LKCM AQUINAS
CATHOLIC EQUITY FUND

LKCM Aquinas Catholic Equity Fund

Semi-Annual Report
June 30, 2021

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the LKCM Funds' shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports from the LKCM Funds (if you hold your Fund shares directly with the LKCM Funds) or from your financial intermediary, such as a broker-dealer or bank (if you hold your Fund shares through a financial intermediary). Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. If you hold your Fund shares directly with the LKCM Funds, you may elect to receive shareholder reports and other communications electronically from the LKCM Funds by calling 1-800-423-6369 or, if you hold your Fund shares through a financial intermediary, by contacting your financial intermediary.

You may elect to receive all future reports on paper free of charge. If you hold your Fund shares directly with the LKCM Funds, you can inform the LKCM Funds that you wish to continue receiving paper copies of your shareholder reports by calling 1-800-423-6369 or, if you hold your Fund shares through a financial intermediary, contacting your financial intermediary. Your election to receive reports in paper will apply to all of the LKCM Funds you hold directly with LKCM Funds or all of the funds you hold through your financial intermediary, as applicable.

Dear Fellow Shareholders:

We report the following performance information for the LKCM Aquinas Catholic Equity Fund for indicated periods ended June 30, 2021:

Fund	Inception Date	NAV @ 6/30/21	Net Expense Ratio*, **	Gross Expense Ratio**	Six Month Total Return Ended 6/30/21	One Year Total Return Ended 6/30/21	Five Year Average Annualized Return Ended 6/30/21	Ten Year Average Annualized Return Ended 6/30/21	Avg. Annual Total Return Since Incept.***
LKCM Aquinas Catholic Equity Fund(1)	07/11/2005	$19.99	1.00%	1.48%	14.03%	42.48%	17.42%	12.37%	9.50%
S&P 500® Index(2)					15.25%	40.79%	17.65%	14.84%	10.49%

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 Fund imposes a 1.00% redemption fee on shares held less than 30 days. If reflected, the fee would reduce performance shown.

* Luther King Capital Management Corporation, the Fund's investment adviser, has contractually agreed to waive all or a portion of its management fee and/or reimburse expenses of the Fund to maintain an expense ratio of 1.00% per annum through May 1, 2022. This expense limitation excludes interest, taxes, brokerage commissions, indirect fees and expenses related to investments in other investment companies, including money market funds, and extraordinary expenses. Investment performance, which is based on the net expense ratio, reflects fee waivers, if any, in effect during the relevant period. In the absence of such waivers, total return would be reduced. Investment performance is based upon the net expense ratio. LKCM waived management fees and/or reimbursed expenses for the Fund during the six months ended June 30, 2021.

** Expense ratios above are as reported in the Fund's current prospectus dated May 1, 2021. Expense ratios reported for other periods in the financial highlights of this report may differ.

*** The assets of the Aquinas Value Fund, Aquinas Growth Fund and Aquinas Small-Cap Fund were acquired by the LKCM Aquinas Value Fund, LKCM Aquinas Growth Fund and LKCM Aquinas Small Cap Fund, respectively, on July 11, 2005. Due to the change in adviser and investment technique, performance is being quoted for the period after the merger. The LKCM Aquinas Small Cap Fund and LKCM Aquinas Growth Fund were reorganized into the LKCM Aquinas Value Fund effective upon the close of business on July 29, 2016, after which the LKCM Aquinas Value Fund's name, investment strategies and expenses changed to those of the LKCM Aquinas Catholic Equity Fund. The performance shown prior to August 1, 2016 is that of the LKCM Aquinas Value Fund.

(1) Effective upon the close of business on July 29, 2016, the LKCM Aquinas Small Cap Fund and the LKCM Aquinas Growth Fund reorganized into the LKCM Aquinas Value Fund (the "Reorganizations"). Immediately after the Reorganizations were completed, the LKCM Aquinas Value Fund changed its name to the LKCM Aquinas Catholic Equity Fund and its investment strategies and expenses, including the expense limitation agreement, changed to the investment strategies and expenses, including the expense limitation agreement, of the LKCM Aquinas Catholic Equity Fund. The Fund's performance prior to August 1, 2016 reflects the Fund's prior investment strategies.

(2) The S&P 500® Index is an unmanaged capitalization-weighted index of 500 selected stocks that is generally considered representative of the performance of large capitalization companies in the U.S. stock market.

Note: The index defined above is not available for direct investment and the index performance therefore does not include fees, expenses or taxes.

1H2021 Review

The current economic cycle has been turbocharged through a unique combination of market behaviors. First, policymakers reacted strongly to threats posed by the pandemic to households and businesses. These actions resulted in an increase of approximately 27% in the money supply since March of 2020, and the U.S. government engaged in significant deficit spending. Similarly, businesses curtailed operations, not to combat a normal economic downturn, but instead to survive an existential threat presented by the pandemic. These decisions contributed to the largest ever quarterly decline in Gross Domestic Product (GDP), a rapid increase in joblessness, and extensive liquidation of inventory. Finally, households hoarded savings, establishing a new record level of savings to income, much of which currently remains in the form of personal savings. In the current economic cycle, GDP has recovered to its prior peak after only a year. In contrast, it took three-and-a-half years for economic output to recover following the Global Financial Crisis, which ended in 2009.

We believe the rapid pace of economic growth is accentuating supply and demand imbalances created by the recession, and the situation is compounded by the logistical and production challenges of smoothly restarting the global supply chain. This dynamic has given rise to labor shortages and rising inflation in 2021. More than half of the increase in the Consumer Price Index (CPI) in April and May 2021 resulted from higher vehicle prices, in tandem with a rebound in pandemic-affected prices for flying and hotel accommodations. Input costs such as those for lumber, steel, and microchips have all recently peaked following a multifold increase. In terms of labor, aside from a few lower-wage sectors such as retail and hospitality, overall wage growth remains constrained. On the surface, these data points thus far appear to remain consistent with Federal Reserve Bank Chairman Jerome Powell's message that inflation will likely be "transitory." However, we believe the degree to which inflationary pressures broaden and become persistent will likely have a significant impact on how investors view the likely path of monetary policy and corollary implications for the stock market.

With the economic recovery in full motion, we believe that investors face a much different set of questions this year versus last year. For example, how long will it take the economy to return to full employment, and what happens to inflation in the interim and beyond? In our view, there is a great deal of uncertainty and debate surrounding these two questions, as they are central to shaping the path of monetary policy, which remains extremely accommodative even as the economy begins to heat up. We believe that the analysis is unusually complex for three reasons. First, economic data are very volatile as year-over-year comparisons produce extreme outputs for series such as GDP and CPI. Second, extraordinary fiscal and monetary policy, such as supplemental unemployment benefits and large-scale asset purchases by the Federal Reserve, continues to support the economy. Third, both the demand side (how fast will consumer spending recover?) and the supply side (how much labor market slack is there and how quickly will it dissipate?) have been impacted, making the forecasting of a new equilibrium challenging. As a result, we believe economic activity and data are likely to remain volatile and challenging for investors to digest.

