
LKCM FUNDS

LKCM Small Cap Equity Fund
LKCM Small-Mid Cap Equity Fund
LKCM Equity Fund
LKCM Balanced Fund
LKCM Fixed Income Fund

Semi-Annual Report
June 30, 2018

Dear Fellow Shareholders:

We report the following performance information for the LKCM Funds for indicated periods ended June 30, 2018:

Funds	Inception Dates	NAV @ 6/30/18	Net Expense Ratio*,**	Gross Expense Ratio**	Six Month Total Return Ended 6/30/18	One Year Total Return Ended 6/30/18	Five Year Average Annualized Return Ended 6/30/18	Ten Year Average Annualized Return Ended 6/30/18	Avg. Annual Total Return Since Incept.
LKCM Equity Fund - Institutional Class	1/3/96	\$27.37	0.81%	1.00%	5.19%	16.04%	11.27%	10.02%	8.69%
S&P 500 Index ⁽¹⁾					2.65%	14.37%	13.42%	10.17%	8.82%
LKCM Small Cap Equity Fund - Institutional Class	7/14/94	\$20.37	1.00%	1.10%	10.47%	20.75%	9.29%	9.14%	10.70%
Russell 2000 Index ⁽²⁾					7.66%	17.57%	12.46%	10.60%	9.73%
LKCM Small Cap Equity Fund - Adviser Class	6/5/03	\$18.91	1.25%	1.35%	10.39%	20.41%	9.02%	8.87%	9.67%
Russell 2000 Index ⁽²⁾					7.66%	17.57%	12.46%	10.60%	10.32%
LKCM Small-Mid Cap Equity Fund - Institutional Class	5/2/11	\$11.23	1.00%	1.76%	5.94%	21.95%	9.11%	N/A	7.02%
Russell 2500 Index ⁽³⁾					5.46%	16.24%	12.29%	N/A	11.03%
LKCM Balanced Fund	12/30/97	\$22.45	0.80%	1.02%	1.69%	8.19%	8.70%	8.41%	6.56%
S&P 500 Index ⁽¹⁾					2.65%	14.37%	13.42%	10.17%	7.15%
Bloomberg Barclays Capital U.S. Intermediate Government/Credit Bond Index ⁽⁴⁾					-0.97%	-0.58%	1.60%	3.08%	4.38%
LKCM Fixed Income Fund	12/30/97	\$10.48	0.50%	0.80%	-0.81%	-0.28%	1.51%	3.47%	4.19%
Bloomberg Barclays Capital U.S. Intermediate Government/Credit Bond Index ⁽⁴⁾					-0.97%	-0.58%	1.60%	3.08%	4.38%

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 Funds 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. The Funds impose 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 Funds' investment adviser, has contractually agreed to waive all or a portion of its management fee and/or reimburse expenses of each Fund to maintain designated expense ratios through May 1, 2019. 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 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 each Fund during the six months ended June 30, 2018.

** Expense ratios above are as of May 1, 2018, as reported in the Funds' current prospectus. Expense ratios reported for other periods in the financial highlights of this report may differ.

(1) 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.

(2) The Russell 2000[®] Index is an unmanaged index which measures the performance of the 2,000 smallest companies in the Russell 3000[®] Index.

(3) The Russell 2500[®] Index is an unmanaged index which measures the performance of the 2,500 smallest companies in the Russell 3000[®] Index.

(4) 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.

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

1H2018 Review and Outlook

For much of the past year "synchronized global growth" has been an apt description of the global economy. With an economic growth tailwind, central bankers in the U.S., Europe, and Japan have been keen to withdraw overly-accommodative monetary policy in anticipation of the next economic downturn. More recently, however, economic growth outside the U.S. appears to be decelerating, making the reduction of accommodative monetary policy more of a risk for global growth. The ability of global economic growth to resynchronize appears to be made more uncertain by the presence of rising protectionism related to trade. For the moment, the U.S. increasingly appears to be the primary engine of global economic growth. Following an annualized rate of 2.0% growth in real Gross Domestic Product (GDP) in the first quarter of 2018, GDP grew by annualized rate of 4.1% in the second quarter of 2018.

Increasingly, investor focus appears to have shifted towards emerging market economies, which had benefited significantly in recent years from broad global growth. In recent years, these markets have revived global trade, manufacturing, and commodity prices. Despite more restrictive monetary policy, particularly in the U.S., the value of the U.S. dollar fell last year, aiding emerging market debt denominated in U.S. dollars. Recently, however, we believe the positive backdrop for emerging markets appears to have deteriorated with a rising U.S. dollar, slowing global growth, and greater protectionism.

Domestically, we believe the U.S. economy has yet to feel the full impact of fiscal stimulus. We believe the sustainability of a fiscally-induced economic expansion largely will depend on the prospect for productivity-increasing investments, which would lift the economy's growth potential. There are specific provisions of the 2017 tax legislation which target accelerated investment by companies, and our outlook for productivity-enhancing capital expenditures remains positive, as we believe this is increasingly important to sustained economic growth. We believe that late cycle stimulative fiscal policy in the form of lower tax rates supports above-trend economic growth, but this stimulus occurs at a time when the economy's excess capacity appears to have shrunk considerably. This combination could well result in inflationary wage pressure and rising input costs for companies.

The rate of economic growth in the U.S. rose during the second quarter of 2018 in contrast to the softening of the other remaining ten largest global economies during the same period. A similar slowing of global economic growth occurred in 2015 and caused the Federal Reserve to slow its intended pace of monetary tightening. In contrast, the Federal Reserve is unlikely in our view to abandon its current plans which call for two additional interest rate increases of 0.25% each later this year. The economic output gap, or the difference between economic output and potential economic output, has narrowed over the past two years. As a result, we believe the U.S. economy no longer has spare capacity. When taken in tandem with a 48-year low in the unemployment rate of 3.75% in May 2018, it is unlikely in our view that the Federal Reserve will slow its pace of monetary tightening. As a result, we believe the risk of a monetary policy error, or over-tightening in a slowing economy, has risen. We believe this risk is particularly true if economic growth outside the U.S. continues to slow or there is a further escalation of tariffs.

The degree to which the U.S. should be concerned over its existing trade deficit has quickly become a central economic question in our view. One line of reasoning is that the current trade deficit, which is the result of importing more goods than our country exports, has led to less domestic manufacturing and therefore fewer manufacturing jobs. The Trump administration has elected to erect new tariffs or raise the level of existing tariffs in an effort to level the playing field and protect domestic manufacturing. The inherent challenge is that countries impacted by newly enacted U.S. tariffs are naturally inclined to react in kind by altering their trade policies. This process is made more complex since it is difficult to calibrate the impact of trade tariffs, and the economic impact is not linear. This concept is highlighted by the complex web known as the global manufacturing supply chain. China, for example, assembles a great number of goods comprised of components imported from other countries, such as memory chips and digital displays. If Chinese imports were to experience a 10% decline, we believe Taiwan, Malaysia, and South Korea would suffer a markedly larger blow to their domestic economies relative to China.

The Trump administration's protectionist rhetoric appears to have a three-pronged purpose. First, it was evident early in his presidential campaign that President Trump intended to defend U.S. manufacturing. Second, the administration appears to view the North American Free Trade Agreement (NAFTA) as less favorable to the U.S. than to Mexico or Canada. Finally, it is apparent there are increasing concerns by the administration over the theft of U.S. corporate intellectual property. In our view, the pursuit of trade protectionism on a larger scale would eventually trim domestic economic growth and create detrimental knock-on effects such as lowering business confidence at a time the economy needs further productivity-enhancing capital investment.

We believe the U.S. economy remains on its gradual progression through a typical business cycle, albeit longer than average, as the underpinnings remain solid in our view. However, late-cycle dynamics such as tighter labor markets appear to have begun to push wages higher, allowing the Federal Reserve to remain on the path to tighter monetary policy. The effect is a traditional flattening of the yield curve that has resulted over the past year. Meanwhile, other late-cycle warning flags, such as deteriorating credit conditions reflected by widening credit spreads, are not yet evident in our view. Similarly, we believe pressure from rising wages to date is not compressing corporate profit margins, which is typical of a mature business cycle. In our view, the later stages of the business cycle are usually reflected in the equity market by a narrowing of market leadership, with investors bidding growth stocks higher in pursuit of continued growth as the broad economy begins to cool.

LKCM Equity Fund

The LKCM Equity Fund returned 5.19% for the six months ended June 30, 2018 which outpaced the return of 2.65% for the Fund's benchmark, the S&P 500® Index, for the same period. The Fund benefited from being underweight the Consumer Staples sector relative to the benchmark, although overweight positions in the Industrials and Materials sectors and an underweight position in the Information Technology sector detracted from the Fund's relative performance. Positive stock selection in the Industrials, Financials and Consumer Discretionary sectors enhanced the Fund's returns during the first half of 2018. We believe the Fund is well positioned with its continued emphasis on higher quality companies that we believe are reasonably valued relative to their earnings growth rates, and we anticipate the Fund's holdings will demonstrate continued improvement from any economic expansion during the second half of this year.

LKCM Balanced Fund

The LKCM Balanced Fund returned 1.69% for the six months ended June 30, 2018 against the 2.65% return for the S&P 500[®] Index and the -0.97% return for the Bloomberg Barclays Intermediate Government/Credit Bond Index. Both the equity and fixed income portfolios of the Fund generated strong returns relative to their benchmarks during the first half of 2018. Stock selection in the Industrials and Materials sectors added to the Fund's relative performance during the first half of 2018 as investor focus shifted towards companies that are likely to benefit from improving economic conditions. Stock selection in the Financials, Energy and Healthcare sectors was also solid during the first half of 2018. The rise in interest rates during the first half of 2018 created a challenging environment for fixed income investors, as reflected by the negative return of the Bloomberg Barclays Intermediate Government/Credit Bond Index during this period. However, the modest average maturity within the Fund's fixed income portfolio was beneficial during the first half of 2018 and served to limit the Fund's fixed income downside during the period. As of June 30, 2018, the Fund's asset mix consisted of approximately 66.5% in equity securities, 31.8% in fixed income securities, and 1.7% in cash and cash equivalents.

LKCM Fixed Income Fund

The LKCM Fixed Income Fund outperformed its benchmark, the Bloomberg Barclays Intermediate Government/Credit Bond Index, during the six months ended June 30, 2018, declining 0.81% versus a 0.97% decline for the benchmark. During this period, yields rose across the curve and the yield curve flattened substantially as the Federal Reserve continued to tighten monetary policy by increasing the federal funds rate and continuing balance sheet run off, which they initiated in October. In this environment, where shorter-duration securities outperformed their longer-duration counterparts, the Fund's duration of approximately 2.9 years was additive to performance relative to the 3.9 year duration for the benchmark. The Fund's overweight position in corporate bonds relative to the benchmark detracted from performance during the first half of 2018 as U.S. Treasury and government agency securities outperformed corporate bonds as credit spreads widened across each investment-grade credit rating sector. Within this backdrop, the Fund remains largely focused on short-to-intermediate investment-grade corporate bonds with strong underlying credit fundamentals to mitigate interest rate risk and credit risk in an environment where the Federal Reserve continues to gradually tighten monetary policy, inflation remains subdued and economic growth improves.

LKCM Small Cap Equity Fund

The LKCM Small Cap Equity Fund – Institutional Class outperformed its benchmark, the Russell 2000[®] Index, during the six months ended June 30, 2018, returning 10.47% compared to the 7.66% return for the benchmark. During the first half of 2018, stock selection for the Fund was additive to the Fund's relative performance, while sector allocation decisions for the Fund were essentially neutral to the Fund's relative performance. The Fund benefited from positive stock selection in the Information Technology, Consumer Discretionary and Healthcare sectors relative to the benchmark, which more than offset the stock selection drag in the Industrials and Materials sectors. The Fund's overweight position in the Information Technology sector benefited the Fund's relative performance, which was offset by an overweight allocation in the Industrials sector and an underweight allocation in the Real Estate sector. We believe the Fund remains positioned for continued economic growth (overweight Technology and Industrials sectors) and higher interest rates (underweight Real Estate and Utilities). We also believe our investment strategy for the Fund of investing in higher quality, competitively advantaged companies with viable strategies to increase the value of their businesses will continue to be beneficial for the Fund's shareholders.

LKCM Small-Mid Cap Equity Fund

The LKCM Small-Mid Cap Equity Fund outperformed its benchmark, Russell 2500[®] Index, during the six months ended June 30, 2018, returning 5.94% compared to the 5.46% return for the benchmark. During the first half of 2018, stock selection for the Fund was additive to the Fund's relative performance, while sector allocation decisions for the Fund were essentially neutral to the Fund's relative performance. The Fund benefited from positive stock selection in the Information Technology, Financials and Consumer Discretionary sectors relative to the benchmark, which more than offset the stock selection drag in the Industrials and Materials sectors. The Fund's overweight position in the Information Technology sector benefited the Fund's relative performance, which was offset by an overweight allocation in the Industrials sector. We believe the Fund remains positioned for continued economic growth (overweight Technology and Industrials sectors) and higher interest rates (underweight Real Estate and Utilities). We also believe our investment strategy for the Fund of investing in higher quality, competitively advantaged companies with viable strategies to increase the value of their businesses will continue to be beneficial for the Fund's shareholders.



J. Luther King, Jr., CFA, CIC
August 6, 2018

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 9-21 of the report for more information on Fund holdings. Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any securities.

Mutual fund investing involves risk. Principal loss is possible. Past performance is not a guarantee of future results. Small and medium capitalization funds typically carry additional risks, since smaller companies generally have a higher risk of failure, and, historically, their stocks have experienced a greater degree of market volatility than stocks on average. Investments in debt securities typically decrease in value when interest rates rise. This risk is greater for longer-term debt securities. Investments in mortgage backed securities include additional risks that investors should be aware of such as credit risk, prepayment risk, possible illiquidity and default, as well as increased susceptibility to adverse economic developments. These risks are discussed in the Funds' summary and statutory prospectuses.

Earnings growth is not a measure of future performance.

Duration is a commonly used measure of the potential volatility of the price of a debt security, or the aggregate market value of a portfolio of debt securities, prior to maturity. Securities with a longer duration generally have more volatile prices than securities of comparable quality with a shorter duration.

Spread is the percentage point difference between yields of various classes of bonds compared to treasury bonds.

Must be preceded or accompanied by a prospectus.

Quasar Distributors, LLC, distributor.

LKCM Funds Expense Example — June 30, 2018 (Unaudited)

As a shareholder of the Funds, you incur two types of costs: (1) transaction costs, including redemption fees; and (2) ongoing costs, including management fees, distribution and/or service (12b-1) fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds. The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (1/1/18-6/30/18).

ACTUAL EXPENSES

The first line of the tables below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period. Although the Funds charge no sales load, you will be assessed fees for outgoing wire transfers, returned checks and stop payment orders at prevailing rates charged by U.S. Bancorp Fund Services, LLC, the Funds’ transfer agent. If you request that a redemption be made by wire transfer, currently a \$15.00 fee is charged by the Funds’ transfer agent. You will be charged a redemption fee equal to 1.00% of the net amount of the redemption if you redeem your shares of the LKCM Small Cap Equity, Small-Mid Cap Equity, Equity, Balanced and Fixed Income Funds within 30 days of purchase, unless otherwise determined by the Funds in their discretion. To the extent the Funds invest in shares of other investment companies as part of their investment strategies, you will indirectly bear your proportionate share of any fees and expenses charged by the underlying funds in which the Funds invest in addition to the expenses of the Funds. Actual expenses of the underlying funds are expected to vary among the various underlying funds. These expenses are not included in the example below. The example below includes management fees, registration fees and other expenses. However, the example below does not include portfolio trading commissions and related expenses and other extraordinary expenses as determined under generally accepted accounting principles.

