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# LKCM FUNDS

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

**Semi-Annual Report**  
**June 30, 2019**

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

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. If you hold your Fund shares directly with the LKCM Funds, you may elect to receive shareholder reports and other communications electronically from the LKCM Funds by calling 1-800-688-LKCM or, if you hold your Fund shares through a financial intermediary, by contacting your financial intermediary.

You may elect to receive all future reports on paper free of charge. If you hold your Fund shares directly with the LKCM Funds, you can inform the LKCM Funds that you wish to continue receiving paper copies of your shareholder reports by calling 1-800-688-LKCM or, if you hold your Fund shares through a financial intermediary, contacting your financial intermediary. Your election to receive reports in paper will apply to all of the LKCM Funds you hold directly with LKCM Funds or all of the funds you hold through your financial intermediary, as applicable.

## Dear Fellow Shareholders:

We report the following performance information for the LKCM Funds for indicated periods ended June 30, 2019:

Funds	Inception Dates	NAV @ 6/30/19	Net Expense Ratio*, **	Gross Expense Ratio**	Six Month Total Return Ended 6/30/19	One Year Total Return Ended 6/30/19	Five Year Average Annualized Return Ended 6/30/19	Ten Year Average Annualized Return Ended 6/30/19	Avg. Annual Total Return Since Incept.
LKCM Equity Fund - S&P 500® Index <sup>(1)</sup>	1/3/96	\$27.89	0.81%	0.99%	19.49% 18.54%	9.88% 10.42%	8.90% 10.71%	13.58% 14.70%	8.74% 8.89%
LKCM Small Cap Equity Fund - Russell 2000® Index <sup>(2)</sup>	7/14/94	\$17.18	1.00%	1.08%	19.39% 16.98%	1.92% -3.31%	5.82% 7.06%	12.75% 13.45%	10.33% 9.17%
LKCM Small-Mid Cap Equity Fund - Russell 2500® Index <sup>(3)</sup>	5/2/11	\$ 9.83	1.00%	1.75%	24.12% 19.25%	6.73% 1.77%	5.97% 7.66%	N/A N/A	6.99% 9.85%
LKCM International Equity Fund - MSCI/EAFE® Index <sup>(4)</sup>	5/1/19	\$10.02	1.00%	1.40%	N/A N/A	N/A N/A	N/A N/A	N/A N/A	0.20%# 0.80%#
LKCM Balanced Fund S&P 500® Index <sup>(1)</sup>	12/30/97	\$24.08	0.80%	1.00%	14.91% 18.54%	10.57% 10.42%	7.32% 10.71%	10.58% 14.70%	6.75% 7.30%
Bloomberg Barclays U.S. Intermediate Government/Credit Bond Index <sup>(5)</sup>					4.97%	6.93%	2.39%	3.24%	4.50%
LKCM Fixed Income Fund Bloomberg Barclays U.S. Intermediate Government/Credit Bond Index <sup>(5)</sup>	12/30/97	\$10.86	0.50%	0.78%	4.91% 4.97%	6.05% 6.93%	2.13% 2.39%	3.27% 3.24%	4.27% 4.50%

*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 the expense ratios designated in the Funds' prospectus through May 1, 2020. 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, 2019.

\*\* Expense ratios above are as reported in the Funds' current prospectus dated May 1, 2019. Expense ratios reported for other periods in the financial highlights of this report may differ.

# Cumulative return for the period from May 1, 2019, the LKCM International Equity Fund's inception date, through June 30, 2019.

(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 Morgan Stanley Capital International Europe, Australia, Far East Index ("MSCI/EAFE") is an unmanaged index composed of large-cap and mid-cap securities across 21 European and Pacific Basin countries. The MSCI/EAFE Index is a recognized international index and is weighted by market capitalization.

(5) 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.*

## 1H2019 Review and Outlook

The U.S. economy has grown for 121 consecutive months, marking the longest economic expansion in American history. Since June 2009 the U.S. economy has grown without a recession and now surpasses the previous record expansion set between March 1991-March 2001 that ended with the bursting of the dot-com bubble. The current decade-long expansion has been fueled primarily by job growth, steadily lower unemployment, and low interest rates. However, we believe this cycle also has the distinction of being the weakest expansion of the eleven post-war economic cycles.

Economic indicators suggest that global growth is showing additional signs of slowing. While still positive, the more uneven pattern of growth has generally caused central bankers to adopt a more dovish posture. The tightening bias the Federal Reserve had at the beginning of the year appears to have shifted to an inclination to ease monetary policy. We believe that recessions are generally brought about when imbalances in the economy emerge and are met with rising interest rates. However, in our view, we do not yet see any overly-concerning

imbalances in the domestic real economy or capital markets, with the exception of debt levels in certain circumstances. Further, we believe the Federal Reserve's recent signaling that it may consider additional interest rate cuts should pull forward consumption and, therefore, extend the current record expansion.

We believe the unexpected change in direction on monetary policy by the Federal Reserve has been embraced by the financial markets, which appear to have fully recovered from the weakness in the fourth quarter of 2018. Equity prices, as measured by the S&P 500® Index, rose 18.5% during the first half of 2019. The Dow Jones Industrial Average Index advanced 7.3% in June 2019, its best June since 1938. At the same time, the yield on the 10-year Treasury note closed the second quarter of 2019 at 2.01%, down from a seven-year high of 3.24% in November 2018.

Despite the recent performance of the equity markets, we believe that downside risks to the outlook for the U.S. economy are building. We believe that many investors and business managers had anticipated a quicker resolution to trade issues than has materialized, and we are already seeing evidence of a potential trade war in recent economic data. In our view, deteriorating economic readings and falling inflation expectations have caused U.S. and European central banks to signal to the capital markets that they are biased towards easing monetary policies to sustain the economic expansion. While the list of potential downside risks is growing, our base case forecast reflects our belief that the economic expansion will remain intact near-term, albeit at a slower pace.

### **LKCM Equity Fund**

The LKCM Equity Fund outperformed its benchmark, the S&P 500® Index, during the six months ended June 30, 2019, returning 19.49% against the 18.54% return for the benchmark. The Fund benefited from being overweight the Industrials sector relative to the benchmark, although an underweight position in the Information Technology sector detracted from the Fund's relative performance. Positive stock selection in the Industrials, Healthcare and Consumer Discretionary sectors enhanced the Fund's returns during the first half of 2019, which was partially offset by stock selection in the Energy and Financials sectors. We continue to believe that focusing the Fund's portfolio on high quality companies that meet our investment criteria will continue to be beneficial to the Fund and its shareholders.

### **LKCM Balanced Fund**

The LKCM Balanced Fund returned 14.91% for the six months ended June 30, 2019 against the 18.54% return for the S&P 500® Index and the 4.97% return for the Bloomberg Barclays Intermediate Government/Credit Bond Index during the same period. The Fund's equity portfolio was the most significant performance driver, generating strong absolute and relative returns against the benchmark for the period. Stock selection in the Healthcare, Materials, and Industrials sectors added to the Fund's relative performance, while stock selection in the Information Technology and Communication Services sectors detracted from the Fund's relative performance. The Fund's fixed income portfolio generated positive returns for the period, but slightly lagged the returns of the benchmark. The average duration of the Fund is lower than the duration of the benchmark, which generally tends to moderate the volatility of the Fund's fixed income portfolio relative to the benchmark. At June 30, 2019, the Fund's total portfolio consisted of approximately 68.5% equity securities, 29.8% fixed income securities, and 1.7% cash and cash equivalents.

### **LKCM Fixed Income Fund**

The LKCM Fixed Income Fund returned 4.91% for the six months ended June 30, 2019 compared to its benchmark, the Bloomberg Barclays Intermediate Government/Credit Bond Index, which advanced 4.97% during the period. During the period, yields declined sharply and the yield curve inverted, as measured by the yield differential between the 3-month T-bill and the 10-year Treasury. Historically, an inverted yield curve has preceded a recession by one to two years on average. Cumulative tightening by the Federal Reserve has increased rates on the front end of the yield curve and increasing demand for yield and safe haven assets from investors around the globe continues to put downward pressure on the longer end of the curve. Within this backdrop, the Federal Reserve appears to be weighing a modest reversal in policy by cutting the federal funds rate as "insurance" to forestall a potential recession and maintain the longest expansion on record. Despite the absolute low level of yields, we believe U.S. yields remain attractive on a relative basis to the near zero and negative yields on an increasing amount of foreign sovereign and corporate debt. In this environment, where longer-duration securities outperformed their shorter-duration counterparts, the Fund's duration of approximately 3.0 years detracted from performance relative to the approximate 3.9-year duration for the benchmark. The Fund's overweight position in corporate bonds, and more specifically BBB-rated fixed income securities, relative to the benchmark was additive to performance during this period as credit spreads tightened substantially during the first half of the year. The majority of the Fund remains focused on short-to-intermediate investment grade corporate bonds with strong underlying credit fundamentals in an effort to mitigate interest rate risk and credit risk in this modest growth environment.

### **LKCM International Equity Fund**

The LKCM International Equity Fund returned 0.20% from the date of the Fund's inception, May 1, 2019, through June 30, 2019, compared to the 0.80% return for the Fund's benchmark, the MSCI EAFE Index, during the same period. During this period, the Fund's performance benefited from being underweight the Financials sector relative to the benchmark, although underweight positions in the Telecom and Utilities sectors detracted slightly from the Fund's relative performance. Overweight positions in the Consumer Discretionary, Information Technology and Healthcare sectors all contributed to the Fund's relative performance, while an overweight

position in the Consumer Staples sector detracted from the Fund's relative performance. The Fund's relative performance benefited from stock selection in the Healthcare, Information Technology and Energy sectors, which was offset by stock selection in the Financials sector. We believe the Fund is well positioned to generate attractive returns for Fund shareholders through investments in companies that we believe are competitively advantaged, can generate returns in excess of their cost of capital, and have good opportunities for earnings growth. We believe the Fund's overweight positions in the Industrials and Information Technology sectors should benefit from an anticipated resumption of expansionary policy in response to the decline in global economic activity over the last eighteen months, while we anticipate that the Fund's underweight position in the Financials sectors will likely remain in place as we expect the interest rate environment to continue to pressure bank margins.

#### **LKCM Small Cap Equity Fund**

The LKCM Small Cap Equity Fund outperformed its benchmark, the Russell 2000® Index, during the six months ended June 30, 2019, returning 19.39% compared to the 16.98% return for the benchmark. During the first half of 2019, both stock selection and sector allocation decisions for the Fund were additive to the Fund's relative performance. The largest contributions to the Fund's relative performance during the period came from positive stock selection in the Consumer Discretionary and Financials sectors, while stock selection in the Information Technology and Energy sectors were the only notable relative detractors during the period. The Fund's relative performance benefited from two investments being acquired during the year. The Fund's overweight positions in the Information Technology and Industrials sectors also benefited the Fund's relative performance. We believe the Fund remains positioned for anticipated continued economic growth with overweight positions in the Information Technology, Industrials and Healthcare sectors and underweight positions in the interest rate sensitive Financials, Utilities and Real Estate sectors. We 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, 2019, returning 24.12% compared to the 19.25% return for the benchmark. During the first half of 2019, both stock selection and sector allocation decisions for the Fund were additive to the Fund's relative performance. The largest contributions to the Fund's relative performance during the period came from positive stock selection in the Information Technology, Financials and Industrials sectors, while stock selection in the Healthcare sector was the only notable relative detractor during the period. The Fund's overweight position in the Information Technology sector and underweight position in the Consumer Staples sector also benefited the Fund's relative performance. We believe the Fund remains positioned for anticipated continued economic growth with overweight positions in the Information Technology, Industrials and Healthcare sectors and underweight positions in the interest rate sensitive Financials, Utilities and Real Estate sectors. We 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  
July 5, 2019

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 9-23 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.

The Dow Jones Industrial Average Index is a stock market index that tracks 30 large, publicly-owned companies that trade on the New York Stock Exchange.

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

*Investors should consider the investment objective, risks and charges and expenses of a Fund carefully before investing. Each Fund's summary prospectus and the prospectus contain this and other information about the Fund. Investors can obtain a summary prospectus or the prospectus by calling 1-800-688-LKCM. The summary prospectus and the prospectus should be read carefully before investing in a Fund.*

Quasar Distributors, LLC, distributor.

## LKCM Funds Expense Example — June 30, 2019 (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 (1/1/19-6/30/19).

### 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 (doing business as U.S. Bank Global Fund Services), 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, Fixed Income, and International Equity 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		
	Beginning Account Value 1/1/19	Ending Account Value 6/30/19	Expenses Paid During Period* 1/1/19–6/30/19
Actual .....	\$1,000.00	\$1,193.90	\$5.44
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-Mid Cap Equity Fund		
	Beginning Account Value 1/1/19	Ending Account Value 6/30/19	Expenses Paid During Period* 1/1/19–6/30/19
Actual .....	\$1,000.00	\$1,241.20	\$5.56
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		
	Beginning Account Value 1/1/19	Ending Account Value 6/30/19	Expenses Paid During Period* 1/1/19–6/30/19
Actual .....	\$1,000.00	\$1,194.90	\$4.35
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 1/1/19</u>	<u>Ending Account Value 6/30/19</u>	<u>Expenses Paid During Period* 1/1/19–6/30/19</u>
Actual .....	\$1,000.00	\$1,149.10	\$4.26
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 1/1/19</u>	<u>Ending Account Value 6/30/19</u>	<u>Expenses Paid During Period* 1/1/19–6/30/19</u>
Actual .....	\$1,000.00	\$1,049.10	\$2.54
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.

**LKCM International Equity Fund**

	<u>Beginning Account Value</u>	<u>Ending Account Value 6/30/19</u>	<u>Expenses Paid During Period</u>
Actual <sup>(1)</sup> .....	\$1,000.00	\$1,002.00	\$1.65
Hypothetical (5% return before expense) <sup>(2)</sup> .....	\$1,000.00	\$1,019.84	\$5.01

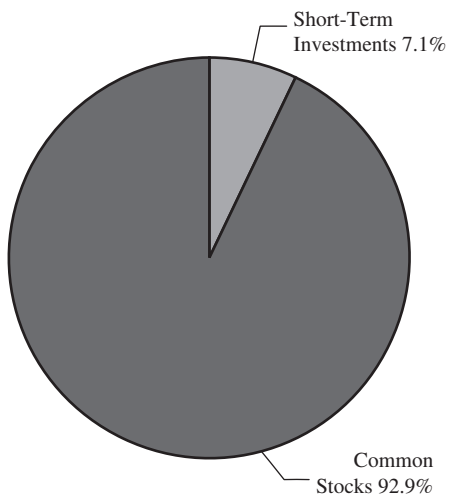
(1) Expenses are equal to the Fund's annualized net expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 60/365 to reflect the period since the Fund's inception on 5/1/19.

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

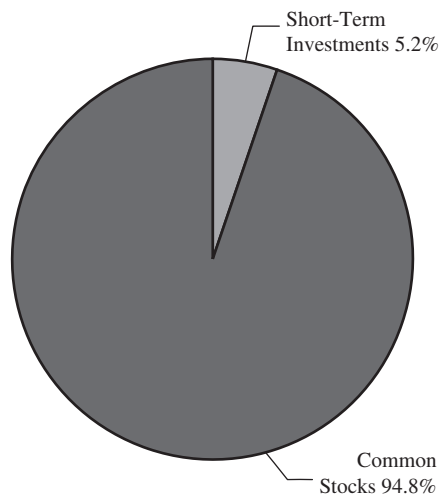
**ALLOCATION OF PORTFOLIO HOLDINGS — LKCM Funds — June 30, 2019 (Unaudited)**

Percentages represent market value as a percentage of total investments.