Higher costs are returning as companies grapple with supply chain shortages and surging demand as the economy continues to reopen. Inflation also continues to rise compared to last year, based on the latest CPI readings. However, we believe a mix of temporary shortages, supply chain disruptions, and rebounds in transportation prices have driven the spike in CPI readings. In our view, elevated inflation readings are likely to persist until markets resolve supply chain constraints and other post-pandemic disruptions. Therefore, we think there may be sustained higher inflation readings over the following several months and possibly into the year-end. We believe it is important not to be overly dismissive of headline inflation. Market imbalances often emerge first in faster-moving prices such as gasoline, auto prices, hotel prices, and apparel, but can eventually creep into more moderate increases in a broader basket of slower-moving prices.

Beyond short-term price volatility in goods that are subject to dramatic swings in supply and demand, we continue to closely monitor the labor market for signs of wage pressure. We believe the employment dynamic exiting the pandemic-induced recession is very different from what followed the 2007—2009 recession. At the conclusion of the previous recession, labor was plentiful relative to demand, which contributed to relatively minimal inflation pressures. Abundant labor last cycle was also partly responsible for a decade of low productivity growth. In our view, there is a greater risk today that wage growth could rise at a faster pace than last cycle if current signs of labor market tightness prove more dogged than anticipated.

Regarding the labor market, there were approximately 4.3% fewer people employed at the end of the second quarter of 2021 than in January of 2021, which to us implies that meaningful slack resides in the labor market. However, company survey data, such as the National Federation of Independent Business (NFIB) small business survey, suggests a different story. The most recent survey indicated that approximately 48% of firms reported difficulty filling vacant positions in May 2021, the highest level in the 46-year history of the survey. The reopening-driven recovery in labor demand has tightened the labor market at a time when labor supply is still constrained by supplemental unemployment benefits and the lingering effects of social distancing. There were 9.5 million unemployed workers as of the end of June 2021. Therefore, the ratio of unemployed workers to job openings has fallen to a level usually associated with tight labor markets. This is particularly true in lower-wage services that face greater competition from unemployment benefits. We believe that we are unlikely to get a clear view of the health of the labor market until this fall when supplemental unemployment benefits expire, and schools across the country open for in-person learning.

While we believe investors are rightly focused on inflation and the health of the labor market, there is another key aspect of the business cycle which we believe deserves attention—business investment, which is emerging as a powerful source of economic growth that will likely help sustain the economic recovery. Although business investment accounts for only approximately 18% of GDP, it carries important implications, because rising business investment helps fuel economic output. These types of expenditures are important because they can lift worker productivity, or output per hour. While productivity was very sluggish during the prior economic expansion, capital goods orders are now beginning to show signs of growth. Business investment is also important because it drives job creation and can mitigate wage pressures.

2H2021 Outlook

Supply and demand imbalances have led to a spike in inflation readings; however, we believe much of the underlying cause is directly linked to unique circumstances such as auto and travel prices, which we believe will moderate as the year-end approaches. Turning to the labor market, while the pace of hiring has quickened, we believe there is also a rational speed limit to which the matching of workers with employers can naturally occur. In our view, pronounced labor market churn is due in part to the need for workers to change jobs to reach the marginal bid for new workers, which is around $15 per hour and may include a signing bonus. Excess savings and the ongoing unemployment trends in many states give workers more bargaining power, while also allowing the unemployed to be more selective in finding the right match. However, we believe these constraints should ease in the second half of 2021 as supplemental benefits expire and schools open for in-person learning. We currently anticipate that the economy will lurch forward in 2021 in conjunction with strong corporate earnings. We believe that accompanying inflation readings are anticipated to moderate by the end of the year.

We believe there are two prominent risks to our current outlook. The first is a pandemic resurgence sparked by the spread of more powerful virus variants against which existing vaccines are substantially less effective. In our view, such a development would likely negatively impact global economies more substantially than the domestic economy due to differences in vaccination levels and health care infrastructure. Under this potential scenario, global supply and demand imbalances would persist, rather than correcting. The second key risk is that strong inflation readings in a narrow set of goods and services bleed over into a broader basket of goods and services. If the seemingly tight labor market constricts further and wage growth is not offset by productivity improvements, we believe further cost pressures could build in the economy. As a result, the Federal Reserve Bank could conclude it is behind the curve and move quickly to tighten monetary policy to dampen inflation. We believe such an action could startle capital markets. Neither of these more visible risks should be overlooked, but our current view anticipates economic momentum to carry over into next year and monetary policy to tighten very slowly, both of which continue to create an economic backdrop that is supportive of equity values.

LKCM Aquinas Catholic Equity Fund

During the six months ended June 30, 2021, the LKCM Aquinas Catholic Equity Fund returned 14.03% against the 15.25% return for the Fund's benchmark, the S&P 500® Index. During the first half of the year, the Fund benefited from good sector allocation decisions relative to the benchmark, which was offset somewhat by stock selection decisions relative to the benchmark. The Fund benefited from an overweight position in the Energy sector and an underweight position in the Utilities sector relative to the benchmark, which was partially offset by an underweight position in the Financials sector. Stock selection decisions in the Information Technology, Energy and Communication Services sectors benefited the Fund's performance relative to the benchmark, which was offset by stock selection in the Industrials, Material and Healthcare sectors relative to the benchmark.

We believe the major drivers of the continued advance in stock prices have been the strong recovery in corporate profits and the stability of low interest rates. We currently anticipate that overall corporate profit growth for companies the S&P 500® Index will be nearly 40% for the 2021 calendar year, versus a decline of approximately 16% for 2020. If our expectations prove accurate, overall corporate profit growth for these companies will represents an advance of approximately 17% advance as compared to the non-COVID influenced 2019 calendar year.

Importantly, we believe our early outlook for calendar 2022 indicates the potential for continued advances in corporate earnings, but likely at a more normalized rate of approximately 10-12%. Our current outlook has no reduction adjustment related to the proposed tax increases that are being discussed in Washington. We should also note that our current outlook does not take into consideration any potential business disruption related to issues associated with a second strain of COVID that could develop and prove unpredictable. To date, corporate earnings have advanced at rates above our expectations and our discussions with corporate management teams indicate an upward bias to our current estimates.

In the short term, we believe companies are dealing with a variety of issues, including availability of workers at reasonable wage levels, the inability to acquire parts and products due to the port disruption and other supply chain disruptions, and the confusion around the potential impact of anticipated tax changes. These potentially will have differing impacts on the various sectors and companies in which the Fund is invested. In addition, we believe these issues, coupled with shifts in demand for products, have put upward pressure on prices and inflation has become a concern, particularly with respect to commodities and semiconductors. We believe these elevated inflation levels are likely to remain with us for most of the remainder of the year. In the event these higher prices prove more permanent and less transitory than the government currently projects, we believe higher interest rates and valuation pressures on market prices for publicly traded securities could develop.