HYPOTHETICAL EXAMPLES FOR COMPARISON PURPOSES

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

	LKCM Small Cap Equity Fund – Institutional Class		
	Beginning Account Value 1/1/18	Ending Account Value 6/30/18	Expenses Paid During Period* 1/1/18–6/30/18
Actual	\$1,000.00	\$1,104.70	\$5.22
Hypothetical (5% return before expense)	\$1,000.00	\$1,019.84	\$5.01

* Expenses are equal to the Fund’s annualized net expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 181/365 to reflect the one-half year period.

	LKCM Small Cap Equity Fund – Adviser Class		
	Beginning Account Value 1/1/18	Ending Account Value 6/30/18	Expenses Paid During Period* 1/1/18–6/30/18
Actual	\$1,000.00	\$1,103.90	\$6.52
Hypothetical (5% return before expense)	\$1,000.00	\$1,018.60	\$6.26

* Expenses are equal to the Fund’s annualized net expense ratio of 1.25%, multiplied by the average account value over the period, multiplied by 181/365 to reflect the one-half year period.

	LKCM Small-Mid Cap Equity Fund		
	Beginning Account Value 1/1/18	Ending Account Value 6/30/18	Expenses Paid During Period* 1/1/18–6/30/18
Actual	\$1,000.00	\$1,059.40	\$5.11
Hypothetical (5% return before expense)	\$1,000.00	\$1,019.84	\$5.01

* Expenses are equal to the Fund’s annualized net expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 181/365 to reflect the one-half year period.

LKCM Equity Fund

	<u>Beginning Account Value 1/1/18</u>	<u>Ending Account Value 6/30/18</u>	<u>Expenses Paid During Period* 1/1/18–6/30/18</u>
Actual	\$1,000.00	\$1,051.90	\$4.07
Hypothetical (5% return before expense)	\$1,000.00	\$1,020.83	\$4.01

* Expenses are equal to the Fund's annualized net expense ratio of 0.80%, multiplied by the average account value over the period, multiplied by 181/365 to reflect the one-half year period.

LKCM Balanced Fund

	<u>Beginning Account Value 1/1/18</u>	<u>Ending Account Value 6/30/18</u>	<u>Expenses Paid During Period* 1/1/18–6/30/18</u>
Actual	\$1,000.00	\$1,016.90	\$4.00
Hypothetical (5% return before expense)	\$1,000.00	\$1,020.83	\$4.01

* Expenses are equal to the Fund's annualized net expense ratio of 0.80%, multiplied by the average account value over the period, multiplied by 181/365 to reflect the one-half year period.

LKCM Fixed Income Fund

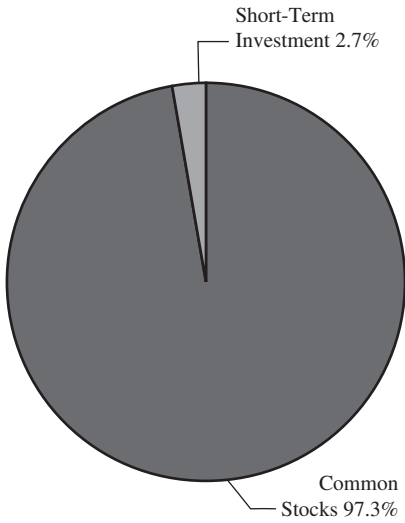
	<u>Beginning Account Value 1/1/18</u>	<u>Ending Account Value 6/30/18</u>	<u>Expenses Paid During Period* 1/1/18–6/30/18</u>
Actual	\$1,000.00	\$ 991.90	\$2.47
Hypothetical (5% return before expense)	\$1,000.00	\$1,022.32	\$2.51

* Expenses are equal to the Fund's annualized net expense ratio of 0.50%, multiplied by the average account value over the period, multiplied by 181/365 to reflect the one-half year period.

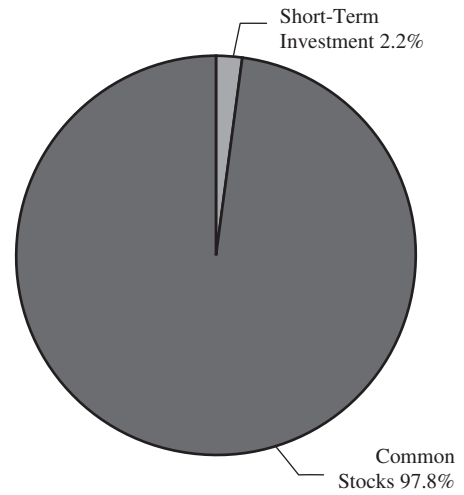
ALLOCATION OF PORTFOLIO HOLDINGS — LKCM Funds — June 30, 2018 (Unaudited)

Percentages represent market value as a percentage of total investments.

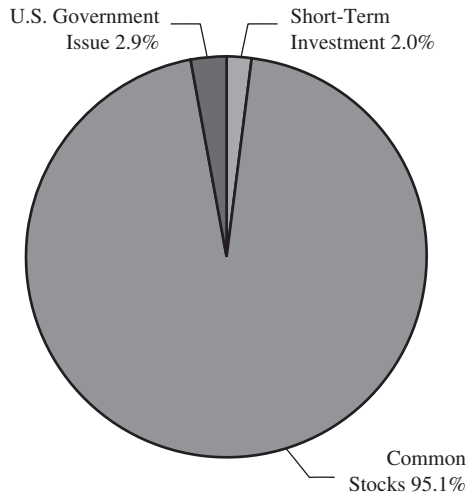
LKCM Small Cap Equity Fund



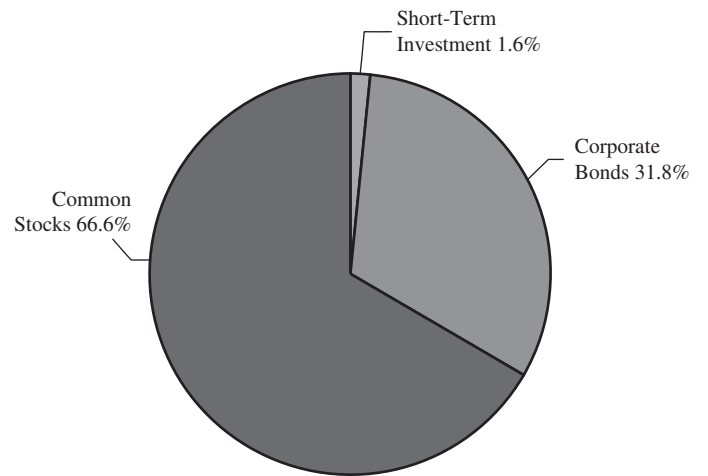
LKCM Small-Mid Cap Equity Fund



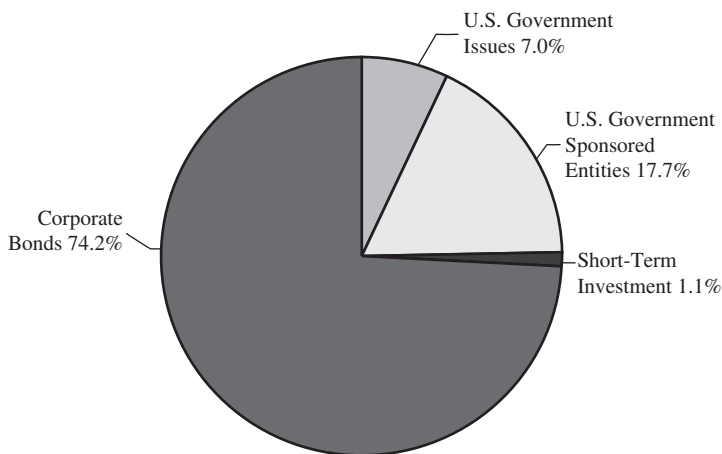
LKCM Equity Fund



LKCM Balanced Fund



LKCM Fixed Income Fund



LKCM SMALL CAP EQUITY FUND

SCHEDULE OF INVESTMENTS

June 30, 2018 (Unaudited)

COMMON STOCKS - 97.9%	Shares	Value	COMMON STOCKS	Shares	Value
Aerospace & Defense - 1.1%			Consumer Finance - 1.5%		
Mercury Systems, Inc. (a)	60,020	\$ 2,284,361	FirstCash, Inc.	34,450	\$ 3,095,332
Banks - 9.8%			Electronic Equipment, Instruments & Components - 2.4%		
BancorpSouth Bank	84,154	2,772,874	Littelfuse, Inc.	11,770	2,685,678
Cadence Bancorporation	90,490	2,612,446	Mesa Laboratories, Inc.	10,670	2,252,224
CBTX, Inc.	45,440	1,501,792			4,937,902
Glacier Bancorp, Inc.	50,460	1,951,793	Energy Equipment & Services - 0.9%		
Green Bancorp, Inc.	84,060	1,815,696	Mammoth Energy Services, Inc. (a)	53,210	1,807,012
LegacyTexas Financial Group, Inc.	58,955	2,300,424	Food & Drug Retailing - 0.5%		
Pinnacle Financial Partners, Inc.	41,965	2,574,553	Sprouts Farmers Market, Inc. (a)	43,595	962,142
Seacoast Banking Corp of Florida (a)	83,040	2,622,403	Food Products - 1.4%		
Texas Capital Bancshares, Inc. (a)	25,260	2,311,290	Freshpet, Inc. (a)	13,525	371,261
		20,463,271	Hostess Brands, Inc. (a)	98,940	1,345,584
Biotechnology - 4.5%			J & J Snack Foods Corp.	7,370	1,123,704
Charles River Laboratories International, Inc. (a)	27,555	3,093,324			2,840,549
Ligand Pharmaceuticals Incorporated (a)	14,280	2,958,388	Health Care Equipment & Supplies - 5.5%		
Neogen Corporation (a)	43,080	3,454,585	Canter Medical Corp.	32,335	3,180,470
		9,506,297	K2M Group Holdings Inc. (a)	80,000	1,800,000
Building Products - 4.5%			LeMaitre Vascular, Inc.	51,670	1,729,912
American Woodmark Corporation (a)	14,650	1,341,207	PRA Health Sciences, Inc. (a)	10,242	956,193
Builders FirstSource, Inc. (a)	134,795	2,465,401	STAAR Surgical Co. (a)	121,390	3,763,090
CSW Industrials, Inc. (a)	43,690	2,309,016			11,429,665
Patrick Industries, Inc. (a)	8,470	481,520	Health Care Providers & Services - 3.9%		
PGT, Inc. (a)	111,121	2,316,873	HealthEquity, Inc. (a)	48,435	3,637,468
Trex Company, Inc. (a)	8,310	520,123	Omnicell, Inc. (a)	47,640	2,498,718
		9,434,140	U.S. Physical Therapy, Inc.	21,805	2,093,280
Capital Markets - 0.4%					8,229,466
BGC Partners Inc. - Class A	73,960	837,227	Health Care Technology - 0.3%		
Chemicals - 2.3%			Teladoc, Inc. (a)	9,910	575,276
Ferro Corporation (a)	103,545	2,158,913	Hotels, Restaurants & Leisure - 1.8%		
Ferroglobe PLC (b)	225,490	1,932,450	Planet Fitness, Inc. - Class A (a)	62,410	2,742,295
Ferroglobe Representation & Warranty Insurance Trust (a)(b)	302,970	—	Wingstop Inc.	20,130	1,049,176
GCP Applied Technologies Inc. (a)	23,795	688,865			3,791,471
		4,780,228	Insurance - 0.5%		
Commercial Services & Supplies - 1.3%			Trupanion, Inc. (a)	26,535	1,024,251
Healthcare Services Group, Inc.	62,745	2,709,957	Internet & Catalog Retail - 1.0%		
Communications Equipment - 1.1%			Nutrisystem, Inc.	56,785	2,186,223
Finisar Corporation (a)	15,000	270,000	Internet Software & Services - 11.8%		
Infinera Corporation (a)	201,980	2,005,661	Alarm.com Holdings, Inc. (a)	57,770	2,332,752
		2,275,661	Carbonite, Inc. (a)	73,660	2,570,734
Construction & Engineering - 1.7%			Cornerstone OnDemand, Inc. (a)	48,025	2,277,826
EMCOR Group, Inc.	33,520	2,553,554	Coupa Software, Inc. (a)	72,520	4,513,645
MasTec Inc. (a)	21,130	1,072,347	Euronet Worldwide, Inc. (a)	22,710	1,902,417
		3,625,901	New Relic, Inc. (a)	19,800	1,991,682
Construction Materials - 1.1%			Stamps.com Inc. (a)	13,015	3,293,446
Summit Materials, Inc. - Class A (a)	88,814	2,331,368	The Trade Desk Inc. - Class A (a)	23,865	2,238,537
			Twilio Inc. - Class A (a)	64,570	3,617,211
					24,738,250

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

LKCM SMALL CAP EQUITY FUND
SCHEDULE OF INVESTMENTS, CONTINUED
June 30, 2018 (Unaudited)

COMMON STOCKS	Shares	Value	COMMON STOCKS	Shares	Value
IT Consulting & Services - 1.9%			Software - 5.0%		
Axiom Corporation (a)	71,521	\$ 2,142,054	ACI Worldwide, Inc. (a)	86,610	\$ 2,136,669
FireEye, Inc. (a)	114,145	1,756,691	Investnet, Inc. (a)	60,116	3,303,374
		3,898,745	Fair Isaac Corporation (a)	13,575	2,624,319
			RealPage, Inc. (a)	43,400	2,391,340
IT Services - 0.7%					10,455,702
Cass Information Systems, Inc.	21,545	1,482,727	Textiles, Apparel & Luxury Goods - 3.6%		
Machinery - 5.2%			Columbia Sportswear Company	33,121	3,029,578
Barnes Group Inc.	26,185	1,542,296	Oxford Industries, Inc.	32,790	2,720,914
John Bean Technologies Corporation	23,610	2,098,929	Steven Madden Ltd.	34,690	1,842,039
Kennametal Inc.	73,195	2,627,701			7,592,531
Lindsay Corporation	11,300	1,095,987	Thrifts & Mortgage Finance - 2.3%		
Rexnord Corporation (a)	64,070	1,861,874	Banc of California, Inc.	113,145	2,211,985
Watts Water Technologies, Inc. - Class A	22,015	1,725,976	Home BancShares Inc.	118,721	2,678,346
		10,952,763			4,890,331
Marine - 1.6%			Trading Companies & Distributors - 4.4%		
Kirby Corporation (a)	40,145	3,356,122	DXP Enterprises Inc/TX (a)	54,495	2,081,709
Media - 1.4%			MSC Industrial Direct Co., Inc. - Class A	22,395	1,900,216
Criteo SA - ADR (a)(b)	42,545	1,397,603	Systemax, Inc.	15,460	530,742
Nexstar Media Group, Inc. - Class A	21,635	1,588,009	Textainer Group Holdings Ltd. (a)(b)	140,370	2,231,883
		2,985,612	Triton International Limited (b)	81,935	2,512,127
Metals & Mining - 1.3%					9,256,677
Carpenter Technology Corporation	51,155	2,689,218	TOTAL COMMON STOCKS		
Multiline Retail - 2.6%			(Cost \$142,711,178)		204,577,218
Five Below, Inc. (a)	16,985	1,659,604	SHORT-TERM INVESTMENT - 2.7%		
Ollie's Bargain Outlet Holdings, Inc. (a)	52,125	3,779,063	Money Market Fund - 2.7%		
		5,438,667	Invesco Short-Term Investments Trust- Government & Agency Portfolio - Institutional Shares, 1.81% (c)	5,653,818	5,653,818
Oil & Gas & Consumable Fuels - 4.7%			TOTAL SHORT-TERM INVESTMENT		
Matador Resources Company (a)	82,725	2,485,886	(Cost \$5,653,818)		5,653,818
Oasis Petroleum Inc. (a)	126,230	1,637,203	Total Investments - 100.6%		
PDC Energy, Inc. (a)	19,405	1,173,032	(Cost \$148,364,996)		210,231,036
Ring Energy Inc (a)	173,675	2,191,779	Liabilities in Excess of Other Assets - (0.6%)		
SRC Energy Inc. (a)	202,710	2,233,864			(1,199,681)
		9,721,764	TOTAL NET ASSETS - 100.0%		
Pharmaceuticals - 0.6%					\$ 209,031,355
Cambrex Corp. (a)	22,659	1,185,066	ADR American Depositary Receipt		
Real Estate Investment Trusts - 2.2%			(a) Non-income producing security.		
First Industrial Realty Trust, Inc.	64,015	2,134,260	(b) Security issued by non-U.S. incorporated company.		
Life Storage, Inc.	25,000	2,432,750	(c) The rate quoted is the annualized seven-day yield of the fund at period end.		
		4,567,010	<i>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.</i>		
Road & Rail - 1.1%					
Genesee & Wyoming Inc. - Class A (a)	27,525	2,238,333			