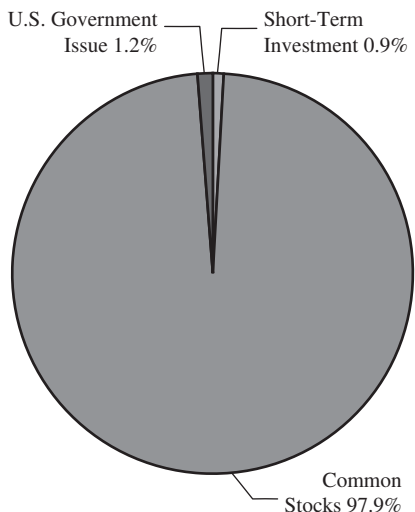
**LKCM Small Cap Equity Fund**



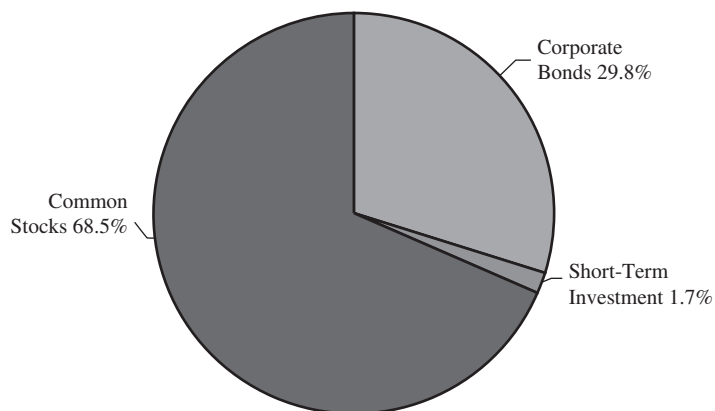
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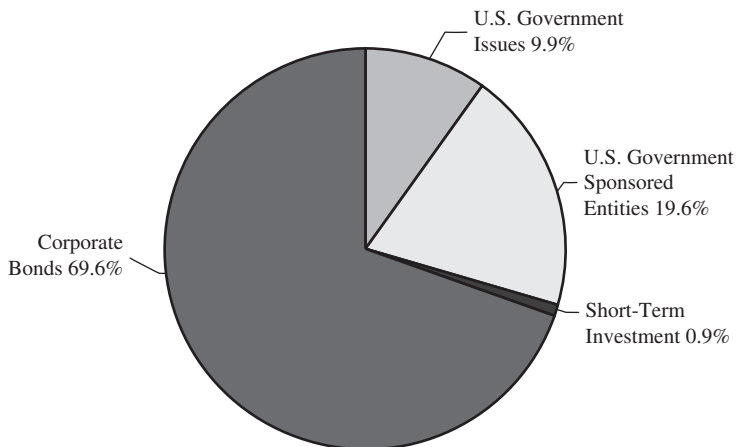
**LKCM Equity Fund**



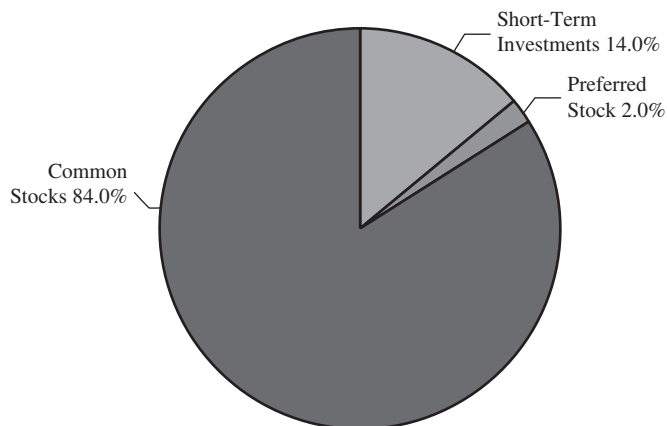
**LKCM Balanced Fund**



**LKCM Fixed Income Fund**



**LKCM International Equity Fund**





**LKCM SMALL CAP EQUITY FUND**

**SCHEDULE OF INVESTMENTS**

**June 30, 2019 (Unaudited)**

<b>COMMON STOCKS - 93.1%</b>	<b>Shares</b>	<b>Value</b>	<b>COMMON STOCKS</b>	<b>Shares</b>	<b>Value</b>
<b>Aerospace &amp; Defense - 2.0%</b>			<b>Health Care Equipment &amp; Supplies - 6.1%, Continued</b>		
Mercury Systems, Inc. (a)	53,285	\$ 3,748,600	ViewRay Inc. (a)	286,815	\$ 2,526,840
<b>Banks - 8.7%</b>					11,499,383
BancorpSouth Bank	64,634	1,876,971	<b>Health Care Providers &amp; Services - 5.7%</b>		
Cadence BanCorp	143,540	2,985,632	HealthEquity, Inc. (a)	32,820	2,146,428
CBTX, Inc.	40,830	1,148,956	Omnicell, Inc. (a)	41,205	3,544,866
Glacier Bancorp, Inc.	54,120	2,194,566	R1 RCM, Inc. (a)	215,585	2,712,059
Pinnacle Financial Partners, Inc.	33,430	1,921,556	U.S. Physical Therapy, Inc.	19,240	2,358,247
Seacoast Banking Corp. of Florida (a)	73,490	1,869,586			10,761,600
Texas Capital Bancshares, Inc. (a)	45,000	2,761,650	<b>Health Care Technology - 1.1%</b>		
Veritex Holdings, Inc.	64,067	1,662,539	Teladoc Health, Inc. (a)	32,390	2,151,020
		16,421,456	<b>Hotels, Restaurants &amp; Leisure - 2.5%</b>		
<b>Biotechnology - 3.9%</b>			Planet Fitness, Inc. - Class A (a)	23,305	1,688,214
Charles River Laboratories International, Inc. (a)	19,545	2,773,435	Wingstop, Inc.	31,990	3,031,053
Emergent BioSolutions, Inc. (a)	1,540	74,397			4,719,267
Ligand Pharmaceuticals, Inc. (a)	18,530	2,115,200	<b>Household Durables - 1.0%</b>		
Neogen Corp. (a)	38,510	2,391,856	Century Communities, Inc. (a)	72,625	1,930,372
		7,354,888	<b>Insurance - 3.4%</b>		
<b>Building Products - 5.5%</b>			Goosehead Insurance, Inc. - Class A	25,395	1,213,881
American Woodmark Corp. (a)	17,050	1,442,771	The Hanover Insurance Group, Inc.	16,295	2,090,649
Builders FirstSource, Inc. (a)	137,725	2,322,043	Kinsale Capital Group, Inc.	22,590	2,066,533
CSW Industrials, Inc.	39,040	2,660,576	ProAssurance Corp.	27,135	979,845
Patrick Industries, Inc. (a)	18,112	890,929			6,350,908
PGT Innovations, Inc. (a)	122,101	2,041,529	<b>IT Consulting &amp; Services - 4.0%</b>		
Trex Co., Inc. (a)	13,555	971,894	Cass Information Systems, Inc.	25,680	1,244,966
		10,329,742	Everi Holdings, Inc. (a)	182,262	2,174,386
<b>Chemicals - 1.1%</b>			FireEye, Inc. (a)	76,865	1,138,371
Compass Minerals International, Inc.	36,780	2,021,061	LiveRamp Holdings, Inc. (a)	63,446	3,075,862
<b>Commercial Services &amp; Supplies - 0.9%</b>					7,633,585
Healthcare Services Group, Inc.	59,665	1,809,043	<b>Machinery - 5.3%</b>		
<b>Construction &amp; Engineering - 2.6%</b>			Barnes Group, Inc.	17,440	982,570
EMCOR Group, Inc.	30,670	2,702,027	John Bean Technologies Corp.	19,415	2,351,739
NV5 Global, Inc. (a)	27,890	2,270,246	Kennametal, Inc.	65,485	2,422,290
		4,972,273	Rexnord Corp. (a)	70,300	2,124,466
<b>Consumer Finance - 1.4%</b>			Watts Water Technologies, Inc. - Class A	22,625	2,108,197
FirstCash, Inc.	26,845	2,685,037			9,989,262
<b>Electronic Equipment &amp; Instruments - 0.3%</b>			<b>Marine - 1.5%</b>		
Littelfuse, Inc.	2,765	489,156	Kirby Corp. (a)	35,355	2,793,045
<b>Food Products - 2.9%</b>			<b>Media &amp; Entertainment - 1.4%</b>		
Freshpet, Inc. (a)	36,590	1,665,211	Nexstar Media Group, Inc. - Class A	25,775	2,603,275
Hostess Brands, Inc. (a)	160,520	2,317,909	<b>Metals &amp; Mining - 0.7%</b>		
J&J Snack Foods Corp.	9,150	1,472,692	Carpenter Technology Corp.	27,710	1,329,526
		5,455,812	<b>Multiline Retail - 1.8%</b>		
<b>Health Care Equipment &amp; Supplies - 6.1%</b>			Ollie's Bargain Outlet Holdings, Inc. (a)	39,290	3,422,552
Cantel Medical Corp.	14,065	1,134,202	<b>Oil &amp; Gas &amp; Consumable Fuels - 4.0%</b>		
Cerus Corp. (a)	97,085	545,618	Brigham Minerals, Inc. - Class A (a)	95,910	2,058,229
Mesa Laboratories, Inc.	9,650	2,357,881	Magnolia Oil & Gas Corp. - Class A (a)	194,640	2,253,931
NeoGenomics, Inc. (a)	83,950	1,841,863	Matador Resources Co. (a)	90,000	1,789,200
STAAR Surgical Co. (a)	105,275	3,092,979			

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

**LKCM SMALL CAP EQUITY FUND**  
**SCHEDULE OF INVESTMENTS, CONTINUED**  
**June 30, 2019 (Unaudited)**

COMMON STOCKS	Shares	Value	SHORT-TERM INVESTMENTS - 7.1%	Shares	Value
<b>Oil &amp; Gas &amp; Consumable Fuels - 4.0%, Continued</b>			<b>Money Market Funds - 7.1%</b>		
WPX Energy, Inc. (a)	131,500	\$ 1,513,565	Fidelity Investments Money Market Government Portfolio - Class I, 2.26% (c)	2,588,161	\$ 2,588,161
		<u>7,614,925</u>	Invesco Short-Term Investments Trust - Government & Agency Portfolio - Institutional Shares, 2.27% (c)	5,482,666	5,482,666
<b>Pharmaceuticals - 1.0%</b>			Morgan Stanley Institutional Liquidity Funds - Government Portfolio - Institutional Share Class, 2.25% (c)	5,473,067	<u>5,473,067</u>
Horizon Therapeutics PLC (a)(b)	79,365	<u>1,909,522</u>	<b>TOTAL SHORT-TERM INVESTMENTS</b>		<b>13,543,894</b>
<b>Real Estate Development - 1.7%</b>			(Cost \$13,543,894)		
FirstService Corp. (b)	18,940	1,816,725	<b>Total Investments - 100.2%</b>		189,467,281
Newmark Group, Inc. - Class A	151,828	<u>1,363,415</u>	(Cost \$143,435,275)		<u>(434,989)</u>
		<u>3,180,140</u>	Liabilities in Excess of Other Assets - (0.2)%		<u>\$189,032,292</u>
<b>Real Estate Investment Trusts - 1.9%</b>			<b>TOTAL NET ASSETS - 100.0%</b>		
First Industrial Realty Trust, Inc.	56,255	2,066,809			
Life Storage, Inc.	15,860	<u>1,507,969</u>			
		<u>3,574,778</u>			
<b>Road &amp; Rail - 1.3%</b>					
Genesee & Wyoming Inc. - Class A (a)	24,775	<u>2,477,500</u>			
<b>Software - 6.8%</b>					
ACI Worldwide, Inc. (a)	76,645	2,631,990			
Appian Corp. (a)	55,245	1,992,687			
Instructure, Inc. (a)	36,270	1,541,475			
OneSpan, Inc. (a)	36,065	511,041			
RealPage, Inc. (a)	36,625	2,155,381			
Talend SA - ADR (a)(b)	35,575	1,372,839			
Zuora, Inc. - Class A (a)	174,140	<u>2,667,825</u>			
		<u>12,873,238</u>			
<b>Software &amp; Services - 6.4%</b>					
Alarm.com Holdings, Inc. (a)	40,245	2,153,108			
Box, Inc. - Class A (a)	50,000	880,500			
Carbonite, Inc. (a)	61,480	1,600,939			
Cornerstone OnDemand, Inc. (a)	48,730	2,822,929			
Envestnet, Inc. (a)	32,131	2,196,796			
LogMeIn, Inc.	4,235	312,035			
Yext, Inc. (a)	105,700	<u>2,123,513</u>			
		<u>12,089,820</u>			
<b>Textiles, Apparel &amp; Luxury Goods - 1.8%</b>					
Columbia Sportswear Co.	4,291	429,787			
Steven Madden Ltd.	54,070	1,835,676			
Oxford Industries, Inc.	14,550	<u>1,102,890</u>			
		<u>3,368,353</u>			
<b>Thrifts &amp; Mortgage Finance - 1.1%</b>					
Home BancShares, Inc.	106,661	<u>2,054,291</u>			
<b>Trading Companies &amp; Distributors - 3.3%</b>					
DXP Enterprises, Inc. (a)	33,455	1,267,610			
MSC Industrial Direct Co., Inc. - Class A	10,760	799,037			
Systemax, Inc.	78,735	1,744,768			
Textainer Group Holdings Ltd. (a)(b)	117,660	1,186,013			
Triton International Ltd. (b)	40,065	<u>1,312,529</u>			
		<u>6,309,957</u>			
<b>TOTAL COMMON STOCKS</b>					
(Cost \$129,891,381)		<u>175,923,387</u>			

ADR American Depositary Receipt  
(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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The accompanying notes are an integral part of these financial statements.

