LKCM AQUINAS
CATHOLIC EQUITY FUND

LKCM Aquinas Catholic Equity Fund

Semi-Annual Report
June 30, 2023

Dear Fellow Shareholders:

We report the following performance information for the LKCM Aquinas Catholic Equity Fund for indicated periods ended June 30, 2023:

Fund	Inception Date	NAV @ 6/30/23	Net Expense Ratio*,**	Gross Expense Ratio**	Six Month Total Return Ended 6/30/23	One Year Total Return Ended 6/30/23	Five Year Average Annualized Return Ended 6/30/23	Ten Year Average Annualized Return Ended 6/30/23	Avg. Annual Total Return Since Incept.***
LKCM Aquinas Catholic Equity Fund(1)	07/11/2005	$16.39	1.00%	1.45%	8.90%	11.52%	9.94%	9.89%	8.28%
S&P 500® Index(2)					16.89%	19.59%	12.31%	12.86%	9.68%

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 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. Returns would have been lower if Luther King Capital Management Corporation, the Funds' investment adviser, 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. The Fund imposes a 1.00% redemption fee on shares held less than 30 days. The performance data does not reflect the deduction of the redemption fee. 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, 2024. 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. LKCM waived management fees and/or reimbursed expenses for the Fund during the six months ended June 30, 2023.

** Expense ratios above are as reported in the Fund's current prospectus dated May 1, 2023. 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.

1H2023 Review

The key domestic economic themes remained largely unchanged during the first half of 2023. Households appear to have exceptionally healthy balance sheets. We believe the self-sustaining cycle of employment, income, and spending are supporting economic growth. A recent spate of stronger economic readings appears to have allayed recession fears gauging from the recent uptick in investor sentiment and positive equity market returns. The Federal Reserve has seemingly delivered an appropriate amount of monetary tightening via higher interest rates to trigger disinflation. However, there appears to be some debate among members of the Federal Open Market Committee ("FOMC") as to the economic impact of past interest rates hikes. This debate raises the important question of whether the economy will experience the true impact of monetary tightness or more tightening will be required to reduce inflation to the Federal Reserve's stated target of 2.0%.

We believe the severe economic downturn which would have accompanied the pandemic lockdown was short circuited by massive policy stimulus. This action fueled a boom in cryptocurrencies, equity markets, real estate, and ultimately inflation. The boom then had to be countered by the current restrictive monetary policy. The Federal Reserve has tightened monetary policy at the fastest pace in four decades and the money supply is contracting for the first time since the 1940s. Reflexively, the financial dominos have fallen in the same order in which they rose with the declines in cryptocurrencies, compression of equity market values, and softer home prices last year. We believe the final step in this sequence should be the retreat of high inflation. We believe the battle against inflation has made significant progress, although official victory may yet be a year away because of the manner in which shelter inflation is measured. We believe this elevates the risk of a "policy mistake" by the Federal Reserve to the extent it believes there is much more work to be done to fight inflation.

Ironically, we think that the U.S. economy may be its most vulnerable at the time investors believe the Federal Reserve has engineered a "soft landing," or defeating inflation while avoiding a recession. As aggregate demand declines, generally contributing to lower inflation, we believe the risk of an overshoot on monetary policy rises. Thus, falling demand could eventually lead to rising unemployment. Recessions are notoriously difficult to forecast. We believe a key reason that recessions are often challenging to predict is that significant economic imbalances elicit non-linear behavior. It is similar to the observation of how a business goes bankrupt: very slowly and then all at once. Unemployment generally behaves similarly in an economic downturn, in that it historically rises very slowly, then very suddenly.

We believe the U.S. economy has been very resilient to these interest rate hikes. Over the span of fourteen months beginning in March of last year, the Federal Reserve raised its benchmark interest rate by 5.0%. This increase is the fastest pace of monetary tightening in four decades. Market rates of interest have climbed higher in response. The "prime" borrowing rate at banks is now 8.25%, up from 3.25% last March. Americans are currently paying approximately 20.1% interest on their credit card balances compared with approximately 14.6% a year ago. The interest rate on new 30-year fixed rate mortgages has more than doubled to over approximately 7.0% from the low that sparked a re-financing boom in 2020-2021.