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

LKCM SMALL-MID CAP EQUITY FUND
SCHEDULE OF INVESTMENTS
June 30, 2018 (Unaudited)

COMMON STOCKS - 97.9%	Shares	Value	COMMON STOCKS	Shares	Value
Aerospace & Defense - 4.6%			Health Care Providers & Services - 3.1%		
HEICO Corporation	5,159	\$ 376,228	HealthEquity, Inc. (a)	4,705	\$ 353,345
Hexcel Corporation	3,865	256,559	Omniceil, Inc. (a)	3,450	180,953
Mercury Systems, Inc. (a)	4,040	153,762			534,298
		786,549	Internet Software & Services - 7.9%		
Banks - 6.3%			Akamai Technologies, Inc. (a)	4,570	334,661
LegacyTexas Financial Group, Inc.	6,775	264,360	Euronet Worldwide, Inc. (a)	2,865	240,001
Pinnacle Financial Partners, Inc.	3,865	237,118	Stamps.com Inc. (a)	1,465	370,718
SVB Financial Group (a)	1,095	316,192	Twilio Inc. - Class A (a)	7,435	416,509
Texas Capital Bancshares, Inc. (a)	2,815	257,573			1,361,889
		1,075,243	IT Consulting & Services - 1.2%		
Biotechnology - 5.3%			Axiom Corporation (a)	7,110	212,945
Charles River Laboratories International, Inc. (a)	2,660	298,612	Leisure Equipment & Products - 3.5%		
Ligand Pharmaceuticals Incorporated (a)	1,550	321,113	Polaris Industries Inc.	2,455	299,952
Neogen Corporation (a)	3,645	292,293	Pool Corporation	2,035	308,302
		912,018			608,254
Building Products - 1.6%			Machinery - 2.5%		
Builders FirstSource, Inc. (a)	14,715	269,137	John Bean Technologies Corporation	670	59,563
Capital Markets - 3.4%			Kennametal Inc.	5,610	201,399
Lazard Ltd. - Class A (b)	6,320	309,111	Rexnord Corporation (a)	6,005	174,505
SEI Investments Company	4,290	268,211			435,467
		577,322	Marine - 1.7%		
Chemicals - 3.0%			Kirby Corporation (a)	3,495	292,182
CF Industries Holdings, Inc.	7,285	323,454	Metals & Mining - 2.6%		
FMC Corporation	2,245	200,276	Ferroglobe PLC (b)	17,590	150,746
		523,730	Reliance Steel & Aluminum Co.	3,315	290,195
Commercial Services & Supplies - 1.4%					440,941
Healthcare Services Group, Inc.	5,749	248,299	Multiline Retail - 2.6%		
Construction & Engineering - 1.5%			Ollie's Bargain Outlet Holdings, Inc. (a)	6,110	442,975
EMCOR Group, Inc.	3,400	259,012	Oil & Gas & Consumable Fuels - 5.8%		
Construction Materials - 0.8%			Diamondback Energy Inc.	2,040	268,403
Summit Materials, Inc. - Class A (a)	5,025	131,906	Matador Resources Company (a)	10,300	309,515
Consumer Finance - 2.0%			WPX Energy Inc. (a)	22,845	411,895
FirstCash, Inc.	3,915	351,763			989,813
Diversified Financials - 2.8%			Real Estate Investment Trusts - 3.5%		
MSCI Inc.	2,905	480,574	First Industrial Realty Trust, Inc.	8,215	273,888
Electronic Equipment, Instruments & Components - 4.8%			Life Storage, Inc.	3,395	330,368
FLIR Systems, Inc.	6,185	321,435			604,256
Littelfuse, Inc.	1,540	351,397	Road & Rail - 1.2%		
Trimble Inc. (a)	4,855	159,438	Genesee & Wyoming Inc. - Class A (a)	2,455	199,641
		832,270	Software - 9.5%		
Health Care Equipment & Supplies - 3.6%			Envestnet, Inc. (a)	5,205	286,015
Cantel Medical Corp.	3,485	342,784	Fair Isaac Corporation (a)	1,895	366,342
PRA Health Sciences, Inc. (a)	2,955	275,879	Fortinet Inc. (a)	6,010	375,204
		618,663	Guidewire Software Inc. (a)	4,085	362,666
			Proofpoint, Inc. (a)	2,120	244,457
					1,634,684

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

LKCM SMALL-MID CAP EQUITY FUND
SCHEDULE OF INVESTMENTS, CONTINUED
June 30, 2018 (Unaudited)

COMMON STOCKS	Shares	Value
Specialty Retail - 1.8%		
Tiffany & Co.	2,300	\$ 302,680
Textiles, Apparel & Luxury Goods - 3.9%		
Columbia Sportswear Company	3,350	306,425
Michael Kors Holdings Ltd. (a)(b)	5,480	364,968
		671,393
Thrifts & Mortgage Finance - 1.4%		
Home BancShares Inc.	10,850	244,776
Trading Companies & Distributors - 4.6%		
MSC Industrial Direct Co., Inc. - Class A	2,875	243,944
Triton International Limited (b)	7,810	239,455
Watsco, Inc.	1,765	314,664
		798,063
TOTAL COMMON STOCKS (Cost \$12,257,002)		16,840,743
SHORT-TERM INVESTMENT - 2.2%		
Money Market Fund - 2.2%		
Invesco Short-Term Investments Trust- Government & Agency Portfolio - Institutional Shares, 1.81% (c)	372,640	372,640
TOTAL SHORT-TERM INVESTMENT (Cost \$372,640)		372,640
Total Investments - 100.1% (Cost \$12,629,642)		17,213,383
Liabilities in Excess of Other Assets - (0.1)%		(14,589)
TOTAL NET ASSETS - 100.0%		\$ 17,198,794

(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.

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LKCM EQUITY FUND
SCHEDULE OF INVESTMENTS
June 30, 2018 (Unaudited)

COMMON STOCKS - 95.2%	Shares	Value	COMMON STOCKS	Shares	Value
Aerospace & Defense - 2.5%			Household Products - 1.5%		
Honeywell International Inc.	60,000	\$ 8,643,000	Kimberly-Clark Corporation	50,000	\$ 5,267,000
Banks - 9.2%			Internet & Catalog Retail - 2.5%		
Bank of America Corporation	385,000	10,853,150	Amazon.com, Inc. (a)	5,000	8,499,000
Comerica Incorporated	126,000	11,455,920	Internet Software & Services - 7.7%		
Cullen/Frost Bankers, Inc.	65,000	7,035,600	Akamai Technologies, Inc. (a)	90,000	6,590,700
Glacier Bancorp, Inc.	60,000	2,320,800	Alarm.com Holdings, Inc. (a)	67,000	2,705,460
		31,665,470	Alphabet, Inc. - Class A (a)	7,000	7,904,330
Beverages - 2.6%			Facebook, Inc. - Class A (a)	35,000	6,801,200
The Coca-Cola Company	80,000	3,508,800	LogMeIn, Inc.	25,000	2,581,250
PepsiCo, Inc.	49,000	5,334,630			26,582,940
		8,843,430	IT Consulting & Services - 1.8%		
Biotechnology - 2.1%			PayPal Holdings, Inc. (a)	75,000	6,245,250
Amgen Inc.	40,000	7,383,600	Machinery - 4.9%		
Chemicals - 5.0%			Generac Holdings, Inc. (a)	108,000	5,586,840
DowDuPont Inc.	90,000	5,932,800	The Toro Company	74,000	4,458,500
Ecolab Inc.	30,000	4,209,900	Valmont Industries, Inc.	45,000	6,783,750
FMC Corporation	80,000	7,136,800			16,829,090
		17,279,500	Marine - 1.1%		
Commercial Services & Supplies - 3.2%			Kirby Corporation (a)	45,000	3,762,000
Cintas Corporation	20,000	3,701,400	Oil & Gas & Consumable Fuels - 7.4%		
Waste Connections, Inc. (b)	97,500	7,339,800	Cabot Oil & Gas Corporation	170,000	4,046,000
		11,041,200	ConocoPhillips	62,000	4,316,440
Computers & Peripherals - 2.3%			EOG Resources, Inc.	65,000	8,087,950
Apple Inc.	42,500	7,867,175	Occidental Petroleum Corporation	110,000	9,204,800
Construction Materials - 1.3%					25,655,190
Martin Marietta Materials, Inc.	20,000	4,466,600	Personal Products - 1.2%		
Diversified Financials - 3.1%			The Estee Lauder Companies Inc. - Class A	30,000	4,280,700
JPMorgan Chase & Co.	102,000	10,628,400	Pharmaceuticals - 7.0%		
Diversified Telecommunication Services - 0.9%			AbbVie Inc.	65,000	6,022,250
AT&T Inc.	100,590	3,229,945	Johnson & Johnson	38,000	4,610,920
Electrical Equipment & Instruments - 4.5%			Merck & Co., Inc.	80,000	4,856,000
Emerson Electric Co.	80,000	5,531,200	Pfizer Inc.	115,000	4,172,200
Franklin Electric Co., Inc.	85,000	3,833,500	Zoetis Inc.	53,500	4,557,665
Roper Technologies, Inc.	23,000	6,345,930			24,219,035
		15,710,630	Road & Rail - 1.2%		
Electronic Equipment & Instruments - 3.1%			Kansas City Southern	40,000	4,238,400
Littelfuse, Inc.	18,000	4,107,240	Software - 6.7%		
National Instruments Corporation	55,000	2,308,900	Adobe Systems Incorporated (a)	40,265	9,817,009
Trimble Inc. (a)	135,000	4,433,400	Envestnet, Inc. (a)	65,000	3,571,750
		10,849,540	Microsoft Corporation	100,000	9,861,000
Health Care Equipment & Supplies - 6.6%					23,249,759
Danaher Corporation	75,000	7,401,000	Specialty Retail - 3.4%		
PerkinElmer, Inc.	100,000	7,323,000	The Home Depot, Inc.	40,000	7,804,000
Thermo Fisher Scientific Inc.	40,000	8,285,600	Tiffany & Co.	30,000	3,948,000
		23,009,600			11,752,000

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

LKCM EQUITY FUND
SCHEDULE OF INVESTMENTS, CONTINUED
June 30, 2018 (Unaudited)

COMMON STOCKS	Shares	Value
Textiles, Apparel & Luxury Goods - 2.4%		
VF Corporation	100,000	\$ 8,152,000
TOTAL COMMON STOCKS		<u>329,350,454</u>
(Cost \$182,551,228)		
U.S. GOVERNMENT ISSUE - 2.9%		
	Principal Amount	
U.S. Treasury Note - 2.9%		
1.500%, 05/31/2019	\$10,000,000	9,925,586
TOTAL U.S. GOVERNMENT ISSUE		<u>9,925,586</u>
(Cost \$9,925,945)		
SHORT-TERM INVESTMENT - 2.0%		
	Shares	
Money Market Fund - 2.0%		
Invesco Short-Term Investments Trust- Government & Agency Portfolio - Institutional Shares, 1.81% (c)	6,961,541	6,961,541
TOTAL SHORT-TERM INVESTMENT		<u>6,961,541</u>
(Cost \$6,961,541)		
Total Investments - 100.1%		346,237,581
(Cost \$199,438,714)		
Liabilities in Excess of Other Assets - (0.1)%		(213,711)
TOTAL NET ASSETS - 100.0%		<u>\$346,023,870</u>

- (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.

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LKCM BALANCED FUND
SCHEDULE OF INVESTMENTS
June 30, 2018 (Unaudited)

COMMON STOCKS - 66.6%	Shares	Value	COMMON STOCKS	Shares	Value
Aerospace & Defense - 1.5%			Electrical Equipment - 0.9%		
Honeywell International Inc.	5,100	\$ 734,655	Rockwell Automation, Inc.	4,500	\$ 748,035
Rockwell Collins, Inc.	4,300	579,124	Electronic Equipment & Instruments - 1.4%		
		1,313,779	National Instruments Corporation	12,300	516,354
Banks - 5.0%			Trimble Inc. (a)	22,200	729,048
Bank of America Corporation	38,500	1,085,315			1,245,402
Comerica Incorporated	10,100	918,292	Food & Drug Retailing - 1.6%		
Cullen/Frost Bankers, Inc.	5,900	638,616	Walgreens Boots Alliance, Inc.	11,400	684,171
SunTrust Banks, Inc.	11,500	759,230	Walmart, Inc.	8,100	693,765
Zions Bancorporation	17,500	922,075			1,377,936
		4,323,528	Food Products - 0.9%		
Beverages - 1.7%			Mondelez International Inc. - Class A	19,800	811,800
The Coca-Cola Company	17,600	771,936	Health Care Equipment & Supplies - 3.7%		
PepsiCo, Inc.	6,700	729,429	Danaher Corporation	9,600	947,328
		1,501,365	Medtronic, PLC (b)	7,600	650,636
Biotechnology - 1.5%			PerkinElmer, Inc.	11,600	849,468
Celgene Corporation (a)	6,700	532,114	Thermo Fisher Scientific, Inc.	3,700	766,418
Charles River Laboratories International, Inc. (a)	6,800	763,368			3,213,850
		1,295,482	Household Durables - 0.7%		
Capital Markets - 1.1%			Whirlpool Corporation	3,900	570,297
SEI Investments Company	14,500	906,540	Household Products - 2.0%		
Chemicals - 5.6%			Colgate-Palmolive Company	11,600	751,796
Air Products and Chemicals, Inc.	5,100	794,223	Kimberly-Clark Corporation	6,600	695,244
DowDuPont Inc.	16,076	1,059,730	The Procter & Gamble Company	3,500	273,210
Ecolab Inc.	4,800	673,584			1,720,250
FMC Corporation	11,200	999,152	Internet & Catalog Retail - 1.4%		
GCP Applied Technologies Inc. (a)	16,000	463,200	Amazon.com, Inc. (a)	700	1,189,860
Praxair, Inc.	5,500	869,825	Internet Software & Services - 4.0%		
		4,859,714	Akamai Technologies, Inc. (a)	12,500	915,375
Commercial Services & Supplies - 1.5%			Alphabet, Inc. - Class A (a)	250	282,298
Cintas Corporation	3,500	647,745	Alphabet, Inc. - Class C (a)	625	697,281
Waste Management, Inc.	7,900	642,586	Facebook, Inc. - Class A (a)	4,600	893,872
		1,290,331	LogMeIn, Inc.	6,000	619,500
Computers & Peripherals - 1.5%					3,408,326
Apple Inc.	7,150	1,323,536	IT Consulting & Services - 2.0%		
Construction Materials - 1.0%			PayPal Holdings, Inc. (a)	11,400	949,278
Martin Marietta Materials, Inc.	3,900	870,987	Visa Inc. - Class A	5,600	741,720
Containers & Packaging - 0.4%					1,690,998
Ball Corporation	8,800	312,840	Machinery - 0.8%		
Diversified Financials - 2.3%			Fortive Corporation	9,100	701,701
JPMorgan Chase & Co.	9,000	937,800	Marine - 0.9%		
Moody's Corporation	6,000	1,023,360	Kirby Corporation (a)	9,000	752,400
		1,961,160	Media - 1.1%		
Diversified Telecommunication Services - 1.5%			CBS Corporation - Class B	3,600	202,392
AT&T Inc.	26,739	858,589	The Walt Disney Company	6,700	702,227
Verizon Communications Inc.	8,641	434,729			904,619
		1,293,318			

