4Q22 Commentary

Market Trend Fund

December 31, 2022

Fourth Quarter Commentary

Market Commentary

While the final quarter of 2022 started strong on the hopes of a dovish Federal Reserve ("Fed") and the possibility of a soft landing, doubts reemerged in December, pushing markets lower. The Fed continued its hawkish posture in response to surging prices, raising the federal funds rate by three-quarters of a point in November and by half of a point in December. These moves now place the target federal funds range at 4.25% - 4.50%.

While many areas of the economy are expected to slow, the U.S. jobs market remained resilient, adding 261,000 and 263,000 new jobs in October and November, respectively. Moreover, November marked the 23rd month in a row of job gains. However, after hitting a post-pandemic low unemployment rate of 3.5% this summer, the rate ticked up modestly to 3.7% in the period. The robust job market has continued in an unrelenting fashion despite the Fed's attempts to slow the economy. While prices of household goods remained elevated, gas prices moderated in the fourth quarter, after a steep decline in the prior period.

While volatile, global equity prices rose during the quarter. The S&P 500 Index was up +7.56%, closing the year down -18.11%, its worst calendar year return since the 2008 Financial Crisis. Equities rebounded significantly in October, up +8.10%, and up +5.59% in November, but this unsupported optimism aided the December pullback, down -5.76%. The CBOE Volatility Index, commonly referred to as the market's fear gauge, rose to 33.63 on October 11th, up more than 100% from the beginning of the year. Investors became increasingly skittish in response to growing recessionary risk, as fear surrounding the aforementioned potential Fed policy error swelled. The continuation of rising interest rates and recessionary concerns would pressure growth and high-valuation stocks while value and more defensive sectors along with commodity stocks would perform better on a relative basis.

Global bond yields flatlined in the period, coming off a historic rise in the prior quarters as it became increasingly clear the Fed and other central banks would not abandon their aggressive interest rate hikes to quell inflation. The U.S. 10-year Treasury yield topped out at 4.25% in late October, a high for 2022, before retreating downward, hitting a low for the year at 3.42% in early December. The volatility in interest rates continued to be driven by the potential of peaking inflation and the subsequent possibility of a Fed pivot. Overall, the Bloomberg U.S. Aggregate Bond Index rose +1.87% during the

Continued on reverse side ...

Average Annual Total Returns

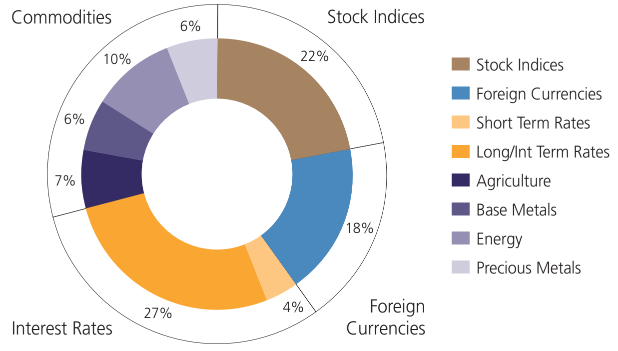
As of December 31, 2022

	4Q22	YTD	1 Year	3 Year	5 Year	Since Inception*
Class A - LOTAX	-4.66%	29.59%	29.59%	10.94%	6.88%	5.96%
Class A - LOTAX with load	-10.17%	22.10%	22.10%	8.78%	5.63%	5.23%
Class C - LOTCX	-4.83%	28.67%	28.67%	10.13%	6.08%	5.17%
Class C - LOTCX with load	-5.64%	28.67%	28.67%	10.13%	6.08%	5.17%
Class I - LOTIX	-4.57%	29.94%	29.94%	11.23%	7.14%	6.23%
ICE BofAML 3M T-Bill Idx	0.91%	1.49%	1.49%	0.77%	1.31%	0.92%
SG Trend Index	-6.07%	27.35%	27.35%	13.87%	8.18%	6.55%

Trend Strategy Sector Allocation

Average for 4Q22

(Subject to change and measured by average standalone VaR during the quarter.)[1]



**July 1, 2014. The Fund's total annual fund operating expenses are 2.02% for Class A; 2.77% for Class C; and 1.77% 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 888.628.2887. Investment performance reflects ee 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.

quarter. Despite this positive period, 2022 proved to be the worst year for the Index since its inception in 1980, down -13.01%.