Monetary policy is generally accepted to act with a "long and variable lag." Federal Reserve Chair Jerome Powell emphasized this important point in his November 2022 press conference. We believe that one reason for the lag is that many transactions have prices (which affect inflation) and quantities (which affect employment and output) agreed upon well in advance. We believe a key tenet to the recession case is that the U.S. economy should just now be feeling the constrictive effect of higher interest rates, fifteen months removed from the first interest rate hike.

Some policy makers have raised the question whether the U.S. economy is perhaps less interest rate sensitive than it has been in the past. Lorie Logan, Dallas Federal Reserve Bank President, recently remarked, "Some people say a lot of further cooling is in store from lagged consequences of the rate increases the FOMC has already made over the past year and a half. I'm skeptical about the potential for large additional effect from this channel." Her conclusion was that "The continuing outlook for above-target inflation and a stronger-than-expected labor market calls for more-restrictive monetary policy." In our view, the greatest economic risk is persistently elevated wage growth which typically brings further monetary tightening.

The Federal Reserve tends to break inflation into three components: goods, services (excluding shelter), and shelter. This decomposition of inflation generally leads to three very different narratives. Goods inflation (excluding food and energy) appears to have evaporated as the pandemic induced consumption binge has faded and supply chains have been repaired, with prices rising only approximately 0.45% year-over-year in May 2023. Services (excluding shelter) fell sharply to approximately 4.2% in April 2023 from approximately 5.2% in June 2022. The most significant driver of services (excluding shelter) in our view is wage growth which remains strong at approximately 4.4%. However, a leading indicator of wage growth, the number of workers that voluntarily "quit" their job, has receded which suggests wage growth should continue to decline.

We believe the Federal Reserve is going to be reluctant to declare victory too early in its battle with inflation. However, following ten consecutive interest rate hikes the Federal Reserve chose to leave its benchmark interest rate unchanged at the June 2023 meeting. We believe the greatest concern for the FOMC is likely the trajectory of wages. We think that if inflation were to stall around the current 4.1% level, it would likely be the result of the very tight labor market continuing to place upward pressure on worker pay. As a result, employment data is generally being viewed with heightened interest by investors. One strong employment reading in early July 2023 sent the yield on the 10-year Treasury back above 4.0% as bond investors appeared to anticipate a resumption of interest rate hikes at the July 2023 FOMC meeting.

The performance of the equity markets during the first half of 2023 was driven primarily by a relatively small number of companies. At the close of the first half of 2023 it would have cost just over $3 trillion to purchase all the outstanding shares of Apple – a new high-water mark for a single publicly traded company. This value of Apple stock surpassed the combined value of three of the S&P 500® Index's eleven sectors (Materials, Real Estate, and Utilities). Further, Apple alone represented approximately 7.4% of the S&P 500® Index at the end of the first half of 2023, while the ten largest companies in the S&P 500® Index constituted approximately 34.7% of the benchmark on such date (Apple, Microsoft, Alphabet, Amazon.com, NVDIA, Tesla, Berkshire Hathaway, Meta, Visa, and UnitedHealth). The S&P 500® Index is a "capitalization weighted" index which emphasizes the movements of the market values of its largest constituents. As Apple and its other large technology-related cousins have grown in value, they have exerted outsized influence on the performance of the S&P 500® Index. Seven companies accounted for nearly three quarters of the return in the S&P 500® Index during the first half of the year, while the remaining 493 companies produced roughly one quarter of the index's return. The "average" stock in the S&P 500® Index returned approximately 7.0% during the first half of the year, although almost all the gains occurred during June 2023 as the equal weighted S&P 500® Index was negative for the year at the end of May 2023.