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

LKCM BALANCED FUND
SCHEDULE OF INVESTMENTS, CONTINUED
June 30, 2018 (Unaudited)

COMMON STOCKS	Shares	Value	CORPORATE BONDS	Principal Amount	Value
Oil & Gas & Consumable Fuels - 6.1%			Banks - 2.7%		
Anadarko Petroleum Corporation	9,500	\$ 695,875	Bank of America Corporation:		
Cabot Oil & Gas Corporation	25,900	616,420	2.625%, 10/19/2020	\$ 400,000	\$ 395,211
Chevron Corporation	5,795	732,662	2.625%, 04/19/2021	250,000	245,693
ConocoPhillips	11,400	793,668	The Bank of New York Mellon Corporation:		
EOG Resources, Inc.	6,000	746,580	2.450%, 11/27/2020		
Exxon Mobil Corporation	6,727	556,525	Callable 10/27/2020	350,000	344,413
Pioneer Natural Resources Company	2,600	492,024	2.500%, 04/15/2021		
WPX Energy Inc. (a)	35,000	631,050	Callable 03/15/2021	200,000	196,398
		5,264,804	BB&T Corporation		
Pharmaceuticals - 5.2%			2.250%, 02/01/2019		
Abbott Laboratories	16,000	975,840	Callable 01/02/2019	115,000	114,719
AbbVie Inc.	11,000	1,019,150	Comerica Incorporated		
Merck & Co., Inc.	9,800	594,860	2.125%, 05/23/2019		
Pfizer Inc.	17,100	620,388	Callable 04/23/2019	435,000	432,212
Zoetis Inc.	14,400	1,226,736	Wells Fargo & Company:		
		4,436,974	2.150%, 01/15/2019	200,000	199,351
Real Estate Investment Trusts - 0.5%			2.125%, 04/22/2019	150,000	149,172
American Tower Corporation	3,200	461,344	Wells Fargo Bank, National Association		
Road & Rail - 0.5%			1.750%, 05/24/2019	250,000	247,793
Union Pacific Corporation	3,000	425,040			2,324,962
Software - 4.9%			Beverages - 0.5%		
Adobe Systems Incorporated (a)	4,300	1,048,383	PepsiCo, Inc.		
Citrix Systems, Inc. (a)	4,000	419,360	3.000%, 08/25/2021	415,000	416,052
Microsoft Corporation	11,000	1,084,710	Biotechnology - 1.3%		
Oracle Corporation	15,400	678,524	Amgen Inc.:		
RealPage, Inc. (a)	18,500	1,019,350	2.200%, 05/22/2019		
		4,250,327	Callable 04/22/2019	100,000	99,471
Specialty Retail - 1.4%			2.125%, 05/01/2020		
The Home Depot, Inc.	4,300	838,930	Callable 04/01/2020	100,000	98,352
O'Reilly Automotive, Inc. (a)	1,400	382,998	2.700%, 05/01/2022		
		1,221,928	Callable 03/01/2022	325,000	315,967
Textiles, Apparel & Luxury Goods - 2.0%			Celgene Corporation		
NIKE, Inc. - Class B	11,600	924,288	3.625%, 05/15/2024		
VF Corporation	9,500	774,440	Callable 02/15/2024	250,000	244,220
		1,698,728	Gilead Sciences, Inc.		
TOTAL COMMON STOCKS			2.050%, 04/01/2019	335,000	333,430
(Cost \$38,295,308)		57,347,199			1,091,440
			Chemicals - 0.6%		
CORPORATE BONDS - 31.8%			Ecolab Inc.:		
			2.000%, 01/14/2019	250,000	249,080
			2.250%, 01/12/2020	100,000	98,786
			3.250%, 01/14/2023		
			Callable 11/14/2022	200,000	197,694
					545,560
			Communications Equipment - 1.0%		
Aerospace & Defense - 0.3%			Cisco Systems, Inc.:		
Rockwell Collins, Inc.			2.125%, 03/01/2019	250,000	249,399
3.700%, 12/15/2023			2.200%, 02/28/2021	275,000	269,906
Callable 09/15/2023	\$ 250,000	249,173	QUALCOMM Incorporated		
Air Freight & Logistics - 1.1%			2.250%, 05/20/2020	350,000	344,997
FedEx Corp.					864,302
2.700%, 04/15/2023	425,000	409,514			
United Parcel Service, Inc.					
2.450%, 10/01/2022	600,000	581,732			
		991,246			

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

LKCM BALANCED FUND
SCHEDULE OF INVESTMENTS, CONTINUED
June 30, 2018 (Unaudited)

CORPORATE BONDS	Principal Amount	Value	CORPORATE BONDS	Principal Amount	Value
Computers & Peripherals - 1.0%			Health Care Equipment & Supplies - 1.5%		
Apple Inc. 2.850%, 05/06/2021	\$ 500,000	\$ 499,004	Danaher Corporation 2.400%, 09/15/2020 Callable 08/15/2020	\$ 400,000	\$ 395,356
International Business Machines Corporation 2.250%, 02/19/2021	350,000	342,589	Medtronic, Inc. 2.500%, 03/15/2020	300,000	297,992
		841,593	Thermo Fisher Scientific, Inc. 3.150%, 01/15/2023 Callable 10/15/2022	600,000	587,350
Consumer Finance - 0.3%					1,280,698
American Express Credit Corporation 2.600%, 09/14/2020 Callable 08/14/2020	300,000	296,346	Health Care Providers & Services - 0.6%		
Diversified Financials - 0.7%			CVS Health Corporation: 2.250%, 12/05/2018 Callable 11/05/2018	175,000	174,541
JPMorgan Chase & Co.: 2.400%, 06/07/2021 Callable 05/07/2021	400,000	389,869	2.125%, 06/01/2021 Callable 05/01/2021	400,000	384,785
3.375%, 05/01/2023	225,000	219,903			559,326
		609,772	Hotels, Restaurants & Leisure - 0.3%		
Diversified Telecommunication Services - 1.6%			McDonald's Corporation: 2.750%, 12/09/2020 Callable 11/09/2020	200,000	198,764
AT&T Inc. 2.450%, 06/30/2020 Callable 05/30/2020	725,000	714,379	3.625%, 05/20/2021	100,000	101,247
Verizon Communications Inc.: 3.000%, 11/01/2021 Callable 09/01/2021	455,000	447,930			300,011
2.450%, 11/01/2022 Callable 08/01/2022	200,000	190,899	Household Durables - 0.9%		
		1,353,208	Newell Brands, Inc.: 2.150%, 10/15/2018 3.150%, 04/01/2021 Callable 03/01/2021	400,000	399,130
Electrical Equipment & Instruments - 1.7%				350,000	346,978
Emerson Electric Co.: 2.625%, 02/15/2023 Callable 11/15/2022	400,000	388,377			746,108
3.150%, 06/01/2025 Callable 03/01/2025	200,000	195,151	Industrial Conglomerates - 0.6%		
Rockwell Automation, Inc. 2.050%, 03/01/2020 Callable 02/01/2020	288,000	283,201	General Electric Company 2.700%, 10/09/2022	500,000	483,904
Roper Technologies, Inc. 2.800%, 12/15/2021 Callable 11/15/2021	600,000	586,447	Insurance - 0.8%		
		1,453,176	Berkshire Hathaway Inc. 2.200%, 03/15/2021 Callable 02/15/2021	710,000	698,894
Electronic Equipment & Instruments - 0.3%			Internet & Catalog Retail - 0.8%		
Trimble Inc. 4.150%, 06/15/2023 Callable 05/15/2023	250,000	249,473	Amazon.com, Inc. 3.300%, 12/05/2021 Callable 10/05/2021	695,000	701,147
Food & Drug Retailing - 1.1%			Internet Software & Services - 0.7%		
Costco Wholesale Corporation 2.250%, 02/15/2022	400,000	388,397	Alphabet, Inc. 3.375%, 02/25/2024	600,000	604,805
Walgreens Boots Alliance, Inc.: 3.300%, 11/18/2021 Callable 09/18/2021	325,000	323,189	Media - 0.8%		
3.800%, 11/18/2024 Callable 08/18/2024	250,000	246,785	Time Warner Inc. 3.400%, 06/15/2022	250,000	246,652
		958,371	The Walt Disney Company 2.300%, 02/12/2021	420,000	411,926
					658,578

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

LKCM BALANCED FUND
SCHEDULE OF INVESTMENTS, CONTINUED
June 30, 2018 (Unaudited)

CORPORATE BONDS	Principal Amount	Value	CORPORATE BONDS	Principal Amount	Value
Oil & Gas & Consumable Fuels - 4.2%			Semiconductor Equipment & Products - 0.5%		
Chevron Corporation 2.411%, 03/03/2022 Callable 01/03/2022	\$ 500,000	\$ 488,073	Texas Instruments Incorporated 2.750%, 03/12/2021 Callable 02/12/2021	\$ 470,000	\$ 468,672
ConocoPhillips 2.400%, 12/15/2022 Callable 09/15/2022	490,000	471,895	Software - 1.3%		
Enterprise Products Operating LLC 2.850%, 04/15/2021 Callable 03/15/2021	500,000	494,110	Microsoft Corporation 2.375%, 02/12/2022 Callable 01/12/2022	400,000	391,309
EOG Resources, Inc.: 2.450%, 04/01/2020 Callable 03/01/2020	200,000	197,826	Oracle Corporation: 2.375%, 01/15/2019 2.800%, 07/08/2021	125,000 625,000	124,994 621,176
2.625%, 03/15/2023 Callable 12/15/2022	500,000	480,510			<u>1,137,479</u>
Exxon Mobil Corporation: 2.222%, 03/01/2021 Callable 02/01/2021	325,000	319,141	Specialty Retail - 0.7%		
3.043%, 03/01/2026 Callable 12/01/2025	300,000	292,100	The Home Depot, Inc.: 2.000%, 06/15/2019 Callable 05/15/2019	325,000	323,132
Kinder Morgan Energy Partners, L.P. 3.950%, 09/01/2022 Callable 06/01/2022	400,000	400,328	2.625%, 06/01/2022 Callable 05/01/2022	290,000	284,585
Occidental Petroleum Corporation 2.600%, 04/15/2022 Callable 03/15/2022	500,000	489,104			<u>607,717</u>
		<u>3,633,087</u>	TOTAL CORPORATE BONDS (Cost \$28,039,385)		<u>27,402,681</u>
Pharmaceuticals - 2.1%			SHORT-TERM INVESTMENT - 1.5%	Shares	
Abbott Laboratories: 2.000%, 03/15/2020 3.400%, 11/30/2023 Callable 09/30/2023	250,000 350,000	245,943 345,741	Money Market Fund - 1.5%		
AbbVie Inc.: 2.000%, 11/06/2018 2.500%, 05/14/2020 Callable 04/14/2020	134,000 425,000	133,615 420,068	Invesco Short-Term Investments Trust - Government & Agency Portfolio - Institutional Shares, 1.81% (c)	1,332,840	1,332,840
Merck & Co., Inc. 2.350%, 02/10/2022	650,000	633,301			
		<u>1,778,668</u>	TOTAL SHORT-TERM INVESTMENT (Cost \$1,332,840)		<u>1,332,840</u>
Real Estate Investment Trusts - 0.6%			Total Investments - 99.9% (Cost \$67,667,533)		86,082,720
American Tower Corporation: 3.400%, 02/15/2019 2.800%, 06/01/2020 Callable 05/01/2020	400,000 100,000	401,138 99,187	Other Assets in Excess of Liabilities - 0.1%		<u>103,403</u>
		<u>500,325</u>	TOTAL NET ASSETS - 100.0%		<u>\$ 86,186,123</u>
Road & Rail - 1.2%					
Burlington Northern Santa Fe, LLC 3.000%, 03/15/2023 Callable 12/15/2022	600,000	589,079			
Union Pacific Corporation 2.250%, 06/19/2020 Callable 05/19/2020	415,000	409,509			
		<u>998,588</u>			

- (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.

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

LKCM FIXED INCOME FUND

SCHEDULE OF INVESTMENTS

June 30, 2018 (Unaudited)

	Principal Amount	Value		Principal Amount	Value
CORPORATE BONDS - 74.3%			CORPORATE BONDS		
Aerospace & Defense - 0.7%			Consumer Finance - 4.2%		
Rockwell Collins, Inc. 3.700%, 12/15/2023 Callable 09/15/2023	\$1,750,000	\$ 1,744,215	American Express Company: 2.689% (3 Month LIBOR USD + 0.330%), 10/30/2020 Callable 09/29/2020 (a)	\$3,500,000	\$ 3,505,751
Air Freight & Logistics - 1.0%			3.000%, 10/30/2024 Callable 09/29/2024	2,000,000	1,911,015
FedEx Corp. 3.250%, 04/01/2026 Callable 01/01/2026	2,500,000	2,397,854	American Express Credit Corporation: 1.875%, 05/03/2019 Callable 04/03/2019	2,000,000	1,985,556
Banks - 7.5%			2.375%, 05/26/2020 Callable 04/25/2020	3,000,000	2,957,275
Bank of America Corporation: 2.050%, 12/07/2018	5,000,000	4,992,035			<u>10,359,597</u>
2.625%, 10/19/2020	2,600,000	2,568,870	Consumer Services - 1.0%		
3.542% (3 Month LIBOR USD + 1.180%), 10/21/2022 Callable 10/21/2021 (a)	2,000,000	2,037,599	The Western Union Company 3.650%, 08/22/2018	2,500,000	2,502,923
BB&T Corporation 2.911% (3 Month LIBOR USD + 0.570%), 06/15/2020 (a)	2,000,000	2,010,720	Containers & Packaging - 2.1%		
Comerica Incorporated 2.125%, 05/23/2019 Callable 04/23/2019	1,000,000	993,590	Ball Corporation: 5.000%, 03/15/2022	2,000,000	2,062,500
Wells Fargo & Company: 2.125%, 04/22/2019	4,000,000	3,977,917	5.250%, 07/01/2025	3,000,000	3,071,250
4.125%, 08/15/2023	2,000,000	2,013,115			<u>5,133,750</u>
		<u>18,593,846</u>	Diversified Financials - 4.4%		
Biotechnology - 4.0%			JPMorgan Chase & Co.: 3.317% (3 Month LIBOR USD + 0.955%), 01/23/2020 (a)	3,082,000	3,119,663
Amgen Inc. 2.200%, 05/22/2019 Callable 04/22/2019	5,312,000	5,283,871	3.260% (3 Month LIBOR USD + 0.900%), 04/25/2023 Callable 04/25/2022 (a)	2,409,000	2,431,180
Celgene Corporation 3.625%, 05/15/2024 Callable 02/15/2024	4,750,000	4,640,176	3.375%, 05/01/2023	2,000,000	1,954,697
		<u>9,924,047</u>	2.700%, 05/18/2023 Callable 03/18/2023	3,500,000	3,362,282
Capital Markets - 2.0%					<u>10,867,822</u>
Morgan Stanley: 3.209% (3 Month LIBOR USD + 0.850%), 01/24/2019 (a)	3,500,000	3,513,815	Diversified Telecommunication Services - 8.3%		
3.155% (3 Month LIBOR USD + 0.800%), 02/14/2020 Callable 02/14/2019 (a)	1,500,000	1,504,685	AT&T Inc.: 2.375%, 11/27/2018	4,500,000	4,495,874
		<u>5,018,500</u>	3.229% (3 Month LIBOR USD + 0.910%), 11/27/2018 (a)	3,000,000	3,009,489
Chemicals - 0.4%			2.997% (3 Month LIBOR USD + 0.670%), 03/11/2019 (a)	1,500,000	1,504,896
Ecolab Inc. 2.375%, 08/10/2022 Callable 07/10/2022	1,000,000	964,934	3.298% (3 Month LIBOR USD + 0.950%), 07/15/2021 (a)	2,000,000	2,019,910
Communications Equipment - 0.3%			CenturyLink, Inc.: 6.150%, 09/15/2019	1,402,000	1,433,545
Cisco Systems, Inc. 4.950%, 02/15/2019	700,000	710,096	5.800%, 03/15/2022	2,500,000	2,487,500
Computers & Peripherals - 1.3%			Verizon Communications Inc.: 4.086% (3 Month LIBOR USD + 1.750%), 09/14/2018 (a)	2,000,000	2,006,974
Apple Inc. 2.400%, 05/03/2023	3,250,000	3,133,255	3.335% (3 Month LIBOR USD + 1.000%), 03/16/2022 (a)	2,000,000	2,032,799
			2.450%, 11/01/2022 Callable 08/01/2022	1,750,000	1,670,365
					<u>20,661,352</u>

