



LKCM Aquinas Value Fund
LKCM Aquinas Growth Fund
LKCM Aquinas Small Cap Fund

Annual Report
December 31, 2011

Dear Fellow Shareholders:

We report the following performance information for the LKCM Aquinas Funds:

<u>Funds</u>	<u>Inception Dates</u>	<u>NAV @ 12/31/11</u>	<u>Net Expense Ratio*,**</u>	<u>Gross Expense Ratio**</u>	<u>One Year Total Return Ended 12/31/11</u>	<u>Five Year Average Annualized Return Ended 12/31/11</u>	<u>Avg. Annual Total Return Since Incept.***</u>
LKCM Aquinas Value Fund	7/11/05	\$12.72	1.50%	1.57%	0.46%	1.17%	3.72%
Russell 1000 Value Index ⁽¹⁾					0.39%	-2.64%	1.58%
LKCM Aquinas Growth Fund	7/11/05	\$16.86	1.50%	1.64%	1.51%	3.03%	2.70%
Russell 1000 Growth Index ⁽²⁾					2.64%	2.50%	4.06%
LKCM Aquinas Small Cap Fund	7/11/05	\$7.35	1.50%	3.27%	3.96%	2.63%	4.56%
Russell 2000 Index ⁽³⁾					-4.18%	0.15%	3.11%

Performance data quoted represents past performance and 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 the 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 1-800-423-6369. The Funds impose a 1.00% redemption fee on shares held less than 30 days. If reflected, the fee would reduce performance shown.

* Excludes acquired fund fees and expenses. The Adviser has contractually agreed to waive all or a portion of its management fee and/or reimburse the Fund to maintain designated expense ratios through April 30, 2012. Investment performance reflects fee waivers, if any, in effect. In the absence of such waivers, total return would be reduced. Investment performance is based upon the net expense ratio.

** Expense ratios above are as of December 31, 2010, the Funds' prior fiscal year end, as reported in the Funds' most recent prospectus. Expense ratios reported for other periods in the financial highlights of this report may differ.

*** On July 11, 2005, the Aquinas Funds merged into the LKCM Aquinas Funds. Due to the change in adviser and investment technique, performance is being quoted for the period after the merger.

⁽¹⁾ The Russell 1000 Value Index is an unmanaged index which measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

⁽²⁾ The Russell 1000 Growth Index is an unmanaged index which measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

⁽³⁾ The Russell 2000 Index is an unmanaged index which measures the performance of the 2000 smallest companies in the Russell 3000 Index.

Note: These indices defined above are not available for direct investment.

Catholic Values Investing

The LKCM Aquinas Funds practice socially responsible investing within the framework provided by the United States Conference of Catholic Bishop's Socially Responsible Investing Guidelines. The LKCM Aquinas Funds follow these guidelines by using an approach that focuses on Catholic values screening of portfolio companies, proactive dialogue with those companies whose practices conflict with the guidelines, and potential exclusion of those companies that are unwilling to alter their practices over time. We exclude a number of companies from possible investment that do not meet our standards for Catholic values investing. We monitor portfolio companies selected for the LKCM Aquinas Funds for policies on various issues set out in the USCCB guidelines. If investments are made in companies whose policies are inconsistent with the USCCB guidelines, we may attempt to influence the company's policies through proactive dialogue and other efforts.

Economic Review and Outlook

The U.S. equity market, as measured by the S&P 500 Index, advanced 2.1% for the year ended December 31, 2011. Volatility was central to the story line of 2011. The Washington D.C. gridlock, U.S. debt downgrade, European sovereign debt issues and other geopolitical events weighed on the U.S. equity market. The offset to these headwinds was strong U.S. corporate balance sheets, lower equity valuations, higher corporate earnings, and improving economic data towards the end of the year.

The economy continued the expansion it began in the middle of 2009, and thus far economic growth has averaged 2.4% annually since the recovery began. In 2011, just as in 2010, markets experienced a scare over lack of growth prompting the U.S. Federal Reserve (Fed) to take action. Economic output continues to move up, particularly due to the strength in capital spending. In our view, investment in other areas of the economy, such as housing, remains well below a sustainable long-term rate. We believe that as the housing market continues to work through excess inventory and pricing seeks an appropriate level, construction related spending should increase later this year.

Europe continues to be a focal point for markets as leaders attempt to address both monetary and fiscal issues with an incomplete complement of solutions. We may not have seen the worst from Europe, as our view remains the European Central Bank (ECB) will be pressed to directly monetize sovereign debt, which it has thus far stridently resisted. While Europe will likely enter a recession in 2012, our view is that the U.S. will not experience a recession in 2012, although our forecast calls for tepid domestic economic growth.

A prominent event of 2012 will be the U.S. Presidential election. The bond rating agency, Standard & Poor's, downgraded the U.S. this past year from AAA in part due to the political impasse in Washington D.C. and poor outcome of the national debt-ceiling debate. Interestingly, 2012 marks an election year in countries representing almost half of global GDP, including China, France, Russia, South Korea, Taiwan, Egypt, Greece, Slovakia, Finland, and Venezuela. This sets an interesting political backdrop for 2012.

The discussion of economics has devolved into a discussion of politics. In a revival of this summer's debt-ceiling debate in our nation's capital, Congress and the Administration were again recently embroiled, this time over how to address a Social Security tax break and unemployment benefits. Not to be outdone, European leaders continue to dash from one economic summit to another publishing communiqué after communiqué in a feverish attempt to placate markets and instill confidence.

The European Union, ECB and International Monetary Fund (IMF) have continued to offer incremental approaches in response to demands of sovereign debt investors for higher yields. It appears European stakeholders are attempting a supreme balancing act – provide that which the capital markets demand or face the inability to fund current spending. However, we believe that central European authorities must not alleviate the acute pressure being felt by member nations, lest their ability to extract concessions be compromised.

There lies ahead a great debate among all the European stakeholders. The question is whether or not austerity can unwind fiscal imbalances, or should leaders focus on pro-growth policies. The early indication is a heavy dose of austerity as the European nucleus of Germany and France appear to seek this course of action. However, austerity alone appears incapable of returning the continental economy to health.

Domestically, we believe economic data continue to remain favorable. The economy is currently expanding around 2% in real terms, which in our view is neither strong enough to buffer a global economic shock or weak enough to grow overly concerned of recession. We now find ourselves more optimistic about certain areas of the economy since prior to the recession, including housing and autos. We believe that the data are finally beginning to suggest 2012 could see a meaningful upgrade in the outlook for both sectors. Manufacturing data, both domestically and abroad, signaled strength at the end of the year, and corporate earnings are closely aligned with manufacturing activity.

The U.S. equity market endured a barrage of global shocks and ended the year up slightly. While emerging markets, particularly China, have received a great deal of attention recently, many of these markets declined significantly in 2011. We believe the ability of the U.S. equity market to absorb extraneous shocks is a testament to the underlying strength of corporate profits.

We remain positive in our outlook for the domestic equity market in 2012. It appears that core inflation remains tame with little pressure from wages. Low inflation allows the Fed to retain an extremely easy monetary stance, which has primed the economy with credit and liquidity. Unfortunately, while the money supply has risen sharply, the velocity of money, or rate at which money trades hands, has yet to increase meaningfully. We believe that favorable monetary policy will continue to lubricate the economy for some period and a pick-up in the velocity of money would be a welcome sign that the economy is responding.

The equity market is closely correlated with corporate earnings and while economic activity is not robust, GDP recorded a new high in the fourth quarter of 2011. We characterized the market decline in the summer of 2010 as a growth scare, but corporate earnings continued to grow, eventually leading the market higher. The summer of 2011 witnessed a similar growth scare, from which the market began recovering prior to the U.S. debt downgrade and concerns over European sovereign debt intensified. Although we expect corporate earnings growth to be tepid in the coming year, we do not anticipate compression in the market's price/earnings multiple – rather, we expect the market's price/earnings multiple will expand once the growth outlook is more favorable.

We believe we are beginning to see the stabilization of housing on the horizon. Several recent data points support our view that 2012 could bring a significant upgrade in the prospect for housing. Building permits reached a three-year high in October 2011. The National Association of Home Builders published Homebuilder Sentiment Index reached a four-year high in November 2011. The vacancy rate of homes recently fell to the lowest level since mid-2006. We may initially see a bifurcated housing market with some markets, such as Nevada and California, continuing to struggle, while other areas, such as Washington D.C./Virginia and Boston, experience home price appreciation.

We remain positive on the domestic economic outlook. We believe employment is showing early signs of improvement, with the unemployment rate continuing to drop in recent readings. Consumers continue to reduce their debt loads, while also continuing to increase spending year-over-year. Corporate profit margins remain extremely high, which we believe provide traction for incremental capital spending. The wide output gap between what the economy is currently producing and its capacity to produce suggests to us that broad-based inflation will continue to be held at bay.

We remain positive with regard to corporate profit growth and anticipate the equity market to continue to follow the trend of corporate profits. Given the historically high levels of cash on corporate balance sheets and fewer reinvestment opportunities, we expect many companies to remain focused on returning cash to shareholders through both dividends and share repurchases. We also would not be surprised to see an increase in merger activity. We believe the rate of corporate profit growth will be hampered by sluggish global demand and the potential reversal of domestic tailwinds which have included accelerated capital spending incentives and incremental fiscal stimulus.

We believe that the market volatility we experienced in 2011 will most likely remain a part of the environment in 2012. As investors this can be frustrating in the short-run, particularly when it is accompanied by high correlation among stocks. However, experience has taught us that patience can be a significant advantage when investing in such an environment. We continue to identify companies which we believe have the ability to reinvest internally generated cash flow back into the business at increasing rates of return. We believe the current environment is allowing us to build positions in high quality companies at attractive valuations.

LKCM Aquinas Small Cap Fund

The LKCM Aquinas Small Cap Fund outperformed the Russell 2000 Index during the year ended December 31, 2011. The Fund's outperformance relative to the benchmark resulted from our stock selection decisions, while sector allocation decisions slightly detracted from the Fund's returns. We remained optimistic about the underlying economic trends during the year and were underweight the defensive sectors, Utilities and Consumer Staples, which were the two best performing sectors during 2011. Our stock selection, particularly in the Consumer Discretionary, Energy, Industrials, Financials and Materials sectors, drove the Fund's outperformance relative to the benchmark during the year.

	Total Return Year Ended December 31, 2011
LKCM Aquinas Small Cap Fund	3.96%
Russell 2000 Index	-4.18%

LKCM Aquinas Growth Fund

The LKCM Aquinas Growth Fund trailed its benchmark, the Russell 1000 Growth Index, during the year ended December 31, 2011. The Fund's returns benefited from stock selection in the Energy, Information Technology and Materials sectors. Stock selection in the Industrials, Healthcare and Consumer Staples, along with allocation decisions in the Consumer Staples sector, detracted from the Fund's returns.