We believe the handful of technology-related companies that have led the market higher this year have done so for a variety of reasons. First, growth stocks have generally outperformed value stocks when the economy is slowing. In our view this rotation is particularly acute given the dramatic outperformance of value stocks last year. Second, earnings growth for many of these leading companies generally is higher than the broader market. Finally, and most importantly, we observe that Generative Artificial Intelligence (GAI) has recently captured the imagination of investors as measured by the number of periodicals with GAI themed covers, including The Economist and Bloomberg Business Week. We believe much of the excitement is attributable to the introduction of ChatGPT last November by privately held OpenAI, which counts Microsoft as an investor. The launch of ChatGPT introduced "Generative

Pre-Trained Transformer" (GPT) technology to a mass audience. The free ChatGPT application reached 100 million unique users in less than two months, seven months faster than it took TikTok to reach the same milestone. We believe the impact of GAI will have an immense impact on many industries and significantly reshape portions of the U.S. economy. Although we continue to evaluate and understand how GAI will impact the investment landscape, some of our initial observations are that GAI seemingly will accelerate the trends of mass individuation, the ways in which consumers interact with companies and consume content will increasingly be personally tailored, GAI will most likely provide a step-function increase in productivity for select industries, the value of authentic experiences, such as travel and live sports, will likely rise, and new businesses will likely emerge that do not exist today anchored around harnessing GAI.

In conclusion, we believe the U.S. economy continues to exhibit signs of moderating in the wake of the pandemic stimulus boom. Our current view is that inflation will continue to methodically retreat, thereby increasing the odds of a soft landing for the U.S. economy. We believe the outstanding policy question continues to be how much more, if any, monetary tightening remains in our future, but to answer this question, the Federal Reserve will likely need to reasonably estimate the impact of actions already taken to tighten monetary policy. We believe success for the Federal Reserve in this regard would be for the current economic expansion to continue with inflation returning to their target of 2.0% and, if this is achieved, this economic cycle could join 1964, 1984, and 1993 as examples of the few times during which the Federal Reserve tightened monetary policy without sparking a recession.

LKCM Aquinas Catholic Equity Fund

During the six months ended June 30, 2023, the LKCM Aquinas Catholic Equity Fund returned 8.90% against the 16.89% return for the Fund's benchmark, the S&P 500® Index. During the first half of 2023, the Fund's relative performance benefited from underweight positions in the Healthcare, Real Estate and Utilities sectors, which was offset by an underweight position in the strongly performing Information Technology sector and an overweight position in the Energy sector. The Fund's relative performance benefited from stock selection decisions in the Healthcare, Materials, and Industrial sectors, which was offset by stock selection in the Information Technology, Consumer Discretionary, and Financials sectors. The first half of 2023 was earmarked by a variety of challenges, including the broad banking industry stock price fallout related to selective bank failures. The market capitalization weighted S&P 500® Index showed strong results largely due to a handful of mega-cap Information Technology companies, while the equal weighted S&P 500® Index showed much more muted returns. This differential in returns was at a magnitude not seen in twenty years. While the performance of the Fund's holdings within these mega-cap Information Technology companies was evident, the magnitude of concentration of these holdings within the Fund was well below the market capitalization weighted S&P 500® Index. Additionally, the Energy sector provided relatively limited returns in the first half of 2023 after being a market leader during most of 2022. We continue to maintain an overweight position in the Energy sector for the Fund and believe the fundamentals for this sector continue to support this stance.

As we continue to evaluate new investment opportunities for the Fund, some of our current efforts are focused on companies focused on reshoring their operations, potential beneficiaries of shifts in capital expenditures towards improving infrastructure, including supply chains, companies that appear poised to benefit from spending on GAI, and potential providers of alternative energy sources. In our view, large-cap and mid-cap companies with value characteristics appears less expensive than their mega-cap counterparts and have been a focus of our investment emphasis for the Fund. We also expect that companies with secure and growing dividends may be viewed more favorably in the marketplace as the year progresses. We continue to remain vigilant and believe the Fund remains well-positioned for the anticipated economic and capital market environment.