We remain focused on the core tenets of our investment strategy for the Fund and have opportunistically acquired new holdings for the Fund in a select number of companies. Although a correction in stock prices is overdue in our view, we believe the Fund remains well-positioned with its focus on investments in competitively advantaged companies and our longer-term view of the markets remains constructive.

Luther King

J. Luther King, Jr., CFA, CIC
July 12, 2021

The information provided herein represents the opinion of J. Luther King, Jr., CFA, CIC 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 page 8 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. Investments in equity securities are subject to market risks and significant fluctuations in value. 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. These risks are discussed in the Fund's summary and statutory prospectuses. Since the Fund practices socially responsible investing within the framework provided by the United States Conference of Catholic Bishop's Socially Responsible Investing Guidelines, the Fund 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 future performance.

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-800-688-LKCM. Returns would have been lower if LKCM had not waived a portion of its management fee and/or reimbursed certain expenses of the Fund. Please see Note B to the Notes to the Financial Statements for specific information regarding management fee waiver and/or expense reimbursement arrangements for the Fund.

Yield curve is a line that plots yields (interest rates) of bonds having equal credit quality but differing maturity dates. The slope of the yield curve gives an idea of future interest rate changes and economic activity.

The Bloomberg Barclays U.S. Intermediate Government/Credit Bond Index is an unmanaged market value weighted index measuring both the principal price changes of, and income provided by, the underlying universe of securities that comprise the index. Securities included in the index must meet the following criteria: fixed as opposed to variable rate; remaining maturity of one to ten years; minimum outstanding par value of $250 million; rated investment grade or higher by Moody's Investors Service or equivalent; must be dollar denominated and non-convertible; and must be publicly issued.

Price-earnings ratio is the ratio of a company's share price to the company's earnings per share.

Duration is a measure of the sensitivity of the price of a bond or other debt instrument to a change in interest rates.

Cash flow is the net amount of cash and cash-equivalents being transferred into and out of a business.

Investors should consider the investment objective, risks and charges and expenses of the Fund carefully before investing. The Fund's summary prospectus and prospectus contain this and other information about the Fund. Investors can obtain the summary prospectus and the prospectus by calling 1-800-423-6369. The summary prospectus and prospectus should be read carefully before investing in the Fund.

Quasar Distributors, LLC, distributor.

LKCM Aquinas Catholic Equity Fund Expense Example — June 30, 2021 (Unaudited)

As a shareholder of the Fund, 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 Fund 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 (01/01/2021-6/30/2021).

ACTUAL EXPENSES

The third and fourth columns of the table below provide information about actual account values and actual expenses. You may use the information in these columns, 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 fourth column under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period. Although the Fund charges 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 (doing business as U.S. Bank Global Fund Services) the Fund’s transfer agent. If you request that a redemption be made by wire transfer, currently a $15.00 fee is charged by the Fund’s 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 Fund within 30 days of purchase, unless otherwise determined by the Fund in its discretion. To the extent the Fund invests in shares of other investment companies as part of its investment strategy, you will indirectly bear your proportionate share of any fees and expenses charged by the underlying funds in which the Fund invests in addition to the expenses of the Fund. 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.

HYPOTHETICAL EXAMPLES FOR COMPARISON PURPOSES

The fifth and sixth columns of the table below provide information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. 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 Fund 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 fifth and sixth columns of the table are 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.

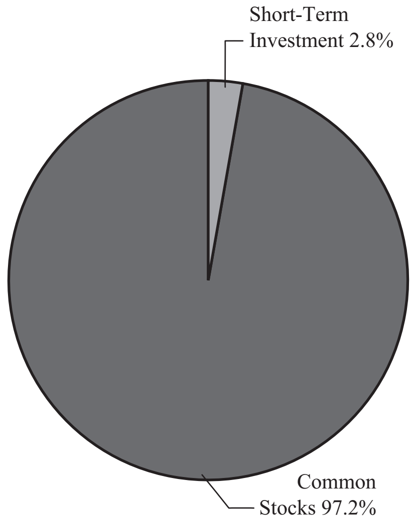
			Actual		Hypothetical (5% return before expenses)	
	Fund’s Annualized Expense Ratio[1]	Beginning Account Value 01/01/2021	Ending Account Value 06/30/2021	Expenses Paid During Period[1]	Ending Account Value 06/30/2021	Expenses Paid During Period[1]
LKCM Aquinas Catholic Equity Fund	1.00%	$1,000.00	$1,140.30	$5.31	$1,019.84	$5.01

[1] *Expenses are equal to the annualized net expense ratio for the Fund, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).*

ALLOCATION OF PORTFOLIO HOLDINGS — LKCM Aquinas Catholic Equity Fund — June 30, 2021 (Unaudited)

Percentages represent market value as a percentage of total investments.

LKCM Aquinas Catholic Equity Fund



Schedule of Investments

June 30, 2021 (Unaudited)

COMMON STOCKS - 97.4%	Shares	Value
Aerospace & Defense - 3.8%		
Honeywell International, Inc.	7,000	$ 1,535,450
Teledyne Technologies Inc. (a)	1,759	736,722
		2,272,172
Banks - 8.6%		
Comerica, Inc.	15,000	1,070,100
Cullen/Frost Bankers, Inc.	5,000	560,000
Truist Financial Corp.	32,375	1,796,813
Zions Bancorp N.A.	32,500	1,717,950
		5,144,863
Beverages - 5.2%		
The Coca-Cola Co.	12,500	676,375
Keurig Dr Pepper, Inc.	22,500	792,900
PepsiCo, Inc.	11,000	1,629,870
		3,099,145
Chemicals - 8.1%		
Air Products & Chemicals, Inc.	4,000	1,150,720
Corteva, Inc.	22,500	997,875
DuPont de Nemours, Inc.	14,500	1,122,445
Ecolab, Inc.	5,000	1,029,850
The Sherwin-Williams Co.	2,100	572,145
		4,873,035
Communications Equipment - 1.0%		
QUALCOMM, Inc.	4,200	600,306
Computers & Peripherals - 3.4%		
Apple, Inc.	15,000	2,054,400
Construction Materials - 1.2%		
Martin Marietta Materials, Inc.	2,000	703,620
Consumer Finance - 2.1%		
American Express Company	7,500	1,239,225
Electrical Equipment & Instruments - 3.1%		
Roper Technologies, Inc.	4,000	1,880,800
Electronic Equipment & Instruments - 3.1%		
Trimble, Inc. (a)	22,500	1,841,175
Health Care Equipment & Supplies - 1.6%		
Stryker Corp.	3,700	961,001
Internet & Catalog Retail - 2.9%		
Amazon.com, Inc. (a)	500	1,720,080
IT Consulting & Services - 4.8%		
Black Knight, Inc. (a)	10,000	779,800
Broadridge Financial Solutions, Inc.	5,500	888,415
PayPal Holdings, Inc. (a)	4,200	1,224,216
		2,892,431
Machinery - 2.5%		
Xylem, Inc.	12,500	1,499,500
Media & Entertainment - 7.1%		
Alphabet, Inc. - Class A (a)	1,200	2,930,148
Pinterest, Inc. - Class A (a)	9,000	710,550
The Walt Disney Co. (a)	3,600	632,772
		4,273,470