	Total Return Year Ended December 31, 2011
LKCM Aquinas Growth Fund	1.51%
Russell 1000 Growth Index	2.64%

LKCM Aquinas Value Fund

The LKCM Aquinas Value Fund outperformed its benchmark, the Russell 1000 Value Index, during the year ended December 31, 2011. The Fund's returns benefited from stock selection in the Information Technology, Consumer Discretionary and Financials sectors, as well as the Fund's underweight position in the Financials sector. Stock selection in the Consumer Staples, Healthcare and Industrials sectors, along with allocation decisions in the Healthcare, Utilities and Information Technology sectors, detracted from the Fund's returns.

	Total Return Year Ended December 31, 2011
LKCM Aquinas Value Fund	0.46%
Russell 1000 Value Index	0.39%



J. Luther King, Jr.
February 8, 2012

The information provided herein represents the opinion of J. Luther King, Jr. and is not intended to be a forecast of future events, a guarantee of future results, nor investment advice.

Please refer to the Schedule of Investments found on pages 11-16 of the report for more information on Fund holdings. Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any securities.

Mutual fund investing involves risk. Principal loss is possible. Past performance is not a guarantee of future results. Small and medium capitalization funds typically carry additional risks, since smaller companies generally have a higher risk of failure, and, historically, their stocks have experienced a greater degree of market volatility than stocks on average. Since the Funds practice socially responsible investing within the framework provided by the United States Conference of Catholic Bishop's socially responsible investment guidelines, the Funds may forego a profitable investment opportunity or sell a security when it may be disadvantageous to do so.

Earnings growth is not a measure of the Fund's future performance.

The S&P 500 Index is a broad based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. You cannot invest directly in an index.

Cash flow measures the cash generating capability of a company by adding non-cash charges (e.g. depreciation) and interest expense to pretax income.

Earnings multiple: The earnings multiple of a stock, also called the price/earnings (P/E) ratio, is the share price divided by the earnings per share. The earnings multiple is often based on the prior twelve months of earnings data.

Must be preceded or accompanied by a prospectus.

Quasar Distributors, LLC, distributor.

PERFORMANCE:

The following information illustrates the historical performance of LKCM Aquinas Value Fund as of December 31, 2011 compared to the Fund's representative market indices.

Performance data quoted represents past performance; past performance does not guarantee future results. The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. 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 1-800-423-6369.

An index is an unmanaged portfolio and does not trade or incur any expenses. One can not invest in an unmanaged index.

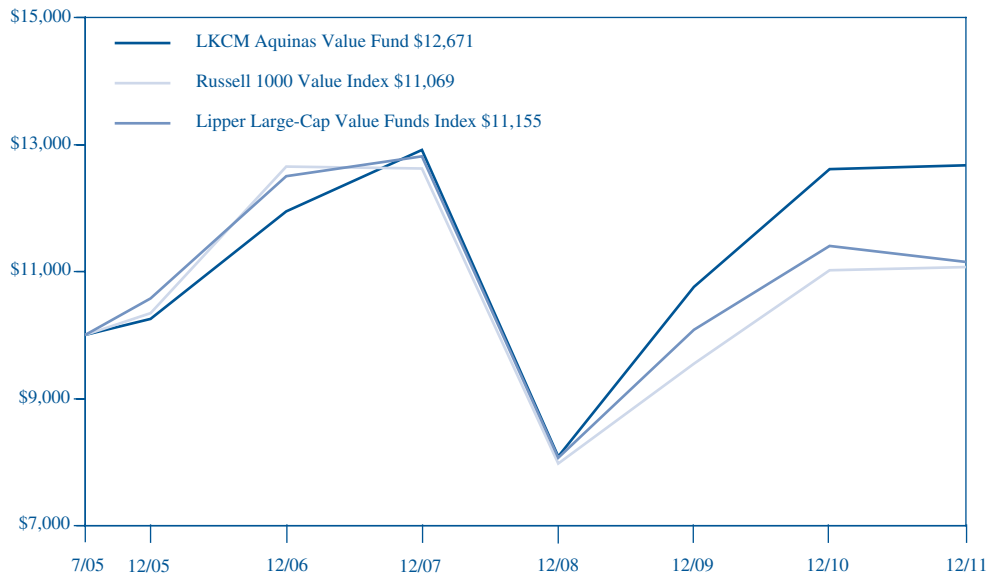
AVERAGE ANNUAL TOTAL RETURN

	Past 1 Year	Past 3 Years	Past 5 Years	Since Inception ⁽¹⁾
LKCM Aquinas Value Fund	0.46%	16.12%	1.17%	3.72%
Russell 1000 Value Index	0.39%	11.55%	(2.64)%	1.58%
Lipper Large-Cap Value Funds Index	(2.17)%	11.38%	(2.26)%	1.70%

⁽¹⁾ The assets of the Aquinas Value Fund were acquired by the LKCM Aquinas Value Fund on July 11, 2005. At the time of the reorganization, the Adviser also changed from Aquinas Investment Advisers, Inc. to Luther King Capital Management Corporation.

A HYPOTHETICAL \$10,000 INVESTMENT IN LKCM AQUINAS VALUE FUND

(for the period from July 11, 2005 through December 31, 2011)



The Russell 1000 Value Index is an unmanaged index consisting of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

The Lipper Large-Cap Value Funds Index is an index of large cap value mutual funds tracked by Lipper, Inc.

PERFORMANCE:

The following information illustrates the historical performance of LKCM Aquinas Growth Fund as of December 31, 2011 compared to the Fund's representative market indices.

Performance data quoted represents past performance; past performance does not guarantee future results. The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. 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 1-800-423-6369.

An index is an unmanaged portfolio and does not trade or incur any expenses. One can not invest in an unmanaged index.

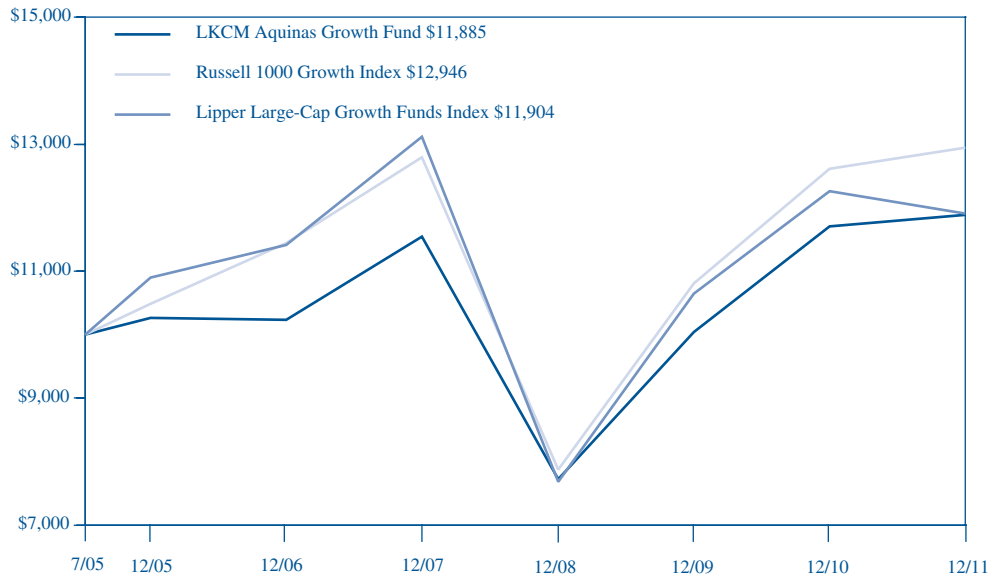
AVERAGE ANNUAL TOTAL RETURN

	Past 1 Year	Past 3 Years	Past 5 Years	Since Inception ⁽¹⁾
LKCM Aquinas Growth Fund	1.51%	15.44%	3.03%	2.70%
Russell 1000 Growth Index	2.64%	18.02%	2.50%	4.06%
Lipper Large-Cap Growth Funds Index	(2.90)%	15.68%	0.85%	2.72%

⁽¹⁾ The assets of the Aquinas Growth Fund were acquired by the LKCM Aquinas Growth Fund on July 11, 2005. At the time of the reorganization, the Adviser also changed from Aquinas Investment Advisers, Inc. to Luther King Capital Management Corporation.

A HYPOTHETICAL \$10,000 INVESTMENT IN LKCM AQUINAS GROWTH FUND

(for the period from July 11, 2005 through December 31, 2011)



The Russell 1000 Growth Index consists of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

The Lipper Large-Cap Growth Funds Index is an index of large cap growth mutual funds tracked by Lipper, Inc.

PERFORMANCE:

The following information illustrates the historical performance of LKCM Aquinas Small Cap Fund as of December 31, 2011 compared to the Fund's representative market indices.

Performance data quoted represents past performance; past performance does not guarantee future results. The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. 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 1-800-423-6369.

An index is an unmanaged portfolio and does not trade or incur any expenses. One can not invest in an unmanaged index.

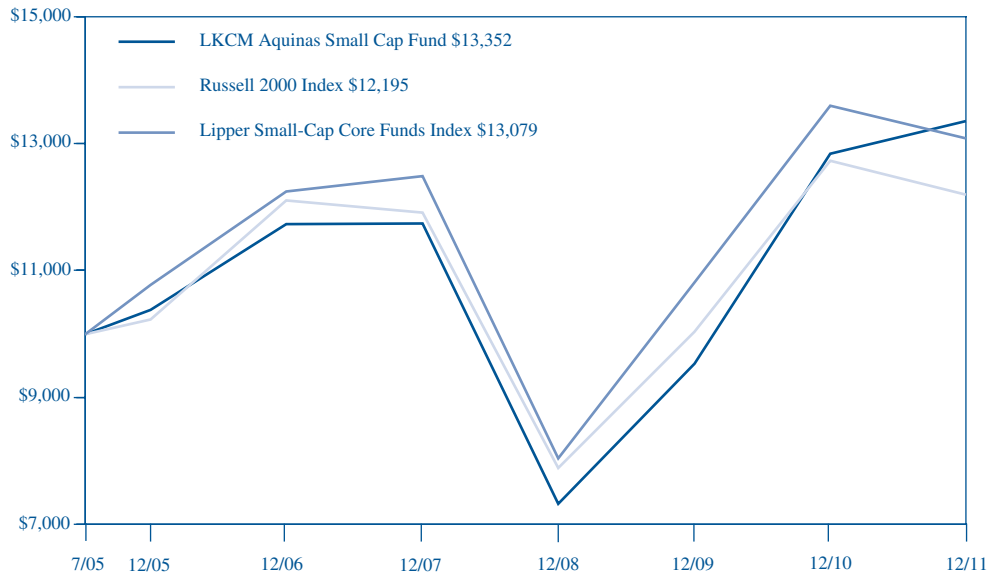
AVERAGE ANNUAL TOTAL RETURN

	Past 1 Year	Past 3 Years	Past 5 Years	Since Inception ⁽¹⁾
LKCM Aquinas Small Cap Fund	3.96%	22.18%	2.63%	4.56%
Russell 2000 Index	(4.18)%	15.63%	0.15%	3.11%
Lipper Small-Cap Core Funds Index	(3.81)%	17.60%	1.32%	4.23%

⁽¹⁾ The assets of the Aquinas Small-Cap Fund were acquired by the LKCM Aquinas Small Cap Fund on July 11, 2005. At the time of the reorganization, the Adviser also changed from Aquinas Investment Advisers, Inc. to Luther King Capital Management Corporation.