**LKCM SMALL-MID CAP EQUITY FUND**

**SCHEDULE OF INVESTMENTS**

**June 30, 2019 (Unaudited)**

<b>COMMON STOCKS - 94.8%</b>	<b>Shares</b>	<b>Value</b>	<b>COMMON STOCKS</b>	<b>Shares</b>	<b>Value</b>
<b>Aerospace &amp; Defense - 6.5%</b>			<b>IT Consulting &amp; Services - 1.9%</b>		
HEICO Corp.	2,003	\$ 268,021	LiveRamp Holdings, Inc. (a)	5,085	\$ 246,521
Hexcel Corp.	2,695	217,972	<b>Leisure Equipment &amp; Products - 2.4%</b>		
Mercury Systems, Inc. (a)	5,095	358,433	Pool Corp.	1,655	316,105
		<u>844,426</u>	<b>Machinery - 3.0%</b>		
<b>Banks - 4.8%</b>			Kennametal Inc.	3,860	142,781
Cadence BanCorp	11,335	235,768	Rexnord Corp. (a)	8,025	242,516
Pinnacle Financial Partners, Inc.	3,450	198,306			<u>385,297</u>
Texas Capital Bancshares, Inc. (a)	3,125	191,781	<b>Marine - 1.7%</b>		
		<u>625,855</u>	Kirby Corp. (a)	2,785	220,015
<b>Biotechnology - 6.7%</b>			<b>Media &amp; Entertainment - 4.0%</b>		
Charles River Laboratories International, Inc. (a)	1,840	261,096	Live Nation Entertainment, Inc. (a)	3,310	219,287
Exact Sciences Corp. (a)	2,510	296,280	Nexstar Media Group, Inc. - Class A	3,000	303,000
Ligand Pharmaceuticals, Inc. (a)	1,440	164,376			<u>522,287</u>
Neogen Corp. (a)	2,435	151,238	<b>Metals &amp; Mining - 1.1%</b>		
		<u>872,990</u>	Reliance Steel & Aluminum Co.	1,530	144,769
<b>Building Products - 1.8%</b>			<b>Multiline Retail - 3.7%</b>		
Builders FirstSource, Inc. (a)	13,490	227,442	Five Below, Inc. (a)	1,595	191,432
<b>Chemicals - 1.6%</b>			Ollie's Bargain Outlet Holdings, Inc. (a)	3,370	293,561
FMC Corp.	2,525	209,449			<u>484,993</u>
<b>Commercial Services &amp; Supplies - 0.9%</b>			<b>Oil &amp; Gas &amp; Consumable Fuels - 3.1%</b>		
Healthcare Services Group, Inc.	3,979	120,643	Matador Resources Co. (a)	10,785	214,406
<b>Construction &amp; Engineering - 1.7%</b>			WPX Energy, Inc. (a)	16,420	188,994
EMCOR Group, Inc.	2,575	226,858			<u>403,400</u>
<b>Consumer Finance - 1.7%</b>			<b>Pharmaceuticals - 1.6%</b>		
FirstCash, Inc.	2,265	226,545	Horizon Therapeutics PLC (a)(b)	8,365	201,262
<b>Electronic Equipment &amp; Instruments - 4.2%</b>			<b>Real Estate Investment Trusts - 4.3%</b>		
FLIR Systems, Inc.	4,430	239,663	American Campus Communities, Inc.	4,475	206,566
Trimble, Inc. (a)	6,740	304,041	First Industrial Realty Trust, Inc.	5,760	211,622
		<u>543,704</u>	Life Storage, Inc.	1,410	134,063
<b>Health Care Equipment &amp; Supplies - 4.4%</b>					<u>552,251</u>
PerkinElmer, Inc.	2,205	212,430	<b>Road &amp; Rail - 2.0%</b>		
PRA Health Sciences, Inc. (a)	2,085	206,728	Genesee & Wyoming Inc. - Class A (a)	2,640	264,000
STAAR Surgical Co. (a)	5,000	146,900	<b>Software - 8.4%</b>		
		<u>566,058</u>	Fair Isaac Corp. (a)	675	211,963
<b>Health Care Providers &amp; Services - 3.8%</b>			Fortinet, Inc. (a)	3,265	250,850
HealthEquity, Inc. (a)	2,815	184,101	Guidewire Software, Inc. (a)	1,595	161,701
Omnicell, Inc. (a)	3,560	306,267	Proofpoint, Inc. (a)	2,330	280,183
		<u>490,368</u>	RealPage, Inc. (a)	3,185	187,437
<b>Health Care Technology - 1.1%</b>					<u>1,092,134</u>
Teladoc Health, Inc. (a)	2,065	137,137	<b>Software &amp; Services - 8.7%</b>		
<b>Hotels, Restaurants &amp; Leisure - 1.1%</b>			Akamai Technologies, Inc. (a)	1,775	142,248
Planet Fitness, Inc. - Class A (a)	1,900	137,636	Alarm.com Holdings, Inc. (a)	4,015	214,803
<b>Insurance - 2.0%</b>			Cornerstone OnDemand, Inc. (a)	3,555	205,941
The Hanover Insurance Group, Inc.	2,000	256,600	Coupa Software, Inc. (a)	2,820	357,040
<b>Internet Software &amp; Services - 1.6%</b>			Envestnet, Inc. (a)	3,000	205,110
Euronet Worldwide, Inc. (a)	1,225	206,094			<u>1,125,142</u>

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**LKCM SMALL-MID CAP EQUITY FUND**  
**SCHEDULE OF INVESTMENTS, CONTINUED**  
**June 30, 2019 (Unaudited)**

COMMON STOCKS	Shares	Value
<b>Textiles, Apparel &amp; Luxury Goods - 1.7%</b>		
Columbia Sportswear Co.	2,170	\$ 217,347
<b>Thrifts &amp; Mortgage Finance - 1.4%</b>		
Home BancShares, Inc.	9,455	182,103
<b>Trading Companies &amp; Distributors - 1.9%</b>		
Watsco, Inc.	1,480	242,024
<b>TOTAL COMMON STOCKS</b> (Cost \$8,975,659)		<u>12,291,455</u>
<b>SHORT-TERM INVESTMENTS - 5.2%</b>		
<b>Money Market Funds - 5.2%</b>		
Invesco Short-Term Investments Trust - Government & Agency Portfolio - Institutional Shares, 2.27% (c)	374,662	374,662
Morgan Stanley Institutional Liquidity Funds - Government Portfolio - Institutional Share Class, 2.25% (c)	297,054	297,054
<b>TOTAL SHORT-TERM INVESTMENTS</b> (Cost \$671,716)		<u>671,716</u>
<b>Total Investments - 100.0%</b> (Cost \$9,647,375)		12,963,171
Liabilities in Excess of Other Assets - (0.0)%		(5,575)
<b>TOTAL NET ASSETS - 100.0%</b>		<u>\$12,957,596</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 EQUITY FUND**  
**SCHEDULE OF INVESTMENTS**  
**June 30, 2019 (Unaudited)**

COMMON STOCKS - 98.1%	Shares	Value	COMMON STOCKS	Shares	Value
<b>Aerospace &amp; Defense - 2.9%</b>			<b>Household Products - 1.9%</b>		
Honeywell International, Inc.	60,000	\$ 10,475,400	Kimberly-Clark Corp.	50,000	\$ 6,664,000
<b>Banks - 8.0%</b>			<b>Internet &amp; Catalog Retail - 2.6%</b>		
Bank of America Corp.	385,000	11,165,000	Amazon.com, Inc. (a)	5,000	9,468,150
Comerica, Inc.	126,000	9,152,640	<b>IT Consulting &amp; Services - 2.4%</b>		
Cullen/Frost Bankers, Inc.	65,000	6,087,900	PayPal Holdings, Inc. (a)	75,000	8,584,500
Glacier Bancorp, Inc.	60,000	2,433,000	<b>Machinery - 5.2%</b>		
		28,838,540	Generac Holdings, Inc. (a)	115,000	7,982,150
<b>Beverages - 3.7%</b>			The Toro Co.	74,000	4,950,600
The Coca-Cola Co.	80,000	4,073,600	Valmont Industries, Inc.	45,000	5,706,450
Keurig Dr Pepper, Inc.	100,000	2,890,000			18,639,200
PepsiCo, Inc.	49,000	6,425,370	<b>Marine - 0.9%</b>		
		13,388,970	Kirby Corp. (a)	40,000	3,160,000
<b>Biotechnology - 2.0%</b>			<b>Media &amp; Entertainment - 4.2%</b>		
Amgen, Inc.	40,000	7,371,200	Alphabet, Inc. - Class A (a)	7,000	7,579,600
<b>Chemicals - 5.9%</b>			Facebook, Inc. - Class A (a)	27,000	5,211,000
Air Products & Chemicals, Inc.	21,000	4,753,770	Live Nation Entertainment, Inc. (a)	35,000	2,318,750
Ecolab, Inc.	45,000	8,884,800			15,109,350
FMC Corp.	90,000	7,465,500	<b>Metals &amp; Mining - 0.6%</b>		
		21,104,070	Newmont Goldcorp Corp.	60,000	2,308,200
<b>Commercial Services &amp; Supplies - 3.6%</b>			<b>Oil &amp; Gas &amp; Consumable Fuels - 5.7%</b>		
Cintas Corp.	16,000	3,796,640	Cabot Oil & Gas Corp.	190,000	4,362,400
Waste Connections, Inc. (b)	97,500	9,319,050	ConocoPhillips	62,000	3,782,000
		13,115,690	EOG Resources, Inc.	65,000	6,055,400
<b>Computers &amp; Peripherals - 1.7%</b>			Occidental Petroleum Corp.	124,000	6,234,720
Apple, Inc.	30,000	5,937,600			20,434,520
<b>Diversified Financials - 3.2%</b>			<b>Personal Products - 1.5%</b>		
JPMorgan Chase & Co.	102,000	11,403,600	The Estee Lauder Cos., Inc. - Class A	30,000	5,493,300
<b>Electrical Equipment &amp; Instruments - 6.5%</b>			<b>Pharmaceuticals - 6.4%</b>		
Emerson Electric Co.	105,000	7,005,600	Johnson & Johnson	38,000	5,292,640
Franklin Electric Co., Inc.	85,000	4,037,500	Merck & Co., Inc.	80,000	6,708,000
Rockwell Automation, Inc.	25,000	4,095,750	Pfizer, Inc.	115,000	4,981,800
Roper Technologies, Inc.	23,000	8,423,980	Zoetis, Inc.	53,500	6,071,715
		23,562,830			23,054,155
<b>Electronic Equipment &amp; Instruments - 2.5%</b>			<b>Road &amp; Rail - 2.5%</b>		
National Instruments Corp.	55,000	2,309,450	Kansas City Southern	40,000	4,872,800
Trimble, Inc. (a)	150,000	6,766,500	Union Pacific Corp.	24,000	4,058,640
		9,075,950			8,931,440
<b>Food Products - 0.8%</b>			<b>Software - 6.7%</b>		
Mondelez International, Inc. - Class A	54,000	2,910,600	Adobe Inc. (a)	30,000	8,839,500
<b>Health Care Equipment &amp; Supplies - 8.1%</b>			Microsoft Corp.	100,000	13,396,000
Danaher Corp.	75,000	10,719,000	RealPage, Inc. (a)	35,000	2,059,750
PerkinElmer, Inc.	100,000	9,634,000			24,295,250
Thermo Fisher Scientific, Inc.	30,000	8,810,400	<b>Software &amp; Services - 3.7%</b>		
		29,163,400	Akamai Technologies, Inc. (a)	90,000	7,212,600
<b>Household Durables - 0.8%</b>			Alarm.com Holdings, Inc. (a)	67,000	3,584,500
Roku, Inc. (a)	30,000	2,717,400	LogMeIn, Inc.	35,000	2,578,800
					13,375,900

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**LKCM EQUITY FUND**  
**SCHEDULE OF INVESTMENTS, CONTINUED**  
**June 30, 2019 (Unaudited)**

COMMON STOCKS	Shares	Value
<b>Specialty Retail - 1.7%</b>		
The Home Depot, Inc.	30,000	\$ 6,239,100
<b>Textiles, Apparel &amp; Luxury Goods - 2.4%</b>		
VF Corp.	100,000	8,735,000
<b>TOTAL COMMON STOCKS</b>		<u>353,557,315</u>
(Cost \$189,019,163)		
	<b>Principal</b>	
	<b>Amount</b>	
<b>SHORT-TERM INVESTMENTS - 2.1%</b>		
<b>U.S. Treasury Note - 1.2%</b>		
1.625%, 03/15/2020	\$4,300,000	4,287,739
	<b>Shares</b>	
<b>Money Market Fund - 0.9%</b>		
Invesco Short-Term Investments Trust - Government & Agency Portfolio - Institutional Shares, 2.27% (c)	3,382,588	3,382,588
<b>TOTAL SHORT-TERM INVESTMENTS</b>		<u>7,670,327</u>
(Cost \$7,662,878)		
<b>Total Investments - 100.2%</b>		361,227,642
(Cost \$196,682,041)		
Liabilities in Excess of Other Assets - (0.2)%		(861,211)
<b>TOTAL NET ASSETS - 100.0%</b>		<u>\$360,366,431</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, 2019 (Unaudited)**

COMMON STOCKS - 68.4%	Shares	Value	COMMON STOCKS	Shares	Value
<b>Aerospace &amp; Defense - 2.0%</b>			<b>Electrical Equipment &amp; Instruments - 1.6%, Continued</b>		
Honeywell International, Inc.	6,100	\$ 1,064,999	Rockwell Automation, Inc.	4,500	\$ 737,235
L3 Technologies, Inc.	4,000	980,680			1,631,283
		2,045,679	<b>Electronic Equipment &amp; Instruments - 2.4%</b>		
<b>Banks - 4.7%</b>			FLIR Systems, Inc.	13,700	741,170
Bank of America Corp.	38,500	1,116,500	National Instruments Corp.	15,800	663,442
Comerica, Inc.	12,500	908,000	Trimble, Inc. (a)	22,200	1,001,442
Cullen/Frost Bankers, Inc.	8,800	824,208			2,406,054
SunTrust Banks, Inc.	14,600	917,610	<b>Food &amp; Drug Retailing - 1.0%</b>		
Zions Bancorp N.A.	20,000	919,600	Walmart, Inc.	9,500	1,049,655
		4,685,918	<b>Food Products - 1.1%</b>		
<b>Beverages - 1.8%</b>			Mondelez International, Inc. - Class A	19,800	1,067,220
The Coca-Cola Co.	17,600	896,192	<b>Health Care Equipment &amp; Supplies - 5.1%</b>		
PepsiCo, Inc.	6,700	878,571	Becton, Dickinson & Co.	4,400	1,108,844
		1,774,763	Danaher Corp.	8,800	1,257,696
<b>Biotechnology - 1.1%</b>			Medtronic PLC (b)	7,600	740,164
Charles River Laboratories International, Inc. (a)	8,100	1,149,390	PerkinElmer, Inc.	10,100	973,034
			Thermo Fisher Scientific, Inc.	3,700	1,086,616
<b>Chemicals - 5.9%</b>					5,166,354
Air Products and Chemicals, Inc.	6,600	1,494,042	<b>Household Products - 2.1%</b>		
Corteva, Inc. (a)	21,358	631,556	Colgate-Palmolive Co.	11,600	831,372
DuPont de Nemours, Inc.	8,158	612,421	Kimberly-Clark Corp.	6,600	879,648
Ecolab, Inc.	4,800	947,712	The Procter & Gamble Co.	3,500	383,775
FMC Corp.	13,700	1,136,415			2,094,795
Linde PLC (b)	5,500	1,104,400	<b>Internet &amp; Catalog Retail - 1.3%</b>		
		5,926,546	Amazon.com, Inc. (a)	700	1,325,541
<b>Commercial Services &amp; Supplies - 1.6%</b>			<b>IT Consulting &amp; Services - 3.3%</b>		
Cintas Corp.	4,000	949,160	Black Knight, Inc. (a)	14,000	842,100
Waste Management, Inc.	5,900	680,683	PayPal Holdings, Inc. (a)	11,400	1,304,844
		1,629,843	Visa, Inc. - Class A	6,800	1,180,140
<b>Communications Equipment - 0.6%</b>					3,327,084
QUALCOMM, Inc.	8,000	608,560	<b>Machinery - 1.7%</b>		
<b>Computers &amp; Peripherals - 1.4%</b>			Fortive Corp.	11,300	921,176
Apple, Inc.	7,150	1,415,128	Stanley Black & Decker, Inc.	5,400	780,894
					1,702,070
<b>Construction Materials - 0.9%</b>			<b>Marine - 0.7%</b>		
Martin Marietta Materials, Inc.	4,100	943,451	Kirby Corp. (a)	9,000	711,000
<b>Containers &amp; Packaging - 0.6%</b>			<b>Media &amp; Entertainment - 2.7%</b>		
Ball Corp.	8,800	615,912	Alphabet, Inc. - Class A (a)	250	270,700
<b>Diversified Financials - 2.5%</b>			Alphabet, Inc. - Class C (a)	825	891,751
JPMorgan Chase & Co.	10,500	1,173,900	CBS Corp. - Class B	3,600	179,640
Moody's Corp.	7,000	1,367,170	The Walt Disney Co.	9,500	1,326,580
		2,541,070			2,668,671
<b>Diversified Telecommunication Services - 1.7%</b>			<b>Oil &amp; Gas &amp; Consumable Fuels - 4.4%</b>		
AT&T, Inc.	26,739	896,024	Cabot Oil & Gas Corp.	25,900	594,664
Verizon Communications, Inc.	13,841	790,736	Chevron Corp.	7,295	907,790
		1,686,760	ConocoPhillips	11,400	695,400
<b>Electrical Equipment &amp; Instruments - 1.6%</b>			EOG Resources, Inc.	8,600	801,176
Emerson Electric Co.	13,400	894,048	Exxon Mobil Corp.	4,633	355,027