Luther King

J. Luther King, Jr., CFA, CIC
July 31, 2023

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 pages 8-9 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 and other 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 Bishops' 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.

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

Must be preceded or accompanied by a current prospectus.

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 a summary prospectus and/or the prospectus by calling 1-800-423-6369. The summary prospectus and/or prospectus should be read carefully before investing in the Fund.

Quasar Distributors, LLC, distributor.

LKCM Aquinas Catholic Equity Fund Expense Example — June 30, 2023 (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 (01/01/2023-06/30/2023).

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 transaction costs were included, your costs would have been higher.

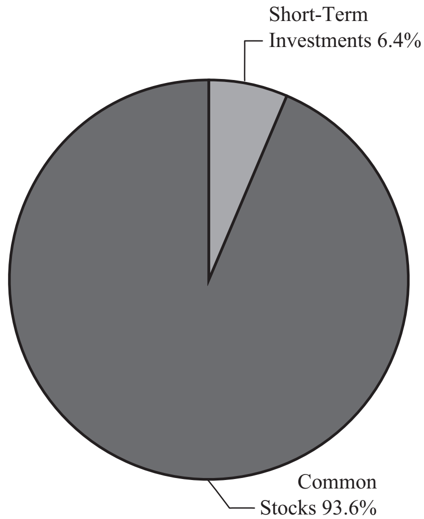
			Actual		Hypothetical (5% return before expenses)	
	Fund's Annualized Expense Ratio(1)	Beginning Account Value 01/01/2023	Ending Account Value 06/30/2023	Expenses Paid During Period(1)	Ending Account Value 06/30/2023	Expenses Paid During Period(1)
LKCM Aquinas Catholic Equity Fund	1.00%	$1,000.00	$1,089.00	$5.18	$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, 2023 (unaudited)

Percentages represent market value as a percentage of total investments.

LKCM Aquinas Catholic Equity Fund



LKCM Aquinas Catholic Equity Fund

Schedule of Investments

June 30, 2023 (Unaudited)

COMMON STOCKS - 93.5%	Shares	Value
Banks - 1.6%		
Cullen/Frost Bankers, Inc.	4,000	$ 430,120
Zions Bancorp N.A.	17,500	470,050
		900,170
Beverages - 5.2%		
Keurig Dr Pepper, Inc.	27,500	859,925
PepsiCo, Inc.	11,000	2,037,420
		2,897,345
Broadline Retail - 1.9%		
Amazon.com, Inc. (a)	8,000	1,042,880
Chemicals - 9.7%		
Air Products & Chemicals, Inc.	4,000	1,198,120
Corteva, Inc.	20,000	1,146,000
DuPont de Nemours, Inc.	12,000	857,280
Ecolab, Inc.	5,000	933,450
The Sherwin-Williams Co.	5,000	1,327,600
		5,462,450
Construction Materials - 1.6%		
Martin Marietta Materials, Inc.	2,000	923,380
Consumer Finance - 2.3%		
American Express Company	7,500	1,306,500
Electronic Equipment, Instruments & Components - 3.9%		
Teledyne Technologies, Inc. (a)	2,500	1,027,775
Trimble, Inc. (a)	22,500	1,191,150
		2,218,925
Financial Services - 0.7%		
PayPal Holdings, Inc. (a)	5,700	380,361
Food Products - 1.9%		
The Kraft Heinz Company	30,000	1,065,000
Health Care Equipment & Supplies - 4.6%		
Alcon, Inc. (b)	2,500	205,275
Neogen Corp. (a)	32,500	706,875
Stryker Corp.	5,500	1,677,995
		2,590,145
Industrial Conglomerates - 2.6%		
Honeywell International, Inc.	7,000	1,452,500
Interactive Media & Services - 4.3%		
Alphabet, Inc. - Class A (a)	20,000	2,394,000
IT Services - 2.0%		
Akamai Technologies, Inc. (a)	12,500	1,123,375
Machinery - 3.2%		
Chart Industries, Inc. (a)	7,500	1,198,425
Illinois Tool Works Inc.	2,500	625,400
		1,823,825
Marine Transportation - 2.3%		
Kirby Corp. (a)	16,500	1,269,675

