoa. Finally, livestock trading and its individual markets did not have a significant impact on performance. The Fund concluded the quarter with a net short in grains, especially in corn and wheat, a net long in softs across coffee, cocoa, and palm oil, and a minimal net short in livestock.

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.

Bloomberg Industrial Metals Subindex index is composed of futures contracts on aluminum, copper, nickel and zinc. It reflects the return of underlyying commodity futures price movements only. **Bloomberg Natural Gas Subindex index** is a commodity group subindex of the BCOM composed of futures contracts on Natural Gas. **Consumer Price Index (CPI)** measures inflation by tracking the changes in prices paid by consumers for a basket of goods and services over time. **Personal Consumption Index (PCE)** measures the changes in the price of goods and services purchased by consumers for the purpose of consumption. 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 U.S. Aggregate Bond Index** is a broad-based bond index comprised of government, corporate, mortgage and asset-back issues rated investment grade or higher. **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. **Bloomberg WTI Crude Oil Subindex** is a single commodity subindex of the BCOM composed of futures contracts on WTI crude oil. It reflects the return on fully collateralized futures positions and is quoted in USD.

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 invests in foreign investments which involve greater volatility and political, economic and currency risks and differences in accounting methods. 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. 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. 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. 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. Underlying Funds are subject to management and other expenses, which will be indirectly paid by the Fund.

Diversification does not assure a profit nor protect against loss in a declining market.

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