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

**LKCM BALANCED FUND**  
**SCHEDULE OF INVESTMENTS, CONTINUED**  
**June 30, 2019 (Unaudited)**

COMMON STOCKS	Shares	Value	CORPORATE BONDS	Principal Amount	Value
<b>Oil &amp; Gas &amp; Consumable Fuels - 4.4%, Continued</b>			<b>Banks - 2.1%, Continued</b>		
Pioneer Natural Resources Co.	4,100	\$ 630,826	Comerica, Inc.		
WPX Energy, Inc. (a)	41,000	471,910	3.700%, 07/31/2023		
		4,456,793	Callable 06/30/2023	\$ 475,000	\$ 497,404
<b>Pharmaceuticals - 4.0%</b>			SunTrust Bank		
Abbott Laboratories	12,300	1,034,430	4.050%, 11/03/2025		
Merck & Co., Inc.	9,800	821,730	Callable 09/03/2025	385,000	415,600
Pfizer, Inc.	12,600	545,832	The Bank of New York Mellon Corp.:		
Zoetis, Inc.	14,400	1,634,256	2.450%, 11/27/2020		
		4,036,248	Callable 10/27/2020	350,000	351,502
<b>Real Estate Investment Trusts - 0.8%</b>			2.500%, 04/15/2021	200,000	201,162
American Tower Corp.	3,800	776,910	Callable 03/15/2021		2,118,968
<b>Road &amp; Rail - 0.7%</b>			<b>Beverages - 0.4%</b>		
Union Pacific Corp.	4,100	693,351	PepsiCo, Inc.		
<b>Software - 5.7%</b>			3.000%, 08/25/2021	415,000	422,760
Adobe, Inc. (a)	3,500	1,031,275	<b>Biotechnology - 1.0%</b>		
Microsoft Corp.	11,000	1,473,560	Amgen, Inc.:		
Oracle Corp.	17,800	1,014,066	2.125%, 05/01/2020		
RealPage, Inc. (a)	20,900	1,229,965	Callable 04/01/2020	100,000	99,770
salesforce.com, Inc. (a)	6,400	971,072	2.700%, 05/01/2022		
		5,719,938	Callable 03/01/2022	325,000	328,372
<b>Software &amp; Services - 1.0%</b>			3.625%, 05/22/2024		
Akamai Technologies, Inc. (a)	12,500	1,001,750	Callable 02/22/2024	250,000	262,767
<b>Specialty Retail - 1.8%</b>			Celgene Corp.		
The Home Depot, Inc.	6,100	1,268,617	3.625%, 05/15/2024		
O'Reilly Automotive, Inc. (a)	1,400	517,048	Callable 02/15/2024	250,000	262,618
		1,785,665			953,527
<b>Textiles, Apparel &amp; Luxury Goods - 2.2%</b>			<b>Chemicals - 0.6%</b>		
NIKE, Inc. - Class B	11,600	973,820	Ecolab, Inc.:		
VF Corp.	14,700	1,284,045	2.250%, 01/12/2020	100,000	99,889
		2,257,865	3.250%, 01/14/2023		
<b>TOTAL COMMON STOCKS</b>			Callable 11/14/2022	500,000	514,048
(Cost \$43,670,593)		68,901,267			613,937
			<b>Communications Equipment - 0.6%</b>		
<b>CORPORATE BONDS - 29.8%</b>	<b>Principal Amount</b>		Cisco Systems, Inc.		
<b>Aerospace &amp; Defense - 0.3%</b>			2.200%, 02/28/2021	275,000	275,249
Rockwell Collins, Inc.			QUALCOMM Inc.		
3.700%, 12/15/2023			2.250%, 05/20/2020	350,000	349,945
Callable 09/15/2023	\$ 250,000	261,979			625,194
<b>Air Freight &amp; Logistics - 1.0%</b>			<b>Computers &amp; Peripherals - 0.9%</b>		
FedEx Corp.			Apple, Inc.		
2.700%, 04/15/2023	425,000	428,886	2.850%, 05/06/2021	500,000	507,482
United Parcel Service, Inc.			International Business Machines Corp.		
2.450%, 10/01/2022	600,000	606,635	2.250%, 02/19/2021	350,000	350,058
		1,035,521			857,540
<b>Banks - 2.1%</b>			<b>Consumer Finance - 1.1%</b>		
Bank of America Corp.:			American Express Co.:		
2.625%, 10/19/2020	400,000	401,658	3.400%, 02/27/2023		
2.625%, 04/19/2021	250,000	251,642	Callable 01/27/2023	125,000	129,490

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



**LKCM BALANCED FUND**  
**SCHEDULE OF INVESTMENTS, CONTINUED**  
**June 30, 2019 (Unaudited)**

CORPORATE BONDS	Principal Amount	Value	CORPORATE BONDS	Principal Amount	Value
<b>Consumer Finance - 1.1%, Continued</b>			<b>Food &amp; Drug Retailing - 1.7%, Continued</b>		
3.700%, 08/03/2023			Walmart, Inc.		
Callable 07/03/2023	\$ 300,000	\$ 315,124	3.550%, 06/26/2025		
3.000%, 10/30/2024			Callable 04/26/2025	\$ 700,000	\$ 748,537
Callable 09/29/2024	350,000	359,030			<u>1,742,297</u>
American Express Credit Corp.			<b>Health Care Equipment &amp; Supplies - 1.0%</b>		
2.600%, 09/14/2020			Danaher Corp.		
Callable 08/14/2020	300,000	301,183	2.400%, 09/15/2020		
		<u>1,104,827</u>	Callable 08/15/2020	400,000	400,876
<b>Diversified Financials - 0.6%</b>			Thermo Fisher Scientific, Inc.		
JPMorgan Chase & Co.:			3.150%, 01/15/2023		
2.400%, 06/07/2021			Callable 10/15/2022	600,000	615,530
Callable 05/07/2021	400,000	401,209			<u>1,016,406</u>
3.375%, 05/01/2023	225,000	231,494	<b>Health Care Providers &amp; Services - 0.4%</b>		
		<u>632,703</u>	CVS Health Corp.		
<b>Diversified Telecommunication Services - 1.2%</b>			2.125%, 06/01/2021		
AT&T, Inc.			Callable 05/01/2021	400,000	397,479
2.450%, 06/30/2020			<b>Hotels, Restaurants &amp; Leisure - 0.3%</b>		
Callable 05/30/2020	725,000	724,840	McDonald's Corp.:		
Verizon Communications, Inc.:			2.750%, 12/09/2020		
2.450%, 11/01/2022			Callable 11/09/2020	200,000	201,275
Callable 08/01/2022	200,000	201,614	3.625%, 05/20/2021	100,000	102,564
3.500%, 11/01/2024					<u>303,839</u>
Callable 08/01/2024	250,000	262,878	<b>Insurance - 0.7%</b>		
		<u>1,189,332</u>	Berkshire Hathaway, Inc.		
<b>Electrical Equipment &amp; Instruments - 1.5%</b>			2.200%, 03/15/2021		
Emerson Electric Co.:			Callable 02/15/2021	710,000	712,192
2.625%, 02/15/2023			<b>Internet &amp; Catalog Retail - 0.7%</b>		
Callable 11/15/2022	400,000	409,045	Amazon.com, Inc.		
3.150%, 06/01/2025			3.300%, 12/05/2021		
Callable 03/01/2025	200,000	208,114	Callable 10/05/2021	695,000	716,640
Rockwell Automation, Inc.			<b>Machinery - 0.8%</b>		
2.050%, 03/01/2020			Illinois Tool Works, Inc.		
Callable 02/01/2020	288,000	287,283	3.500%, 03/01/2024		
Roper Technologies, Inc.			Callable 12/01/2023	715,000	754,057
2.800%, 12/15/2021			<b>Media &amp; Entertainment - 1.1%</b>		
Callable 11/15/2021	600,000	604,171	Alphabet, Inc.		
		<u>1,508,613</u>	3.375%, 02/25/2024	600,000	634,188
<b>Electronic Equipment &amp; Instruments - 0.5%</b>			TWDC Enterprises 18 Corp.		
Trimble, Inc.			2.300%, 02/12/2021	420,000	421,699
4.150%, 06/15/2023					<u>1,055,887</u>
Callable 05/15/2023	500,000	517,833	<b>Oil &amp; Gas &amp; Consumable Fuels - 4.8%</b>		
<b>Food &amp; Drug Retailing - 1.7%</b>			Chevron Corp.		
Costco Wholesale Corp.			2.411%, 03/03/2022		
2.250%, 02/15/2022	400,000	402,230	Callable 01/03/2022	500,000	505,205
Walgreens Boots Alliance, Inc.:			ConocoPhillips Co.		
3.300%, 11/18/2021			2.400%, 12/15/2022		
Callable 09/18/2021	325,000	331,660	Callable 09/15/2022	490,000	491,969
3.800%, 11/18/2024					
Callable 08/18/2024	250,000	259,870			

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

**LKCM BALANCED FUND**  
**SCHEDULE OF INVESTMENTS, CONTINUED**  
**June 30, 2019 (Unaudited)**

CORPORATE BONDS	Principal Amount	Value	CORPORATE BONDS	Principal Amount	Value
<b>Oil &amp; Gas &amp; Consumable Fuels - 4.8%, Continued</b>			<b>Semiconductor Equipment &amp; Products - 0.5%</b>		
Enterprise Products Operating, LLC: 2.850%, 04/15/2021 Callable 03/15/2021	\$ 500,000	\$ 503,970	Texas Instruments, Inc. 2.750%, 03/12/2021 Callable 02/12/2021	\$ 470,000	\$ 475,396
3.750%, 02/15/2025 Callable 11/15/2024	200,000	211,721	<b>Semiconductors &amp; Semiconductor Equipment - 0.5%</b>		
EOG Resources, Inc.: 2.450%, 04/01/2020 Callable 03/01/2020	200,000	200,003	Intel Corp. 3.700%, 07/29/2025 Callable 04/29/2025	500,000	536,516
2.625%, 03/15/2023 Callable 12/15/2022	600,000	607,435	<b>Software - 1.3%</b>		
Exxon Mobil Corp.: 2.222%, 03/01/2021 Callable 02/01/2021	325,000	326,004	Microsoft Corp.: 2.375%, 02/12/2022 Callable 01/12/2022	400,000	404,193
3.043%, 03/01/2026 Callable 12/01/2025	300,000	311,173	3.125%, 11/03/2025 Callable 08/03/2025	230,000	242,320
Kinder Morgan Energy Partners, L.P. 3.950%, 09/01/2022 Callable 06/01/2022	400,000	416,564	Oracle Corp. 2.800%, 07/08/2021	625,000	633,692
Occidental Petroleum Corp.: 2.600%, 04/15/2022 Callable 03/15/2022	500,000	501,916	<b>Specialty Retail - 1.1%</b>		
3.500%, 06/15/2025 Callable 03/15/2025	250,000	258,319	O'Reilly Automotive, Inc. 4.875%, 01/14/2021 Callable 10/14/2020	300,000	309,466
Schlumberger Investment SA (b) 3.650%, 12/01/2023 Callable 09/01/2023	500,000	526,391	The Home Depot, Inc.: 2.625%, 06/01/2022 Callable 05/01/2022	290,000	295,051
		4,860,670	2.800%, 09/14/2027 Callable 06/14/2027	500,000	507,607
<b>Pharmaceuticals - 1.6%</b>			<b>TOTAL CORPORATE BONDS</b>		
Abbott Laboratories: 3.400%, 11/30/2023 Callable 09/30/2023	245,000	255,607	(Cost \$29,480,125)		29,962,691
3.875%, 09/15/2025 Callable 06/15/2025	255,000	275,051	<b>SHORT-TERM INVESTMENT - 1.7%      Shares</b>		
AbbVie, Inc. 2.500%, 05/14/2020 Callable 04/14/2020	425,000	425,030	<b>Money Market Fund - 1.7%</b>		
Merck & Co., Inc. 2.350%, 02/10/2022	650,000	655,669	Invesco Short-Term Investments Trust - Government & Agency Portfolio - Institutional Shares, 2.27% (c)	1,690,556	1,690,556
		1,611,357	<b>TOTAL SHORT-TERM INVESTMENT</b>		
<b>Real Estate Investment Trusts - 0.3%</b>			(Cost \$1,690,556)		1,690,556
American Tower Corp. 2.800%, 06/01/2020 Callable 05/01/2020	300,000	300,731	<b>Total Investments - 99.9%</b>		
<b>Road &amp; Rail - 1.2%</b>			(Cost \$74,841,274)		100,554,514
Burlington Northern Santa Fe, LLC 3.000%, 03/15/2023 Callable 12/15/2022	600,000	615,623	<b>Other Assets in Excess of Liabilities - 0.1%</b>		
Union Pacific Corp.: 2.250%, 06/19/2020 Callable 05/19/2020	415,000	414,610	<b>TOTAL NET ASSETS - 100.0%</b>		
3.750%, 07/15/2025 Callable 05/15/2025	200,000	213,928			
		1,244,161			