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

LKCM FIXED INCOME FUND
SCHEDULE OF INVESTMENTS, CONTINUED
June 30, 2018 (Unaudited)

CORPORATE BONDS	Principal Amount	Value	CORPORATE BONDS	Principal Amount	Value
Electrical Equipment - 2.9%			Internet & Catalog Retail - 2.8%		
Emerson Electric Co.:			Amazon.com, Inc.:		
2.625%, 12/01/2021			2.600%, 12/05/2019		
Callable 11/01/2021	\$ 950,000	\$ 933,089	Callable 11/05/2019	\$2,000,000	\$ 2,001,230
3.150%, 06/01/2025			2.500%, 11/29/2022		
Callable 03/01/2025	5,000,000	4,878,784	Callable 08/29/2022	5,000,000	4,857,482
Rockwell Automation, Inc.					<u>6,858,712</u>
2.875%, 03/01/2025			Internet Software & Services - 1.6%		
Callable 12/01/2024	1,440,000	1,369,857	Alphabet, Inc.		
		<u>7,181,730</u>	3.375%, 02/25/2024	4,000,000	4,032,031
Electronic Equipment, Instruments & Components - 1.1%			Multiline Retail - 1.9%		
Trimble Inc.			Family Dollar Stores, Inc.		
4.150%, 06/15/2023			5.000%, 02/01/2021	4,500,000	4,676,400
Callable 05/15/2023	2,750,000	2,744,199	Oil & Gas & Consumable Fuels - 6.2%		
Food & Drug Retailing - 1.7%			Chevron Corporation		
Walgreens Boots Alliance, Inc.			2.411%, 03/03/2022		
3.800%, 11/18/2024			Callable 01/03/2022	1,450,000	1,415,414
Callable 08/18/2024	4,375,000	4,318,740	Enterprise Products Operating LLC		
Health Care Equipment & Supplies - 6.0%			3.750%, 02/15/2025		
Danaher Corporation:			Callable 11/15/2024	2,000,000	1,983,364
2.400%, 09/15/2020			Kinder Morgan Energy Partners, L.P.		
Callable 08/15/2020	2,000,000	1,976,779	4.250%, 09/01/2024		
3.350%, 09/15/2025			Callable 06/01/2024	3,000,000	3,010,216
Callable 06/15/2025	5,500,000	5,408,107	Occidental Petroleum Corporation		
PerkinElmer, Inc.			2.600%, 04/15/2022		
5.000%, 11/15/2021			Callable 03/15/2022	3,125,000	3,056,902
Callable 08/15/2021	1,094,000	1,141,151	Range Resources Corporation		
Thermo Fisher Scientific, Inc.:			5.000%, 08/15/2022		
4.150%, 02/01/2024			Callable 05/15/2022	5,850,000	5,820,750
Callable 11/01/2023	4,500,000	4,572,885			<u>15,286,646</u>
2.950%, 09/19/2026			Real Estate Investment Trusts - 3.6%		
Callable 06/19/2026	2,000,000	1,850,952	American Tower Corporation:		
		<u>14,949,874</u>	3.400%, 02/15/2019	1,585,000	1,589,508
Health Care Providers & Services - 2.6%			5.050%, 09/01/2020	1,250,000	1,292,578
CVS Health Corporation:			3.500%, 01/31/2023	3,500,000	3,446,504
3.047% (3 Month LIBOR USD + 0.720%), 03/09/2021 (a)	4,500,000	4,524,431	5.000%, 02/15/2024	2,500,000	2,595,750
4.125%, 05/15/2021					<u>8,924,340</u>
Callable 02/15/2021	2,000,000	2,036,721	Road & Rail - 3.0%		
		<u>6,561,152</u>	Burlington Northern Santa Fe, LLC		
Household Durables - 1.3%			3.000%, 03/15/2023		
Newell Brands, Inc.			Callable 12/15/2022	3,300,000	3,239,931
3.150%, 04/01/2021			Union Pacific Corporation		
Callable 03/01/2021	3,150,000	3,122,802	2.250%, 06/19/2020		
Household Products - 0.4%			Callable 05/19/2020	4,125,000	4,070,423
The Procter & Gamble Company					<u>7,310,354</u>
8.000%, 09/01/2024	775,000	984,750	Software & Services - 1.0%		
Industrial Conglomerates - 0.5%			Sabre GLBL Inc. (b)		
Roper Technologies, Inc.			5.375%, 04/15/2023		
2.050%, 10/01/2018	1,250,000	1,248,511	Callable 07/30/2018	2,500,000	2,537,500

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

LKCM FIXED INCOME FUND
SCHEDULE OF INVESTMENTS, CONTINUED
June 30, 2018 (Unaudited)

CORPORATE BONDS	Principal Amount	Value	U.S. GOVERNMENT SPONSORED ENTITIES	Principal Amount	Value
Specialty Retail - 0.5%			Freddie Mac - 10.4%, Continued		
O'Reilly Automotive, Inc. 4.875%, 01/14/2021 Callable 10/14/2020	\$1,128,000	\$ 1,165,642	2.200%, 07/27/2022 Callable 07/27/2018	\$1,225,000	\$ 1,191,023
TOTAL CORPORATE BONDS (Cost \$186,699,062)		<u>183,915,574</u>	1.625%, 09/29/2022 Callable 09/29/2018 (c)	2,500,000	2,457,333
U.S. GOVERNMENT ISSUES - 7.0%			2.000%, 12/14/2022 Callable 12/14/2018 (c)	2,000,000	1,983,644
U.S. Treasury Inflation Indexed Bonds - 1.5%			2.000%, 12/27/2022 Callable 09/27/2018 (c)	2,200,000	2,179,547
0.625%, 01/15/2024	3,758,230	3,754,319	2.250%, 02/28/2023 Callable 08/28/2018 (c)	2,000,000	1,989,550
U.S. Treasury Notes - 5.5%			1.500%, 06/30/2023 Callable 09/30/2018 (c)	1,500,000	1,455,525
1.000%, 08/15/2018	2,000,000	1,997,897	2.000%, 10/27/2023 Callable 07/27/2018 (c)	4,500,000	4,418,645
1.250%, 10/31/2019	2,000,000	1,968,945	2.000%, 05/23/2031 Callable 08/23/2018 (c)	2,500,000	2,391,742
2.000%, 07/31/2020	2,000,000	1,977,930	TOTAL U.S. GOVERNMENT SPONSORED ENTITIES (Cost \$44,719,826)		<u>43,803,978</u>
2.000%, 02/15/2023	2,000,000	1,937,969			
2.000%, 02/15/2025	2,000,000	1,902,500	SHORT-TERM INVESTMENT - 1.1%	Shares	
2.000%, 08/15/2025	2,000,000	1,894,883	Money Market Fund - 1.1%		
1.625%, 02/15/2026	2,000,000	1,835,195	Invesco Short-Term Investments Trust- Government & Agency Portfolio - Institutional Shares, 1.81% (d)	2,733,078	2,733,078
TOTAL U.S. GOVERNMENT ISSUES (Cost \$17,790,032)		<u>17,269,638</u>	TOTAL SHORT-TERM INVESTMENT (Cost \$2,733,078)		<u>2,733,078</u>
U.S. GOVERNMENT SPONSORED ENTITIES - 17.7%			Total Investments - 100.1% (Cost \$251,941,998)		247,722,268
Fannie Mae - 2.3%			Liabilities in Excess of Other Assets - (0.1)%		(216,174)
1.500%, 07/28/2021 Callable 07/28/2018 (c)	2,000,000	1,976,556	TOTAL NET ASSETS - 100.0%		<u>\$247,506,094</u>
1.500%, 10/26/2021 Callable 07/26/2018 (c)	1,040,000	1,018,716			
1.500%, 05/17/2024 Callable 08/17/2018 (c)	2,800,000	2,732,582	(a) Floating rate.		
		<u>5,727,854</u>	(b) Rule 144A security. Resale to the public may require registration or may extend only to qualified institutional buyers. The fair market value of the Rule 144A securities was \$2,534,375 representing 1.0% of the Fund's total net assets.		
Federal Home Loan Bank - 5.0%			(c) Step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate as of period end.		
1.550%, 10/19/2020 Callable 10/19/2018 (c)	2,500,000	2,458,093	(d) The rate quoted is the annualized seven-day yield of the fund at period end.		
1.750%, 10/19/2020 Callable 07/19/2018 (c)	2,500,000	2,465,638	<i>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.</i>		
2.050%, 01/29/2021 Callable 01/29/2019 (c)	2,500,000	2,475,870			
1.625%, 08/15/2022 Callable 08/15/2018 (c)	2,500,000	2,445,287			
2.000%, 08/24/2022 Callable 08/24/2018	2,700,000	2,600,537			
		<u>12,445,425</u>			
Freddie Mac - 10.4%					
1.375%, 08/25/2021 Callable 08/25/2018 (c)	1,650,000	1,599,970			
1.500%, 08/25/2021 Callable 08/25/2018 (c)	1,600,000	1,536,754			
1.750%, 08/25/2021 Callable 08/25/2018 (c)	2,500,000	2,452,222			
2.375%, 01/13/2022	2,000,000	1,974,744			

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

STATEMENT OF ASSETS AND LIABILITIES

June 30, 2018 (Unaudited)

	LKCM Small Cap Equity Fund	LKCM Small-Mid Cap Equity Fund	LKCM Equity Fund	LKCM Balanced Fund	LKCM Fixed Income Fund
Assets:					
Investments, at value*	\$210,231,036	\$17,213,383	\$346,237,581	\$86,082,720	\$247,722,268
Dividends and interest receivable	64,966	3,827	384,717	215,573	1,759,661
Receivable for fund shares sold	132,474	—	—	41,290	300,031
Prepaid trustee fees	11,336	337	18,710	4,522	14,033
Other assets	49,657	14,442	39,630	24,805	32,895
Total assets	<u>210,489,469</u>	<u>17,231,989</u>	<u>346,680,638</u>	<u>86,368,910</u>	<u>249,828,888</u>
Liabilities:					
Payable for fund shares redeemed	857,679	2,059	3,177	30,884	2,044,701
Payable for investment advisory fees	333,433	—	463,940	98,211	125,676
Payable for investments purchased	113,222	—	—	—	—
Payable for accounting and transfer agent fees and expenses	39,207	14,832	36,310	16,252	39,766
Payable for administrative fees	29,589	6,888	45,859	11,853	34,636
Payable for professional fees	19,740	5,829	29,757	10,408	22,542
Payable for reports to shareholders	9,064	1,434	13,721	—	7,165
Payable for custody fees and expenses	3,828	931	5,492	1,546	4,484
Payable for distribution expense (Note B)	1,792	—	—	—	—
Accrued expenses and other liabilities	50,560	1,222	58,512	13,633	43,824
Total liabilities	<u>1,458,114</u>	<u>33,195</u>	<u>656,768</u>	<u>182,787</u>	<u>2,322,794</u>
Net assets	<u>\$209,031,355</u>	<u>\$17,198,794</u>	<u>\$346,023,870</u>	<u>\$86,186,123</u>	<u>\$247,506,094</u>
Net assets consist of:					
Paid in capital	\$121,665,033	\$10,445,540	\$186,828,714	\$67,229,448	\$251,914,141
Undistributed net investment income (loss)	(291,732)	(20,718)	1,147,879	13,451	48,893
Accumulated net realized gain (loss) on securities	25,792,014	2,190,231	11,248,410	528,037	(237,210)
Net unrealized appreciation (depreciation) on investments	61,866,040	4,583,741	146,798,867	18,415,187	(4,219,730)
Net assets	<u>\$209,031,355</u>	<u>\$17,198,794</u>	<u>\$346,023,870</u>	<u>\$86,186,123</u>	<u>\$247,506,094</u>
INSTITUTIONAL CLASS					
Net assets	\$208,401,393	\$17,198,794	\$346,023,870	\$86,186,123	\$247,506,094
Shares of beneficial interest outstanding (unlimited shares of no par value authorized)	10,230,535	1,531,463	12,642,949	3,839,748	23,614,320
Net asset value per share (offering and redemption price)	<u>\$ 20.37</u>	<u>\$ 11.23</u>	<u>\$ 27.37</u>	<u>\$ 22.45</u>	<u>\$ 10.48</u>
ADVISER CLASS**					
Net assets	\$ 629,962				
Shares of beneficial interest outstanding (unlimited shares of no par value authorized)	33,321				
Net asset value per share (offering and redemption price)	<u>\$ 18.91</u>				
* Cost of Investments	<u>148,364,996</u>	<u>12,629,642</u>	<u>199,438,714</u>	<u>67,667,533</u>	<u>251,941,998</u>

** Currently, Adviser Class shares are authorized only for the Small Cap Equity, Small-Mid Cap Equity and Equity Funds and are offered only by the Small Cap Equity Fund.

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

STATEMENT OF OPERATIONS
For the Six Months Ended June 30, 2018 (Unaudited)

	LKCM Small Cap Equity Fund	LKCM Small-Mid Cap Equity Fund	LKCM Equity Fund	LKCM Balanced Fund	LKCM Fixed Income Fund
Investment Income:					
Dividends*	\$ 698,111	\$ 67,617	\$ 2,353,090	\$ 417,837	\$ —
Interest	25,198	2,846	190,354	319,142	3,337,356
Total income	<u>723,309</u>	<u>70,463</u>	<u>2,543,444</u>	<u>736,979</u>	<u>3,337,356</u>
Expenses:					
Investment advisory fees	760,735	68,386	1,226,479	273,261	618,981
Distribution expense – Adviser Class (Note B)	728	—	—	—	—
Accounting and transfer agent fees and expenses	103,875	42,970	121,546	49,865	97,244
Administrative fees	84,665	20,522	141,455	34,907	103,206
Professional fees	41,761	5,877	59,692	15,561	44,534
Trustees' fees	34,835	3,717	46,773	10,792	34,961
Federal and state registration	26,915	12,500	22,843	11,003	21,094
Custody fees and expenses	12,096	3,288	17,974	4,575	13,293
Reports to shareholders	9,527	1,267	10,005	2,896	7,255
Other	49,315	4,163	65,031	15,038	48,642
Total expenses	1,124,452	162,690	1,711,798	417,898	989,210
Less, expense waiver and/or reimbursement (Note B)	(109,411)	(71,509)	(310,108)	(81,577)	(370,228)
Net expenses	<u>1,015,041</u>	<u>91,181</u>	<u>1,401,690</u>	<u>336,321</u>	<u>618,982</u>
Net investment income (loss)	<u>(291,732)</u>	<u>(20,718)</u>	<u>1,141,754</u>	<u>400,658</u>	<u>2,718,374</u>
Realized and Unrealized Gain (Loss) on Investments:					
Net realized gain (loss) on investments	25,797,694	1,996,990	11,271,263	528,037	(237,210)
Net change in unrealized appreciation/depreciation on investments	(5,064,521)	(935,844)	5,338,712	577,220	(4,491,784)
Net realized and unrealized gain (loss) on investments	<u>20,733,173</u>	<u>1,061,146</u>	<u>16,609,975</u>	<u>1,105,257</u>	<u>(4,728,994)</u>
Net Increase (Decrease) in Net Assets Resulting from Operations	<u>\$20,441,441</u>	<u>\$1,040,428</u>	<u>\$17,751,729</u>	<u>\$1,505,915</u>	<u>\$(2,010,620)</u>
* Net of foreign taxes withheld	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 4,095</u>	<u>\$ —</u>	<u>\$ —</u>