COMMON STOCKS	Shares	Value
Oil, Gas & Consumable Fuels - 9.6%		
Chevron Corp.	6,500	$ 1,022,775
Devon Energy Corp.	28,000	1,353,520
Diamondback Energy Inc.	5,000	656,800
Kinder Morgan, Inc.	60,000	1,033,200
Pioneer Natural Resources Co.	6,500	1,346,670
		5,412,965
Pharmaceuticals - 3.1%		
Zoetis, Inc.	10,000	1,722,100
Professional Services - 5.0%		
Broadridge Financial Solutions, Inc.	5,500	910,965
Dun & Bradstreet Holdings, Inc.	45,000	520,650
Verisk Analytics, Inc.	6,000	1,356,180
		2,787,795
Semiconductors & Semiconductor Equipment - 1.2%		
NVIDIA Corp.	1,600	676,832
Software - 15.4%		
Adobe, Inc. (a)	3,700	1,809,263
Microsoft Corp.	7,500	2,554,050
Oracle Corp.	20,000	2,381,800
Roper Technologies, Inc.	4,000	1,923,200
		8,668,313
Specialty Retail - 6.2%		
Academy Sports & Outdoors, Inc.	22,500	1,216,125
The Home Depot, Inc.	4,000	1,242,560
Leslie’s, Inc. (a)	60,000	563,400
Petco Health & Wellness Co, Inc. (a)	50,000	445,000
		3,467,085
Technology Hardware, Storage & Peripherals - 4.1%		
Apple Inc.	12,000	2,327,640
Textiles, Apparel & Luxury Goods - 1.1%		
Tapestry, Inc.	15,000	642,000
TOTAL COMMON STOCKS		
(Cost $26,797,552)		52,555,261

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

SHORT-TERM INVESTMENTS - 6.4%	Shares	Value
Money Market Funds - 6.4%		
Fidelity Investments Money Market Government Portfolio - Class I, 4.98% (c)	271,795	$ 271,794
Invesco Short-Term Investments Trust - Government & Agency Portfolio - Institutional Shares, 5.06% (c)	1,668,505	1,668,505
MSILF Government Portfolio, 5.03% (c)	1,668,505	1,668,505
		3,608,804
TOTAL SHORT-TERM INVESTMENTS (Cost $3,608,804)		3,608,804
Total Investments - 99.9% (Cost $30,406,356)		56,164,065
Other Assets in Excess of Liabilities - 0.1%		59,637
TOTAL NET ASSETS - 100.0%		$56,223,702

(a) Non-income producing security.
(b) Security issued by non-U.S. incorporated company.
(c) 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.

Statement of Assets and Liabilities
June 30, 2023 (Unaudited)

LKCM Aquinas Catholic Equity Fund	
Assets	
Investments, at value*	$56,164,065
Dividends and interest receivable	43,544
Receivable for Fund shares sold	127,048
Prepaid expenses and other assets	6,039
Total assets	56,340,696
Liabilities	
Payable for investment advisory fees (Note B)	50,204
Payable for distribution expense (Note B)	26,908
Payable for administrative fees	3,654
Payable for accounting and transfer agent fees and expenses	12,070
Payable for trustees' fees and officer compensation (Note B)	2,779
Payable for professional fees	11,375
Payable for custody fees and expenses	1,044
Payable for reports to shareholders	8,354
Payable for Fund shares redeemed	10
Accrued expenses and other liabilities	596
Total liabilities	116,994
Net assets	$56,223,702
Net assets consist of:	
Paid-in capital	$29,132,730
Total distributable earnings	27,090,972
Net assets	$56,223,702
Shares of beneficial interest outstanding (unlimited shares of no par value authorized)	3,430,540
Net asset value per share (offering and redemption price)	$ 16.39
* Cost of Investments	$30,406,356