COMMON STOCKS	Shares	Value
Multiline Retail - 1.8%		
Dollar Tree, Inc. (a)	10,500	$ 1,044,750
Oil & Gas & Consumable Fuels - 6.6%		
Chevron Corp.	5,000	523,700
Devon Energy Corp.	43,902	1,281,499
Kinder Morgan, Inc.	52,500	957,075
Pioneer Natural Resources Co.	7,500	1,218,900
		3,981,174
Pharmaceuticals - 7.0%		
Abbott Laboratories	17,500	2,028,775
Zoetis, Inc.	11,500	2,143,140
		4,171,915
Professional Services - 2.3%		
Verisk Analytics, Inc.	8,000	1,397,760
Software - 12.7%		
Adobe, Inc. (a)	3,700	2,166,868
Microsoft Corp.	8,000	2,167,200
Oracle Corp.	27,500	2,140,600
Sprout Social, Inc. - Class A (a)	13,000	1,162,460
		7,637,128
Software & Services - 2.8%		
Akamai Technologies, Inc. (a)	14,500	1,690,700
Specialty Retail - 4.3%		
The Home Depot, Inc.	4,500	1,435,005
Petco Health & Wellness Co, Inc. (a)	52,000	1,165,320
		2,600,325
Textiles, Apparel & Luxury Goods - 1.4%		
VF Corp.	10,000	820,400
TOTAL COMMON STOCKS (Cost $26,672,814)		58,399,375
SHORT-TERM INVESTMENT - 2.8%		
Money Market Fund - 2.8%		
Invesco Short-Term Investments Trust - Government & Agency Portfolio - Institutional Shares, 0.03% (b)	1,673,280	1,673,280
TOTAL SHORT-TERM INVESTMENT (Cost $1,673,280)		1,673,280
Total Investments - 100.2% (Cost $28,346,094)		60,072,655
Liabilities in Excess of Other Assets - (0.2)%		(120,172)
TOTAL NET ASSETS - 100.0%		$59,952,483

(a) Non-income producing security.
(b) The rate quoted is the annualized seven-day yield of the Fund at period end.

Investments are classified by industry pursuant to the Global Industry Classification Standard (GICS®), which was developed by and/or is the exclusive property of Morgan Stanley Capital International, Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P"). GICS is a service mark of MSCI and S&P and has been licensed for use by U.S. Bancorp Fund Services, LLC.

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

Statement of Assets and Liabilities
June 30, 2021 (Unaudited)

LKCM Aquinas Catholic Equity Fund	
Assets	
Investments, at value*	$60,072,655
Dividends and interest receivable	37,796
Receivable for Fund shares sold	12,000
Prepaid expenses and other assets	8,757
Total assets	60,131,208
Liabilities	
Payable for investment advisory fees (Note B)	73,748
Payable for distribution expense (Note B)	27,556
Payable for administrative fees	8,029
Payable for accounting and transfer agent fees and expenses	10,911
Payable for professional fees	12,745
Payable for custody fees and expenses	384
Payable for reports to shareholders	4,663
Payable for trustees' fees and officer compensation (Note B)	3,329
Payable for Fund shares redeemed	37,155
Accrued expenses and other liabilities	205
Total liabilities	178,725
Net assets	$59,952,483
Net assets consist of:	
Paid-in capital	$21,266,860
Total distributable earnings	38,685,623
Net assets	$59,952,483
Shares of beneficial interest outstanding (unlimited shares of no par value authorized)	2,999,140
Net asset value per share (offering and redemption price)	$ 19.99
* Cost of Investments	$28,346,094

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

Statement of Operations
Six Months Ended June 30, 2021 (Unaudited)

	LKCM Aquinas Catholic Equity Fund
Investment Income:	
Dividends*	$ 344,927
Interest	132
Total investment income	345,059
Expenses:	
Investment advisory fees (Note B)	253,884
Administrative fees	25,351
Accounting and transfer agent fees and expenses	37,799
Distribution expense (Note B)	28,209
Professional fees	11,716
Trustees' fees and officer compensation (Note B)	14,196
Federal and state registration	13,458
Custody fees and expenses	2,853
Reports to shareholders	5,882
Other	926
Total expenses	394,274
Less, expense waiver and/or reimbursement (Note B)	(112,180)
Net expenses	282,094
Net investment income	62,965
Realized and Unrealized Gain:	
Net realized gain on:	
Investments	$5,808,106
Net change in unrealized appreciation on:	
Investments	1,550,024
Net Realized and Unrealized Gain	7,358,130
Net Increase in Net Assets Resulting from Operations	$7,421,095

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

Statements of Changes in Net Assets

LKCM Aquinas Catholic Equity Fund

	Six Months Ended June 30, 2021 (Unaudited)	*Year Ended December 31, 2020*
Operations:		
Net investment income	$ 62,965	$ 168,991
Net realized gain	5,808,106	4,536,968
Net change in unrealized appreciation	1,550,024	5,819,393
Net increase in net assets resulting from operations	7,421,095	10,525,352
Net Dividends and Distributions to Shareholders	—	(3,408,224)
Net decrease in net assets from Fund share transactions	(1,330,501)	(663,370)
Total increase in net assets	6,090,594	6,453,758
Net Assets:		
Beginning of period	53,861,889	47,408,131
End of period	$59,952,483	$53,861,889