- (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, 2019 (Unaudited)**

	Principal Amount	Value		Principal Amount	Value
<b>CORPORATE BONDS - 69.3%</b>			<b>CORPORATE BONDS</b>		
<b>Aerospace &amp; Defense - 0.7%</b>			<b>Containers &amp; Packaging - 2.0%, Continued</b>		
Rockwell Collins, Inc. 3.700%, 12/15/2023 Callable 09/15/2023	\$1,750,000	\$ 1,833,854	5.250%, 07/01/2025	\$3,000,000	\$ 3,255,000
<b>Air Freight &amp; Logistics - 1.3%</b>					<u>5,362,500</u>
FedEx Corp. 3.250%, 04/01/2026 Callable 01/01/2026	3,500,000	<u>3,636,142</u>	<b>Diversified Financials - 4.1%</b>		
<b>Banks - 5.1%</b>			JPMorgan Chase & Co.:		
Bank of America Corp.:			3.547% (3 Month LIBOR USD +		
2.625%, 10/19/2020	2,600,000	2,610,776	0.955%), 01/23/2020 (a)	3,082,000	3,097,914
3.772% (3 Month LIBOR USD +			3.480% (3 Month LIBOR USD +		
1.180%), 10/21/2022 (a)			0.900%), 04/25/2023 (a)		
Callable 10/21/2021	2,975,000	3,013,486	Callable 04/25/2022	2,409,000	2,421,405
4.450%, 03/03/2026	2,000,000	2,159,036	3.375%, 05/01/2023	2,000,000	2,057,730
BB&T Corp.			2.700%, 05/18/2023		
2.980% (3 Month LIBOR USD +			Callable 03/18/2023	3,500,000	<u>3,538,308</u>
0.570%), 06/15/2020 (a)	2,000,000	2,010,211			<u>11,115,357</u>
Comerica, Inc.			<b>Diversified Telecommunication Services - 7.4%</b>		
3.700%, 07/31/2023			AT&T, Inc.:		
Callable 06/30/2023	2,000,000	2,094,333	3.547% (3 Month LIBOR USD +		
Wells Fargo & Co.			0.950%), 07/15/2021 (a)	2,975,000	3,001,962
4.125%, 08/15/2023	2,000,000	2,113,635	3.800%, 02/15/2027		
		<u>14,001,477</u>	Callable 11/15/2026	2,000,000	2,084,690
<b>Biotechnology - 1.8%</b>			4.250%, 03/01/2027		
Celgene Corp.			Callable 12/01/2026	4,000,000	4,290,692
3.625%, 05/15/2024			CenturyLink, Inc.		
Callable 02/15/2024	4,750,000	<u>4,989,748</u>	5.800%, 03/15/2022	2,500,000	2,618,750
<b>Chemicals - 0.4%</b>			Verizon Communications, Inc.:		
Ecolab, Inc.			3.410% (3 Month LIBOR USD +		
2.375%, 08/10/2022			1.000%), 03/16/2022 (a)	2,200,000	2,234,058
Callable 07/10/2022	1,000,000	1,004,687	2.450%, 11/01/2022		
<b>Computers &amp; Peripherals - 1.2%</b>			Callable 08/01/2022	1,750,000	1,764,119
Apple, Inc.			3.500%, 11/01/2024		
2.400%, 05/03/2023	3,250,000	<u>3,284,520</u>	Callable 08/01/2024	1,750,000	1,840,148
<b>Consumer Finance - 4.0%</b>			4.125%, 03/16/2027	2,000,000	<u>2,177,049</u>
American Express Co.:					<u>20,011,468</u>
2.913% (3 Month LIBOR USD +			<b>Electrical Equipment &amp; Instruments - 2.8%</b>		
0.330%), 10/30/2020 (a)			Emerson Electric Co.:		
Callable 09/29/2020	3,500,000	3,506,679	2.625%, 12/01/2021		
3.000%, 10/30/2024			Callable 11/01/2021	950,000	961,429
Callable 09/29/2024	2,000,000	2,051,600	3.150%, 06/01/2025		
4.200%, 11/06/2025			Callable 03/01/2025	5,000,000	5,202,838
Callable 10/06/2025	2,000,000	2,186,059	Rockwell Automation, Inc.		
American Express Credit Corp.			2.875%, 03/01/2025		
2.375%, 05/26/2020			Callable 12/01/2024	1,440,000	1,466,768
Callable 04/25/2020	3,000,000	3,001,720			<u>7,631,035</u>
		<u>10,746,058</u>	<b>Electronic Equipment &amp; Instruments - 1.7%</b>		
<b>Containers &amp; Packaging - 2.0%</b>			Trimble, Inc.		
Ball Corp.:			4.150%, 06/15/2023		
5.000%, 03/15/2022	2,000,000	2,107,500	Callable 05/15/2023	4,500,000	4,660,497
			<b>Food &amp; Drug Retailing - 1.7%</b>		
			Walgreens Boots Alliance, Inc.		
			3.800%, 11/18/2024		
			Callable 08/18/2024	4,375,000	4,547,719

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**LKCM FIXED INCOME FUND**  
**SCHEDULE OF INVESTMENTS, CONTINUED**  
**June 30, 2019 (Unaudited)**

CORPORATE BONDS	Principal Amount	Value	CORPORATE BONDS	Principal Amount	Value
<b>Health Care Equipment &amp; Supplies - 6.5%</b>			<b>Oil &amp; Gas &amp; Consumable Fuels - 9.4%, Continued</b>		
Danaher Corp.:			Kinder Morgan Energy Partners, L.P.		
2.400%, 09/15/2020			4.250%, 09/01/2024		
Callable 08/15/2020	\$2,000,000	\$ 2,004,381	Callable 06/01/2024	\$3,000,000	\$ 3,195,294
3.350%, 09/15/2025			Kinder Morgan, Inc.		
Callable 06/15/2025	5,500,000	5,761,117	3.877% (3 Month LIBOR USD +		
PerkinElmer, Inc.			1.280%), 01/15/2023 (a)	2,000,000	2,019,926
5.000%, 11/15/2021			Occidental Petroleum Corp.:		
Callable 08/15/2021	1,094,000	1,144,451	2.600%, 04/15/2022		
Thermo Fisher Scientific, Inc.:			Callable 03/15/2022	3,125,000	3,136,971
4.150%, 02/01/2024			3.500%, 06/15/2025		
Callable 11/01/2023	4,500,000	4,825,835	Callable 03/15/2025	3,000,000	3,099,830
2.950%, 09/19/2026			Range Resources Corp.		
Callable 06/19/2026	4,000,000	4,026,198	5.000%, 08/15/2022		
		<u>17,761,982</u>	Callable 05/15/2022	5,850,000	5,579,438
					<u>25,438,744</u>
<b>Health Care Providers &amp; Services - 2.4%</b>			<b>Real Estate Investment Trusts - 2.3%</b>		
CVS Health Corp.:			American Tower Corp.:		
3.173% (3 Month LIBOR USD +			3.500%, 01/31/2023	3,500,000	3,615,662
0.720%), 03/09/2021 (a)	4,500,000	4,521,328	5.000%, 02/15/2024	2,500,000	2,754,113
4.125%, 05/15/2021					<u>6,369,775</u>
Callable 02/15/2021	2,000,000	2,054,931			
		<u>6,576,259</u>			
<b>Household Products - 0.4%</b>			<b>Road &amp; Rail - 4.0%</b>		
The Procter & Gamble Co.			Burlington Northern Santa Fe, LLC		
8.000%, 09/01/2024	775,000	984,158	3.000%, 03/15/2023		
			Callable 12/15/2022	3,500,000	3,591,133
<b>Internet &amp; Catalog Retail - 2.6%</b>			Union Pacific Corp.:		
Amazon.com, Inc.:			2.250%, 06/19/2020		
2.600%, 12/05/2019			Callable 05/19/2020	4,125,000	4,121,126
Callable 11/05/2019	2,000,000	2,002,563	3.750%, 07/15/2025		
2.500%, 11/29/2022			Callable 05/15/2025	3,025,000	3,235,653
Callable 08/29/2022	5,000,000	5,047,999			<u>10,947,912</u>
		<u>7,050,562</u>			
<b>Media &amp; Entertainment - 1.6%</b>			<b>Semiconductors &amp; Semiconductor Equipment - 1.3%</b>		
Alphabet, Inc.			Intel Corp.		
3.375%, 02/25/2024	4,000,000	4,227,919	3.700%, 07/29/2025		
			Callable 04/29/2025	2,250,000	2,414,321
<b>Multiline Retail - 1.7%</b>			QUALCOMM, Inc.		
Family Dollar Stores, Inc.			2.900%, 05/20/2024		
5.000%, 02/01/2021	4,500,000	4,668,750	Callable 03/20/2024	1,000,000	1,016,475
					<u>3,430,796</u>
<b>Oil &amp; Gas &amp; Consumable Fuels - 9.4%</b>			<b>Software - 1.2%</b>		
Chevron Corp.:			Oracle Corp.		
2.411%, 03/03/2022			3.250%, 11/15/2027		
Callable 01/03/2022	1,450,000	1,465,094	Callable 08/15/2027	3,000,000	3,144,093
2.954%, 05/16/2026					
Callable 02/16/2026	1,870,000	1,931,584	<b>Software &amp; Services - 0.9%</b>		
ConocoPhillips Co.			Sabre GLOBAL, Inc. (b)		
3.418% (3 Month LIBOR USD +			5.375%, 04/15/2023		
0.900%), 05/15/2022 (a)	700,000	709,499	Callable 07/29/2019	2,500,000	2,568,750
Enterprise Products Operating, LLC					
3.750%, 02/15/2025					
Callable 11/15/2024	4,063,000	4,301,108			

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

**LKCM FIXED INCOME FUND**  
**SCHEDULE OF INVESTMENTS, CONTINUED**  
**June 30, 2019 (Unaudited)**

<b>CORPORATE BONDS</b>	<b>Principal Amount</b>	<b>Value</b>	<b>U.S. GOVERNMENT SPONSORED ENTITIES</b>	<b>Principal Amount</b>	<b>Value</b>
<b>Specialty Retail - 0.8%</b>			<b>Freddie Mac - 10.3%</b>		
O'Reilly Automotive, Inc. 4.875%, 01/14/2021 Callable 10/14/2020	\$2,203,000	\$ 2,272,513	1.500%, 08/25/2021 (c) Callable 08/25/2019	\$1,600,000	\$ 1,593,549
<b>TOTAL CORPORATE BONDS</b> (Cost \$184,178,282)		<u>188,267,275</u>	1.500%, 08/25/2021 (c) Callable 08/25/2019	1,650,000	1,647,356
<b>U.S. GOVERNMENT ISSUES - 9.8%</b>			2.000%, 08/25/2021 (c) Callable 08/25/2019	2,500,000	2,494,745
<b>U.S. Treasury Inflation Indexed Bonds - 1.4%</b>			2.375%, 01/13/2022	2,000,000	2,030,045
0.625%, 01/15/2024	3,833,270	3,901,170	2.600%, 07/26/2022 (c) Callable 07/26/2019	840,000	840,057
<b>U.S. Treasury Notes - 8.4%</b>			2.200%, 07/27/2022 Callable 07/27/2019	1,225,000	1,225,028
2.000%, 07/31/2020	2,000,000	2,001,562	1.750%, 09/29/2022 (c) Callable 09/29/2019	2,500,000	2,500,326
2.000%, 02/15/2023	2,000,000	2,019,297	2.250%, 12/14/2022 (c) Callable 12/14/2021	2,000,000	1,999,691
2.000%, 02/15/2025	2,000,000	2,020,820	2.000%, 06/30/2023 (c) Callable 09/30/2019	1,500,000	1,496,390
2.000%, 08/15/2025	2,000,000	2,019,531	2.000%, 10/27/2023 (c) Callable 07/27/2019	4,500,000	4,495,879
1.625%, 02/15/2026	2,000,000	1,971,133	2.500%, 06/17/2024 (c) Callable 09/17/2019	5,200,000	5,200,836
2.375%, 05/15/2027	4,000,000	4,136,094	2.000%, 05/23/2031 (c) Callable 08/23/2019	2,500,000	2,476,111
2.750%, 02/15/2028	2,000,000	2,126,875			<u>28,000,013</u>
2.875%, 08/15/2028	3,000,000	3,224,297	<b>TOTAL U.S. GOVERNMENT SPONSORED ENTITIES</b> (Cost \$53,086,571)		<u>53,085,417</u>
3.125%, 11/15/2028	3,000,000	3,290,977			
<b>TOTAL U.S. GOVERNMENT ISSUES</b> (Cost \$25,742,698)		<u>26,711,756</u>	<b>SHORT-TERM INVESTMENT - 0.9%</b>	<b>Shares</b>	
<b>U.S. GOVERNMENT SPONSORED ENTITIES - 19.5%</b>			<b>Money Market Fund - 0.9%</b>		
<b>Fannie Mae - 2.1%</b>			Invesco Short-Term Investments Trust - Government & Agency Portfolio - Institutional Shares, 2.27% (d)	2,393,361	2,393,361
2.000%, 07/28/2021 (c) Callable 07/28/2019	2,000,000	1,999,874	<b>TOTAL SHORT-TERM INVESTMENT</b> (Cost \$2,393,361)		<u>2,393,361</u>
1.750%, 10/26/2021 (c) Callable 07/26/2019	1,040,000	1,039,637	<b>Total Investments - 99.5%</b> (Cost \$265,400,912)		270,457,809
2.000%, 05/17/2024 (c) Callable 08/17/2019	2,800,000	2,800,219	Other Assets in Excess of Liabilities - 0.5%		<u>1,491,270</u>
<b>Federal Home Loan Bank - 7.1%</b>			<b>TOTAL NET ASSETS - 100.0%</b>		<u>\$271,949,079</u>
1.750%, 10/19/2020 (c) Callable 07/19/2019	2,500,000	2,498,267			
2.000%, 10/19/2020 (c) Callable 07/19/2019	2,500,000	2,499,997			
2.250%, 01/29/2021 (c) Callable 07/29/2019	2,500,000	2,500,616			
2.000%, 08/15/2022 (c) Callable 08/15/2019	2,500,000	2,499,538			
2.000%, 08/24/2022 Callable 08/24/2019	2,700,000	2,700,736			
2.260%, 10/04/2022 Callable 10/04/2019	3,650,000	3,649,203			
2.250%, 04/28/2026 (c) Callable 07/28/2019	1,500,000	1,494,198			
2.500%, 05/15/2026 (c) Callable 05/15/2020	1,400,000	1,403,119			
		<u>19,245,674</u>			

(a) Floating rate.  
(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 \$2,568,760 representing 0.9% of the Fund's total net assets.  
(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.  
(d) 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 INTERNATIONAL EQUITY FUND**

**SCHEDULE OF INVESTMENTS**

**June 30, 2019 (Unaudited)**

<b>COMMON STOCKS - 80.7%</b>	<b>Shares</b>	<b>Value</b>	<b>COMMON STOCKS</b>	<b>Shares</b>	<b>Value</b>
<b>AUSTRALIA - 2.1%</b>			<b>JAPAN - 6.7%, Continued</b>		
<b>Pharmaceuticals - 2.1%</b>			<b>Food &amp; Drug Retailing - 1.5%</b>		
CSL Ltd.	920	\$ 139,310	Tsuruha Holdings, Inc.	1,040	\$ 96,453
<b>Total Australia</b>		<u>139,310</u>	<b>Media &amp; Entertainment - 2.1%</b>		
<b>BELGIUM - 1.7%</b>			Nintendo Co., Ltd.	375	<u>137,587</u>
<b>Beverages - 1.7%</b>			<b>Personal Products - 1.5%</b>		
Anheuser-Busch InBev SA/NV	1,250	<u>110,613</u>	Shiseido Co., Ltd.	1,280	<u>96,815</u>
<b>Total Belgium</b>		<u>110,613</u>	<b>Total Japan</b>		<u>436,603</u>
<b>FINLAND - 1.7%</b>			<b>JERSEY - 2.2%</b>		
<b>Banks - 1.7%</b>			<b>Trading Companies &amp; Distributors - 2.2%</b>		
Nordea Bank Abp	15,575	<u>113,093</u>	Ferguson PLC	1,975	<u>140,601</u>
<b>Total Finland</b>		<u>113,093</u>	<b>Total Jersey</b>		<u>140,601</u>
<b>FRANCE - 14.3%</b>			<b>NETHERLANDS - 4.3%</b>		
<b>Aerospace &amp; Defense - 2.3%</b>			<b>Banks - 1.9%</b>		
Safran SA	1,000	<u>146,292</u>	ING Groep NV	10,750	<u>124,525</u>
<b>Chemicals - 2.3%</b>			<b>Semiconductor Equipment &amp; Products - 2.4%</b>		
Air Liquide SA	1,050	<u>146,862</u>	ASML Holding NV	735	<u>152,946</u>
<b>Electrical Equipment &amp; Instruments - 2.1%</b>			<b>Total Netherlands</b>		<u>277,471</u>
Schneider Electric SA	1,495	<u>135,272</u>	<b>PORTUGAL - 1.3%</b>		
<b>IT Consulting &amp; Services - 2.4%</b>			<b>Oil &amp; Gas &amp; Consumable Fuels - 1.3%</b>		
Capgemini SE	1,275	<u>158,525</u>	Galp Energia SGPS SA	5,620	<u>86,432</u>
<b>Oil &amp; Gas &amp; Consumable Fuels - 2.0%</b>			<b>Total Portugal</b>		<u>86,432</u>
TOTAL SA	2,375	<u>133,223</u>	<b>SPAIN - 2.6%</b>		
<b>Speciality Retail - 3.2%</b>			<b>Banks - 1.3%</b>		
LVMH Moet Hennessy Louis Vuitton SE	485	<u>206,185</u>	CaixaBank SA	30,150	<u>86,470</u>
<b>Total France</b>		<u>926,359</u>	<b>Machinery - 1.3%</b>		
<b>GERMANY - 5.6%</b>			Fluidra SA (a)	6,300	<u>83,243</u>
<b>Machinery - 1.8%</b>			<b>Total Spain</b>		<u>169,713</u>
KION Group AG	1,875	<u>118,577</u>	<b>SWEDEN - 1.8%</b>		
<b>Semiconductor Equipment &amp; Products - 1.2%</b>			<b>Oil &amp; Gas &amp; Consumable Fuels - 1.8%</b>		
Infineon Technologies AG	4,200	<u>74,633</u>	Lundin Petroleum AB	3,675	<u>114,501</u>
<b>Software - 2.6%</b>			<b>Total Sweden</b>		<u>114,501</u>
SAP SE	1,250	<u>171,364</u>	<b>SWITZERLAND - 10.3%</b>		
<b>Total Germany</b>		<u>364,574</u>	<b>Banks - 1.9%</b>		
<b>IRELAND - 2.2%</b>			Julius Baer Group Ltd.	2,850	<u>126,979</u>
<b>Construction Materials - 2.2%</b>			<b>Electrical Equipment &amp; Instruments - 1.8%</b>		
CRH PLC	4,385	<u>143,334</u>	ABB Ltd.	5,925	<u>118,785</u>
<b>Total Ireland</b>		<u>143,334</u>	<b>Health Care Equipment &amp; Supplies - 2.2%</b>		
<b>ITALY - 2.0%</b>			Alcon, Inc. (a)	2,310	<u>142,642</u>
<b>Textiles, Apparel &amp; Luxury Goods - 2.0%</b>			<b>Pharmaceuticals - 4.4%</b>		
Moncler SpA	2,950	<u>126,441</u>	Lonza Group AG	385	<u>129,973</u>
<b>Total Italy</b>		<u>126,441</u>	Roche Holding AG	545	<u>153,248</u>
<b>JAPAN - 6.7%</b>					<u>283,221</u>
<b>Computers &amp; Peripherals - 1.6%</b>			<b>Total Switzerland</b>		<u>671,627</u>
Nidec Corp.	770	<u>105,748</u>			