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

STATEMENTS OF CHANGES IN NET ASSETS

	LKCM Small Cap Equity Fund		LKCM Small-Mid Cap Equity Fund	
	<i>Six Months Ended June 30, 2018 (Unaudited)</i>	<i>Year Ended December 31, 2017</i>	<i>Six Months Ended June 30, 2018 (Unaudited)</i>	<i>Year Ended December 31, 2017</i>
Operations:				
Net investment loss	\$ (291,732)	\$ (419,914)	\$ (20,718)	\$ (36,019)
Net realized gain on investments	25,797,694	41,104,589	1,996,990	2,497,041
Net change in unrealized appreciation/depreciation on investments	(5,064,521)	(4,585,084)	(935,844)	1,824,006
Net increase in net assets resulting from operations	<u>20,441,441</u>	<u>36,099,591</u>	<u>1,040,428</u>	<u>4,285,028</u>
Dividends and Distributions to Institutional Class Shareholders:				
Net realized gain on investments	—	(33,953,609)	—	(2,141,026)
Dividends and Distributions to Adviser Class Shareholders:				
Net realized gain on investments	—	(91,957)		
Net decrease in net assets from Fund share transactions (Note C)	<u>(13,072,566)</u>	<u>(83,606,173)</u>	<u>(3,219,750)</u>	<u>(3,184,769)</u>
Total increase (decrease) in net assets	7,368,875	(81,552,148)	(2,179,322)	(1,040,767)
Net Assets:				
Beginning of period	<u>201,662,480</u>	<u>283,214,628</u>	<u>19,378,116</u>	<u>20,418,883</u>
End of period*	<u>\$209,031,355</u>	<u>\$201,662,480</u>	<u>\$17,198,794</u>	<u>\$19,378,116</u>
* Including accumulated net investment loss of	<u>\$ (291,732)</u>	<u>\$ —</u>	<u>\$ (20,718)</u>	<u>\$ —</u>

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

STATEMENTS OF CHANGES IN NET ASSETS

	LKCM Equity Fund		LKCM Balanced Fund	
	<i>Six Months Ended June 30, 2018 (Unaudited)</i>	<i>Year Ended December 31, 2017</i>	<i>Six Months Ended June 30, 2018 (Unaudited)</i>	<i>Year Ended December 31, 2017</i>
Operations:				
Net investment income	\$ 1,141,754	\$ 2,170,544	\$ 400,658	\$ 702,924
Net realized gain on investments	11,271,263	13,289,318	528,037	2,549,252
Net change in unrealized appreciation/depreciation on investments	5,338,712	46,722,416	577,220	5,751,978
Net increase in net assets resulting from operations	<u>17,751,729</u>	<u>62,182,278</u>	<u>1,505,915</u>	<u>9,004,154</u>
Dividends and Distributions to Shareholders				
Net investment income	—	(2,175,595)	(393,646)	(700,479)
Net realized gain on investments	—	(13,688,012)	—	(2,524,332)
	<u>—</u>	<u>(15,863,607)</u>	<u>(393,646)</u>	<u>(3,224,811)</u>
Net increase (decrease) in net assets from				
Fund share transactions (Note C)	(12,329,213)	7,774,360	1,644,141	14,458,317
Total increase in net assets	5,422,516	54,093,031	2,756,410	20,237,660
Net Assets:				
Beginning of period	340,601,354	286,508,323	83,429,713	63,192,053
End of period*	<u>\$346,023,870</u>	<u>\$340,601,354</u>	<u>\$86,186,123</u>	<u>\$83,429,713</u>
* Including accumulated net investment income of	<u>\$ 1,147,879</u>	<u>\$ 6,125</u>	<u>\$ 13,451</u>	<u>\$ 6,439</u>

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

STATEMENTS OF CHANGES IN NET ASSETS

	LKCM Fixed Income Fund	
	<i>Six Months Ended June 30, 2018 (Unaudited)</i>	<i>Year Ended December 31, 2017</i>
Operations:		
Net investment income	\$ 2,718,374	\$ 4,694,614
Net realized gain (loss) on investments	(237,210)	231,170
Net change in unrealized appreciation/depreciation on investments	(4,491,784)	144,349
Net increase (decrease) in net assets resulting from operations . . .	<u>(2,010,620)</u>	<u>5,070,133</u>
Dividends and Distributions to Shareholders:		
Net investment income	(2,669,481)	(4,704,142)
Net realized gain on investments	—	(239,922)
	<u>(2,669,481)</u>	<u>(4,944,064)</u>
Net increase in net assets from		
Fund share transactions (Note C)	3,210,391	21,987,467
Total increase (decrease) in net assets	(1,469,710)	22,113,536
Net Assets:		
Beginning of period	248,975,804	226,862,268
End of period*	<u>\$247,506,094</u>	<u>\$248,975,804</u>
* Including accumulated net investment income of	<u>\$ 48,893</u>	<u>\$ —</u>

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

FINANCIAL HIGHLIGHTS
SELECTED DATA FOR EACH SHARE OF CAPITAL STOCK OUTSTANDING

LKCM Small Cap Equity Fund – Institutional Class

	<i>Six Months Ended June 30, 2018 (Unaudited)</i>	<i>Year Ended December 31, 2017</i>	<i>Year Ended December 31, 2016</i>	<i>Year Ended December 31, 2015</i>	<i>Year Ended December 31, 2014</i>	<i>Year Ended December 31, 2013</i>
Net Asset Value – Beginning of Period	\$ 18.44	\$ 18.82	\$ 19.86	\$ 24.05	\$ 28.33	\$ 22.69
Net investment income (loss)	(0.03)	(0.04)	(0.03) ⁽¹⁾	0.01	(0.06) ⁽¹⁾	(0.06) ⁽²⁾
Net realized and unrealized gain (loss) on investments	1.96	3.27	1.88	(1.29)	(0.77)	8.02
Total from investment operations	1.93	3.23	1.85	(1.28)	(0.83)	7.96
Dividends from net investment income	—	—	—	(0.01)	—	—
Distributions from net realized gains	—	(3.61)	(2.89)	(2.90)	(3.45)	(2.32)
Total dividends and distributions	—	(3.61)	(2.89)	(2.91)	(3.45)	(2.32)
Net Asset Value – End of Period	\$ 20.37	\$ 18.44	\$ 18.82	\$ 19.86	\$ 24.05	\$ 28.33
Total Return	10.47% ⁽⁴⁾	17.04%	9.27%	-5.58%	-3.11%	35.11%
Ratios and Supplemental Data:						
Net assets, end of period (thousands)	\$208,401	\$201,139	\$281,790	\$568,421	\$840,631	\$1,047,607
Ratio of expenses to average net assets:						
Before expense waiver and/or reimbursement	1.11% ⁽⁵⁾	1.10%	0.95%	0.97%	0.94%	0.95%
After expense waiver and/or reimbursement	1.00% ⁽⁵⁾	1.00%	1.00%	0.97%	0.94%	0.95%
Ratio of net investment income (loss) to average net assets:						
Before expense waiver and/or reimbursement	(0.40)% ⁽⁵⁾	(0.28)%	(0.08)%	0.05%	(0.21)%	(0.23)%
After expense waiver and/or reimbursement	(0.29)% ⁽⁵⁾	(0.18)%	(0.13)%	0.05%	(0.21)%	(0.23)%
Portfolio turnover rate ⁽³⁾	25%	42%	50%	62%	60%	47%

- (1) Net investment income (loss) per share represents net investment income (loss) divided by the average shares outstanding throughout the period.
- (2) Net investment loss per share is calculated using the ending balance of undistributed net investment loss prior to considerations of adjustments for permanent book and tax differences.
- (3) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.
- (4) Not annualized.
- (5) Annualized.

LKCM Small Cap Equity Fund – Adviser Class

	<i>Six Months Ended June 30, 2018 (Unaudited)</i>	<i>Year Ended December 31, 2017</i>	<i>Year Ended December 31, 2016</i>	<i>Year Ended December 31, 2015</i>	<i>Year Ended December 31, 2014</i>	<i>Year Ended December 31, 2013</i>
Net Asset Value – Beginning of Period	\$ 17.13	\$ 17.76	\$ 18.93	\$ 23.11	\$ 27.43	\$ 22.07
Net investment loss	(0.05)	(0.08)	(0.07) ⁽¹⁾	(0.05)	(0.12) ⁽¹⁾	(0.13) ⁽²⁾
Net realized and unrealized gain (loss) on investments	1.83	3.06	1.79	(1.23)	(0.75)	7.81
Total from investment operations	1.78	2.98	1.72	(1.28)	(0.87)	7.68
Distributions from net realized gains	—	(3.61)	(2.89)	(2.90)	(3.45)	(2.32)
Net Asset Value – End of Period	\$ 18.91	\$ 17.13	\$ 17.76	\$ 18.93	\$ 23.11	\$ 27.43
Total Return	10.39% ⁽⁴⁾	16.70%	8.99%	-5.81%	-3.35%	34.81%
Ratios and Supplemental Data:						
Net assets, end of period (thousands)	\$ 630	\$ 524	\$ 1,425	\$ 8,598	\$ 14,665	\$ 41,153
Ratio of expenses to average net assets:						
Before expense waiver and/or reimbursement	1.36% ⁽⁵⁾	1.35%	1.20%	1.22%	1.19%	1.20%
After expense waiver and/or reimbursement	1.25% ⁽⁵⁾	1.25%	1.25%	1.22%	1.19%	1.20%
Ratio of net investment income (loss) to average net assets:						
Before expense waiver and/or reimbursement	(0.65)% ⁽⁵⁾	0.53%	(0.33)%	(0.20)%	(0.46)%	(0.48)%
After expense waiver and/or reimbursement	(0.54)% ⁽⁵⁾	0.48%	(0.38)%	(0.20)%	(0.46)%	(0.48)%
Portfolio turnover rate ⁽³⁾	25%	42%	50%	62%	60%	47%

- (1) Net investment income (loss) per share represents net investment income (loss) divided by the average shares outstanding throughout the period.
- (2) Net investment loss per share is calculated using the ending balance of undistributed net investment loss prior to considerations of adjustments for permanent book and tax differences.
- (3) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.
- (4) Not annualized.
- (5) Annualized.

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

FINANCIAL HIGHLIGHTS
SELECTED DATA FOR EACH SHARE OF CAPITAL STOCK OUTSTANDING

LKCM Small-Mid Cap Equity Fund						
	<i>Six Months Ended June 30, 2018 (Unaudited)</i>	<i>Year Ended December 31, 2017</i>	<i>Year Ended December 31, 2016</i>	<i>Year Ended December 31, 2015</i>	<i>Year Ended December 31, 2014</i>	<i>Year Ended December 31, 2013</i>
Net Asset Value – Beginning of Period	\$ 10.60	\$ 9.56	\$ 11.15	\$ 12.10	\$ 12.97	\$ 9.68
Net investment loss	(0.01)	(0.01) ⁽¹⁾	(0.05) ⁽¹⁾	(0.06) ⁽²⁾	(0.08) ⁽¹⁾	(0.06) ⁽²⁾
Net realized and unrealized gain (loss) on investments	0.64	2.32	0.19	(0.10)	(0.48)	3.35
Total from investment operations	0.63	2.31	0.14	(0.16)	(0.56)	3.29
Distributions from net realized gains	—	(1.27)	(1.73)	(0.79)	(0.31)	—
Net Asset Value – End of Period	\$ 11.23	\$ 10.60	\$ 9.56	\$ 11.15	\$ 12.10	\$ 12.97
Total Return	5.94% ⁽³⁾	24.13%	1.17%	-1.41%	-4.39%	33.99%
Ratios and Supplemental Data:						
Net assets, end of period (thousands)	\$ 17,199	\$ 19,378	\$ 20,419	\$331,954	\$391,668	\$366,423
Ratio of expenses to average net assets:						
Before expense waiver and/or reimbursement	1.78% ⁽⁴⁾	1.76%	1.23%	1.14%	1.20%	1.18%
After expense waiver and/or reimbursement	1.00% ⁽⁴⁾	1.00%	1.00%	1.00%	1.00%	1.00%
Ratio of net investment loss to average net assets:						
Before expense waiver and/or reimbursement	(1.01)% ⁽⁴⁾	(0.91)%	(0.68)%	(0.63)%	(0.82)%	(0.77)%
After expense waiver and/or reimbursement	(0.23)% ⁽⁴⁾	(0.18)%	(0.45)%	(0.49)%	(0.62)%	(0.59)%
Portfolio turnover rate	24%	63%	80%	70%	72%	49%

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

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

(3) Not annualized.

(4) Annualized.

LKCM Equity Fund						
	<i>Six Months Ended June 30, 2018 (Unaudited)</i>	<i>Year Ended December 31, 2017</i>	<i>Year Ended December 31, 2016</i>	<i>Year Ended December 31, 2015</i>	<i>Year Ended December 31, 2014</i>	<i>Year Ended December 31, 2013⁽¹⁾</i>
Net Asset Value – Beginning of Period	\$ 26.02	\$ 22.42	\$ 21.40	\$ 22.81	\$ 22.44	\$ 17.62
Net investment income	0.09	0.17	0.19 ⁽²⁾	0.18 ⁽²⁾	0.17 ⁽³⁾	0.14 ⁽²⁾
Net realized and unrealized gain (loss) on investments	1.26	4.69	2.32	(0.98)	1.28	5.27
Total from investment operations	1.35	4.86	2.51	(0.80)	1.45	5.41
Dividends from net investment income	—	(0.17)	(0.20)	(0.20)	(0.16)	(0.12)
Distributions from net realized gains	—	(1.09)	(1.29)	(0.41)	(0.92)	(0.47)
Total dividends and distributions	—	(1.26)	(1.49)	(0.61)	(1.08)	(0.59)
Net Asset Value – End of Period	\$ 27.37	\$ 26.02	\$ 22.42	\$ 21.40	\$ 22.81	\$ 22.44
Total Return	5.19% ⁽⁴⁾	21.69%	11.66%	-3.54%	6.40%	30.74%
Ratios and Supplemental Data:						
Net assets, end of period (thousands)	\$346,024	\$340,601	\$286,508	\$281,200	\$333,692	\$323,932
Ratio of expenses to average net assets:						
Before expense waiver and/or reimbursement	0.98% ⁽⁵⁾	0.99%	0.98%	0.93%	0.92%	0.93%
After expense waiver and/or reimbursement	0.80% ⁽⁵⁾	0.80%	0.80%	0.80%	0.80%	0.80%
Ratio of net investment income to average net assets:						
Before expense waiver and/or reimbursement	0.47% ⁽⁵⁾	0.50%	0.69%	0.68%	0.59%	0.53%
After expense waiver and/or reimbursement	0.65% ⁽⁵⁾	0.69%	0.87%	0.81%	0.71%	0.66%
Portfolio turnover rate	7%	11%	16%	13%	14%	17%

(1) On May 10, 2013, the Armstrong Fund was reorganized into the LKCM Equity Fund. Activity after May 10, 2013 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) Net investment income per share is calculated using the ending balance of undistributed net investment income prior to considerations of adjustments for permanent book and tax differences.

(4) Not annualized.

(5) Annualized.