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

Financial Highlights
Selected Data for Each Share of Capital Stock Outstanding

	LKCM Aquinas Catholic Equity Fund					
	Six Months Ended June 30, 2021 (Unaudited)	*Year Ended December 31,*				
		2020	*2019*	*2018*	*2017*	*2016* [1]
Net Asset Value – Beginning of Period	$ 17.53	$ 15.06	$ 12.80	$ 17.19	$ 15.40	$ 15.17
Net investment income	0.02[2]	0.06[2]	0.07[2]	0.06[2]	0.05	0.04
Net realized and unrealized gain (loss) on investments	2.44	3.59	3.92	(1.46)	3.16	1.41
Total from investment operations	2.46	3.65	3.99	(1.40)	3.21	1.45
Dividends from net investment income	—	(0.06)	(0.08)	(0.07)	(0.05)	(0.04)
Distributions from net realized gains	—	(1.12)	(1.65)	(2.92)	(1.37)	(1.18)
Total dividends and distributions	—	(1.18)	(1.73)	(2.99)	(1.42)	(1.22)
Net Asset Value – End of Period	$ 19.99	$ 17.53	$ 15.06	$ 12.80	$ 17.19	$ 15.40
Total Return	14.03%[3]	24.28%	31.16%	-7.96%	20.79%	9.52%
Ratios and Supplemental Data:						
Net assets, end of period (thousands)	$ 59,952	$ 53,862	$ 47,408	$ 45,332	$ 71,058	$ 62,997
Ratio of expenses to average net assets:						
Before expense waiver and/or reimbursement	1.40%[4]	1.48%	1.51%	1.44%	1.43%	1.66%
After expense waiver and/or reimbursement	1.00%[4]	1.00%	1.00%	1.00%	1.00%	1.23%[5]
Ratio of net investment income (loss) to average net assets:						
Before expense waiver and/or reimbursement	(0.18)%[4]	(0.12)%	(0.05)%	(0.12)%	(0.14)%	(0.15)%
After expense waiver and/or reimbursement	0.22%[4]	0.36%	0.46%	0.32%	0.29%	0.28%[5]
Portfolio turnover rate	11%[3]	17%	12%	14%	18%	18%

(1) Effective upon the close of business on July 29, 2016, the LKCM Aquinas Growth Fund and the LKCM Aquinas Small Cap Fund were reorganized into the LKCM Aquinas Value Fund and the Fund was renamed the LKCM Aquinas Catholic Equity Fund. Activity after July 29, 2016 reflects the Funds' combined operations.
(2) Net investment income per share represents net investment income divided by the average shares outstanding throughout the period.
(3) Not annualized.
(4) Annualized.
(5) Effective August 1, 2016, the Fund's investment adviser contractually agreed to lower the expense cap for the Fund from 1.50% to 1.00% of the Fund's average daily net assets and the fees charged under the Fund's Rule 12b-1 plan changed from 0.25% per annum to 0.10% per annum as of August 1, 2016.

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 statutory trust on February 10, 1994 and consists of seven diversified series as of June 30, 2021, one of which is presented herein: the LKCM Aquinas Catholic Equity Fund (the "Fund"). On July 11, 2005, the LKCM Aquinas Funds acquired the assets and assumed the liabilities of the Aquinas Funds. Effective upon the close of business on July 29, 2016, the LKCM Aquinas Small Cap Fund and the LKCM Aquinas Growth Fund reorganized into the LKCM Aquinas Value Fund, which changed its name immediately thereafter to the LKCM Aquinas Catholic Equity Fund and its investment strategies and expenses, including the expense limitation agreement, changed to the investment strategies and expenses, including the expense limitation agreement, of the LKCM Aquinas Catholic Equity Fund. The Fund is subject to expenses pursuant to the Rule 12b-1 plan described in Note B. The Fund charges a 1% redemption fee for redemptions of Fund shares held for less than 30 days, unless otherwise determined by the Fund in its discretion.

The LKCM Aquinas Catholic Equity Fund seeks to maximize long-term capital appreciation, while incorporating Catholic values investing principles in the investment process. The LKCM Aquinas Catholic Equity Fund seeks to achieve its investment objective by investing under normal circumstances at least 80% of its net assets (plus any borrowings for investment purposes) in equity securities of companies that Luther King Capital Management Corporation (the "Adviser") believes are likely to have above-average growth in revenue and/or earnings, above-average returns on shareholders' equity, potential for above-average capital appreciation, and/or companies the Adviser believes have attractive relative valuations.

The Fund practices socially responsible investing within the framework provided by the United States Conference of Catholic Bishops' Socially Responsible Investment Guidelines (the "Guidelines"). The 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 may conflict with the Guidelines, and/or potentially excluding from the Fund's portfolio 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 Fund for policies on various issues contemplated by the Guidelines. If the 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 Fund in preparation of the financial statements. The Fund is an investment company and, accordingly, follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board Accounting Standards Codification Topic 946, *Investment Companies*.

1. Security Valuation: Equity securities listed or traded on a U.S. securities exchange for which market quotations are readily available are valued at the last quoted sale price on the exchange on which the security is primarily traded. Nasdaq Global Market securities are valued at the Nasdaq Official Closing Price ("NOCP"). Unlisted U.S. equity securities and listed U.S. equity securities not traded on a particular valuation date are valued at the mean of the most recent quoted bid and ask price on the relevant exchanges or markets. Equity securities listed on a foreign exchange for which market quotations are readily available are valued at the last quoted sales price on the exchange on which the security is primarily traded. Debt securities are normally valued at the mean of the closing bid and ask price and/or by using a combination of broker quotations or evaluated prices provided by an independent pricing service. Futures and options on futures are valued at the settlement prices established each day on the principal exchange on which they are traded. Forward contracts are valued based on the forward rate using information provided by an independent pricing service. Other assets and securities for which no market or broker quotations or evaluated prices are readily available are valued in good faith at fair value using guidelines approved by the Board of Trustees. The Board of Trustees has established policies and procedures that authorize the Adviser to fair value a security in good faith under certain circumstances. The Fund may use prices provided by independent pricing services to assist in the fair valuation of the Fund's 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. As of June 30, 2021, the Fund's assets carried at fair value were classified as follows:

LKCM Aquinas Catholic Equity Fund

Description	Level 1	Level 2	Level 3	Total
Common Stocks	$58,399,375	$ —	$ —	$58,399,375
Short-Term Investment	1,673,280	—	—	1,673,280
Total Investments*	$60,072,655	$ —	$ —	$60,072,655

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

2. Federal Income Taxes: The Fund has elected to be treated as a "regulated investment company" under Subchapter M of the Internal Revenue Code and the 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 Fund generally intends to declare and pay income dividends and distribute net capital gain, 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 securities of U.S. issuers. 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 in the Trust 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 Fund enters into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims against the Fund that have not yet occurred. Based on experience, the Fund expects the risk of loss to be remote.

8. Security Transactions and Investment Income: 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. Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable jurisdiction's tax rules and rates. 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. The Fund may hold the securities of real estate investment trusts ("REITs"). Distributions from such investments may include income, capital gains and return of capital.

9. Other: Distributions from net investment income and realized capital gains are determined in accordance with income tax regulations, which may differ from U.S. GAAP. Certain capital accounts in the consolidated financial statements are periodically adjusted for permanent differences in order to reflect their tax character. These permanent differences are primarily due to the varying treatment of income and gain/loss on portfolio securities held by the Fund and have no impact on net assets or NAV per share.

