

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name LKCM Funds - Aquinas Small Cap Fund		2 Issuer's employer identification number (EIN) 75-2510016	
3 Name of contact for additional information Richard Lenart		4 Telephone No. of contact 817-348-1282	5 Email address of contact rlenart@lkcm.com
6 Number and street (or P.O. box if mail is not delivered to street address) of contact c/o U.S. Bancorp Fund Services, LLC, 615 E. Michigan Street		7 City, town, or post office, state, and Zip code of contact Milwaukee, WI 53202	
8 Date of action 7/29/2016		9 Classification and description NONTAXABLE CORPORATE REORGANIZATION - MERGER	
10 CUSIP number 501885800	11 Serial number(s)	12 Ticker symbol AQBLX	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ ON JULY 29, 2016 THE AQUINAS GROWTH FUND (AQEGX) AND THE AQUINAS SMALL CAP FUND (AQBLX) MERGED INTO THE AQUINAS CATHOLIC EQUITY FUND (AQEIX) IN A NONTAXABLE REORGANIZATION UNDER SECTION 368(a) OF THE INTERNAL REVENUE CODE. AS A RESULT OF THE MERGER, SHAREHOLDERS OF AQUINAS SMALL CAP FUND EXCHANGED THEIR SHARES FOR 0.392949 SHARES OF AQUINAS CATHOLIC EQUITY FUND.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ SHAREHOLDERS OF AQUINAS SMALL CAP FUND RECEIVED .392949 SHARES OF AQUINAS CATHOLIC EQUITY FUND FOR EVERY SHARE OF AQUINAS SMALL CAP FUND EXCHANGED IN THE NONTAXABLE REORGANIZATION. THE SHAREHOLDERS TOTAL COST BASIS REMAINED THE SAME AFTER THE REORGANIZATION. THE SHAREHOLDERS COST BASIS OF THEIR NEWLY ACQUIRED AQUINAS CATHOLIC EQUITY FUND SHARES AFTER THE MERGER IS EQUAL TO THEIR PREVIOUS PER SHARE BASIS IN AQUINAS SMALL CAP FUND PRIOR TO THE MERGER DIVIDED BY 0.392949. THE SHAREHOLDERS PURCHASE DATE AND HOLDING PERIOD IN THEIR NEW SHARES OF AQUINAS CATHOLIC EQUITY FUND ALSO REMAINED THE SAME AS IT WAS PRIOR TO THE MERGER.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ THE NONTAXABLE REORGANIZATION - MERGER OF AQUINAS SMALL CAP FUND INTO AQUINAS CATHOLIC EQUITY FUND ON 7/29/16 RESULTS IN NO CHANGE TO EACH SHAREHOLDERS OVERALL TOTAL COST BASIS IN ACCORDANCE TO IRC 368(a). THE SHAREHOLDERS PER COST BASIS OF THEIR NEWLY ACQUIRED SHARES AFTER THE MERGER IS EQUAL TO THEIR PREVIOUS PER SHARE BASIS PRIOR TO THE MERGER DIVIDED BY 0.392949.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC 368(a)

18 Can any resulting loss be recognized? ▶ NO LOSS CAN BE RECOGNIZED BY THE SHAREHOLDERS OF RECORD ON 7/29/16 FOR THE NONTAXABLE REORGANIZATION.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ NOT APPLICABLE

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶ _____ Date ▶ _____

Print your name ▶ _____ Title ▶ _____

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			