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

**LKCM INTERNATIONAL EQUITY FUND**  
**SCHEDULE OF INVESTMENTS, CONTINUED**  
**June 30, 2019 (Unaudited)**

COMMON STOCKS	Shares	Value	SHORT-TERM INVESTMENTS	Shares	Value
<b>UNITED KINGDOM - 21.9%</b>			<b>Money Market Funds - 13.4%, Continued</b>		
<b>Banks - 1.8%</b>			Morgan Stanley Institutional Liquidity Funds -		
Lloyds Banking Group PLC	164,000	\$ 117,789	Government Portfolio - Institutional Share		
			Class, 2.25% (b)	174,182	\$ 174,182
<b>Beverages - 1.8%</b>			<b>TOTAL SHORT-TERM INVESTMENTS</b>		
Diageo PLC	2,650	114,057	(Cost \$870,910)		
<b>Commercial Services &amp; Supplies - 2.1%</b>			<b>Total Investments - 96.0%</b>		
Rentokil Initial PLC	27,500	138,839	(Cost \$6,109,126)		
<b>Hotels, Restaurants &amp; Leisure - 4.1%</b>			Other Assets in Excess of Liabilities - 4.0%		
Compass Group PLC	5,620	134,721			
InterContinental Hotels Group PLC	1,950	128,252	<b>TOTAL NET ASSETS - 100.0%</b>		
		262,973			
<b>Household Products - 1.9%</b>			(a) Non-income producing security.		
Reckitt Benckiser Group PLC	1,585	125,144	(b) The rate quoted is the annualized seven-day yield of the fund at period end.		
<b>Insurance - 2.1%</b>			<i>Investments are classified by industry pursuant to the Global Industry Classification</i>		
Prudential PLC	6,250	136,444	<i>Standard (GICS®), which was developed by and/or is the exclusive property of</i>		
<b>Oil &amp; Gas &amp; Consumable Fuels - 2.2%</b>			<i>Morgan Stanley Capital International, Inc. ("MSCI") and Standard &amp; Poor's</i>		
Royal Dutch Shell PLC - A Shares	4,410	143,932	<i>Financial Services LLC ("S&amp;P"). GICS is a service mark of MSCI and S&amp;P and</i>		
<b>Personal Products - 2.3%</b>			<i>has been licensed for use by U.S. Bancorp Fund Services, LLC.</i>		
Unilever PLC	2,425	150,532			
<b>Specialty Retail - 1.6%</b>					
Burberry Group PLC	4,260	100,972			
<b>Trading Companies &amp; Distributors - 2.0%</b>					
Ashtead Group PLC	4,485	128,502			
		1,419,184			
<b>TOTAL COMMON STOCKS</b>					
(Cost \$5,119,240)					
		5,239,856			
<b>PREFERRED STOCK - 1.9%</b>					
<b>GERMANY - 1.9%</b>					
<b>Health Care Equipment &amp; Supplies - 1.9%</b>					
Sartorius AG	605	124,076			
		124,076			
<b>TOTAL PREFERRED STOCK</b>					
(Cost \$118,976)					
		124,076			
<b>SHORT-TERM INVESTMENTS - 13.4%</b>					
<b>Money Market Funds - 13.4%</b>					
Fidelity Investments Money Market					
Government Portfolio - Class I, 2.26% (b)	174,182	174,182			
First American Government Obligations					
Fund - Class Z, 2.26% (b)	174,182	174,182			
First American Treasury Obligations Fund -					
Class Z, 2.23% (b)	174,182	174,182			
Invesco Short-Term Investments Trust -					
Government & Agency Portfolio -					
Institutional Shares, 2.27% (b)	174,182	174,182			

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

**STATEMENT OF ASSETS AND LIABILITIES**

**June 30, 2019 (Unaudited)**

	<b>LKCM Small Cap Equity Fund</b>	<b>LKCM Small-Mid Cap Equity Fund</b>	<b>LKCM Equity Fund</b>	<b>LKCM Balanced Fund</b>	<b>LKCM Fixed Income Fund</b>	<b>LKCM International Equity Fund</b>
<b>Assets:</b>						
Investments, at value* . . . . .	\$189,467,281	\$12,963,171	\$361,227,642	\$100,554,514	\$270,457,809	\$6,234,842
Cash . . . . .	—	—	—	8,881	11,250	256,763
Receivable for Fund shares sold . . . . .	39,971	—	42,921	39,082	5,970	—
Dividends and interest receivable . . . . .	66,651	3,605	517,235	264,619	2,062,459	4,327
Receivable for investment advisory fees (Note B) . . . . .	—	8,554	—	—	—	30,528
Other assets . . . . .	23,760	16,446	40,318	15,387	25,114	347
<b>Total assets</b> . . . . .	<u>189,597,663</u>	<u>12,991,776</u>	<u>361,828,116</u>	<u>100,882,483</u>	<u>272,562,602</u>	<u>6,526,807</u>
<b>Liabilities:</b>						
Payable for Fund shares redeemed . . . . .	116,692	—	798,080	15,540	315,742	—
Payable for investment advisory fees (Note B) . . . . .	315,996	—	474,071	116,191	154,021	—
Payable for professional fees . . . . .	35,886	9,383	55,905	19,060	41,767	3,233
Payable for trustees' fees and officer compensation (Note B) . . . . .	30,575	2,672	49,750	11,655	35,221	3,025
Payable for administrative fees . . . . .	27,325	6,840	45,853	13,067	36,219	7,320
Payable for accounting and transfer agent fees and expenses . . . . .	26,837	13,271	22,123	13,625	19,529	17,077
Payable for reports to shareholders . . . . .	7,684	861	9,068	2,469	6,892	488
Payable for custody fees and expenses . . . . .	4,376	1,153	6,835	1,609	4,132	1,708
<b>Total liabilities</b> . . . . .	<u>565,371</u>	<u>34,180</u>	<u>1,461,685</u>	<u>193,216</u>	<u>613,523</u>	<u>32,851</u>
<b>Net assets</b> . . . . .	<u>\$189,032,292</u>	<u>\$12,957,596</u>	<u>\$360,366,431</u>	<u>\$100,689,267</u>	<u>\$271,949,079</u>	<u>\$6,493,956</u>
<b>Net assets consist of:</b>						
Paid in capital . . . . .	\$130,456,153	\$ 8,202,506	\$191,775,340	\$ 74,658,261	\$267,101,724	\$6,373,245
Total distributable earnings . . . . .	58,576,139	4,755,090	168,591,091	26,031,006	4,847,355	120,711
<b>Net assets</b> . . . . .	<u>\$189,032,292</u>	<u>\$12,957,596</u>	<u>\$360,366,431</u>	<u>\$100,689,267</u>	<u>\$271,949,079</u>	<u>\$6,493,956</u>
Shares of beneficial interest outstanding (unlimited shares of no par value authorized) . . . . .	11,005,351	1,317,667	12,921,790	4,181,242	25,036,134	648,307
Net asset value per share (offering and redemption price) . . . . .	<u>\$ 17.18</u>	<u>\$ 9.83</u>	<u>\$ 27.89</u>	<u>\$ 24.08</u>	<u>\$ 10.86</u>	<u>\$ 10.02</u>
* Cost of investments . . . . .	<u>\$143,435,275</u>	<u>\$ 9,647,375</u>	<u>\$196,682,041</u>	<u>\$ 74,841,274</u>	<u>\$265,400,912</u>	<u>\$6,109,126</u>

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



**STATEMENT OF OPERATIONS**  
**For the Six Months Ended June 30, 2019 (Unaudited)**

	LKCM Small Cap Equity Fund	LKCM Small-Mid Cap Equity Fund	LKCM Equity Fund	LKCM Balanced Fund	LKCM Fixed Income Fund	LKCM International Equity Fund <sup>(1)</sup>
<b>Investment Income:</b>						
Dividends* .....	\$ 734,126	\$ 48,226	\$ 2,825,658	\$ 519,193	\$ —	\$ —
Interest .....	67,446	5,331	104,611	408,992	3,751,843	9,681
Total income .....	<u>801,572</u>	<u>53,557</u>	<u>2,930,269</u>	<u>928,185</u>	<u>3,751,843</u>	<u>9,681</u>
<b>Expenses:</b>						
Investment advisory fees (Note B) .....	683,082	48,599	1,212,431	304,910	644,742	4,861
Accounting and transfer agent fees and expenses .....	75,309	34,964	104,611	50,125	75,114	17,080
Administrative fees .....	75,090	20,472	137,374	38,538	106,689	7,320
Trustees' fees and officer compensation (Note B) .....	67,449	5,953	114,900	28,091	82,711	2,379
Professional fees .....	37,350	5,299	63,856	18,153	47,479	3,233
Federal and state registration .....	24,139	10,744	24,641	11,023	14,686	3,477
Custody fees and expenses .....	11,597	3,530	19,512	5,002	13,082	1,708
Reports to shareholders .....	7,575	930	10,810	3,258	7,617	488
Other .....	3,801	362	6,566	1,629	4,706	244
Total expenses .....	985,392	130,853	1,694,701	460,729	996,826	40,790
Less, expense waiver and/or reimbursement (Note B) .....	(74,616)	(66,055)	(309,065)	(85,456)	(352,085)	(35,389)
Net expenses .....	<u>910,776</u>	<u>64,798</u>	<u>1,385,636</u>	<u>375,273</u>	<u>644,741</u>	<u>5,401</u>
Net investment income (loss) .....	<u>(109,204)</u>	<u>(11,241)</u>	<u>1,544,633</u>	<u>552,912</u>	<u>3,107,102</u>	<u>4,280</u>
<b>Realized and Unrealized Gain (Loss) on Investments:</b>						
Net realized gain (loss) on investments .....	13,561,897	1,454,948	3,490,177	274,742	51,798	(9,285)
Net change in unrealized appreciation/depreciation on investments .....	17,665,354	1,405,927	55,104,044	12,095,699	9,325,042	125,716
<b>Net Realized and Unrealized Gain on Investments</b> .....	<u>31,227,251</u>	<u>2,860,875</u>	<u>58,594,221</u>	<u>12,370,441</u>	<u>9,376,840</u>	<u>116,431</u>
<b>Net Increase in Net Assets Resulting from Operations</b> .....	<u>\$31,118,047</u>	<u>\$2,849,634</u>	<u>\$60,138,854</u>	<u>\$12,923,353</u>	<u>\$12,483,942</u>	<u>\$120,711</u>
* Net of foreign taxes withheld .....	<u>\$ 426</u>	<u>\$ —</u>	<u>\$ 4,680</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,379</u>

<sup>(1)</sup> For the period May 1, 2019 (commencement of operations) through June 30, 2019.

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, 2019 (Unaudited)</i>	<i>Year Ended December 31, 2018</i>	<i>Six Months Ended June 30, 2019 (Unaudited)</i>	<i>Year Ended December 31, 2018</i>
<b>Operations:</b>				
Net investment loss .....	\$ (109,204)	\$ (356,826)	\$ (11,241)	\$ (52,514)
Net realized gain on investments .....	13,561,897	29,636,948	1,454,948	2,320,133
Net change in unrealized appreciation/depreciation .....	17,665,354	(38,563,909)	1,405,927	(3,609,716)
	<u>31,118,047</u>	<u>(9,283,787)</u>	<u>2,849,634</u>	<u>(1,342,097)</u>
<b>Net Dividends and Distributions to Shareholders</b> .....	<u>—</u>	<u>(28,133,206)</u>	<u>—</u>	<u>(2,221,982)</u>
<b>Net decrease in net assets resulting from Fund share transactions (Note C)</b> .....	<u>(2,407,878)</u>	<u>(3,923,364)</u>	<u>(2,054,253)</u>	<u>(3,651,822)</u>
Total increase (decrease) in net assets .....	28,710,169	(41,340,357)	795,381	(7,215,901)
<b>Net Assets:</b>				
Beginning of period .....	<u>160,322,123</u>	<u>201,662,480</u>	<u>12,162,215</u>	<u>19,378,116</u>
End of period .....	<u>\$189,032,292</u>	<u>\$160,322,123</u>	<u>\$12,957,596</u>	<u>\$12,162,215</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, 2019 (Unaudited)</i>	<i>Year Ended December 31, 2018</i>	<i>Six Months Ended June 30, 2019 (Unaudited)</i>	<i>Year Ended December 31, 2018</i>
<b>Operations:</b>				
Net investment income .....	\$ 1,544,633	\$ 2,590,876	\$ 552,912	\$ 884,913
Net realized gain on investments .....	3,490,177	19,925,830	274,742	1,650,227
Net change in unrealized appreciation/depreciation .....	55,104,044	(32,018,598)	12,095,699	(4,220,426)
	<u>60,138,854</u>	<u>(9,501,892)</u>	<u>12,923,353</u>	<u>(1,685,286)</u>
<b>Net Dividends and Distributions to Shareholders</b> .....	—	(22,493,233)	(532,683)	(2,464,389)
<b>Net increase (decrease) in net assets resulting from   Fund share transactions (Note C)</b> .....	<u>(8,438,988)</u>	<u>60,336</u>	<u>2,391,937</u>	<u>6,626,622</u>
Total increase (decrease) in net assets .....	51,699,866	(31,934,789)	14,782,607	2,476,947
<b>Net Assets:</b>				
Beginning of period .....	308,666,565	340,601,354	85,906,660	83,429,713
End of period .....	<u>\$360,366,431</u>	<u>\$308,666,565</u>	<u>\$100,689,267</u>	<u>\$85,906,660</u>

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

## STATEMENTS OF CHANGES IN NET ASSETS

	LKCM Fixed Income Fund		LKCM International Equity Fund
	<i>Six Months Ended June 30, 2019 (Unaudited)</i>	<i>Year Ended December 31, 2018</i>	<i>May 1, 2019<sup>(1)</sup> through June, 30, 2019 (Unaudited)</i>
<b>Operations:</b>			
Net investment income .....	\$ 3,107,102	\$ 5,574,912	\$ 4,280
Net realized gain (loss) on investments .....	51,798	(334,274)	(9,285)
Net change in unrealized appreciation/depreciation .....	9,325,042	(4,540,199)	125,716
	<u>12,483,942</u>	<u>700,439</u>	<u>120,711</u>
<b>Net Dividends and Distributions to Shareholders</b> .....	<u>(3,034,168)</u>	<u>(5,577,246)</u>	<u>—</u>
<b>Net increase in net assets resulting from Fund share transactions (Note C)</b> .....	<u>13,212,975</u>	<u>5,187,333</u>	<u>6,373,245</u>
Total increase in net assets .....	22,662,749	310,526	6,493,956
<b>Net Assets:</b>			
Beginning of period .....	<u>249,286,330</u>	<u>248,975,804</u>	<u>—</u>
End of period .....	<u>\$271,949,079</u>	<u>\$249,286,330</u>	<u>\$6,493,956</u>

<sup>(1)</sup> Commencement of operations.