10. Restricted and Illiquid Securities: The Fund is permitted to invest in securities that are subject to legal or contractual restrictions on resale including investments considered by the Fund to be illiquid. Restricted securities generally may be resold in transactions exempt from registration. Illiquid investments are investments that the Fund reasonably expects cannot be sold or disposed of in current market conditions within seven calendar days or less in the ordinary course of business without the sale or disposition significantly changing the market value of the investment. A security may be considered illiquid if it lacks a readily available market or if its valuation has not changed for a certain period of time. Disposal of these securities may involve time-consuming negotiations and expense, and prompt sale at the current valuation may be difficult.

B. Investment Advisory and Other Agreements: The Adviser serves as the investment adviser to the Fund under an Investment Advisory Agreement (the "Agreement"). The Adviser receives a fee, computed daily and payable quarterly, at the annual rate presented below as applied to the Fund's average daily net assets. The Adviser has contractually agreed to waive all or a portion of its management fee and/or reimburse expenses of the Fund through May 1, 2022 in order to limit the Fund's operating expenses to the annual cap rate identified below. This expense limitation excludes interest, taxes, brokerage commissions, indirect fees and expenses relating to investments in other investment companies, including money market funds, and extraordinary expenses.

For the six months ended June 30, 2021, the Adviser waived the following management fees and/or reimbursed expenses to meet its expense cap obligations:

	LKCM Aquinas Catholic Equity Fund
Annual Management Fee Rate	0.90%
Annual Cap on Expenses	1.00%
Fees Waived and/or Expenses Reimbursed for the Six Months Ended June 30, 2021	$112,180

The Trust reimburses the Adviser for a portion of compensation paid to the Trust's Chief Compliance Officer. This compensation is reported as part of the "Trustees fees and officer compensation" expense on the Statement of Operations.

U.S. Bancorp Fund Services, LLC ("U.S. Bancorp"), doing business as U.S. Bank Global Fund Services, serves as transfer agent and administrator for the Fund and serves as accounting services agent for the Fund. U.S. Bank, N.A. serves as custodian for the Fund.

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

On July 7, 2021, Foreside Financial Group, LLC ("Foreside"), the parent company of Quasar, announced that it had entered into a definitive purchase and sale agreement with an affiliate of Genstar Capital ("Genstar") pursuant to which Genstar would acquire a majority stake in Foreside (the "Transaction"). The Transaction is deemed to constitute a change in control of Foreside under the 1940 Act. As a result, the Transaction, which is expected to close at the end of the third quarter of 2021, will result in the assignment and termination of the distribution contract with Quasar. Quasar is expected to remain the Fund's distributor after the close of the Transaction, subject to approval of the Board of Trustees of a new distribution agreement between the Fund, Quasar and the Adviser.

The Trust has adopted a Rule 12b-1 plan for the Fund, under which the Fund may pay an annualized fee of up to 1.00% of its average daily net assets for distribution and other services. However, the Board of Trustees has currently only authorized an annual fee of 0.10% of the average daily net assets for the Fund. Prior to August 1, 2016, the Fund assessed an annual Rule 12b-1 fee of 0.25% of the average daily net assets for the Fund. For the period ended June 30, 2021, fees incurred by the Fund pursuant to the 12b-1 Plan were $28,209.

C. Fund Shares: At June 30, 2021, there was an unlimited number of shares of beneficial interest, no par value, authorized for the Fund. The following table summarizes the activity in shares of the Fund:

	Six Months Ended June 30, 2021		Year Ended December 31, 2020	
	Shares	Amount	Shares	Amount
Shares sold	74,018	$ 1,417,925	131,291	$ 2,112,948
Shares issued to shareholders in reinvestment of distributions	—	—	188,041	3,279,433
Shares redeemed	(146,609)	(2,748,434)	(396,131)	(6,055,975)
Redemption fee		8		224
Net decrease	(72,591)	$(1,330,501)	(76,799)	$ (663,370)
Shares Outstanding:				
Beginning of period	3,071,731		3,148,530	
End of period	2,999,140		3,071,731	

D. Security Transactions: Purchases and sales of investment securities, other than short-term investments, for the Fund for the six months ended June 30, 2021 were as follows:

Purchases		Sales	
U.S. Government	Other	U.S. Government	Other
$ —	$6,017,440	$ —	$7,764,328

E. Tax Information: At December 31, 2020, the components of accumulated earnings (losses) on a tax basis for the Fund were as follows:

Tax cost	$23,772,135
Gross unrealized appreciation	$30,176,537
Gross unrealized depreciation	—
Net unrealized appreciation	$30,176,537
Undistributed ordinary income	$ 5,437
Undistributed long-term capital gain	1,082,554
Distributable earnings	$ 1,087,991
Other accumulated losses	$ —
Total distributable earnings	$31,264,528

To the extent the Fund realizes future net capital gains, taxable distributions will be reduced by any unused capital loss carryforwards as permitted by the Internal Revenue Code. At December 31, 2020, the Fund had no capital loss carryforwards.

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

	Six Months Ended June 30, 2021		Year Ended December 31, 2020	
	Ordinary Income	Long-Term Capital Gains	Ordinary Income	Long-Term Capital Gains
LKCM Aquinas Catholic Equity Fund	$ —	$ —	$169,007	$3,239,217

The Fund designated earnings and profits distributed to shareholders upon the redemption of shares during 2020 in determining undistributed net capital gains as of December 31, 2020.

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 Fund's financial position or results of operations. Tax years that remain open to examination by major tax jurisdictions include tax years ended December 31, 2017 through December 31, 2020. 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, 2020. The Fund is 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 Fund would recognize interest accrued related to unrecognized tax benefits in "interest expense" and penalties in "other expense" on the statement of operations.

F. Other Matters: The global outbreak of COVID-19 and the ensuing pandemic has adversely impacted global economic and commercial activity and has contributed to significant volatility and uncertainty in global financial markets. The global impact of the COVID-19 pandemic continues to rapidly evolve and its long-term implications for economies, markets, sectors, industries and issuers remains uncertain. The financial and operational performance of the issuers of securities in which the Fund invests depends upon future developments with respect to the COVID-19 pandemic, including, without limitation, the scope, duration and spread of COVID-19 as well as the development, efficacy and administration of COVID-19 vaccines, and such future developments and uncertainties with respect thereto may adversely affect, among other things, the value and liquidity of the Fund's investment, the Fund's ability to satisfy redemption requests, and Fund's financial and operational performance.

G. Accounting Pronouncement: In December 2020, the SEC adopted a new rule providing a framework for fund valuation practices ("Rule 2a-5"). Rule 2a-5 establishes requirements for determining fair value in good faith for purposes of the 1940 Act. Rule 2a-5 will permit fund boards to designate certain parties to perform fair value determinations, subject to board oversight and certain other conditions. Rule 2a-5 also defines when market quotations are "readily available" for purposes of the 1940 Act and the threshold for determining whether a fund must fair value a security. In connection with Rule 2a-5, the SEC also adopted related recordkeeping requirements and is rescinding previously issued guidance, including with respect to the role of a board in determining fair value and the accounting and auditing of fund investments. The Fund will be required to comply with the rules by September 8, 2022. Management is currently assessing the potential impact of Rule 2a-5 on the Fund's financial statements.