A HYPOTHETICAL \$10,000 INVESTMENT IN LKCM AQUINAS SMALL CAP FUND

(for the period from July 11, 2005 through December 31, 2011)



The Russell 2000 Index is an unmanaged index consisting of the 2,000 smallest companies in the Russell 3000 Index.

The Lipper Small-Cap Core Funds Index is an index of small cap core mutual funds tracked by Lipper, Inc.

LKCM Aquinas Funds Expense Example — December 31, 2011

As a shareholder of the Funds, you incur two types of costs: (1) transaction costs, including redemption fees; and (2) ongoing costs, including management fees, distribution and/or service (12b-1) fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds. The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (7/1/11-12/31/11).

ACTUAL EXPENSES

The first line of the tables below provides information about actual account values and actual expenses. Although the Funds charge no sales load, you will be assessed fees for outgoing wire transfers, returned checks and stop payment orders at prevailing rates charged by U.S. Bancorp Fund Services, LLC, the Funds' transfer agent. If you request that a redemption be made by wire transfer, currently a \$15 fee is charged by the Funds' transfer agent. You will be charged a redemption fee equal to 1.00% of the net amount of the redemption if you redeem your shares of the LKCM Aquinas Value, Aquinas Growth and Aquinas Small Cap Funds within 30 days of purchase. To the extent the Funds invest in shares of other investment companies as part of their investment strategies, you will indirectly bear your proportionate share of any fees and expenses charged by the underlying funds in which the Funds invest in addition to the expenses of the Funds. Actual expenses of the underlying funds are expected to vary among the various underlying funds. These expenses are not included in the example below. The example below includes management fees, registration fees and other expenses. However, the example below does not include portfolio trading commissions and related expenses and other extraordinary expenses as determined under generally accepted accounting principles. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

HYPOTHETICAL EXAMPLES FOR COMPARISON PURPOSES

The second line of the tables below provides information about hypothetical account values and hypothetical expenses based on the Funds' actual expense ratios and an assumed rate of return of 5% per year before expenses, which are not the Funds' actual returns. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Funds and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as redemption fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactions costs were included, your costs would have been higher.

	LKCM Aquinas Value Fund		
	Beginning Account Value	Ending Account Value	Expenses Paid During Period*
	7/1/11	12/31/11	7/1/11 – 12/31/11
Actual	\$1,000.00	\$ 954.20	\$7.39
Hypothetical (5% return before expense)	\$1,000.00	\$1,017.64	\$7.63

* Expenses are equal to the Fund's annualized net expense ratio of 1.50%, multiplied by the average account value over the period, multiplied by 184/365 to reflect the one-half year period.

	LKCM Aquinas Growth Fund		
	Beginning Account Value	Ending Account Value	Expenses Paid During Period*
	7/1/11	12/31/11	7/1/11 – 12/31/11
Actual	\$1,000.00	\$ 950.40	\$7.37
Hypothetical (5% return before expense)	\$1,000.00	\$1,017.64	\$7.63

* Expenses are equal to the Fund's annualized net expense ratio of 1.50%, multiplied by the average account value over the period, multiplied by 184/365 to reflect the one-half year period.

	LKCM Aquinas Small Cap Fund		
	Beginning Account Value 7/1/11	Ending Account Value 12/31/11	Expenses Paid During Period* 7/1/11 – 12/31/11

Actual
Hypothetical (5% return before expense)

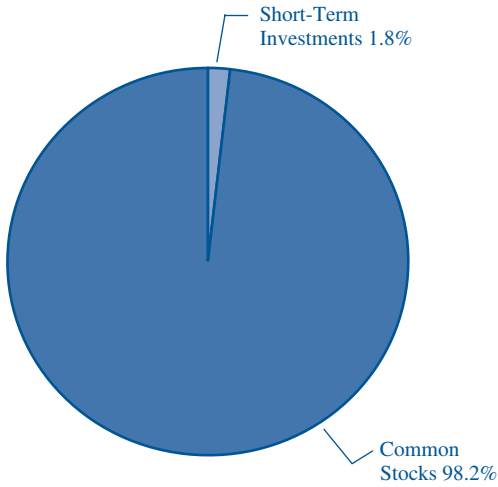
Actual	\$1,000.00	\$ 900.70	\$7.19
Hypothetical (5% return before expense)	\$1,000.00	\$1,017.64	\$7.63

* Expenses are equal to the Fund's annualized net expense ratio of 1.50%, multiplied by the average account value over the period, multiplied by 184/365 to reflect the one-half year period.

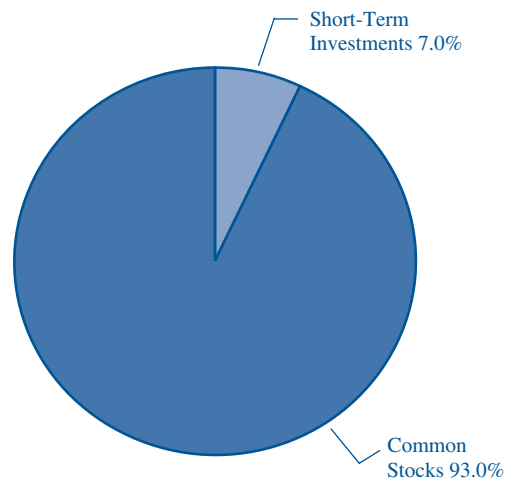
ALLOCATION OF PORTFOLIO HOLDINGS — LKCM Aquinas Funds — December 31, 2011

Percentages represent market value as a percentage of total investments.

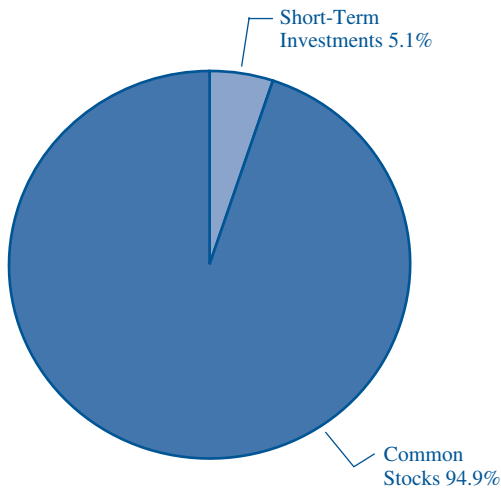
LKCM Aquinas Value Fund



LKCM Aquinas Growth Fund



LKCM Aquinas Small Cap Fund



LKCM AQUINAS VALUE FUND

SCHEDULE OF INVESTMENTS

December 31, 2011

COMMON STOCKS - 98.6%	Shares	Value	COMMON STOCKS	Shares	Value
Aerospace & Defense - 1.5%			Electrical Equipment & Instruments - 3.5%		
Honeywell International Inc.	12,000	\$ 652,200	Emerson Electric Co.	8,000	\$ 372,720
Air Freight & Logistics - 1.4%			Roper Industries, Inc.	12,500	1,085,875
C.H. Robinson Worldwide, Inc.	8,500	593,130			1,458,595
Auto Components - 1.9%			Electronic Equipment & Instruments - 1.8%		
The Goodyear Tire & Rubber Company (a)	55,000	779,350	National Instruments Corporation	30,000	778,500
Banks - 6.8%			Energy Equipment & Services - 2.4%		
BOK Financial Corporation	20,000	1,098,600	Nabors Industries Ltd. (a) (b)	6,800	117,912
Cullen/Frost Bankers, Inc.	17,500	925,925	Noble Corporation (b)	10,000	302,200
Wells Fargo & Company	30,000	826,800	Schlumberger Limited (b)	8,400	573,804
		2,851,325			993,916
Beverages - 2.5%			Food & Drug Retailing - 3.5%		
The Coca-Cola Company	10,000	699,700	CVS Caremark Corporation	20,000	815,600
PepsiCo, Inc.	5,000	331,750	The Kroger Co.	27,500	666,050
		1,031,450			1,481,650
Building Products - 0.7%			Health Care Equipment & Supplies - 3.5%		
Masco Corporation	27,500	288,200	Covidien plc (b)	17,500	787,675
Chemicals - 7.0%			DENTSPLY International Inc.	20,000	699,800
Celanese Corporation - Series A	16,000	708,320			1,487,475
FMC Corporation	12,000	1,032,480	Health Care Providers & Services - 2.0%		
Monsanto Company	12,500	875,875	Allscripts Healthcare Solutions, Inc. (a)	45,000	852,300
Praxair, Inc.	3,000	320,700	Industrial Power Producers & Energy Traders - 2.4%		
		2,937,375	Duke Energy Corporation	45,000	990,000
Commercial Services & Supplies - 2.9%			Insurance - 4.9%		
Robert Half International, Inc.	20,000	569,200	HCC Insurance Holdings, Inc.	30,000	825,000
Waste Management, Inc.	20,000	654,200	MetLife, Inc.	15,000	467,700
		1,223,400	Prudential Financial, Inc.	15,000	751,800
Communications Equipment - 1.0%					2,044,500
Brocade Communications Systems, Inc. (a)	85,000	441,150	Internet Software & Services - 1.9%		
Computers & Peripherals - 3.8%			Akamai Technologies, Inc. (a)	25,000	807,000
EMC Corporation (a)	40,000	861,600	IT Consulting & Services - 3.0%		
International Business Machines Corporation	4,020	739,198	Accenture plc - Class A (b)	10,000	532,300
		1,600,798	Western Union Company	40,000	730,400
Construction & Engineering - 1.1%					1,262,700
Jacobs Engineering Group, Inc. (a)	11,500	466,670	Machinery - 3.0%		
Construction Materials - 1.5%			Danaher Corporation	15,000	705,600
Martin Marietta Materials, Inc.	8,500	640,985	Pall Corporation	10,000	571,500
Distributors - 2.1%					1,277,100
LKQ Corporation (a)	30,000	902,400	Media - 3.0%		
Diversified Financial Services - 1.8%			Cinemark Holdings, Inc.	20,000	369,800
JPMorgan Chase & Co.	22,500	748,125	Time Warner Inc.	25,000	903,500
Diversified Telecommunication Services - 3.0%					1,273,300
AT&T Inc.	25,000	756,000	Multiline Retail - 2.1%		
Verizon Communications Inc.	12,500	501,500	Kohl's Corporation	17,500	863,625
		1,257,500			

The accompanying notes are an integral part of these financial statements.