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

**FINANCIAL HIGHLIGHTS**  
**SELECTED DATA FOR EACH SHARE OF CAPITAL STOCK OUTSTANDING**

<b>LKCM Small Cap Equity Fund</b>						
	<i>Six Months Ended June 30, 2019 (Unaudited)</i>	<i>Year Ended December 31, 2018</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>
<b>Net Asset Value – Beginning of Period</b> . . . . .	\$ 14.39	\$ 18.44	\$ 18.82	\$ 19.86	\$ 24.05	\$ 28.33
Net investment income (loss) . . . . .	(0.01)	(0.03) <sup>(1)</sup>	(0.04) <sup>(2)</sup>	(0.03) <sup>(2)</sup>	0.01	(0.06) <sup>(2)</sup>
Net realized and unrealized gain (loss) on investments . . . . .	2.80	(1.05)	3.27	1.88	(1.29)	(0.77)
Total from investment operations . . . . .	2.79	(1.08)	3.23	1.85	(1.28)	(0.83)
Dividends from net investment income . . . . .	—	—	—	—	(0.01)	—
Distributions from net realized gains . . . . .	—	(2.97)	(3.61)	(2.89)	(2.90)	(3.45)
Total dividends and distributions . . . . .	—	(2.97)	(3.61)	(2.89)	(2.91)	(3.45)
<b>Net Asset Value – End of Period</b> . . . . .	<u>\$ 17.18</u>	<u>\$ 14.39</u>	<u>\$ 18.44</u>	<u>\$ 18.82</u>	<u>\$ 19.86</u>	<u>\$ 24.05</u>
<b>Total Return</b> . . . . .	19.39% <sup>(3)</sup>	-5.70%	17.04%	9.27%	-5.58%	-3.11%
<b>Ratios and Supplemental Data:</b>						
Net assets, end of period (thousands) . . . . .	\$189,032	\$160,322	\$201,139	\$281,790	\$568,421	\$840,631
Ratio of expenses to average net assets:						
Before expense waiver and/or reimbursement . . . . .	1.08% <sup>(4)</sup>	1.08%	1.10%	1.05%	0.97%	0.94%
After expense waiver and/or reimbursement . . . . .	1.00% <sup>(4)</sup>	1.00%	1.00%	1.00%	0.97%	0.94%
Ratio of net investment income (loss) to average net assets:						
Before expense waiver and/or reimbursement . . . . .	(0.20)% <sup>(4)</sup>	(0.25)%	(0.28)%	(0.18)%	0.05%	(0.21)%
After expense waiver and/or reimbursement . . . . .	(0.12)% <sup>(4)</sup>	(0.17)%	(0.18)%	(0.13)%	0.05%	(0.21)%
Portfolio turnover rate . . . . .	37% <sup>(3)</sup>	45%	42%	50%	62%	60%

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

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

(3) Not annualized.

(4) Annualized.

<b>LKCM Small-Mid Cap Equity Fund</b>						
	<i>Six Months Ended June 30, 2019 (Unaudited)</i>	<i>Year Ended December 31, 2018</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>
<b>Net Asset Value – Beginning of Period</b> . . . . .	\$ 7.92	\$ 10.60	\$ 9.56	\$ 11.15	\$ 12.10	\$ 12.97
Net investment loss . . . . .	(0.01)	(0.03) <sup>(1)</sup>	(0.01) <sup>(2)</sup>	(0.05) <sup>(2)</sup>	(0.06) <sup>(1)</sup>	(0.08) <sup>(2)</sup>
Net realized and unrealized gain (loss) on investments . . . . .	1.92	(0.93)	2.32	0.19	(0.10)	(0.48)
Total from investment operations . . . . .	1.91	(0.96)	2.31	0.14	(0.16)	(0.56)
Distributions from net realized gains . . . . .	—	(1.72)	(1.27)	(1.73)	(0.79)	(0.31)
<b>Net Asset Value – End of Period</b> . . . . .	<u>\$ 9.83</u>	<u>\$ 7.92</u>	<u>\$ 10.60</u>	<u>\$ 9.56</u>	<u>\$ 11.15</u>	<u>\$ 12.10</u>
<b>Total Return</b> . . . . .	24.12% <sup>(3)</sup>	-8.89%	24.13%	1.17%	-1.41%	-4.39%
<b>Ratios and Supplemental Data:</b>						
Net assets, end of period (thousands) . . . . .	\$ 12,958	\$ 12,162	\$ 19,378	\$ 20,419	\$331,954	\$391,668
Ratio of expenses to average net assets:						
Before expense waiver and/or reimbursement . . . . .	2.02% <sup>(4)</sup>	1.75%	1.76%	1.23%	1.14%	1.20%
After expense waiver and/or reimbursement . . . . .	1.00% <sup>(4)</sup>	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 . . . . .	(1.19)% <sup>(4)</sup>	(1.05)%	(0.94)%	(0.68)%	(0.63)%	(0.82)%
After expense waiver and/or reimbursement . . . . .	(0.17)% <sup>(4)</sup>	(0.30)%	(0.18)%	(0.45)%	(0.49)%	(0.62)%
Portfolio turnover rate . . . . .	39% <sup>(3)</sup>	56%	63%	80%	70%	72%

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

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

(3) Not annualized.

(4) Annualized.

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

**FINANCIAL HIGHLIGHTS**  
**SELECTED DATA FOR EACH SHARE OF CAPITAL STOCK OUTSTANDING**

	<b>LKCM Equity Fund</b>					
	<i>Six Months Ended June 30, 2019 (Unaudited)</i>	<i>Year Ended December 31, 2018</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>
<b>Net Asset Value – Beginning of Period</b> . . . . .	\$ 23.34	\$ 26.02	\$ 22.42	\$ 21.40	\$ 22.81	\$ 22.44
Net investment income . . . . .	0.12	0.21	0.17	0.19 <sup>(1)</sup>	0.18 <sup>(1)</sup>	0.17 <sup>(2)</sup>
Net realized and unrealized gain (loss) on investments . . . . .	4.43	(1.08)	4.69	2.32	(0.98)	1.28
Total from investment operations . . . . .	4.55	(0.87)	4.86	2.51	(0.80)	1.45
Dividends from net investment income . . . . .	—	(0.21)	(0.17)	(0.20)	(0.20)	(0.16)
Distributions from net realized gains . . . . .	—	(1.60)	(1.09)	(1.29)	(0.41)	(0.92)
Total dividends and distributions . . . . .	—	(1.81)	(1.26)	(1.49)	(0.61)	(1.08)
<b>Net Asset Value – End of Period</b> . . . . .	<u>\$ 27.89</u>	<u>\$ 23.34</u>	<u>\$ 26.02</u>	<u>\$ 22.42</u>	<u>\$ 21.40</u>	<u>\$ 22.81</u>
<b>Total Return</b> . . . . .	19.49% <sup>(3)</sup>	-3.28%	21.69%	11.66%	-3.54%	6.40%
<b>Ratios and Supplemental Data:</b>						
Net assets, end of period (thousands) . . . . .	\$360,366	\$308,667	\$340,601	\$286,508	\$281,200	\$333,692
Ratio of expenses to average net assets:						
Before expense waiver and/or reimbursement . . . . .	0.98% <sup>(4)</sup>	0.98%	0.99%	0.98%	0.93%	0.92%
After expense waiver and/or reimbursement . . . . .	0.80% <sup>(4)</sup>	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 . . . . .	0.71% <sup>(4)</sup>	0.56%	0.50%	0.69%	0.68%	0.59%
After expense waiver and/or reimbursement . . . . .	0.89% <sup>(4)</sup>	0.74%	0.69%	0.87%	0.81%	0.71%
Portfolio turnover rate . . . . .	6% <sup>(3)</sup>	16%	11%	16%	13%	14%

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

(2) 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.

(3) Not annualized.

(4) Annualized.

	<b>LKCM Balanced Fund</b>					
	<i>Six Months Ended June 30, 2019 (Unaudited)</i>	<i>Year Ended December 31, 2018</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>
<b>Net Asset Value – Beginning of Period</b> . . . . .	\$ 21.07	\$ 22.18	\$ 20.46	\$ 19.60	\$ 20.10	\$ 19.63
Net investment income . . . . .	0.13	0.23	0.20	0.20 <sup>(1)</sup>	0.19	0.24
Net realized and unrealized gain (loss) on investments . . . . .	3.01	(0.70)	2.43	1.69	(0.00) <sup>(2)</sup>	0.94
Total from investment operations . . . . .	3.14	(0.47)	2.63	1.89	0.19	1.18
Dividends from net investment income . . . . .	(0.13)	(0.23)	(0.20)	(0.18)	(0.19)	(0.24)
Distributions from net realized gains . . . . .	—	(0.41)	(0.71)	(0.85)	(0.50)	(0.47)
Total dividends and distributions . . . . .	(0.13)	(0.64)	(0.91)	(1.03)	(0.69)	(0.71)
<b>Net Asset Value – End of Period</b> . . . . .	<u>\$ 24.08</u>	<u>\$ 21.07</u>	<u>\$ 22.18</u>	<u>\$ 20.46</u>	<u>\$ 19.60</u>	<u>\$ 20.10</u>
<b>Total Return</b> . . . . .	14.91% <sup>(3)</sup>	-2.15%	12.88%	9.70%	0.91%	5.99%
<b>Ratios and Supplemental Data:</b>						
Net assets, end of period (thousands) . . . . .	\$100,689	\$ 85,907	\$ 83,430	\$63,192	\$39,153	\$37,028
Ratio of expenses to average net assets:						
Before expense waiver and/or reimbursement . . . . .	0.98% <sup>(4)</sup>	1.00%	1.02%	1.03%	1.02%	0.99%
After expense waiver and/or reimbursement . . . . .	0.80% <sup>(4)</sup>	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 . . . . .	1.00% <sup>(4)</sup>	0.83%	0.73%	0.73%	0.73%	1.02%
After expense waiver and/or reimbursement . . . . .	1.18% <sup>(4)</sup>	1.03%	0.95%	0.96%	0.95%	1.21%
Portfolio turnover rate . . . . .	5% <sup>(3)</sup>	17%	15%	16%	16%	20%

(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.

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

**FINANCIAL HIGHLIGHTS**  
**SELECTED DATA FOR EACH SHARE OF CAPITAL STOCK OUTSTANDING**

	<b>LKCM Fixed Income Fund</b>					
	<i>Six Months Ended June 30, 2019 (Unaudited)</i>	<i>Year Ended December 31, 2018</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>
<b>Net Asset Value – Beginning of Period</b> .....	\$ 10.47	\$ 10.68	\$ 10.67	\$ 10.50	\$ 10.82	\$ 10.91
Net investment income .....	0.13	0.24	0.21	0.23	0.25 <sup>(1)</sup>	0.22
Net realized and unrealized gain (loss) on investments .....	0.38	(0.21)	0.02	0.17	(0.28)	(0.03)
Total from investment operations .....	0.51	0.03	0.23	0.40	(0.03)	0.19
Dividends from net investment income .....	(0.12)	(0.24)	(0.21)	(0.23)	(0.26)	(0.22)
Distributions from net realized gains .....	—	—	(0.01)	(0.00) <sup>(2)</sup>	(0.03)	(0.06)
Total dividends and distributions .....	(0.12)	(0.24)	(0.22)	(0.23)	(0.29)	(0.28)
<b>Net Asset Value – End of Period</b> .....	<u>\$ 10.86</u>	<u>\$ 10.47</u>	<u>\$ 10.68</u>	<u>\$ 10.67</u>	<u>\$ 10.50</u>	<u>\$ 10.82</u>
<b>Total Return</b> .....	4.91% <sup>(4)</sup>	0.26%	2.15%	3.83%	-0.27%	1.72%
<b>Ratios and Supplemental Data:</b>						
Net assets, end of period (thousands) .....	\$271,949	\$249,286	\$248,976	\$226,862	\$198,841	\$222,704
Ratio of expenses to average net assets:						
Before expense waiver and/or reimbursement .....	0.77% <sup>(5)</sup>	0.78%	0.80%	0.78%	0.73% <sup>(3)</sup>	0.70%
After expense waiver and/or reimbursement .....	0.50% <sup>(5)</sup>	0.50%	0.50%	0.50%	0.56% <sup>(3)</sup>	0.65%
Ratio of net investment income to average net assets:						
Before expense waiver and/or reimbursement .....	2.14% <sup>(5)</sup>	1.96%	1.66%	1.86%	2.18% <sup>(3)</sup>	1.92%
After expense waiver and/or reimbursement .....	2.41% <sup>(5)</sup>	2.24%	1.96%	2.14%	2.35% <sup>(3)</sup>	1.97%
Portfolio turnover rate .....	10% <sup>(4)</sup>	23%	28%	59%	29%	46%

(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.

	<b>LKCM International Equity Fund</b>
	<i>May 1, 2019<sup>(1)</sup> through June 30, 2019 (Unaudited)</i>
<b>Net Asset Value – Beginning of Period</b> .....	\$ 10.00
Net investment income .....	0.01
Net realized and unrealized gain on investments .....	0.01
Total from investment operations .....	0.02
<b>Net Asset Value – End of Period</b> .....	<u>\$ 10.02</u>
<b>Total Return</b> .....	0.20% <sup>(2)</sup>
<b>Ratios and Supplemental Data:</b>	
Net assets, end of period (thousands) .....	\$ 6,494
Ratio of expenses to average net assets:	
Before expense waiver and/or reimbursement .....	7.55% <sup>(3)</sup>
After expense waiver and/or reimbursement .....	1.00% <sup>(3)</sup>
Ratio of net investment income to average net assets:	
Before expense waiver and/or reimbursement .....	(5.76)% <sup>(3)</sup>
After expense waiver and/or reimbursement .....	0.79% <sup>(3)</sup>
Portfolio turnover rate .....	0% <sup>(2)</sup>

(1) Commencement of operations.

(2) Not annualized.