H. Subsequent Events: In preparing these financial statements, management has evaluated the Fund's related events and transactions that occurred subsequent to June 30, 2021 through the date the financial statements were issued and has determined that there were no significant subsequent events requiring recognition or disclosure in the financial statements.

Additional Information

June 30, 2021 (Unaudited)

Availability of Proxy Voting Information: A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to its portfolio securities, as well as information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, 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 period ended June 30 (as filed with the SEC on Form N-PX) are available without charge, upon request, by calling the Fund toll free at 1-800-423-6369 or by accessing the SEC's website at www.sec.gov.

Availability of Quarterly Portfolio Schedule: The Fund files a complete schedule of portfolio holdings with the U.S. Securities and Exchange Commission (the "SEC") for the first and third quarters of each fiscal year on Part F of Form N-PORT. The Fund's Part F of Form N-PORT is available on the SEC's website at www.sec.gov and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-732-0330. The Fund's Part F of Form N-PORT may also be obtained by calling toll-free 1-800-423-6369.

RENEWAL OF INVESTMENT ADVISORY AGREEMENT WITH RESPECT TO LKCM AQUINAS CATHOLIC EQUITY FUND

Introduction. At a meeting held on February 24, 2021, the Board of Trustees of LKCM Funds, including the independent Trustees (the "Board"), approved the renewal of the Investment Advisory Agreement (the "Agreement") between Luther King Capital Management Corporation ("LKCM") and LKCM Funds, on behalf of the LKCM Aquinas Catholic Equity Fund (the "Fund").

In voting to approve the renewal of the Agreement, the Board considered information furnished throughout the year at regularly scheduled Board meetings, as well as information prepared specifically in connection with the annual renewal process. The Board also considered the overall fairness of the Agreement and factors it deemed relevant with respect to the Fund, including, but not limited to: (1) the nature, extent and quality of the services provided to the Fund; (2) the performance of the Fund as compared to a relevant benchmark and peer group of funds compiled by Lipper, Inc. ("Lipper"); (3) the contractual advisory fee rate, actual advisory fee rate and net expense ratio of the Fund and how those compared to a peer group of funds compiled by Broadridge Financial Solutions, Inc. ("Broadridge"); (4) the costs of services provided to the Fund and the profitability of LKCM with respect to such services; (5) the extent to which economies of scale would be realized by LKCM as the Fund grows and whether the fee levels reflect economies of scale for the benefit of investors; and (6) any other benefits derived by LKCM from its relationship with the Fund. The Board did not identify any single factor or item of information as controlling, and each Board member may have accorded different weights to the various factors in reaching his conclusions with respect to the Agreement.

In considering the renewal of the Agreement, the Board requested and considered a broad range of information provided by LKCM, including, but not limited to, the Fund's Catholic values investing mandate, reports relating to the Fund's performance and expenses, certain portfolio compliance policies and the background and experience of the portfolio managers. In addition, the Board considered a memorandum from its legal counsel regarding the Board's legal duties in considering the renewal of the Agreement. The Board also meets each quarter to review the Fund's performance and expenses and various aspects of the Fund's operations.

Nature, Extent and Quality of Services. The Board reviewed and considered the nature, extent and quality of the advisory services provided by LKCM to the Fund under the Agreement. The Board considered that LKCM was established in 1979 and provides investment management services to private funds, foundations, endowments, pension plans, trusts, estates, high net worth individuals and other clients. The Board recognized that LKCM is responsible for managing the Fund, including identifying investments for the Fund, monitoring the Fund's investment program, executing trades and overseeing the Fund's performance and compliance with applicable rules and regulations and the Fund's investment policies. The Board considered LKCM's financial resources, insurance coverage, culture of compliance and compliance operations that support the Fund. The Board also considered LKCM's representation that it has invested considerable resources into the firm and its personnel to augment investment management and client service. The Board reviewed information regarding the portfolio managers and other key personnel who provide services to the Fund and considered LKCM's representation that the firm historically has experienced low personnel turnover. The Board also considered LKCM's representation that the firm has implemented a compensation structure designed to attract and retain highly qualified investment professionals.

The Board also reviewed the compliance services provided to the Fund by LKCM, including LKCM's oversight of the Fund's day-to-day operations. The Board considered the quality of LKCM's compliance personnel. In addition, the Board considered LKCM's summary of its oversight of the Fund's key service providers. The Board also considered LKCM's description of its best execution practices and noted LKCM's representation that its soft-dollar and commission-sharing arrangements for client transactions (including those for the Fund) comply with the requirements of the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

Performance of the Fund. The Board considered the performance of the Fund compared to the Fund's benchmark index, the S&P 500 Index ("benchmark"), a peer group of funds compiled by Broadridge and Lipper, and a Lipper peer group index ("Lipper Index") for various time periods ended December 31, 2020. The Board noted that, in 2016, upon the closing of the reorganizations of the LKCM Aquinas Small Cap Fund and LKCM Aquinas Growth Fund into the Fund (the "Reorganization"), the Fund's name, investment strategies, expenses, benchmark index and Lipper index changed and considered this in reviewing the Fund's longer-term performance against its current benchmark and Lipper Index. The Board also considered LKCM's discussion of the Fund's performance.

The Board noted that the Fund outperformed its current benchmark for the one-year and three-year periods, but underperformed its benchmark for the five-year, ten-year and since-inception periods. The Board also noted that the Fund outperformed its Lipper Index for the one-year, three-year and five-year periods, but underperformed its Lipper Index for the ten-year and since-inception periods. In considering the comparative performance data, the Board noted that the Fund is managed in accordance with its Catholic values investing guidelines, which restrict the Fund's investments and generally are not applicable to the benchmark or the funds included in the Lipper Index. The Board noted LKCM's representation that the Fund's stringent investment criteria and value investing strategy prior to the Reorganization contributed to longer-term underperformance. The Board also considered certain additional factors cited by LKCM as contributing to or detracting from the Fund's performance during the prior year.

Fees and Expenses. The Board considered the contractual advisory fee rate, effective advisory fee rate (the contractual advisory fee rate net of fee waivers and/or expense reimbursements), total expense ratio and net expense ratio (the total expense ratio, including Rule 12b-1 fees and non-Rule 12b-1 service fees, after fee waivers and/or expense reimbursements) of the Fund. The Board also considered that LKCM had contractually agreed to continue the current fee waiver and expense cap in effect for the Fund through May 1, 2021, and that LKCM intends to propose at the upcoming Board meeting that it will contractually agree to continue the current fee waiver and expense cap for the Fund through May 1, 2022.