LKCM AQUINAS VALUE FUND

SCHEDULE OF INVESTMENTS, CONTINUED

December 31, 2011

COMMON STOCKS	Shares	Value
Oil & Gas & Consumable Fuels - 12.1%		
Cabot Oil & Gas Corporation	10,000	\$ 759,000
ConocoPhillips	6,000	437,220
Denbury Resources Inc. (a)	35,000	528,500
Exxon Mobil Corporation	4,000	339,040
Peabody Energy Corporation	15,000	496,650
Range Resources Corporation	10,000	619,400
SM Energy Company	12,500	913,750
The Williams Companies, Inc.	30,000	990,600
		<u>5,084,160</u>
Software - 6.3%		
Adobe Systems Incorporated (a)	32,500	918,775
Nuance Communications, Inc. (a)	40,000	1,006,400
Oracle Corporation	27,500	705,375
		<u>2,630,550</u>
Specialty Retail - 4.2%		
Foot Locker, Inc.	30,000	715,200
The Home Depot, Inc.	12,800	538,112
PetSmart, Inc.	10,000	512,900
		<u>1,766,212</u>
TOTAL COMMON STOCKS		
(Cost \$33,152,424)		<u>41,465,641</u>
SHORT-TERM INVESTMENTS - 1.8%		
Money Market Fund (c) - 1.8%		
Federated Government Obligations Fund - Institutional Shares, 0.01%	747,213	747,213
TOTAL SHORT-TERM INVESTMENTS		
(Cost \$747,213)		<u>747,213</u>
Total Investments - 100.4%		
(Cost \$33,899,637)		42,212,854
Liabilities in Excess of Other Assets - (0.4)%		<u>(156,768)</u>
TOTAL NET ASSETS - 100.0%		<u>\$42,056,086</u>

(a) Non-income producing security.

(b) U.S. Dollar-denominated foreign security.

(c) The rate quoted is the annualized seven-day yield of the fund at period end.

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The accompanying notes are an integral part of these financial statements.

LKCM AQUINAS GROWTH FUND

SCHEDULE OF INVESTMENTS

December 31, 2011

COMMON STOCKS - 93.7%	Shares	Value	COMMON STOCKS	Shares	Value
Aerospace & Defense - 1.6%			Health Care Equipment & Supplies - 2.8%, Continued		
Rockwell Collins, Inc.	10,000	\$ 553,700	DENTSPLY International Inc.	14,000	\$ 489,860
Air Freight & Logistics - 2.7%					939,960
C.H. Robinson Worldwide, Inc.	7,000	488,460	Health Care Providers & Services - 1.1%		
FedEx Corp.	5,000	417,550	Express Scripts, Inc. (a)	8,000	357,520
		906,010	Hotels, Restaurants & Leisure - 3.2%		
Banks - 2.9%			Carnival Corporation (b)	15,000	489,600
Cullen/Frost Bankers, Inc.	10,000	529,100	Yum! Brands, Inc.	10,000	590,100
Texas Capital Bancshares, Inc. (a)	15,000	459,150			1,079,700
		988,250	Household Durables - 2.3%		
Beverages - 2.1%			Williams-Sonoma, Inc.	20,000	770,000
The Coca-Cola Company	10,000	699,700	Household Products - 3.6%		
Chemicals - 4.2%			Colgate-Palmolive Company	6,000	554,340
FMC Corporation	10,000	860,400	The Procter & Gamble Company	10,000	667,100
Monsanto Company	8,000	560,560			1,221,440
		1,420,960	Internet Catalog & Retail - 1.5%		
Communications Equipment - 1.9%			Amazon.com, Inc. (a)	3,000	519,300
F5 Networks, Inc. (a)	6,000	636,720	Internet Software & Services - 4.0%		
Computers & Peripherals - 8.7%			Akamai Technologies, Inc. (a)	22,000	710,160
Apple Inc. (a)	2,000	810,000	Google Inc. - Class A (a)	1,000	645,900
EMC Corporation (a)	30,000	646,200			1,356,060
International Business Machines Corporation	5,000	919,400	Machinery - 2.2%		
NetApp, Inc. (a)	15,000	544,050	Danaher Corporation	16,000	752,640
		2,919,650	Metals & Mining - 2.2%		
Consumer Finance - 1.4%			Carpenter Technology Corporation	5,000	257,400
American Express Company	10,000	471,700	Reliance Steel & Aluminum Co.	10,000	486,900
Distributors - 0.9%					744,300
LKQ Corporation (a)	10,000	300,800	Oil & Gas & Consumable Fuels - 10.6%		
Electrical Equipment & Instruments - 4.3%			Cabot Oil & Gas Corporation	13,000	986,700
AMETEK, Inc.	5,000	210,500	Gulfport Energy Corporation (a)	20,000	589,000
Emerson Electric Co.	15,000	698,850	Northern Oil & Gas, Inc. (a)	15,000	359,700
Roper Industries, Inc.	6,000	521,220	Oasis Petroleum Inc. (a)	10,000	290,900
		1,430,570	Range Resources Corporation	10,000	619,400
Electronic Equipment & Instruments - 2.8%			SM Energy Company	10,000	731,000
National Instruments Corporation	18,000	467,100			3,576,700
Trimble Navigation Limited (a)	11,000	477,400	Pharmaceuticals - 2.6%		
		944,500	Abbott Laboratories	8,000	449,840
Energy Equipment & Services - 3.5%			Allergan, Inc.	5,000	438,700
CARBO Ceramics Inc.	5,000	616,650			888,540
National Oilwell Varco Inc.	8,000	543,920	Software - 7.8%		
		1,160,570	Aspen Technology, Inc. (a)	30,000	520,500
Food & Drug Retailing - 2.5%			Citrix Systems, Inc. (a)	7,000	425,040
Costco Wholesale Corporation	10,000	833,200	Nuance Communications, Inc. (a)	18,000	452,880
Health Care Equipment & Supplies - 2.8%			Oracle Corporation	20,000	513,000
Covidien plc (b)	10,000	450,100	TIBCO Software Inc. (a)	30,000	717,300
					2,628,720

The accompanying notes are an integral part of these financial statements.

LKCM AQUINAS GROWTH FUND
SCHEDULE OF INVESTMENTS, CONTINUED

December 31, 2011

COMMON STOCKS	Shares	Value
Specialty Retail - 10.3%		
Dick's Sporting Goods, Inc. (a)	13,000	\$ 479,440
Genesco Inc. (a)	10,000	617,400
Guess?, Inc.	10,000	298,200
O'Reilly Automotive, Inc. (a)	8,000	639,600
Tractor Supply Company	11,000	771,650
Ultra Salon, Cosmetics & Fragrance, Inc. (a)	10,000	649,200
		<u>3,455,490</u>
TOTAL COMMON STOCKS (Cost \$23,230,858)		<u>31,556,700</u>
SHORT-TERM INVESTMENTS - 7.0%		
Money Market Funds (c) - 7.0%		
Dreyfus Government Cash Management Fund - Institutional Shares, 0.00%	1,019,257	1,019,257
Federated Government Obligations Fund - Institutional Shares, 0.01%	1,009,918	1,009,918
Invesco Treasury Portfolio - Institutional Shares, 0.02%	337,828	337,828
TOTAL SHORT-TERM INVESTMENTS (Cost \$2,367,003)		<u>2,367,003</u>
Total Investments - 100.7% (Cost \$25,597,861)		33,923,703
Liabilities in Excess of Other Assets - (0.7)%		<u>(225,807)</u>
TOTAL NET ASSETS - 100.0%		<u>\$33,697,896</u>

(a) Non-income producing security.

(b) U.S. Dollar-denominated foreign security.

(c) The rate quoted is the annualized seven-day yield of the fund at period end.

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LKCM AQUINAS SMALL CAP FUND
SCHEDULE OF INVESTMENTS
December 31, 2011

COMMON STOCKS - 95.2%	Shares	Value	COMMON STOCKS	Shares	Value
Aerospace & Defense - 1.8%			Energy Equipment & Services - 2.8%		
Hexcel Corporation (a)	8,425	\$ 203,969	Atwood Oceanics, Inc. (a)	2,875	\$ 114,396
Air Freight & Logistics - 0.5%			CARBO Ceramics Inc.	825	101,747
UTI Worldwide, Inc. (b)	4,225	56,150	Dril-Quip, Inc. (a)	1,375	90,503
Auto Components - 1.7%					306,646
Group 1 Automotive, Inc.	3,650	189,070	Food & Drug Retailing - 1.2%		
Banks - 5.1%			Ruddick Corporation	3,200	136,448
Home Bancshares Inc.	4,025	104,288	Health Care Equipment & Supplies - 7.2%		
Prosperity Bancshares, Inc.	3,350	135,172	Cyberonics, Inc. (a)	1,650	55,275
Texas Capital Bancshares, Inc. (a)	5,800	177,538	DexCom Inc. (a)	12,800	119,168
Umpqua Holdings Corporation	11,425	141,556	Endologix, Inc. (a)	8,550	98,154
		558,554	GNC Holdings, Inc. - Class A (a)	5,075	146,921
Capital Markets - 1.2%			MWI Veterinary Supply, Inc. (a)	2,675	177,727
Greenhill & Co., Inc.	3,700	134,569	Zoll Medical Corporation (a)	3,175	200,597
Commercial Services & Supplies - 1.7%					797,842
Insperty, Inc.	5,275	133,721	Health Care Providers & Services - 5.5%		
Interface, Inc. - Class A	4,850	55,969	Catalyst Health Solutions, Inc. (a)	2,390	124,280
		189,690	Computer Programs and Systems, Inc.	1,225	62,610
Communications Equipment - 5.9%			HMS Holdings Corporation (a)	6,075	194,279
Brocade Communications Systems, Inc. (a)	25,225	130,917	PSS World Medical, Inc. (a)	3,675	88,898
Ciena Corporation (a)	8,250	99,825	Team Health Holdings, Inc. (a)	5,975	131,868
Infinera Corporation (a)	14,275	89,647			601,935
Ixia (a)	8,025	84,343	Hotels, Restaurants & Leisure - 0.5%		
Loral Space & Communications Inc. (a)	1,575	102,186	BJ's Restaurants, Inc. (a)	1,200	54,384
NICE Systems Limited - ADR (a) (b)	4,300	148,135	Household Durables - 1.5%		
		655,053	Select Comfort Corporation (a)	5,375	116,584
Consumer Finance - 2.6%			Tempur-Pedic International Inc. (a)	900	47,277
Cash America International, Inc.	3,200	149,216			163,861
First Cash Financial Services, Inc. (a)	4,050	142,115	Industrial Conglomerates - 1.1%		
		291,331	Raven Industries, Inc.	1,875	116,063
Containers & Packaging - 1.0%			Insurance - 1.4%		
Silgan Holdings Inc.	3,000	115,920	AmTrust Financial Services, Inc.	6,325	150,219
Distributors - 0.8%			Internet Software & Services - 1.8%		
LKQ Corporation (a)	2,925	87,984	LivePerson, Inc. (a)	7,030	88,226
Diversified Consumer Services - 0.8%			LogMeIn, Inc. (a)	2,850	109,868
American Public Education Inc. (a)	2,100	90,888			198,094
Electrical Equipment & Instruments - 4.9%			Machinery - 8.2%		
Belden Inc.	4,050	134,784	Actuant Corporation - Class A	5,375	121,959
Franklin Electric Co., Inc.	2,975	129,591	Astec Industries, Inc. (a)	4,125	132,866
II-VI, Incorporated (a)	7,075	129,897	Chart Industries, Inc. (a)	1,575	85,160
Woodward Inc.	3,500	143,255	CLARCOR Inc.	3,100	154,969
		537,527	EnPro Industries, Inc. (a)	3,175	104,712
Electronic Equipment & Instruments - 2.8%			The Middleby Corporation (a)	1,525	143,411
Anixter International Inc. (a)	1,825	108,843	Westport Innovations Inc. (a) (b)	4,775	158,721
National Instruments Corporation	4,575	118,721			901,798
Rofin-Sinar Technologies, Inc. (a)	3,675	83,974	Marine - 1.4%		
		311,538	Kirby Corporation (a)	2,325	153,078
COMMON STOCKS			Media - 1.0%		
			Cinemark Holdings, Inc.	5,725	105,855

The accompanying notes are an integral part of these financial statements.