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

Statement of Operations

Six Months Ended June 30, 2023 (Unaudited)

	LKCM Aquinas Catholic Equity Fund
Investment Income:	
Dividends*	$ 420,067
Interest	54,320
Total investment income	474,387
Expenses:	
Investment advisory fees (Note B)	233,976
Administrative fees	23,820
Accounting and transfer agent fees and expenses	41,912
Distribution expense (Note B)	25,997
Professional fees	10,410
Trustees' fees and officer compensation (Note B)	16,913
Federal and state registration	19,270
Custody fees and expenses	3,411
Reports to shareholders	8,890
Other	1,028
Total expenses	385,627
Less, expense waiver and/or reimbursement (Note B)	(125,654)
Net expenses	259,973
Net investment income (loss)	214,414
Realized and Unrealized Gain (Loss):	
Net realized gain on:	
Investments	$1,113,416
Net change in unrealized depreciation on:	
Investments	3,205,071
Net Realized and Unrealized Loss	4,318,487
Net Decrease in Net Assets Resulting from Operations	$4,532,901
* Net of foreign taxes withheld and/or issuance fees	$ 88

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

LKCM Aquinas Catholic Equity Fund

	Six Months Ended June 30, 2023 (Unaudited)	*Year Ended December 31, 2022*
Operations:		
Net investment income	$ 214,414	$ 551,597
Net realized gain	1,113,416	2,618,670
Net change in unrealized appreciation (depreciation)	3,205,071	(14,534,879)
Net increase (decrease) in net assets resulting from operations	4,532,901	(11,364,612)
Distributions to Shareholders	—	(2,866,839)
Net increase (decrease) in net assets from Fund share transactions (Note C)	1,607,435	398,809
Total increase (decrease) in net assets	6,140,336	(13,832,642)
Net Assets:		
Beginning of period	50,083,366	63,916,008
End of period	$56,223,702	$ 50,083,366

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, 2023 (Unaudited)	*Year Ended December 31,*				
		2022	*2021*	*2020*	*2019*	*2018*
Net Asset Value – Beginning of Period	$ 15.05	$ 19.52	$ 17.53	$ 15.06	$ 12.80	$ 17.19
Net investment income[1]	0.06	0.17	0.05	0.06	0.07	0.06
Net realized and unrealized gain (loss) on investments	1.28	(3.72)	4.40	3.59	3.92	(1.46)
Total from investment operations	1.34	(3.55)	4.45	3.65	3.99	(1.40)
Distributions from net investment income	—	(0.18)	(0.05)	(0.06)	(0.08)	(0.07)
Distributions from net realized gains	—	(0.74)	(2.41)	(1.12)	(1.65)	(2.92)
Total dividends and distributions	—	(0.92)	(2.46)	(1.18)	(1.73)	(2.99)
Redemptions	0.00[4]	—	—	—	—	—
Net Asset Value – End of Period	$ 16.39	$ 15.05	$ 19.52	$ 17.53	$ 15.06	$ 12.80
Total Return	8.90%[2]	-18.17%	25.34%	24.28%	31.16%	-7.96%
Ratios and Supplemental Data:						
Net assets, end of period (thousands)	$56,224	$ 50,083	$ 63,916	$ 53,862	$ 47,408	$ 45,332
Ratio of expenses to average net assets:						
Before expense waiver and/or reimbursement	1.48%[3]	1.45%	1.40%	1.48%	1.51%	1.44%
After expense waiver and/or reimbursement	1.00%[3]	1.00%	1.00%	1.00%	1.00%	1.00%
Ratio of net investment income (loss) to average net assets:						
Before expense waiver and/or reimbursement	0.34%[3]	(0.57)%	0.15%	(0.12)%	(0.05)%	(0.12)%
After expense waiver and/or reimbursement	0.82%[3]	1.02%	0.25%	0.36%	0.46%	0.32%
Portfolio turnover rate	7%[2]	23%	18%	17%	12%	14%

(1) Net investment income per share represents net investment income divided by the average shares outstanding throughout the period.
(2) Not Annualized.
(3) Annualized.
(4) Amount rounds to less than $0.005 per share.