The Bloomberg Commodity Index rose modestly in the quarter, up +2.22%. While the start of the period proved strong for commodities, softness in December erased most of those gains. Energy markets remained mixed as oil price volatility remained elevated and investors balanced recessionary fears and geopolitical events. Agricultural markets were quiet, relative to the start of 2022, as geopolitical impacts to commodities, such as wheat markets, lessened. Softs markets, specifically cotton, and metals markets, such as nickel, proved to be volatile as concerns surrounding the impact to China's economy from abandoning its "Zero-COVID" policy emerged.

In currency markets, the U.S. Dollar ("USD") fell over -7% against a basket of major currencies. This downward move was a significant reversal in the yearlong upward trend. We attribute the weakness in the USD to be related to the general increase in risk appetite, an improved energy situation and economic outlook in Europe, along with optimism that the Fed may be closer to reversing its hawkish posture.

Performance Overview

LoCorr Market Trend Fund Class I share (the "Fund") fell -4.57% in the fourth quarter, but still outperformed the SG Trend Index which declined -6.07%. And while trailing the S&P 500 and Bloomberg U.S. Aggregate Bond Indices over the last three months, we were quite pleased to see the Fund close the year well into positive territory, up +29.94%. While a majority of year-long trends reversed course in the fourth quarter, the Fund continued to capitalized on strong trending activity within global fixed income markets, while foreign currencies, equities, energy, and metals trading detracted. Agricultural commodities trading was a negligible contributor during the period.

Fixed income produced the largest profits as short positions benefitted from the sell-off in global bonds and the rise in global bond yields. The largest gains in this sector were in European bond markets, where the Fund held a consistent short posture throughout the quarter allowing the Fund to benefit early in the period. Within Europe, the largest gains were from short German government debt, particularly the Bobl and Bund. Moderating short positioning in the U.S. was a small contributor as major reversals for most of the quarter proved more difficult for the Fund's manager to trade. Overall, fixed income exposure remained short at the end of the period.

Currency trading was unprofitable, led by losses in Asian and European markets, though emerging regions had small gains. The largest winner was a long position in the Mexican Peso which strengthened significantly versus the USD. At the same time, a short New Zealand Dollar vs. USD position was the largest detractor, as that currency also strengthened against the greenback. Overall, the Fund's foreign currency exposure at quarter-end was short versus the USD.

Predominantly long energy exposure throughout the quarter suffered from reduced volatility and directionless markets which provided limited trading opportunities. The largest detractors in energy trading were in mixed brent crude positioning. Trading in metals was a detractor, with losses in both precious metals, notably gold, and base metals, primarily copper. As volatility in the commodity markets remained elevated during the quarter, the Fund's sub-adviser maintained reduced exposure levels, ending the period with long positions in energy, grains, precious metals, and short positions in softs and base metals.

Trading in equity indices detracted from performance during the period with European markets detracting the most. Net equity exposure was generally flat to slightly long at the start of the period before increasing to a sizable long position in mid-November. While positive performance within the U.S. came from Dow Jones Index trading, these gains were more than offset by losses in S&P 500 trading. Outside the U.S., DAX, and Hang Sang Index trading detracted the most. Equity exposure at quarter end was long across the board, with a focus in Europe.

[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.

Basis Point is a unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security. 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. Bloomberg Commodity Index 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 and renamed to Dow Jones-UBS Commodity Index in 2009, when UBS acquired the index from AIG. BOBL futures contract is a standardized futures contract based on a basket of medium-term debt issued by the German Federal Government. BOBL is an acronym for a German term, Bundesobligation, which translated to English is federal government bond. Bund is a debt instrument issued by Germany's federal government to finance outgoing expenditures. Bunds, German for "bonds", are widely viewed as the German equivalent of U.S. Treasury bonds (T-bonds). DAX Index is a blue chip stock market index consisting of the 30 major German companies trading on the Frankfurt Stock Exchange. Gilts are bonds that are issued by the British government and generally considered low-risk equivalent to U.S. Treasury securities. Dow Jones Index is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq. Hang Seng Index is a freefloat-adjusted market capitalization-weighted stock market index in Hong Kong. It is used to record and monitor daily changes of the largest companies of the Hong Kong stock market and is the main indicator of the overall market performance in Hong Kong. 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. 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. 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. CBOE Volatility Index is the Chicago Board Options Exchange Volatility Index, which shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options. This volatility is meant to be forward looking, is calculated from both calls and puts, and is a widely used measure of market risk, often referred to as the "investor fear gauge." U.S. 10-Year Treasury is a debt obligation issued by the United States government that matures in 10 years.

Performance data for the Class A Shares does not reflect the 1.00% CDSC, which only applies to certain 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 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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