LKCM AQUINAS SMALL CAP FUND
SCHEDULE OF INVESTMENTS, CONTINUED
December 31, 2011

COMMON STOCKS	Shares	Value	SHORT-TERM INVESTMENTS - 5.0%	Shares	Value
Metals & Mining - 3.2%			Money Market Funds (c) - 5.0%		
Carpenter Technology Corporation	4,000	\$ 205,920	Dreyfus Government Cash Management		
Haynes International, Inc.	2,700	147,420	Fund - Institutional Shares, 0.00%	220,887	\$ 220,887
		<u>353,340</u>	Federated Government Obligations		
			Fund - Institutional Shares, 0.01%	338,730	<u>338,730</u>
Oil & Gas & Consumable Fuels - 6.8%			TOTAL SHORT-TERM INVESTMENTS		
Approach Resources Inc. (a)	6,525	191,900	(Cost \$559,617)		<u>559,617</u>
Gulfport Energy Corporation (a)	4,210	123,984	Total Investments - 100.2%		
Kodiak Oil & Gas Corporation (a) (b)	6,025	57,237	(Cost \$9,892,673)		11,063,879
Northern Oil & Gas, Inc. (a)	3,775	90,525	Liabilities in Excess of Other Assets - (0.2)%		<u>(26,694)</u>
Oasis Petroleum Inc. (a)	4,375	127,269	TOTAL NET ASSETS - 100.0%		
Rosetta Resources, Inc. (a)	3,675	159,863			<u>\$11,037,185</u>
		<u>750,778</u>			
Pharmaceuticals - 0.8%			ADR American Depository Receipt		
Endo Pharmaceuticals Holdings Inc. (a)	2,525	87,188	(a) Non-income producing security.		
Real Estate - 0.5%			(b) U.S. Dollar-denominated foreign security.		
FirstService Corporation (a) (b)	2,116	56,053	(c) The rate quoted is the annualized seven-day yield of the fund at period end.		
Semiconductor Equipment & Products - 1.2%			<i>The Global Industry Classification Standard (GICS®) was developed by and/or is the</i>		
Cirrus Logic, Inc. (a)	8,175	129,574	<i>exclusive property of MSCI, Inc. and Standard & Poor Financial Services LLC</i>		
Software - 4.0%			<i>("S&P"). GICS is a service mark of MSCI and S&P and has been licensed for use</i>		
Aspen Technology, Inc. (a)	9,125	158,318	<i>by U.S. Bancorp Fund Services, LLC.</i>		
Interactive Intelligence Group, Inc. (a)	2,500	57,300			
MicroStrategy Incorporated - Class A (a)	1,100	119,152			
Pegasystems Inc.	1,900	55,860			
TIBCO Software Inc. (a)	2,125	50,809			
		<u>441,439</u>			
Specialty Retail - 8.5%					
bebe stores, inc.	3,775	31,446			
DSW Inc. - Class A	3,004	132,807			
Genesco Inc. (a)	2,350	145,089			
Hibbett Sports Inc. (a)	4,675	211,216			
Monro Muffler Brake, Inc.	3,725	144,493			
Sonic Automotive, Inc. - Class A	9,025	133,660			
Ulta Salon, Cosmetics & Fragrance, Inc. (a)	825	53,559			
Vera Bradley, Inc. (a)	2,750	88,688			
		<u>940,958</u>			
Textiles, Apparel & Luxury Goods - 1.8%					
Crocs, Inc. (a)	6,975	103,021			
The Warnaco Group, Inc. (a)	1,875	93,825			
		<u>196,846</u>			
Thrifts & Mortgage Finance - 1.2%					
Capitol Federal Financial Inc.	11,775	135,883			
Trading Companies & Distributors - 1.8%					
WESCO International, Inc. (a)	3,675	194,812			
Wireless Telecommunication Services - 1.0%					
Leap Wireless International, Inc. (a)	11,725	108,925			
TOTAL COMMON STOCKS					
(Cost \$9,333,056)		<u>10,504,262</u>			

The accompanying notes are an integral part of these financial statements.

STATEMENT OF ASSETS AND LIABILITIES

December 31, 2011

	LKCM Aquinas Value Fund	LKCM Aquinas Growth Fund	LKCM Aquinas Small Cap Fund
Assets:			
Investments, at value*	\$42,212,854	\$33,923,703	\$11,063,879
Dividends and interest receivable	15,414	7,643	3,269
Receivable for fund shares sold	43,852	70,023	16,072
Other assets	10,813	10,838	11,748
Total assets	<u>42,282,933</u>	<u>34,012,207</u>	<u>11,094,968</u>
Liabilities:			
Payable for investments purchased	—	—	8,074
Payable for investment advisory fees	88,488	68,571	1,691
Payable for fund shares redeemed	25,017	129,604	24,486
Distribution expense payable	82,940	90,334	2,786
Accounting and transfer agent fees and expenses payable	12,037	10,928	7,569
Professional fees payable	7,109	6,363	4,384
Accrued expenses and other liabilities	11,256	8,511	8,793
Total liabilities	<u>226,847</u>	<u>314,311</u>	<u>57,783</u>
Net assets	<u>\$42,056,086</u>	<u>\$33,697,896</u>	<u>\$11,037,185</u>
Net assets consist of:			
Paid in capital	\$34,668,922	\$25,528,047	\$ 9,919,931
Undistributed net investment income	5,464	—	—
Accumulated net realized loss on securities	(931,517)	(155,993)	(53,952)
Net unrealized appreciation on investments	8,313,217	8,325,842	1,171,206
Net assets	<u>\$42,056,086</u>	<u>\$33,697,896</u>	<u>\$11,037,185</u>
Net assets	\$42,056,086	\$33,697,896	\$11,037,185
Shares of beneficial interest outstanding (unlimited shares of no par value authorized)	3,306,411	1,998,873	1,501,010
Net asset value per share (offering and redemption price)	<u>\$ 12.72</u>	<u>\$ 16.86</u>	<u>\$ 7.35</u>
* Cost of Investments	<u>\$33,899,637</u>	<u>\$25,597,861</u>	<u>\$ 9,892,673</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF OPERATIONS
For the year ended December 31, 2011

	LKCM Aquinas Value Fund	LKCM Aquinas Growth Fund	LKCM Aquinas Small Cap Fund
Investment Income:			
Dividends*	\$692,706	\$285,068	\$ 64,903
Interest	183	128	51
Total income	<u>692,889</u>	<u>285,196</u>	<u>64,954</u>
Expenses:			
Investment advisory fees	376,243	288,481	104,535
Distribution expense (Note B)	104,512	80,134	26,134
Accounting and transfer agent fees and expenses	67,854	63,221	43,899
Administrative fees	38,739	29,370	22,826
Federal and state registration	24,756	22,497	21,058
Professional fees	12,013	9,855	5,595
Reports to shareholders	6,756	4,990	2,633
Custody fees and expenses	5,447	4,155	26,017
Trustees' fees	5,240	4,140	972
Other	7,863	5,890	1,801
Total expenses	<u>649,423</u>	<u>512,733</u>	<u>255,470</u>
Less, expense waiver and/or reimbursement (Note B)	<u>(22,351)</u>	<u>(31,931)</u>	<u>(98,667)</u>
Net expenses	<u>627,072</u>	<u>480,802</u>	<u>156,803</u>
Net investment income (loss)	<u>65,817</u>	<u>(195,606)</u>	<u>(91,849)</u>
Realized and Unrealized Gain (Loss) on Investments:			
Net realized gain (loss) on investments	(58,553)	182,390	355,513
Net change in unrealized appreciation/depreciation on investments	88,730	395,083	(410,794)
Net Realized and Unrealized Gain (Loss) on Investments	<u>30,177</u>	<u>577,473</u>	<u>(55,281)</u>
Net Increase (Decrease) in Net Assets Resulting from Operations	<u>\$ 95,994</u>	<u>\$381,867</u>	<u>\$(147,130)</u>
* Net of foreign taxes withheld	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 62</u>

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CHANGES IN NET ASSETS

	LKCM Aquinas Value Fund		LKCM Aquinas Growth Fund	
	Year Ended December 31, 2011	Year Ended December 31, 2010	Year Ended December 31, 2011	Year Ended December 31, 2010
Operations:				
Net investment income (loss)	\$ 65,817	\$ 4,893	\$ (195,606)	\$ (152,937)
Net realized gain (loss) on investments	(58,553)	2,400,892	182,390	3,577,347
Net change in unrealized appreciation/depreciation on investments	88,730	3,607,759	395,083	1,283,366
Net increase in net assets resulting from operations	95,994	6,013,544	381,867	4,707,776
Dividends and Distributions to Shareholders:				
Net investment income	(60,353)	(18,215)	—	—
Net increase (decrease) in net assets from Fund share transactions (Note C)	3,666,838	(4,178,206)	2,216,937	(7,679,841)
Total increase (decrease) in net assets	3,702,479	1,817,123	2,598,804	(2,972,065)
Net Assets:				
Beginning of period	38,353,607	36,536,484	31,099,092	34,071,157
End of period*	<u>\$42,056,086</u>	<u>\$38,353,607</u>	<u>\$33,697,896</u>	<u>\$31,099,092</u>
* Including undistributed net investment income of	\$ 5,464	\$ 11,691	\$ —	\$ —

	LKCM Aquinas Small Cap Fund	
	Year Ended December 31, 2011	Year Ended December 31, 2010
Operations:		
Net investment loss	\$ (91,849)	\$ (50,067)
Net realized gain on investments	355,513	736,556
Net change in unrealized appreciation/depreciation on investments	(410,794)	916,908
Net increase (decrease) in net assets resulting from operations	(147,130)	1,603,397
Net increase (decrease) in net assets from Fund share transactions (Note C)	4,679,534	(363,310)
Total increase in net assets	4,532,404	1,240,087
Net Assets:		
Beginning of period	6,504,781	5,264,694
End of period*	<u>\$11,037,185</u>	<u>\$6,504,781</u>
* Including undistributed net investment income of	\$ —	\$ —

The accompanying notes are an integral part of these financial statements.