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 statutory trust on February 10, 1994 and consists of seven diversified series as of June 30, 2023, 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 contracts and options on futures contracts 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. Rule 2a-5 under the Investment Company Act of 1940 (the "Valuation Rule") establishes requirements for determining fair value in good faith for purposes of the Investment Company Act of 1940, including related oversight and reporting requirements. The Valuation Rule also defines when market quotations are "readily available" for purposes of the Investment Company Act of 1940, the threshold for determining whether a security must be fair valued. The Valuation Rule permits the Fund's board to designate the Fund's investment adviser as "valuation designee" to perform the Fund's fair value determinations subject to board oversight and certain reporting and other requirements intended to ensure that the registered investment company's board receives the information it needs to oversee the investment adviser's fair value determinations. The Board has designated the Adviser as valuation designee under the Valuation Rule to perform fair value functions in accordance with the requirements of the Valuation Rule. The Adviser may value securities at fair value in good faith pursuant to the Adviser's and the Fund's procedures. The Adviser 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, 2023, 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	$52,555,261	$ —	$ —	$52,555,261
Short-Term Investments	3,608,804	—	—	3,608,804
Total Investments*	$56,164,065	$ —	$ —	$56,164,065

* 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, 2024 in order to limit the Fund's operating expenses to the annual cap rate presented 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, 2023, 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 in 2023	$125,654

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.

The Trust has adopted a Distribution Plan pursuant to Rule 12b-1 under the 1940 Act 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 six months ended June 30, 2023, fees incurred by the Fund pursuant to the 12b-1 Plan were $25,997.

C. Fund Shares: At June 30, 2023, 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, 2023		Year Ended December 31, 2022	
	Shares	Amount	Shares	Amount
Shares sold	265,506	$ 4,121,417	178,465	$ 2,978,029
Shares issued to shareholders in reinvestment of distributions	—	—	183,638	2,725,191
Shares redeemed	(162,736)	(2,514,276)	(308,056)	(5,304,853)
Redemption fee		294		442
Net increase	102,770	$ 1,607,435	54,047	$ 398,809
Shares Outstanding:				
Beginning of period	3,327,771		3,273,724	
End of period	3,430,540		3,327,771	

D. Security Transactions: Purchases and sales of investment securities, other than short-term investments, for the Fund for the six months ended June 30, 2023, were as follows:

Purchases		Sales	
U.S. Government	Other	U.S. Government	Other
$ —	$3,670,423	$ —	$4,176,470

E. Tax Information: At December 31, 2022, the components of accumulated earnings (losses) on a tax basis for the Fund were as follows:

Tax cost	$27,588,751
Gross unrealized appreciation	$22,817,594
Gross unrealized depreciation	(264,956)
Net unrealized appreciation	$22,552,638
Undistributed ordinary income	5,433
Undistributed long-term capital gain	—
Distributable earnings	$ 5,433
Other accumulated losses	—
Total distributable earnings	$22,558,071

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, 2022, 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, 2023		Year Ended December 31, 2022	
	Ordinary Income	Long-Term Capital Gains	Ordinary Income	Long-Term Capital Gains
LKCM Aquinas Catholic Equity Fund	$ —	$ —	$147,922	$7,068,215

The Fund designated earnings and profits distributed to shareholders upon the redemption of shares during 2022 in determining undistributed net capital gains as of December 31, 2022.