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

FINANCIAL HIGHLIGHTS
SELECTED DATA FOR EACH SHARE OF CAPITAL STOCK OUTSTANDING

	LKCM Balanced Fund					
	Six Months Ended June 30, 2018 (Unaudited)	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013
Net Asset Value – Beginning of Period	\$ 22.18	\$ 20.46	\$ 19.60	\$ 20.10	\$ 19.63	\$ 16.11
Net investment income	0.10	0.20	0.20 ⁽¹⁾	0.19	0.24	0.17
Net realized and unrealized gain (loss) on investments	0.27	2.43	1.69	(0.00) ⁽²⁾	0.94	3.55
Total from investment operations	0.37	2.63	1.89	0.19	1.18	3.72
Dividends from net investment income	(0.10)	(0.20)	(0.18)	(0.19)	(0.24)	(0.17)
Distributions from net realized gains	—	(0.71)	(0.85)	(0.50)	(0.47)	(0.03)
Total dividends and distributions	(0.10)	(0.91)	(1.03)	(0.69)	(0.71)	(0.20)
Net Asset Value – End of Period	\$ 22.45	\$ 22.18	\$ 20.46	\$ 19.60	\$ 20.10	\$ 19.63
Total Return	1.69% ⁽³⁾	12.88%	9.70%	0.91%	5.99%	23.18%
Ratios and Supplemental Data:						
Net assets, end of period (thousands)	\$86,186	\$ 83,430	\$63,192	\$39,153	\$37,028	\$ 35,332
Ratio of expenses to average net assets:						
Before expense waiver and/or reimbursement	0.99% ⁽⁴⁾	1.02%	1.03%	1.02%	0.99%	1.04%
After expense waiver and/or reimbursement	0.80% ⁽⁴⁾	0.80%	0.80%	0.80%	0.80%	0.80%
Ratio of net investment income to average net assets:						
Before expense waiver and/or reimbursement	0.76% ⁽⁴⁾	0.73%	0.73%	0.73%	1.02%	0.72%
After expense waiver and/or reimbursement	0.95% ⁽⁴⁾	0.95%	0.96%	0.95%	1.21%	0.96%
Portfolio turnover rate	5%	15%	16%	16%	20%	10%

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

(2) Less than \$(0.005).

(3) Not annualized.

(4) Annualized.

	LKCM Fixed Income Fund					
	Six Months Ended June 30, 2018 (Unaudited)	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013
Net Asset Value – Beginning of Period	\$ 10.68	\$ 10.67	\$ 10.50	\$ 10.82	\$ 10.91	\$ 11.23
Net investment income	0.11	0.21	0.23	0.25 ⁽¹⁾	0.22	0.27
Net realized and unrealized gain (loss) on investments	(0.20)	0.02	0.17	(0.28)	(0.03)	(0.26)
Total from investment operations	(0.09)	0.23	0.40	(0.03)	0.19	0.01
Dividends from net investment income	(0.11)	(0.21)	(0.23)	(0.26)	(0.22)	(0.27)
Distributions from net realized gains	—	(0.01)	(0.00) ⁽²⁾	(0.03)	(0.06)	(0.06)
Total dividends and distributions	(0.11)	(0.22)	(0.23)	(0.29)	(0.28)	(0.33)
Net Asset Value – End of Period	\$ 10.48	\$ 10.68	\$ 10.67	\$ 10.50	\$ 10.82	\$ 10.91
Total Return	(0.81)% ⁽⁴⁾	2.15%	3.83%	-0.27%	1.72%	0.07%
Ratios and Supplemental Data:						
Net assets, end of period (thousands)	\$247,506	\$248,976	\$226,862	\$198,841	\$222,704	\$221,104
Ratio of expenses to average net assets:						
Before expense waiver and/or reimbursement	0.80% ⁽⁵⁾	0.80%	0.78%	0.73% ⁽³⁾	0.70%	0.72%
After expense waiver and/or reimbursement	0.50% ⁽⁵⁾	0.50%	0.50%	0.56% ⁽³⁾	0.65%	0.65%
Ratio of net investment income to average net assets:						
Before expense waiver and/or reimbursement	1.90% ⁽⁵⁾	1.66%	1.86%	2.18% ⁽³⁾	1.92%	2.34%
After expense waiver and/or reimbursement	2.20% ⁽⁵⁾	1.96%	2.14%	2.35% ⁽³⁾	1.97%	2.41%
Portfolio turnover rate	13%	28%	59%	29%	46%	30%

(1) Net investment income per share represents net investment income divided by the average shares outstanding during the period.

(2) Less than \$(0.005).

(3) Effective May 22, 2015, the Adviser contractually agreed to lower the expense cap for the Fund from 0.65% to 0.50% of the Fund's average daily net assets.

(4) Not annualized.

(5) Annualized.

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 six diversified series, five of which are presented herein and include the LKCM Small Cap Equity Fund, LKCM Small-Mid Cap Equity Fund, LKCM Equity Fund, LKCM Balanced Fund and LKCM Fixed Income Fund (collectively, the “Funds”). The assets of the Funds are invested in separate, independently managed portfolios. Investment operations of the Funds began on July 14, 1994 (LKCM Small Cap Equity Fund—Institutional Class Shares), January 3, 1996 (LKCM Equity Fund—Institutional Class Shares), December 30, 1997 (LKCM Balanced Fund and LKCM Fixed Income Fund), and May 2, 2011 (LKCM Small-Mid Cap Equity Fund—Institutional and Adviser Class Shares). The LKCM Small Cap Equity Fund and the LKCM Equity Fund created a second class of shares, Adviser Class Shares, and renamed the initial class as Institutional Class Shares on May 1, 2003. The LKCM Small Cap Equity Fund—Adviser Class Shares were initially sold on June 5, 2003 and are subject to expenses pursuant to the Rule 12b-1 plan described in Note B. The Adviser Class Shares of the LKCM Equity Fund and LKCM Small-Mid Cap Equity Fund have not yet commenced operations. Each Fund charges a 1% redemption fee for redemptions on Fund shares held for less than 30 days, unless otherwise determined by a Fund in its discretion.

The LKCM Small Cap Equity Fund seeks to maximize long-term capital appreciation by investing under normal circumstances at least 80% of its net assets (plus any borrowings for investment purposes) in equity securities of smaller companies (those with market capitalizations at the time of investment between \$600 million and \$4.5 billion) which Luther King Capital Management Corporation (the “Adviser”) believes are likely to have above-average growth in revenue and/or earnings and potential for above-average capital appreciation. The LKCM Small-Mid Cap Equity Fund seeks to maximize long-term capital appreciation by investing under normal circumstances at least 80% of its net assets (plus any borrowings for investment purposes) in equity securities of small-mid capitalization companies (those with market capitalizations at the time of investment between \$1.25 billion and \$10 billion) which the Adviser believes are likely to have above-average growth in revenue and/or earnings and potential for above-average capital appreciation. The LKCM Equity Fund seeks to maximize long-term capital appreciation by investing under normal circumstances at least 80% of its net assets (plus any borrowings for investment purposes) in equity securities of companies which 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 that the Adviser believes have attractive relative valuations. The LKCM Balanced Fund seeks current income and long-term capital appreciation by investing primarily in a portfolio of equity and fixed income securities with at least 25% of the Fund’s total assets invested in fixed income securities under normal circumstances. The LKCM Fixed Income Fund seeks current income by investing under normal circumstances at least 80% of its net assets (plus any borrowings for investment purposes) in a portfolio of investment grade corporate and U.S. government fixed income securities.

The following is a summary of significant accounting policies followed by the Funds in preparation of the financial statements. The Funds are investment companies and, accordingly, follow 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. securities and listed U.S. 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. Other assets and securities for which no market or broker quotations or evaluated prices are readily available (including restricted securities) are valued in good faith at fair value using guidelines approved by the Board of Trustees. The Board has adopted specific guidelines and procedures for valuing portfolio securities and delegated their implementation to the Adviser. The guidelines and procedures authorize the Adviser to make determinations regarding the fair value of a portfolio security and to report such determinations to the Board of Trustees. The Funds may use prices provided by independent pricing services to assist in the fair valuation of the Funds’ 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, 2018, the Funds’ assets carried at fair value were classified as follows:

LKCM Small Cap Equity Fund

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$204,577,218	\$ —	\$ —	\$204,577,218
Money Market Fund	5,653,818	—	—	5,653,818
Total Investments*	<u>\$210,231,036</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$210,231,036</u>

LKCM Small-Mid Cap Equity Fund

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$ 16,840,743	\$ —	\$ —	\$ 16,840,743
Money Market Fund	372,640	—	—	372,640
Total Investments*	<u>\$ 17,213,383</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 17,213,383</u>

LKCM Equity Fund

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$329,350,454	\$ —	\$ —	\$329,350,454
U.S. Government Issue	—	9,925,586	—	9,925,586
Money Market Fund	6,961,541	—	—	6,961,541
Total Investments*	<u>\$336,311,995</u>	<u>\$ 9,925,586</u>	<u>\$ —</u>	<u>\$346,237,581</u>

LKCM Balanced Fund

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$ 57,347,199	\$ —	\$ —	\$ 57,347,199
Corporate Bonds	—	27,402,681	—	27,402,681
Money Market Fund	1,332,840	—	—	1,332,840
Total Investments*	<u>\$ 58,680,039</u>	<u>\$ 27,402,681</u>	<u>\$ —</u>	<u>\$ 86,082,720</u>

LKCM Fixed Income Fund

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Corporate Bonds	\$ —	\$183,915,574	\$ —	\$183,915,574
U.S. Government Sponsored Entities	—	43,803,978	—	43,803,978
U.S. Government Issues	—	17,269,638	—	17,269,638
Money Market Fund	2,733,078	—	—	2,733,078
Total Investments*	<u>\$ 2,733,078</u>	<u>\$244,989,190</u>	<u>\$ —</u>	<u>\$247,722,268</u>

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

There were no transfers into or out of Level 1, Level 2 or Level 3 fair value measurements during the reporting period. Transfers between levels are recognized at the end of the reporting period.

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

3. Distributions to Shareholders: The LKCM Small Cap Equity Fund, LKCM Small-Mid Cap Equity Fund and LKCM Equity Fund generally intend to pay dividends and distribute net capital, if any, at least on an annual basis. The LKCM Balanced Fund and LKCM Fixed Income Fund generally intend to pay dividends on a quarterly basis and distribute net capital, 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 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. Expenses that are directly attributable to a class of shares, such as Rule 12b-1 distribution fees, are charged to that class. For multi-class Funds, income, unrealized and realized gains/losses are generally allocated between each Fund’s classes in proportion to its respective net assets.

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

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

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

10. Restricted and Illiquid Securities: The Funds are permitted to invest in securities that are subject to legal or contractual restrictions on resale including investments considered by the Funds to be illiquid. Restricted securities generally may be resold in transactions exempt from registration. Illiquid investments are investments that cannot be sold or disposed of within seven days in the ordinary course of business at approximately the prices at which they are valued. 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 Funds under an Investment Advisory Agreement (the “Agreement”). The Adviser receives a fee, computed daily and payable quarterly, at the annual rates presented below as applied to each Fund’s average daily net assets. The Adviser has contractually agreed to waive all or a portion of its management fee and/or reimburse expenses of the Funds through May 1, 2019 in order to limit each Fund’s operating expenses to the annual cap rates 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, 2018, the Adviser waived the following management fees to meet its expense cap obligations:

	<u>LKCM Small Cap Equity Fund</u>	<u>LKCM Small-Mid Cap Equity Fund</u>	<u>LKCM Equity Fund</u>	<u>LKCM Balanced Fund</u>	<u>LKCM Fixed Income Fund</u>
Annual Management Fee Rate	0.75%	0.75%	0.70%	0.65%	0.50%
Annual Cap on Expenses	1.00% ^(Inst.) 1.25% ^(Adviser)	1.00%	0.80%	0.80%	0.50%
Fees Waived in 2018	\$109,411	\$71,509	\$310,108	\$81,577	\$370,228

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

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

The Small Cap Equity Fund, Small-Mid Cap Equity Fund and Equity Fund have adopted a Rule 12b-1 plan under which the Adviser Class of each Fund may pay up to 1.00% of its average daily net assets for distribution and other services. However, the Board of Trustees has currently only authorized a fee of 0.25% of each Fund’s average daily net assets. For the six months ended June 30, 2018,

fees incurred by the Adviser Class shares of the Small Cap Equity Fund pursuant to the 12b-1 Plan were \$728. The Adviser Class shares of the Equity Fund and the Small-Mid Cap Equity Fund have not yet commenced operations. The Funds have also adopted an Institutional Class Distribution Plan, under which each Fund may pay up to 0.75% of its average daily net assets for distribution and other services. Currently, the Board of Trustees has not authorized payments under this plan and, as a result, the Funds currently neither accrue nor pay any fees under the plan.

C. Fund Shares: At June 30, 2018, there was an unlimited number of shares of beneficial interest, no par value, authorized. The following table summarizes the activity in shares of each Fund:

LKCM Small Cap Equity Fund

	Six Months Ended June 30, 2018		Year Ended December 31, 2017	
	Institutional Class Shares	Amount	Institutional Class Shares	Amount
Shares sold	357,974	\$ 6,960,784	598,963	\$ 11,823,528
Shares issued to shareholders in reinvestment of distributions	—	—	1,603,959	29,785,514
Shares redeemed	(1,036,549)	(20,080,335)	(6,263,343)	(124,254,603)
Redemption fee		704		405
Net decrease	(678,575)	<u><u>\$(13,118,847)</u></u>	(4,060,421)	<u><u>\$ (82,645,156)</u></u>
Shares Outstanding:				
Beginning of period	10,909,110		14,969,531	
End of period	<u><u>10,230,535</u></u>		<u><u>10,909,110</u></u>	

	Six Months Ended June 30, 2018		Year Ended December 31, 2017	
	Adviser Class Shares	Amount	Adviser Class Shares	Amount
Shares sold	8,110	\$ 141,543	10,948	\$ 201,415
Shares issued to shareholders in reinvestment of distributions	—	—	4,941	85,287
Shares redeemed	(5,362)	(95,262)	(65,546)	(1,247,757)
Redemption fee		—		38
Net increase (decrease)	2,748	<u><u>\$ 46,281</u></u>	(49,657)	<u><u>\$ (961,017)</u></u>
Shares Outstanding:				
Beginning of period	30,573		80,230	
End of period	<u><u>33,321</u></u>		<u><u>30,573</u></u>	
Total Net Decrease		<u><u>\$(13,072,566)</u></u>		<u><u>\$ (83,606,173)</u></u>

LKCM Small-Mid Cap Equity Fund

	Six Months Ended June 30, 2018		Year Ended December 31, 2017	
	Shares	Amount	Shares	Amount
Shares sold	30,553	\$ 331,056	41,018	\$ 419,890
Shares issued to shareholders in reinvestment of distributions	—	—	191,420	2,038,623
Shares redeemed	(327,741)	(3,550,806)	(538,797)	(5,643,282)
Redemption fee		—		—
Net decrease	(297,188)	<u><u>\$ (3,219,750)</u></u>	(306,359)	<u><u>\$ (3,184,769)</u></u>
Shares Outstanding:				
Beginning of period	1,828,651		2,135,010	
End of period	<u><u>1,531,463</u></u>		<u><u>1,828,651</u></u>	

LKCM Equity Fund

	Six Months Ended June 30, 2018		Year Ended December 31, 2017	
	Shares	Amount	Shares	Amount
Shares sold	497,482	\$ 13,467,132	1,035,601	\$ 24,847,728
Shares issued to shareholders in reinvestment of distributions	—	—	591,475	15,455,230
Shares redeemed	(946,132)	(25,796,645)	(1,315,094)	(32,528,607)
Redemption fee		300		9
Net increase (decrease)	(448,650)	<u>\$(12,329,213)</u>	311,982	<u>\$ 7,774,360</u>
Shares Outstanding:				
Beginning of period	13,091,599		12,779,617	
End of period	<u>12,642,949</u>		<u>13,091,599</u>	

LKCM Balanced Fund

	Six Months Ended June 30, 2018		Year Ended December 31, 2017	
	Shares	Amount	Shares	Amount
Shares sold	319,092	\$ 7,102,018	813,071	\$ 17,440,089
Shares issued to shareholders in reinvestment of distributions	17,127	378,488	140,839	3,117,892
Shares redeemed	(258,105)	(5,836,988)	(281,572)	(6,099,690)
Redemption fee		623		26
Net increase	78,114	<u>\$ 1,644,141</u>	672,338	<u>\$ 14,458,317</u>
Shares Outstanding:				
Beginning of period	3,761,634		3,089,296	
End of period	<u>3,839,748</u>		<u>3,761,634</u>	