FINANCIAL HIGHLIGHTS

SELECTED DATA FOR EACH SHARE OF CAPITAL STOCK OUTSTANDING

LKCM Aquinas Value Fund					
	Year Ended December 31, 2011	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008	Year Ended December 31, 2007
Net Asset Value - Beginning of Period	\$ 12.68	\$ 10.82	\$ 8.15	\$ 13.07	\$ 13.71
Net investment income	0.02	0.00 ⁽¹⁾	0.02	0.04	0.10
Net realized and unrealized gain (loss) on investments	0.04	1.87	2.67	(4.92)	1.01
Total from investment operations	0.06	1.87	2.69	(4.88)	1.11
Dividends from net investment income	(0.02)	(0.01)	(0.02)	(0.04)	(0.10)
Distributions from net realized gains	—	—	—	—	(1.65)
Total dividends and distributions	(0.02)	(0.01)	(0.02)	(0.04)	(1.75)
Net Asset Value - End of Period	<u>\$ 12.72</u>	<u>\$ 12.68</u>	<u>\$ 10.82</u>	<u>\$ 8.15</u>	<u>\$ 13.07</u>
Total Return	0.46%	17.25%	32.94%	(37.34)%	8.05%
Ratios and Supplemental Data:					
Net assets, end of period (thousands)	\$42,056	\$38,354	\$36,536	\$25,184	\$37,436
Ratio of expenses to average net assets:					
Before expense waiver and/or reimbursement	1.55%	1.57%	1.65%	1.58%	1.49%
After expense waiver and/or reimbursement	1.50%	1.50%	1.50%	1.50%	1.49%
Ratio of net investment income (loss) to average net assets:					
Before expense waiver and/or reimbursement	0.11%	(0.06)%	0.04%	0.28%	0.65%
After expense waiver and/or reimbursement	0.16%	0.01%	0.19%	0.36%	0.65%
Portfolio turnover rate	29%	31%	29%	70%	62%

⁽¹⁾ Amount is less than \$0.005.

LKCM Aquinas Growth Fund					
	Year Ended December 31, 2011	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008	Year Ended December 31, 2007
Net Asset Value - Beginning of Period	\$ 16.61	\$ 14.25	\$ 10.96	\$ 16.38	\$ 15.45
Net investment income (loss)	(0.10) ⁽¹⁾	(0.08) ⁽¹⁾	(0.04) ⁽¹⁾	(0.05) ⁽¹⁾	0.01
Net realized and unrealized gain (loss) on investments	0.35	2.44	3.33	(5.37)	1.97
Total from investment operations	0.25	2.36	3.29	(5.42)	1.98
Dividends from net investment income	—	—	—	(0.00) ⁽²⁾	(0.01)
Distributions from net realized gains	—	—	—	—	(1.04)
Total dividends and distributions	—	—	—	(0.00) ⁽²⁾	(1.05)
Net Asset Value - End of Period	<u>\$ 16.86</u>	<u>\$ 16.61</u>	<u>\$ 14.25</u>	<u>\$ 10.96</u>	<u>\$ 16.38</u>
Total Return	1.51%	16.56%	30.02%	(33.07)%	12.75%
Ratios and Supplemental Data:					
Net assets, end of period (thousands)	\$33,698	\$31,099	\$34,071	\$26,944	\$42,073
Ratio of expenses to average net assets:					
Before expense waiver and/or reimbursement	1.60%	1.63%	1.66%	1.56%	1.47%
After expense waiver and/or reimbursement	1.50%	1.50%	1.50%	1.50%	1.47%
Ratio of net investment income (loss) to average net assets:					
Before expense waiver and/or reimbursement	(0.71)%	(0.65)%	(0.46)%	(0.40)%	0.06%
After expense waiver and/or reimbursement	(0.61)%	(0.52)%	(0.30)%	(0.34)%	0.06%
Portfolio turnover rate	50%	46%	47%	67%	40%

⁽¹⁾ Net investment loss per share is calculated using the ending balance of undistributed net investment loss prior to considerations of adjustments for permanent book and tax differences.

⁽²⁾ Less than \$(0.005).

The accompanying notes are an integral part of these financial statements.

FINANCIAL HIGHLIGHTS

SELECTED DATA FOR EACH SHARE OF CAPITAL STOCK OUTSTANDING

	LKCM Aquinas Small Cap Fund				
	Year Ended December 31, 2011	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008	Year Ended December 31, 2007
Net Asset Value - Beginning of Period	\$ 7.07	\$ 5.25	\$ 4.03	\$ 6.47	\$ 6.58
Net investment loss	(0.06) ⁽¹⁾	(0.05) ⁽¹⁾	(0.04) ⁽²⁾	(0.04) ⁽²⁾	(0.03) ⁽¹⁾
Net realized and unrealized gain (loss) on investments	0.34 ⁽³⁾	1.87	1.26	(2.40)	0.04
Total from investment operations	0.28	1.82	1.22	(2.44)	0.01
Distributions from net realized gains	—	—	—	(0.00) ⁽⁴⁾	(0.12)
Net Asset Value - End of Period	<u>\$ 7.35</u>	<u>\$ 7.07</u>	<u>\$ 5.25</u>	<u>\$ 4.03</u>	<u>\$ 6.47</u>
Total Return	3.96%	34.67%	30.27%	(37.64)%	0.08%
Ratios and Supplemental Data:					
Net assets, end of period (thousands)	\$11,037	\$6,505	\$5,265	\$3,403	\$10,790
Ratio of expenses to average net assets:					
Before expense waiver and/or reimbursement	2.44%	3.26%	3.68%	2.91%	2.18%
After expense waiver and/or reimbursement	1.50%	1.50%	1.50%	1.50%	1.50%
Ratio of net investment loss to average net assets:					
Before expense waiver and/or reimbursement	(1.81)%	(2.70)%	(3.03)%	(2.11)%	(1.18)%
After expense waiver and/or reimbursement	(0.87)%	(0.94)%	(0.85)%	(0.70)%	(0.50)%
Portfolio turnover rate	70%	84%	66%	91%	66%

⁽¹⁾ Net investment loss per share is calculated using the ending balance of undistributed net investment loss prior to considerations of adjustments for permanent book and tax differences.

⁽²⁾ Net investment loss per share represents net investment loss divided by the average shares outstanding throughout the period.

⁽³⁾ Due to the timing of capital share transactions, the per share amount of net realized and unrealized loss on investments varies from the amounts shown in the statement of operations.

⁽⁴⁾ Less than \$(0.005).

The accompanying notes are an integral part of these financial statements.

A. Organization and Significant Accounting Policies: LKCM Funds (the “Trust”) is registered under the Investment Company Act of 1940 (“1940 Act”) as an open-end, management investment company. The Trust was organized as a Delaware business trust on February 10, 1994 and consists of eight diversified series of shares, three of which are the LKCM Aquinas Value, LKCM Aquinas Growth and LKCM Aquinas Small Cap Funds (collectively, the “Funds”) and are reported here. On July 11, 2005, the Funds acquired the assets and assumed the liabilities of the Aquinas Funds. The LKCM Aquinas Value, LKCM Aquinas Growth and LKCM Aquinas Small Cap Funds are subject to expenses pursuant to the Rule 12b-1 plan described in Note B. Each Fund charges a 1% redemption fee for redemptions on Fund shares held for less than 30 days.

The LKCM Aquinas Value Fund seeks to maximize long-term capital appreciation, while incorporating Catholic values investing principles in the investment process. The LKCM Aquinas Value Fund seeks to achieve its investment objective by investing under normal circumstances in equity securities of companies that Luther King Capital Management Corporation (the “Adviser”) believes to be undervalued relative to a company’s earnings. The LKCM Aquinas Growth Fund seeks to maximize long-term capital appreciation, while incorporating Catholic values investing principles in the investment process. The LKCM Aquinas Growth Fund seeks to achieve its investment objective by investing under normal circumstances in equity securities of companies that the Adviser believes generally have above-average growth in revenue and/or earnings, above-average returns on shareholders’ equity, underleveraged balance sheets and potential for above-average capital appreciation. The LKCM Aquinas Small Cap Fund seeks to maximize long-term capital appreciation, while incorporating Catholic values investing principles in the investment process. The LKCM Aquinas Small Cap Fund seeks to achieve its investment objective by investing under normal circumstances at least 80% of its net assets in equity securities of smaller companies (those with market capitalizations at the time of investment between \$400 million and \$2.5 billion) that the Adviser believes are likely to have above-average growth in revenue and/or earnings and potential for above-average capital appreciation.

The LKCM Aquinas Funds practice socially responsible investing within the framework provided by the United States Conference of Catholic Bishops’ Socially Responsible Investing Guidelines (“Guidelines”). Each Fund’s investment approach incorporates the Guidelines through a combination of screening portfolio companies based on criteria set forth in the Guidelines, dialogue with companies whose policies and practices conflict with the Guidelines, and potentially excluding from the Fund’s portfolios the securities of those companies that are unwilling to alter their policies and practices over a reasonable period of time. The Adviser monitors companies selected for the Funds for policies on various issues contemplated by the Guidelines. If a Fund invests in a company whose policies and practices are inconsistent with the Guidelines, the Adviser may attempt to influence the company, sell the company’s securities or otherwise exclude future investments in such company.

The following is a summary of significant accounting policies followed by the Funds in preparation of the financial statements.

1. Security Valuation: Securities listed on a U.S. securities exchange for which market quotations are readily available are valued at the last quoted sale price, taken from the exchange where the security is primarily traded. Nasdaq National Market securities are valued at the Nasdaq Official Closing Price (“NOCP”). Unlisted U.S. securities and listed U.S. securities not traded on the valuation date for which market quotations are readily available are valued at the mean of the most recent quoted bid and asked price. Securities listed on a foreign exchange for which market quotations are readily available are valued at the last quoted sales price available before the time when assets are valued. Debt securities (other than obligations having a maturity of 60 days or less) are normally valued at the mean of bid and ask price and/or by using a combination of daily quotes or matrix evaluations provided by an independent pricing service. Debt securities purchased with remaining maturities of 60 days or less are valued at amortized cost which approximates fair value. Other assets and securities for which no quotations are readily available (including restricted securities) are valued in good faith at fair value using methods determined by the Board of Trustees. The Board has adopted specific procedures for valuing portfolio securities and delegated the implementation of these procedures to the Adviser. The procedures authorize the Adviser to make all determinations regarding the fair value of a portfolio security and to report such determinations to the Board of Trustees. The Funds may also use independent pricing services to assist in pricing portfolio securities.