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, 2019 through December 31, 2022. 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, 2022. 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: Investing in the Funds involves risks and the potential loss of all or a portion of your investment. Each Fund is subject to the risk that the securities markets will move down, sometimes rapidly and unpredictably, based on overall economic conditions and other factors, which may negatively affect the Fund's performance. Factors that affect markets in general, including geopolitical, regulatory, market and economic developments and other developments that impact specific economic sectors, industries, companies and segments of the market, could adversely impact the Fund's investments and lead to a decline in the value of your investment in a Fund. Geopolitical and other events, including war, such as the current war between Russia and Ukraine, tensions and other conflicts between nations, terrorism, economic uncertainty, trade disputes, pandemics, public health crises, natural disasters and related events have led, and in the future may continue to lead, to instability in world economies and markets generally and reduced liquidity in equity, credit and fixed income markets. Russia's military invasion of Ukraine, the responses and sanctions by the United States and other countries, and the potential for wider conflict, have had and continue to have severe adverse effects on regional and global economies and could further increase volatility and uncertainty in the financial markets. Other events that have led to recent market disruptions and turbulence include the pandemic spread of the novel coronavirus known as COVID-19 and its variants, the duration and full effects of which are still uncertain. In addition, policy changes by the U.S. Government, the U.S. Federal Reserve and/or foreign governments and political events within the U.S. and abroad may cause increased volatility in financial markets, affect investor and consumer confidence and adversely impact the broader financial markets and economy, perhaps suddenly and to a significant degree. Although interest rates were unusually low in recent years in the U.S. and abroad, in 2022 the Federal Reserve and certain foreign central banks began to increase interest rates to address rising inflation. Increases in interest rates have led and could continue to lead to market volatility or reduced liquidity in certain sectors of the market. Market disruptions have caused, and may continue to cause, broad changes in market value, negative public perceptions concerning these developments, and adverse investor sentiment or publicity. The foregoing may adversely affect, among other things, the value and liquidity of a Fund's investments, a Fund's ability to satisfy redemption requests, a Fund's financial and operational performance, and/or the value of your investment in a Fund.

G. Subsequent Events: In preparing these financial statements, management has evaluated the Fund's related events and transactions that occurred subsequent to June 30, 2023 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.

H. Other Regulatory Matters: In October 2022, the Securities and Exchange Commission (the "SEC") adopted a final rule relating to Tailored Shareholder Reports for Mutual Funds and Exchange-Traded Funds; Fee Information in Investment Company Advertisements. The rule and form amendments will, among other things, require the Fund to transmit concise and visually engaging shareholder reports that highlight key information. The amendments will require that funds tag information in a structured data format and that certain more in-depth information be made available online and available for delivery free of charge to investors on request. The amendments have a compliance date of July 24, 2024. Management is evaluating the impact of the amendments on the content of the Fund's shareholder reports.

ADDITIONAL INFORMATION

June 30, 2023 (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 (Unaudited)

Introduction. At a meeting held on February 28, 2023, 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 index and peer groups of funds compiled by Broadridge Financial Solutions, Inc. ("Broadridge") and 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; (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 services. 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"), peer groups of funds compiled by Broadridge and Lipper, and a Lipper peer group index ("Lipper Index") for various time periods ended December 31, 2022. 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 three-year period, but underperformed its benchmark for the one-year, five-year, ten-year and since-inception periods. The Board also noted that the Fund outperformed its Lipper Index for the three-year and five-year periods, but underperformed its Lipper Index for the one-year, 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 implemented fee waivers and expense caps for the Fund through May 1, 2023, and that LKCM intended to contractually agree to continue the current fee waiver through May 1, 2024.

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 asset level and did not include the Fund's administrative expenses. 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 fourth quartile of its Expense Group and the Fund's effective advisory fee rate was in the second 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 lower than 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 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 net of fee waivers and reimbursed expenses. The Board also reviewed the estimated profit and loss analysis 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 capped the Fund's net expense ratio. 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 is able to perform 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 potential 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 with respect to the Fund.

ANNUAL REPORT REGARDING LIQUIDITY RISK MANAGEMENT PROGRAM
(Unaudited)

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 23, 2023, 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, 2022 through March 31, 2023 (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' potential 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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