LKCM Fixed Income Fund

	Six Months Ended June 30, 2018		Year Ended December 31, 2017	
	Shares	Amount	Shares	Amount
Shares sold	886,585	\$ 9,371,925	3,874,860	\$ 41,668,069
Shares issued to shareholders in reinvestment of distributions	227,292	2,385,260	444,230	4,756,374
Shares redeemed	(812,668)	(8,546,794)	(2,276,905)	(24,437,044)
Redemption fee		—		68
Net increase	301,209	<u>\$ 3,210,391</u>	2,042,185	<u>\$ 21,987,467</u>
Shares Outstanding:				
Beginning of period	23,313,111		21,270,926	
End of period	<u>23,614,320</u>		<u>23,313,111</u>	

D. Security Transactions: Purchases and sales of investment securities, other than short-term investments, for the six months ended June 30, 2018 were as follows:

	Purchases		Sales	
	U.S. Government	Other	U.S. Government	Other
LKCM Small Cap Equity Fund	\$ —	\$49,629,641	\$ —	\$67,346,361
LKCM Small-Mid Cap Equity Fund	—	4,326,984	—	7,837,363
LKCM Equity Fund	9,914,453	18,480,711	—	23,081,273
LKCM Balanced Fund	—	8,283,228	—	4,233,972
LKCM Fixed Income Fund	13,618,550	29,134,983	7,769,492	24,096,408

E. Tax Information: At December 31, 2017, the components of accumulated earnings (losses) on a tax basis were as follows:

	<u>LKCM Small Cap Equity Fund</u>	<u>LKCM Small-Mid Cap Equity Fund</u>	<u>LKCM Equity Fund</u>	<u>LKCM Balanced Fund</u>	<u>LKCM Fixed Income Fund</u>
Cost of Investments	\$135,215,294	\$13,915,408	\$198,377,443	\$63,909,700	\$246,969,274
Gross Unrealized Appreciation	\$ 67,581,337	\$ 5,524,827	\$143,554,392	\$18,605,086	\$ 1,983,819
Gross Unrealized Depreciation	(656,456)	(5,242)	(2,094,237)	(767,119)	(1,711,765)
Net Unrealized Appreciation	<u>\$ 66,924,881</u>	<u>\$ 5,519,585</u>	<u>\$141,460,155</u>	<u>\$17,837,967</u>	<u>\$ 272,054</u>
Undistributed Ordinary Income	—	—	6,125	6,439	—
Undistributed Long-Term Capital Gain	—	193,937	2,432	—	—
Total Distributable Earnings	<u>\$ —</u>	<u>\$ 193,937</u>	<u>\$ 8,557</u>	<u>\$ 6,439</u>	<u>\$ —</u>
Other Accumulated Losses	\$ —	\$ (696)	\$ (25,285)	\$ —	\$ —
Total Accumulated Gains	<u>\$ 66,924,881</u>	<u>\$ 5,712,826</u>	<u>\$141,443,427</u>	<u>\$17,844,406</u>	<u>\$ 272,054</u>

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

To the extent the Funds realize future net capital gains, taxable distributions will be reduced by any unused capital loss carryforwards as permitted by the Internal Revenue Code. The Funds currently have no capital loss carryforwards.

At December 31, 2017, the LKCM Equity Fund deferred, on a tax basis, post-October capital losses of \$25,285.

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

	<u>Six Months Ended June 30, 2018</u>		<u>Year Ended December 31, 2017</u>	
	<u>Ordinary Income</u>	<u>Long-Term Capital Gains</u>	<u>Ordinary Income</u>	<u>Long-Term Capital Gains</u>
LKCM Small Cap Equity Fund	\$ —	\$—	\$ 424,898	\$33,620,668
LKCM Small-Mid Cap Equity Fund	—	—	—	2,141,026
LKCM Equity Fund	—	—	2,564,467	13,299,140
LKCM Balanced Fund	393,646	—	700,479	2,524,332
LKCM Fixed Income Fund	2,669,481	—	4,758,543	185,521

The Funds designated as long-term capital gain dividend, pursuant to Internal Revenue Code Section 852(b)(3), the amount necessary to reduce earnings and profits of the Funds related to net capital gain to zero for the tax years ended December 31, 2017 and 2016. The Funds designated earnings and profits distributed to shareholders upon the redemption of shares during 2017 and 2016 in determining undistributed net capital gains as of December 31, 2017 and 2016.

The Trust has adopted financial reporting rules regarding recognition and measurement of tax positions taken or expected to be taken on a tax return. The Trust has reviewed all open tax years and major jurisdictions and concluded that there is no impact on the Funds' financial position or results of operations. Tax years that remain open to examination by major tax jurisdictions include tax years ended December 31, 2014 through December 31, 2017. 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, 2017. The Funds are not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months. If applicable, the Funds would recognize interest accrued related to unrecognized tax benefits in "interest expense" and penalties in "other expense" on the statement of operations.

F. Subsequent Events: In preparing these financial statements, the Trust has evaluated events after June 30, 2018 and determined that there were no significant subsequent events that would require adjustment to or additional disclosure in these financial statements.

June 30, 2018 (Unaudited)

Availability of Proxy Voting Information: A description of the policies and procedures that the Funds use to determine how to vote proxies relating to their portfolio securities, as well as information regarding how the Funds 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 1-800-688-LKCM 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 Funds toll free at 1-800-688-LKCM or by accessing the SEC's website at www.sec.gov.

Availability of Quarterly Portfolio Schedule: The Funds are required to file complete schedules of portfolio holdings with the SEC for the first and third fiscal quarters on Form N-Q. Once filed, the Funds' Form N-Q is available without charge upon request on the SEC's website (<http://www.sec.gov>) and is also available by calling 1-800-688-LKCM. You can also review and copy the Funds' Form N-Q by visiting the SEC's Public Reference Room in Washington, DC (information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330).

RENEWAL OF INVESTMENT ADVISORY AGREEMENT WITH RESPECT TO LKCM FUNDS

Introduction. At a meeting held on February 27, 2018, 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 (the “Trust”), on behalf of the LKCM Small Cap Equity Fund, LKCM Small-Mid Cap Equity Fund, LKCM Equity Fund, LKCM Balanced Fund and LKCM Fixed Income Fund (each, a “Fund” and collectively, the “Funds”).

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 each Fund, including, but not limited to: (1) the nature, extent and quality of the services provided to each Fund; (2) the performance of each Fund as compared to a relevant benchmark, peer group of funds compiled by Lipper, Inc. (“Lipper”) and a composite (“Composite”) of accounts managed by LKCM pursuant to similar investment strategies (“Similar Accounts”); (3) the level of the fees and the overall expenses of each Fund and how those compared to a peer group of funds compiled by Lipper and the Similar Accounts; (4) the costs of services provided to the Funds and the profitability of LKCM; (5) the extent to which economies of scale would be realized by LKCM as a 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 Funds. 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, reports relating to each Fund’s performance and expenses, information regarding the Similar Accounts, 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 Funds’ performance and expenses and various aspects of the Funds’ 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 each Fund under the Agreement. The Board considered that LKCM has provided investment management services to individuals, foundations, estates, pension plans, endowments, high net worth individuals and other clients since 1979. The Board recognized that LKCM is responsible for managing the Funds and monitoring their performance. The Board considered LKCM’s financial resources, insurance coverage, culture of compliance and compliance operations that support the Funds. 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 each Fund, and considered LKCM’s representation that the firm historically has experienced very 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 Funds by LKCM, including LKCM’s oversight of the Funds’ day-to-day operations. The Trustees focused on the quality of LKCM’s compliance and support staff. In addition, the Board considered LKCM’s summary of its oversight over the Funds’ 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 Funds) comply with the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

Performance of the LKCM Funds. The Board considered the performance of each Fund compared to the Fund’s benchmark index (“Benchmark”) and a peer group of funds compiled by Lipper (“Lipper Index”) for various time periods ended December 31, 2017. The Board also considered LKCM’s discussion of each Fund’s performance.

The Board noted LKCM’s representation that its investment strategy for the Funds focuses on investments in higher quality companies that meet LKCM’s stringent investment criteria, which had encountered difficulty in overcoming a “reach for yield” and focus on lower quality companies that LKCM believes have driven the market in prior years, and considered that these factors had adversely affected the performance of the Small Cap Equity Fund, Small-Mid Cap Equity Fund and Equity Fund during the longer-term periods ended December 31, 2017. In addition, the Board considered the additional factors cited by LKCM as contributing to or detracting from a Fund’s performance during the prior year.

The Board considered the performance of the Institutional Class of the Small Cap Equity Fund because the Institutional Class has been in existence for the longest period of time and has the longest performance history and largest amount of assets. The Board noted that the Institutional Class of the Small Cap Equity Fund outperformed its Benchmark, the Russell 2000 Index, and its Lipper Index for the one-year and since-inception periods, but underperformed its Benchmark and Lipper Index for the three-year, five-year and ten-year periods.

The Board noted that the Small-Mid Cap Equity Fund outperformed its Benchmark, the Russell 2500 Index, and its Lipper Index for the one-year period, but underperformed its Benchmark and Lipper Index for the three-year, five-year and since-inception periods.

The Board noted that the Equity Fund underperformed its Benchmark for the one-year, three-year, five-year, ten-year and since-inception periods. The Board also noted that the Equity Fund outperformed its Lipper Index for the one-year, ten-year and since-inception periods, but underperformed its Lipper Index for the three-year and five-year periods.

The Board noted that the Balanced Fund had outperformed the Bloomberg Barclays Intermediate Government/Credit Bond Index for the one-year, three-year, five-year, ten-year and since-inception periods. The Board also noted that the Balanced Fund underperformed the S&P 500 Index for the one-year, three-year, five-year, ten-year and since-inception periods. The Board also compared the Balanced Fund's performance to a custom blended index that reflected the Fund's historical allocation to equity and fixed income securities ("Blended Index"). The Board noted that the Balanced Fund outperformed the Blended Index for the ten-year and since-inception periods, but underperformed the Blended Index for the one-year, three-year and five-year periods. The Board also noted that the Balanced Fund outperformed the Lipper Index for the three-year, five-year, ten-year and since-inception periods, but underperformed the Lipper Index for the one-year period.

The Board noted that the Fixed Income Fund outperformed its Benchmark, the Bloomberg Barclays Intermediate Government/Credit Bond Index, for the one-year, three-year and ten-year periods, but underperformed its Benchmark for the five-year and since-inception periods. The Board also noted that the Fixed Income Fund outperformed its Lipper Index for the three-year, five-year, ten-year and since-inception periods, but underperformed the Lipper Index for the one-year period.

The Board also considered the performance of each Fund, as applicable, against its Composite and LKCM's representations regarding the differences between each such Fund and its Composite, including differences in how the Funds and Similar Accounts are managed, tax considerations, cash flows and shareholder purchase and redemption activities.

Fees and Expenses. The Board considered each Fund's contractual advisory fee rate, effective advisory fee rate (the contractual advisory fee rate net of fee waivers and/or expense reimbursements) and net expense ratio (the total expense ratio after fee waivers and/or expense reimbursements). The Board also considered that LKCM had contractually agreed to continue the current fee waivers and expense caps in effect for each Fund through May 1, 2019.

The Board compared the contractual advisory fee rate, effective advisory fee rate and the net expense ratio of each Fund to a category of similar funds compiled by Lipper ("Lipper Category"). The Board received information comparing each Fund's contractual advisory fee rate, effective advisory fee rate and net expense ratio to a Lipper Category reflecting the expenses of the funds in the Lipper Category identified as comparable, and another comparing each Fund's expenses to the expenses of the institutional class shares of the funds in the Lipper Category. The Board noted, in this regard, LKCM's representation that, unlike the institutional class shares of many of their peer group funds, the Funds' Institutional Class shares are generally available for investment by retail investors. Accordingly, the Lipper Category discussed below for each Fund reflects the Lipper Category reflecting all funds in the Lipper Category identified as comparable to the Fund. The first quartile in a Lipper Category represents those funds with the lowest fees or expenses.

The Board generally considered that, although the Funds' contractual advisory fee rates may be higher than those of their peers, the expense cap arrangements generally cause the Funds' effective advisory fee rates and overall net expense ratios to be lower than, or in line with, those of their peers.

The Board considered the fees and expenses of the Institutional Class of the Small Cap Equity Fund because the Institutional Class has been in existence for the longest period of time and has the longest performance history and largest amount of assets. The Board noted that the contractual advisory fee rate and effective advisory fee rate for the Small Cap Equity Fund were in the second and first quartiles of its Lipper Category, respectively. The Board also considered that the Small Cap Equity Fund's net expense ratio was in the second quartile of its Lipper Category. In this case, the Small Cap Equity Fund's contractual advisory fee rate, effective advisory fee rate and net expense ratio were lower than the average of its Lipper Category.

The Board noted that the contractual advisory fee rate and effective advisory fee rate for the Small-Mid Cap Equity Fund were in the second and first quartiles of its Lipper Category, respectively. The Board also considered that the Small-Mid Cap Equity Fund's net expense ratio was in the first quartile of its Lipper Category. In this case, the Small-Mid Cap Equity Fund's contractual advisory fee rate, effective advisory fee rate and net expense ratio were lower than the average of its Lipper Category.

The Board noted that the contractual advisory fee rate and effective advisory fee rate for the Equity Fund were in the third and second quartiles of its Lipper Category, respectively. The Board also considered that the Equity Fund's net expense ratio was in the second quartile of its Lipper Category. In this case, the Equity Fund's contractual advisory fee rate was higher than the average of its Lipper Category and the effective advisory fee rate and net expense ratio were lower than the average of its Lipper Category.

The Board noted that the contractual advisory fee rate and effective advisory fee rate for the Balanced Fund were in the third and second quartiles of its Lipper Category, respectively. The Board also considered that the Balanced Fund's net expense ratio was in the second quartile of its Lipper Category. In this case, the Balanced Fund's contractual advisory fee rate and effective advisory fee rate were higher than the average of its Lipper Category, and the net expense ratio was lower than the average of its Lipper Category.

The Board noted that the contractual advisory fee rate and effective advisory fee rate for the Fixed Income Fund were in the fourth and first quartiles of its Lipper Category, respectively. The Board also considered that the Fixed Income Fund's net expense ratio was in the second quartile of its Lipper Category. In this case, the Fixed Income Fund's contractual advisory fee rate was higher than the average of its Lipper Category and the effective advisory fee rate and net expense ratio were lower than the average of its Lipper Category.

The Board also considered the advisory fee rates generally charged by LKCM to Similar Accounts and noted LKCM's explanation that the fee rates charged by LKCM to the Funds and its Similar Accounts differ primarily as a result of differences in the regulatory, compliance and related expenses and level of services between the Funds and the other Similar Accounts.

Costs, Profitability and Economies of Scale. The Board considered LKCM's costs in rendering services to the Funds and the profitability of LKCM. The Board reviewed the fees paid by each Fund to LKCM for the last three calendar years. The Board also reviewed the estimated profit and loss statement provided by LKCM on a Fund-by-Fund basis for the past calendar year, before and after any distribution-related payments made by LKCM. The Board noted that, during the year, LKCM had invested significant resources to cap the Funds' net expense ratios and to facilitate the distribution of the Funds. With respect to economies of scale, the Board considered that the Funds generally benefit from competitive effective advisory fee rates and net expense ratios 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 Funds' advisory fee rate schedules, LKCM waives fees and/or reimburses expenses to maintain the Funds' effective advisory fee rates and net expense ratios at competitive levels.

Benefits Derived by LKCM from its Relationship with the Funds. The Board requested and considered information regarding the potential fall-out benefits to LKCM from its association with the Funds. The Board noted that LKCM believes that both LKCM and the Funds benefit from LKCM's soft-dollar and commission sharing arrangements for third party and proprietary research used by LKCM in connection with its investment process. The Board also noted that LKCM believes its relationship with the Funds provides an indirect benefit to both parties in the form of enhanced recognition among institutional investors, consultants and other members of the financial community. The Board considered the indirect benefits to LKCM, 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 Funds.

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 Funds; and (3) approved the renewal of the Agreement with respect to the Funds.

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. 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.

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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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