The Board compared the Fund's contractual advisory fee rate, effective advisory fee rate and net expense ratio to a category of similar funds compiled by Broadridge ("Expense Group") and a broader category comprised of the Fund, the Expense Group and other similar retail funds ("Expense Universe"). The Broadridge reports did not include a comparison of the Fund's contractual advisory fee rate relative to the Expense Universe. For the Expense Group, contractual advisory fee rates were compared at the Fund's net asset level. The first quartile in an Expense Group and Expense Universe represents those funds with the lowest fees or expenses.

The Board noted that the Fund's contractual advisory fee rate was in the third quartile of its Expense Group and the Fund's effective advisory fee rate was in the first quartile of its Expense Group and Expense Universe. The Board also considered that the Fund's net expense ratio was in the second quartile of its Expense Group and third quartile of its Expense Universe. In this case, the Fund's contractual advisory fee rate was higher than the median of its Expense Group, its effective advisory fee rate was lower than the median of its Expense Group and Expense Universe, and its net expense ratio was equal to the median of its Expense Group and higher than the median of its Expense Universe.

The Board considered that, although the Fund's contractual advisory fee rate was higher than those of its peers, the expense cap arrangements caused the Fund's effective advisory fee rate to be lower than, or in line with, those of its peers.

Costs, Profitability and Economies of Scale. The Board considered LKCM's costs in rendering services to the Fund and the profitability of LKCM. The Board reviewed the fees paid by the Fund to LKCM for the last three calendar years. The Board also reviewed the estimated profit and loss statement provided by LKCM for the past calendar year, before and after any distribution payments made by LKCM. The Board noted that, during the year, LKCM had invested significant resources to cap the Fund's net expense ratio and facilitate the distribution of the Fund. With respect to economies of scale, the Board considered that the Fund generally benefits from a competitive effective advisory fee rate and net expense ratio despite not having reached an asset size at which economies of scale traditionally would be considered to exist. The Board also considered that, while there are no breakpoints in the Fund's advisory fee rate schedule, LKCM waives fees and/or reimburses expenses to maintain the Fund's effective advisory fee rate and net expense ratio at a competitive level.

Benefits Derived by LKCM from Its Relationship with the Fund. The Board requested and considered information regarding the potential fall-out benefits to LKCM from its association with the Fund. The Board noted that LKCM believes that both LKCM and the Fund benefit from LKCM's soft-dollar and commission-sharing arrangements, which enhance the level of research that LKCM performs on the Fund's portfolio companies. The Board also noted that LKCM believes its relationship with the Fund provides an indirect benefit to both parties in the form of enhanced recognition among institutional and other investors, consultants and other members of the financial community. The Board considered the indirect benefits to LKCM of this recognition, in the form of additional clients with separately managed portfolios or subadvisory relationships with other mutual funds, which also may attract additional investors to the Fund.

Conclusion. Based on its evaluation of these and other factors, the Board: (1) concluded that the fees paid to LKCM under the Agreement are fair and reasonable; (2) determined that shareholders would benefit from LKCM's continued management of the Fund; and (3) approved the renewal of the Agreement.

ANNUAL REPORT REGARDING LIQUIDITY RISK MANAGEMENT PROGRAM

Pursuant to Rule 22e-4 under the Investment Company Act of 1940, as amended (the "Liquidity Rule"), LKCM Funds (the "Trust") has adopted a liquidity risk management program ("Program"). The Program sets forth the Trust's policies and procedures with respect to the management of liquidity risk for the separate series of the Trust (each, a "Fund"). Liquidity risk is generally defined as the risk that a Fund could not meet a request to redeem shares issued by the Fund without significant dilution of the interest of the remaining shareholders of the Fund.

As required by the Liquidity Rule, the Program addresses: (1) the assessment, management and periodic review of each Fund's liquidity risk; (2) the liquidity classification of each Fund's portfolio investments as a highly liquid, moderately liquid, less liquid or illiquid investment; (3) the determination of a highly liquid investment minimum ("HLIM") for a Fund that does not primarily hold highly liquid investments, and procedures to respond to a shortfall in a Fund's HLIM; (4) a limitation on each Fund's investment in illiquid investments of 15% of the Fund's net assets; and (5) redemptions in kind.

The Trust's board of trustees ("Board") has reviewed and approved the Program. The Board has designated Luther King Capital Management Corporation ("LKCM"), the Trust's investment adviser, as the Program administrator ("Administrator") with responsibility for administering the Program.

At a meeting of the Board held on May 25, 2021, the Board reviewed a written report ("Report") from the Administrator addressing the operation of the Program and assessing the adequacy and effectiveness of its implementation, for the period April 1, 2020 through March 31, 2021 (the "Reporting Period"). The Report reflected that each Fund was invested primarily in highly liquid assets and had sufficient cash flows to manage its liquidity requirements, and no liquidity events impacting a Fund's ability to timely meet redemption requests occurred during the Reporting Period. The Report stated that no material changes had been made to the Program during the Reporting Period, and concluded that the Program continues to be adequate and effective in managing the Funds' liquidity risks and otherwise maintaining compliance with the Liquidity Rule.

LKCM FUNDS
PRIVACY NOTICE

Our Commitment to Your Privacy

At LKCM Funds, we are committed to safeguarding the confidentiality and privacy of nonpublic personal information about our current and former shareholders. This privacy notice describes the types of nonpublic personal information we collect about you and the sources through which we obtain this information, the purposes for which we obtain and use your nonpublic information, and the policies and procedures we have implemented to protect the privacy of your nonpublic personal information.

How We Protect Your Nonpublic Personal Information

Protecting your nonpublic personal information is an important priority at LKCM Funds. Accordingly, we have implemented policies and procedures designed to safeguard your nonpublic personal information, such as your tax identification number, account and investment history, account numbers, account balances and nonpublic contact information, from unauthorized access or use. Pursuant to these policies and procedures, we maintain various physical, technological, and administrative safeguards to protect the security and confidentiality of your nonpublic 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 non-affiliated firms, organizations or individuals except as authorized by you or your representatives or as required or permitted by law. We may disclose nonpublic personal information about you to nonaffiliated third parties, such as custodians, brokers, auditors, accountants, and systems and administrative service providers, in connection with the services we provide to you or on your behalf. When we provide nonpublic personal information about you to nonaffiliated third parties for these purposes, we expect them to safeguard your nonpublic personal information, use your nonpublic personal information only for the intended purposes and otherwise abide by applicable law.

How We Obtain Your Nonpublic Personal Information

We collect nonpublic personal information about you from various sources, including documents, new account applications and other information that you or your representatives, custodians, attorneys, accountants or similar parties provide to us, communications that we have with you or your representatives, custodians, attorneys, accountants or similar parties, and documents and other information related to your accounts or investment experience with us.

Please do not hesitate to contact Jacob D. Smith, our Chief Compliance Officer, if you have any questions regarding this privacy notice or the measures we have implemented to protect the privacy of your nonpublic personal information.

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Investment Adviser

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