The Trust has adopted accounting standards which establish an authoritative definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value and a discussion of changes in valuation techniques and related inputs during the period. These standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy is organized into three levels based upon the assumptions (referred to as “inputs”) used in pricing the asset or liability. These standards state that “observable inputs” reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from independent sources and “unobservable inputs” reflect an entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability. These inputs are summarized in the three broad levels listed below.

Level 1 - Quoted unadjusted prices for identical instruments in active markets to which the Trust has access at the date of measurement.

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets. Level 2 inputs are those in markets for which there are few transactions, the prices are not current, little public information exists or instances where prices vary substantially over time or among brokered market makers.

Level 3 - Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. Unobservable inputs are those inputs that reflect the Trust's own assumptions that market participants would use to price the asset or liability based on the best available information.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the Funds' net assets as of December 31, 2011:

LKCM Aquinas Value Fund

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$41,465,641	\$ —	\$ —	\$41,465,641
Money Market Fund	747,213	—	—	747,213
Total Investments*	<u>\$42,212,854</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$42,212,854</u>

LKCM Aquinas Growth Fund

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$31,556,700	\$ —	\$ —	\$31,556,700
Money Market Funds	2,367,003	—	—	2,367,003
Total Investments*	<u>\$33,923,703</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$33,923,703</u>

LKCM Aquinas Small Cap Fund

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$10,504,262	\$ —	\$ —	\$10,504,262
Money Market Funds	559,617	—	—	559,617
Total Investments*	<u>\$11,063,879</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$11,063,879</u>

* Additional information regarding the industry and/or geographical classifications of these investments is disclosed in the Schedule of Investments.

There were no significant transfers into or out of Level 1, Level 2 or Level 3 fair value measurements during the reporting period, as compared to their classification from the previous annual report.

In May 2011, the FASB issued ASU No. 2011-04 "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements" in GAAP and the International Financial Reporting Standards ("IFRS"). ASU No. 2011-04 amends FASB ASC Topic 820, Fair Value Measurements and Disclosures, to establish common requirements for measuring fair value and for disclosing information about fair value measurements in accordance with GAAP and IFRS. ASU No. 2011-04 is effective for fiscal years beginning after December 15, 2011 and for interim periods within those fiscal years. Management is currently evaluating the impact these amendments may have on the Funds' financial statements.

In preparing these financial statements, the Trust has evaluated events after December 31, 2011 and determined that there were no significant subsequent events that would require adjustment to or additional disclosure in these financial statements.

2. Federal Income Taxes: The Funds have elected to be treated as "regulated investment companies" under Subchapter M of the Internal Revenue Code and each Fund intends to distribute all of its investment company net taxable income and net capital gains to shareholders. Therefore, no federal income tax provision is recorded.

3. Distributions to Shareholders: The LKCM Aquinas Value, LKCM Aquinas Growth and LKCM Aquinas Small Cap Funds generally intend to pay dividends and net capital gain distributions, if any, at least on an annual basis.

4. Foreign Securities: Investing in securities of foreign companies and foreign governments involves special risks and considerations not typically associated with investing in U.S. companies and securities of the U.S. government. These risks include devaluation of currencies and future adverse political and economic developments. Moreover, securities of many foreign companies and foreign governments and their markets may be less liquid and their prices more volatile than those of securities of comparable U.S. companies and securities of the U.S. government.

5. Expense Allocation: Expenses incurred by the Funds are allocated among the Funds based upon (i) relative average net assets, (ii) a specific identification basis as incurred, or (iii) evenly among the Funds, depending on the nature of the expense.

6. Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

7. Guarantees and Indemnifications: In the normal course of business, the Funds enter into contracts with service providers that contain general indemnification clauses. The Funds’ maximum exposure under these arrangements is unknown as this would involve future claims against the Funds that have not yet occurred. Based on experience, the Funds expect the risk of loss to be remote.

8. Other: Security and shareholder transactions are recorded on the trade date. Realized gains and losses on sales of investments are calculated on the identified cost basis. Dividend income and dividends and distributions to shareholders are recorded on the ex-dividend date. Interest income is recognized on the accrual basis. All discounts and premiums are amortized based on the effective interest method for tax and financial reporting purposes.

Generally accepted accounting principles require that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or net asset values per share.

Accordingly, at December 31, 2011, reclassifications were recorded as follows:

	<u>LKCM Aquinas Value Fund</u>	<u>LKCM Aquinas Growth Fund</u>	<u>LKCM Aquinas Small Cap Fund</u>
Undistributed net investment income (loss)	\$(11,691)	\$ 195,606	\$ 91,849
Accumulated gain (loss)	(655)	—	1,983
Paid in capital	12,346	(195,606)	(93,832)

B. Investment Advisory and Other Agreements: Luther King Capital Management Corporation serves as the investment adviser to the Funds under an Investment Advisory Agreement (the “Agreement”). The Adviser receives a fee, computed daily and payable quarterly, at the annual rates presented below as applied to each Fund’s average daily net assets. The Adviser has contractually agreed to waive all or a portion of its management fee and/or reimburse the Funds through April 30, 2012 in order to limit each Fund’s operating expenses to the annual cap rates identified below. For the year ended December 31, 2011, the Adviser reimbursed the following expenses:

	<u>LKCM Aquinas Value Fund</u>	<u>LKCM Aquinas Growth Fund</u>	<u>LKCM Aquinas Small Cap Fund</u>
Annual Advisory Rate	0.90%	0.90%	1.00%
Annual Cap on Expenses	1.50%	1.50%	1.50%
Expenses Reimbursed in 2011	\$22,351	\$31,931	\$98,667

U.S. Bancorp Fund Services, LLC serves as transfer agent and administrator for the Trust and serves as accounting services agent for the Funds. U.S. Bank, N.A. serves as custodian for the Funds.

Distribution services are performed pursuant to a distribution contract with Quasar Distributors, LLC, the Trust’s principal underwriter.

The LKCM Funds have adopted a Rule 12b-1 plan for the LKCM Aquinas Value, LKCM Aquinas Growth and LKCM Aquinas Small Cap Funds, under which each Fund may pay up to 1.00% of its average daily net assets for distribution and other services. However, the Board of Trustees has currently only authorized a fee of 0.25% of the average daily net assets for the LKCM Aquinas Value, LKCM Aquinas Growth and LKCM Aquinas Small Cap Funds. For the year ended December 31, 2011, fees accrued by the LKCM Aquinas Value, LKCM Aquinas Growth and LKCM Aquinas Small Cap Funds pursuant to the 12b-1 Plan were \$104,512, \$80,134 and \$26,134, respectively.

C. Fund Shares: At December 31, 2011, there was an unlimited number of shares of beneficial interest, no par value, authorized. The following table summarizes the activity in shares of each Fund:

Aquinas Value Fund

	Year Ended December 31, 2011		Year Ended December 31, 2010	
	Shares	Amount	Shares	Amount
Shares sold	1,018,388	\$13,031,092	766,470	\$ 8,583,299
Shares issued to shareholders in reinvestment of distributions	3,722	47,530	1,184	15,033
Shares redeemed	(740,074)	(9,413,349)	(1,120,562)	(12,776,756)
Redemption fee		1,565		218
Net increase (decrease)	282,036	<u>\$ 3,666,838</u>	(352,908)	<u>\$ (4,178,206)</u>
Shares Outstanding:				
Beginning of period	3,024,375		3,377,283	
End of period	<u>3,306,411</u>		<u>3,024,375</u>	

Aquinas Growth Fund

	Year Ended December 31, 2011		Year Ended December 31, 2010	
	Shares	Amount	Shares	Amount
Shares sold	415,153	\$ 7,065,876	223,140	\$ 3,260,822
Shares redeemed	(288,699)	(4,849,520)	(741,027)	(10,940,760)
Redemption fee		581		97
Net increase (decrease)	126,454	<u>\$ 2,216,937</u>	(517,887)	<u>\$ (7,679,841)</u>
Shares Outstanding:				
Beginning of period	1,872,419		2,390,306	
End of period	<u>1,998,873</u>		<u>1,872,419</u>	

Aquinas Small Cap Fund

	Year Ended December 31, 2011		Year Ended December 31, 2010	
	Shares	Amount	Shares	Amount
Shares sold	1,723,026	\$13,044,564	419,940	\$ 2,518,238
Shares redeemed	(1,142,587)	(8,370,923)	(501,793)	(2,881,559)
Redemption fee		5,893		11
Net increase (decrease)	580,439	<u>\$ 4,679,534</u>	(81,853)	<u>\$ (363,310)</u>
Shares Outstanding:				
Beginning of period	920,571		1,002,424	
End of period	<u>1,501,010</u>		<u>920,571</u>	

D. Security Transactions: Purchases and sales of investment securities, other than short-term investments, for the year ended December 31, 2011 were as follows:

	Purchases		Sales	
	U.S. Government	Other	U.S. Government	Other
LKCM Aquinas Value Fund	\$ —	\$15,384,422	\$ —	\$11,670,642
LKCM Aquinas Growth Fund	—	17,294,340	—	15,533,894
LKCM Aquinas Small Cap Fund	—	11,462,838	—	6,965,518

E. Tax Information: At December 31, 2011, the components of accumulated earnings (losses) on a tax basis were as follows:

	<u>LKCM Aquinas Value Fund</u>	<u>LKCM Aquinas Growth Fund</u>	<u>LKCM Aquinas Small Cap Fund</u>
Cost of Investments	\$ 33,899,637	\$25,597,861	\$ 9,898,263
Gross Unrealized Appreciation	\$ 9,014,789	\$ 8,357,082	\$ 1,598,633
Gross Unrealized Depreciation	(701,572)	(31,240)	(433,017)
Net Unrealized Appreciation	<u>\$ 8,313,217</u>	<u>\$ 8,325,842</u>	<u>\$ 1,165,616</u>
Undistributed Ordinary Income	\$ 5,464	\$ —	\$ —
Undistributed Long-Term Capital Gain	—	—	—
Total Distributable Earnings	<u>\$ 5,464</u>	<u>\$ —</u>	<u>\$ —</u>
Other Accumulated Losses	<u>\$ (931,517)</u>	<u>\$ (155,993)</u>	<u>\$ (48,362)</u>
Total Accumulated Gains	<u>\$ 7,387,164</u>	<u>\$ 8,169,849</u>	<u>\$ 1,117,254</u>

The difference between book-basis and tax-basis unrealized appreciation, if any, is attributable primarily to the tax deferral of losses on wash sales and partnership adjustments.

At December 31, 2011 the accumulated capital loss carryforwards were as follows:

	<u>Month/Year Realized</u>	<u>Month/Year Expiring</u>	<u>Short-Term</u>
LKCM Aquinas Value Fund	12/2009	12/2017	\$720,906
LKCM Aquinas Growth Fund	12/2009	12/2017	\$103,330

To the extent the Funds realize future net capital gains, taxable distributions will be reduced by any unused capital loss carryforwards as permitted by the Internal Revenue Code. During the year ended December 31, 2011, the LKCM Aquinas Value Fund, LKCM Aquinas Growth Fund and LKCM Aquinas Small Cap Fund utilized capital loss carryforwards of \$151,403, \$235,053 and \$393,807, respectively.

At December 31, 2011, the following Funds deferred, on a tax basis, post-October losses of:

LKCM Aquinas Value Fund	\$210,611
LKCM Aquinas Growth Fund	\$ 52,663
LKCM Aquinas Small Cap Fund	\$ 47,625

On December 22, 2010, the Regulated Investment Modernization Act of 2010 (the “RIC Act”) was enacted, and the provisions within the RIC Act are effective for the Fund for the year ended December 31, 2011. The RIC Act modernized several of the federal income and excise tax provisions related to regulated investments companies (“RICs”). Under the RIC Act, new capital losses may be carried forward indefinitely with the character of the original loss retained. Prior to the RIC Act, capital losses could be carried forward for eight years, and were carried forward as short-term capital losses regardless of the character of the original loss. The RIC Act also contains simplification provisions, which are aimed at preventing disqualification of a RIC for inadvertent failures to comply with asset diversification and/or qualifying income tests. The RIC Act exempts RICs from the preferential dividend rule and repeals the 60-day designation requirement for certain types of pay-through income and gains. In addition, the RIC Act contains provisions aimed at preserving the character of distributions made by a RIC during the portion of its taxable year ending after October 31 or December 31.

The tax components of dividends paid during the periods shown below were as follows:

	<u>Year Ended December 31, 2011</u>		<u>Year Ended December 31, 2010</u>	
	<u>Ordinary Income</u>	<u>Long-Term Capital Gain</u>	<u>Ordinary Income</u>	<u>Long-Term Capital Gain</u>
LKCM Aquinas Value Fund	\$ 60,353	\$ —	\$ 18,215	\$ —
LKCM Aquinas Growth Fund	—	—	—	—
LKCM Aquinas Small Cap Fund	—	—	—	—

The Trust has adopted financial reporting rules regarding recognition and measurement of tax positions taken or expected to be taken on a tax return. The Trust has reviewed all open tax years and major jurisdictions and concluded that there is no impact on the Funds’ financial position or results of operations. Tax years that remain open to examination by major tax jurisdictions include tax years ended December 31, 2008 through December 31, 2011. There is no tax liability resulting from unrecognized tax benefits relating to uncertain income tax positions taken or expected to be taken on tax returns as of December 31, 2011. The Funds are not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months. If applicable, the Funds would recognize interest accrued related to unrecognized tax benefits in “interest expenses” and penalties in “other expenses” on the statement of operations.

To the Shareholders and Board of Trustees of LKCM Funds:

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of LKCM Aquinas Funds (the "Funds") comprising the LKCM Aquinas Value Fund, LKCM Aquinas Growth Fund, and LKCM Aquinas Small Cap Fund as of December 31, 2011, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Funds are not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2011, by correspondence with the custodian and brokers. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of each of the portfolios constituting the LKCM Aquinas Funds as of December 31, 2011, the results of their operations for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

Milwaukee, Wisconsin
February 28, 2012

December 31, 2011

Availability of Proxy Voting Information: A description of the policies and procedures that the Funds use to determine how to vote proxies relating to their portfolio securities, as well as the proxy voting record, is available without charge, upon request, by calling toll-free 1-800-423-6369 or on the SEC website at <http://www.sec.gov>. The actual voting records relating to portfolio securities during the twelve month periods ended June 30 (as filed with the SEC on Form N-PX) are available without charge, upon request, by calling the Funds toll free at 1-800-423-6369 or by accessing the SEC's website at www.sec.gov.

Availability of Quarterly Portfolio Schedule: The Funds' are required to file complete schedules of portfolio holdings with the SEC for the first and third fiscal quarters on Form N-Q. Once filed, the Funds' Form N-Q is available without charge upon request on the SEC's website (<http://www.sec.gov>) and may be available by calling 1-800-423-6369. You can also obtain copies of Form N-Q by (i) visiting the SEC's Public Reference Room in Washington, DC (information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330); (ii) sending your request and a duplicating fee to the SEC's Public Reference Room, Washington, DC 20549; or (iii) sending your request electronically to publicinfosec.gov.

Information about the Funds' Trustees:

The business and affairs of the Funds are managed under the direction of the Funds' Board of Trustees. Information pertaining to the Trustees of the Funds is set forth below. The Statement of Additional Information includes additional information about the Funds' Trustees and officers and is available, without charge, upon request by calling 1-800-423-6369.

Name, Address and Age	Position(s) Held with the Trust	Term of Office & Length of Time Served ⁽¹⁾	Principal Occupation During Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee
Disinterested Trustees:					
H. Kirk Downey 301 Commerce Street Suite 1600 Fort Worth, TX 76102 Age: 69	Chairman of the Board of Trustees Trustee	Since 2005 Since 1994	President and CEO, Texas Systems, LLC and CEO, Texas learning systems LLC since 1999; Dean, M.J. Neeley School of Business, Texas Christian University Business School from 1987 to 1999.	8	Non-Executive Chairman of the Board of AZZ Incorporated, a manufacturing company.
Earle A. Shields, Jr. 301 Commerce Street Suite 1600 Fort Worth, TX 76102 Age: 91	Trustee	Since 1994	Consultant; formerly Consultant for NASDAQ Corp. and Vice President, Merrill Lynch & Co., Inc.	8	Priests Pension Fund of the Catholic Diocese of Fort Worth, Lay Workers Pension Fund of the Catholic Diocese of Fort Worth, St. Joseph Health Care Trust, Catholic Schools Trust and Catholic Foundation of North Texas.
Richard J. Howell 301 Commerce Street Suite 1600 Fort Worth, TX 76102 Age: 69	Trustee Chairman of the Audit and Compliance Committee	Since 2005 Since 2008	CPA, Adjunct Faculty at SMU Cox School of Business from 2004 to 2009; Consulting Services, since 2002; Audit Partner, Arthur Andersen LLP from 1974-2002.	8	Red Robin Gourmet Burgers, Inc.
Interested Trustee:					
J. Luther King, Jr. ⁽²⁾ 301 Commerce Street Suite 1600 Fort Worth, TX 76102 Age: 71	Trustee, President and Chief Executive Officer	Since 1994	Chairman, President and Director, Luther King Capital Management Corporation since 1979.	8	Employee Retirement Systems of Texas, 4K Land & Cattle Company (ranching), Hunt Forest Products (lumber), Southwestern Exposition & Livestock (livestock), Southwest JLK Corporation (management company), Texas Christian University, Texas Southwestern Cattleraisers Foundation (livestock), Tyler Technologies (information management company for government agencies), and King Ranch, Inc. (ranching).

⁽¹⁾ Each Trustee holds office during the lifetime of the Trust until that individual resigns, retires or is otherwise removed or replaced.

⁽²⁾ Mr. King is an "interested person" of the Trust (as defined in the 1940 Act) because of his affiliation with the Adviser.

Name, Address and Age	Position(s) Held with the Trust	Term of Office & Length of Time Served ⁽¹⁾	Principal Occupation During Past Five Years
Officers:			
J. Luther King, Jr. 301 Commerce Street Suite 1600 Fort Worth, TX 76102 Age: 71	Trustee, President and Chief Executive Officer	Since 1994	Chairman, President and Director, Luther King Capital Management Corporation since 1979.
Paul W. Greenwell 301 Commerce Street Suite 1600 Fort Worth, TX 76102 Age: 61	Vice President	Since 1996	Principal, Luther King Capital Management since 1986, Vice President and Portfolio Manager, Luther King Capital Management since 1983.
Richard Lenart 301 Commerce Street Suite 1600 Fort Worth, TX 76102 Age: 45	Secretary and Treasurer	Since 2006	Luther King Capital Management since 2005.
Steven R. Purvis 301 Commerce Street Suite 1600 Fort Worth, TX 76102 Age: 46	Vice President	Since 2000	Principal, Luther King Capital Management since 2003, Vice President and Portfolio Manager, Luther King Capital Management since 1996.
Jacob D. Smith 301 Commerce Street Suite 1600 Fort Worth, TX 76102 Age: 37	Chief Financial Officer	Since 2010	Chief Financial Officer since 2010, General Counsel and Chief Compliance Officer, Luther King Capital Management since 2006.
	Chief Compliance Officer	Since 2006	

LKCM FUNDS PRIVACY NOTICE

Our Commitment to Your Privacy

At LKCM Funds, we are committed to safeguarding the confidentiality and privacy of personal information about our shareholders. This privacy notice describes the policies and procedures we have implemented to protect the privacy of your personal information as well as the sources through which we may obtain personal information about you.

How We Protect Your Personal Information

Protecting your personal information is an important priority at LKCM Funds. Accordingly, we have implemented policies and procedures designed to safeguard your personal information, such as your social security number, portfolio and investment history, account numbers, account balances, and contact information from unauthorized access. Pursuant to these policies and procedures, we maintain various physical, technological, and administrative safeguards to protect the security and confidentiality of your personal information, and we adapt these safeguards to respond to evolving technological and other standards.

We do not disclose nonpublic personal information about you to nonaffiliated third parties, except as authorized by you or your representatives, as required or permitted by law, or to certain nonaffiliated third parties, such as custodians, brokers, auditors, attorneys, or proxy administrators, that assist us in providing investment management services to you or on your behalf.

How We Obtain Your Personal Information

We collect nonpublic personal information about you from various sources, including documents and other information that you or your representatives provide to us, communications that we have with you or your representatives, and documents and other information related to your investments or portfolio experience with us.

Please do not hesitate to contact our Chief Compliance Officer if you have any questions regarding the measures we have implemented to protect the privacy of your personal information.

U.S. Bancorp Fund Services, LLC
P.O. Box 701
Milwaukee, WI 53201-0701

LKCM FUNDS
P.O. Box 701
Milwaukee, WI 53201-0701

Officers and Trustees

J. Luther King, Jr., CFA
Trustee,
President

H. Kirk Downey
Chairman of the Board

Richard Lenart
Secretary & Treasurer

Paul W. Greenwell
Vice President

Richard J. Howell
Trustee

Jacob D. Smith
Chief Financial Officer
Chief Compliance Officer

Steven R. Purvis, CFA
Vice President

Earle A. Shields, Jr.
Trustee

Investment Adviser

Luther King Capital Management Corporation
301 Commerce Street, Suite 1600
Fort Worth, TX 76102

Administrator, Transfer Agent, Dividend

Paying Agent & Shareholder Servicing Agent

U.S. Bancorp Fund Services, LLC
P.O. Box 701
Milwaukee, WI 53201-0701

Custodian

U.S. Bank, N.A.
1555 N. River Center Drive, Suite 302
Milwaukee, WI 53212

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555 E. Wells St., Suite 1400
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Distributor

Quasar Distributors, LLC
615 E. Michigan Street
Milwaukee, WI 53202