(3) 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 seven diversified series as of June 30, 2019, six 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, LKCM Fixed Income Fund, and LKCM International Equity 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), January 3, 1996 (LKCM Equity Fund), December 30, 1997 (LKCM Balanced Fund and LKCM Fixed Income Fund), May 2, 2011 (LKCM Small-Mid Cap Equity Fund) and May 1, 2019 (LKCM International Equity Fund). The LKCM Small Cap Equity Fund, LKCM Small-Mid Cap Equity Fund and LKCM Equity Fund previously had two share classes—Institutional Class shares and Adviser Class shares. The Board of Trustees of the Trust approved the (i) liquidation and termination of Adviser Class shares of the LKCM Small Cap Equity Fund, which took place on October 31, 2018, and (ii) termination of Adviser Class shares of the LKCM Equity Fund and LKCM Small-Mid Cap Equity Fund, which had not commenced operations and had no assets or shareholders, on September 24, 2018. Each Fund charges a 1% redemption fee for redemptions of 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 \$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 \$12 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 LKCM International 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 non-U.S. companies.

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. equity securities and listed U.S. equity securities not traded on a particular valuation date are valued at the mean of the most recent quoted bid and ask price on the relevant exchanges or markets. Equity securities listed on a foreign exchange for which market quotations are readily available are valued at the last quoted sales price on the exchange on which the security is primarily traded. Debt securities are normally valued at the mean of the closing bid and ask price and/or by using a combination of broker quotations or evaluated prices provided by an independent pricing service. Futures and options on futures are valued at the settlement prices established each day on the principal exchange on which they are traded. Forward contracts are valued based on the forward rate using information provided by an independent pricing service. Other assets and securities for which no market or broker quotations or evaluated prices are readily available are valued in good faith at fair value using guidelines approved by the Board of Trustees. The Board of Trustees has established policies and procedures that authorize the Adviser to fair value a security in good faith under certain circumstances. The Funds may use prices provided by independent pricing services to assist in the fair valuation of the Funds’ portfolio securities. For foreign securities held by the LKCM International Equity Fund, such fair value prices generally will be based on such independent pricing services’ proprietary multi-factor models that measure movements in relevant indices, market indicators or other factors between the time the relevant foreign markets have closed and a Fund calculates its net asset value.

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, 2019, the Funds’ assets carried at fair value were classified as follows:

#### LKCM Small Cap Equity Fund

Description	Level 1	Level 2	Level 3	Total
Common Stocks	\$175,923,387	\$ —	\$ —	\$175,923,387
Money Market Funds	13,543,894	—	—	13,543,894
Total Investments*	\$189,467,281	\$ —	\$ —	\$189,467,281

#### LKCM Small-Mid Cap Equity Fund

Description	Level 1	Level 2	Level 3	Total
Common Stocks	\$ 12,291,455	\$ —	\$ —	\$ 12,291,455
Money Market Funds	671,716	—	—	671,716
Total Investments*	\$ 12,963,171	\$ —	\$ —	\$ 12,963,171

#### LKCM Equity Fund

Description	Level 1	Level 2	Level 3	Total
Common Stocks	\$353,557,315	\$ —	\$ —	\$353,557,315
U.S. Government Issue	—	4,287,739	—	4,287,739
Money Market Fund	3,382,588	—	—	3,382,588
Total Investments*	\$356,939,903	\$ 4,287,739	\$ —	\$361,227,642

#### LKCM Balanced Fund

Description	Level 1	Level 2	Level 3	Total
Common Stocks	\$ 68,901,267	\$ —	\$ —	\$ 68,901,267
Corporate Bonds	—	29,962,691	—	29,962,691
Money Market Fund	1,690,556	—	—	1,690,556
Total Investments*	\$ 70,591,823	\$ 29,962,691	\$ —	\$100,554,514

#### LKCM Fixed Income Fund

Description	Level 1	Level 2	Level 3	Total
Corporate Bonds	\$ —	\$188,267,275	\$ —	\$188,267,275
U.S. Government Issues	—	26,711,756	—	26,711,756
U.S. Government Sponsored Entities	—	53,085,417	—	53,085,417
Money Market Fund	2,393,361	—	—	2,393,361
Total Investments*	\$ 2,393,361	\$268,064,448	\$ —	\$270,457,809

#### LKCM International Equity Fund

Description	Level 1	Level 2	Level 3	Total
Common Stocks	\$ —	\$ 5,239,856	\$ —	\$ 5,239,856
Preferred Stock	—	124,076	—	124,076
Money Market Funds	870,910	—	—	870,910
Total Investments*	\$ 870,910	\$ 5,363,932	\$ —	\$ 6,234,842

\* 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, LKCM Equity Fund, and LKCM International Equity Fund generally intend to declare and pay income dividends and distribute net capital gains, if any, at least on an annual basis. The LKCM Balanced Fund and LKCM Fixed Income Fund generally intend to declare and pay income 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.

**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 the Funds reasonably expect cannot be sold or disposed of in current market conditions in seven calendar days or less in the ordinary course of business without the sale or disposition significantly changing the market value of the investment. A security may be considered illiquid if it lacks a readily available market or if its valuation has not changed for a certain period of time. Disposal of these securities may involve time-consuming negotiations and expense, and prompt sale at the current valuation may be difficult.

**11. Recent Accounting Pronouncements:** In March 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2017-08, *Receivables—Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities* which changes the amortization period for a callable debt security from the maturity date to the earliest call date. ASU 2017-08 is effective for annual periods beginning after December 15, 2018, and interim periods within those annual periods. Management has assessed these changes and concluded these changes do not have a material impact on the Funds’ financial statements.

In August 2018, FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement* (“ASU 2018-13”). The primary focus of ASU 2018-13 is to improve the effectiveness of the disclosure requirements for fair value measurements. The changes affect all companies that are required to include fair value measurement disclosures. In general, the amendments in ASU 2018-13 are effective for all entities for fiscal years and interim periods within those fiscal years, beginning after December 15, 2019. An entity is permitted to early adopt the removed or modified disclosures upon the issuance of ASU 2018-13 and may delay adoption of the additional disclosures, which are required for public companies only, until their effective date. At this time, management does not expect these changes will have any impact on the Funds’ financial statements.

**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, 2020 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, 2019, 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>	<u>LKCM International Equity Fund</u>
Annual Management Fee Rate	0.75%	0.75%	0.70%	0.65%	0.50%	0.90%
Annual Cap on Expenses	1.00%	1.00%	0.80%	0.80%	0.50%	1.00%
Fees Waived and/or Expenses Reimbursed in 2019	\$74,616	\$66,055	\$309,065	\$85,456	\$352,085	\$35,389

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

U.S. Bancorp Fund Services, LLC, doing business as U.S. Bank Global Fund Services, 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 Funds have adopted a Distribution Plan, under which each Fund may pay an annualized fee of 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, 2019, there was an unlimited number of shares of beneficial interest, no par value, authorized, for each Fund. The following table summarizes the activity in shares of each Fund:

**LKCM Small Cap Equity Fund**

	<u>Six Months Ended June 30, 2019</u>		<u>Year Ended December 31, 2018</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Institutional Class Shares</u>	<u>Amount</u>
Shares sold	360,695	\$ 5,781,393	629,067	\$ 12,579,033
Shares issued to shareholders in reinvestment of distributions	—	—	1,755,599	24,982,114
Shares redeemed	(494,317)	(8,189,271)	(2,154,803)	(40,922,342)
Redemption fee	—	—	—	727
Net increase (decrease)	(133,622)	<u><u>\$(2,407,878)</u></u>	229,863	<u><u>\$ (3,360,468)</u></u>

**Shares Outstanding:**

Beginning of period	11,138,973	10,909,110
End of period	<u><u>11,005,351</u></u>	<u><u>11,138,973</u></u>

	<u>Year Ended December 31, 2018</u>	
	<u>Adviser Class* Shares</u>	<u>Amount</u>
Shares sold	8,126	\$ 141,867
Shares redeemed	(38,699)	(704,763)
Net decrease	(30,573)	<u><u>\$ (562,896)</u></u>

**Shares Outstanding:**

Beginning of period	30,573
End of period	<u><u>—</u></u>

Total Net Decrease \$ (3,923,364)

\* The Adviser Class Shares of the Fund were terminated on October 31, 2018.

**LKCM Small-Mid Cap Equity Fund**

	Six Months Ended June 30, 2019		Year Ended December 31, 2018	
	Shares	Amount	Shares	Amount
Shares sold	3,817	\$ 34,655	33,214	\$ 362,456
Shares issued to shareholders in reinvestment of distributions	—	—	255,531	1,998,256
Shares redeemed	(222,172)	(2,088,908)	(581,374)	(6,012,534)
Redemption fee	—	—	—	—
Net decrease	(218,355)	\$ (2,054,253)	(292,629)	\$ (3,651,822)
<b>Shares Outstanding:</b>				
Beginning of period	1,536,022		1,828,651	
End of period	1,317,667		1,536,022	

**LKCM Equity Fund**

	Six Months Ended June 30, 2019		Year Ended December 31, 2018	
	Shares	Amount	Shares	Amount
Shares sold	477,906	\$ 12,460,889	844,102	\$ 23,187,647
Shares issued to shareholders in reinvestment of distributions	—	—	929,685	21,494,324
Shares redeemed	(780,356)	(20,901,146)	(1,641,146)	(44,621,947)
Redemption fee	—	1,269	—	312
Net increase (decrease)	(302,450)	\$ (8,438,988)	132,641	\$ 60,336
<b>Shares Outstanding:</b>				
Beginning of period	13,224,240		13,091,599	
End of period	12,921,790		13,224,240	

**LKCM Balanced Fund**

	Six Months Ended June 30, 2019		Year Ended December 31, 2018	
	Shares	Amount	Shares	Amount
Shares sold	266,235	\$ 6,075,866	711,217	\$ 15,637,963
Shares issued to shareholders in reinvestment of distributions	21,988	516,628	111,842	2,384,425
Shares redeemed	(184,362)	(4,202,058)	(507,312)	(11,396,388)
Redemption fee	—	1,501	—	622
Net increase	103,861	\$ 2,391,937	315,747	\$ 6,626,622
<b>Shares Outstanding:</b>				
Beginning of period	4,077,381		3,761,634	
End of period	4,181,242		4,077,381	

**LKCM Fixed Income Fund**

	Six Months Ended June 30, 2019		Year Ended December 31, 2018	
	Shares	Amount	Shares	Amount
Shares sold	1,656,298	\$ 17,713,484	1,518,406	\$ 16,007,187
Shares issued to shareholders in reinvestment of distributions	248,571	2,681,426	475,511	4,982,833
Shares redeemed	(672,193)	(7,182,133)	(1,503,570)	(15,802,687)
Redemption fee	—	198	—	—
Net increase	1,232,676	\$ 13,212,975	490,347	\$ 5,187,333
<b>Shares Outstanding:</b>				
Beginning of period	23,803,458		23,313,111	
End of period	25,036,134		23,803,458	

## LKCM International Equity Fund

	May 1, 2019 <sup>(1)</sup> through June 30, 2019	
	Shares	Amount
Shares sold	648,307	\$ 6,373,245
Net increase	648,307	\$ 6,373,245

### Shares Outstanding:

Beginning of period	—
End of period	648,307

<sup>(1)</sup> Commencement of operations.

**D. Security Transactions:** Purchases and sales of investment securities, other than short-term investments, for the six months ended June 30, 2019 were as follows:

	Purchases		Sales	
	U.S. Government	Other	U.S. Government	Other
LKCM Small Cap Equity Fund	\$ —	\$64,805,205	\$ —	\$79,983,239
LKCM Small-Mid Cap Equity Fund	—	4,859,306	—	7,162,963
LKCM Equity Fund	—	21,124,779	9,979,777	26,267,741
LKCM Balanced Fund	—	10,452,006	—	4,152,835
LKCM Fixed Income Fund	19,165,986	19,569,121	8,693,984	16,384,563
LKCM International Equity Fund	—	5,238,216	—	—

**E. Tax Information:** At December 31, 2018, the components of accumulated earnings (losses) on a tax basis were as follows:

	LKCM Small Cap Equity Fund	LKCM Small-Mid Cap Equity Fund	LKCM Equity Fund	LKCM Balanced Fund	LKCM Fixed Income Fund
Tax Cost of Investments	\$131,697,949	\$10,291,163	\$200,638,234	\$66,608,470	\$251,597,105
Gross Unrealized Appreciation	\$ 37,916,172	\$ 2,414,669	\$115,974,751	\$15,683,132	\$ 706,031
Gross Unrealized Depreciation	(9,655,721)	(504,800)	(6,533,194)	(2,065,591)	(4,974,176)
Net Unrealized Appreciation (Depreciation)	\$ 28,260,451	\$ 1,909,869	\$109,441,557	\$13,617,541	\$ (4,268,145)
Undistributed Ordinary Income	—	—	10,583	3,178	—
Undistributed Long-Term Capital Gain	—	—	—	19,617	—
Total Distributable Earnings	—	—	\$ 10,583	\$ 22,795	—
Other Accumulated Losses	(802,359)	(4,413)	(999,903)	—	\$ (334,274)
Total Accumulated Gains (Losses)	\$ 27,458,092	\$ 1,905,456	\$108,452,237	\$13,640,336	\$ (4,602,419)

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. At December 31, 2018, the capital loss carryforwards were as follows:

	Short-Term	Long-Term
LKCM Fixed Income Fund	\$14,707	\$319,567

At December 31, 2018, the Funds deferred, on a tax basis, post-October capital losses of:

LKCM Small Cap Equity Fund	\$802,359
LKCM Small-Mid Cap Equity Fund	\$ 4,413
LKCM Equity Fund	\$999,903

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

	<u>Six Months Ended June 30, 2019</u>		<u>Year Ended December 31, 2018</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	\$ —	\$—	\$ —	\$28,133,206
LKCM Small-Mid Cap Equity Fund	—	—	—	2,221,982
LKCM Equity Fund	—	—	2,586,418	19,906,815
LKCM Balanced Fund	532,683	—	888,174	1,576,215
LKCM Fixed Income Fund	3,034,168	—	5,577,246	—
LKCM International Equity Fund	—	—	N/A	N/A

The Funds designated earnings and profits distributed to shareholders upon the redemption of shares during 2018 in determining undistributed net capital gains as of December 31, 2018.

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, 2015 through December 31, 2018. 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, 2018. 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, 2019 and determined that there were no significant subsequent events that would require adjustment to or additional disclosure in these financial statements.

**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](http://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). Beginning June 1, 2020, monthly portfolio disclosures will be filed quarterly with the SEC on Form N-PORT, with quarter-end disclosures being made public 60 days after the end of each fiscal quarter.

**RENEWAL OF INVESTMENT ADVISORY AGREEMENT  
WITH RESPECT TO LKCM SMALL CAP EQUITY FUND, LKCM  
SMALL-MID CAP EQUITY FUND, LKCM EQUITY FUND, LKCM  
BALANCED FUND AND LKCM FIXED INCOME FUND**

Introduction. At a meeting held on February 26, 2019, 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 (the “Small Cap Equity Fund”), LKCM Small-Mid Cap Equity Fund (the “Small-Mid Cap Equity Fund”), LKCM Equity Fund (the “Equity Fund”), LKCM Balanced Fund (the “Balanced Fund”) and LKCM Fixed Income Fund (the “Fixed Income 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 contractual advisory fee rate, actual advisory fee rate and net expense ratio of each Fund, how those compared to a peer group of funds compiled by Lipper, and how each Fund’s contractual advisory fee rate compared to the Similar Accounts; (4) the costs of services provided to the Funds and the profitability of LKCM with respect to such services; (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 was established in 1979 and provides investment management services to private funds, foundations, endowments, pension plans, trusts, estates, high net worth individuals and other clients. The Board recognized that LKCM is responsible for managing the Funds, including identifying investments for the Funds, monitoring the Funds’ investment programs, executing trades and overseeing the Funds’ performance and compliance with applicable rules and regulations and the Funds’ investment policies. 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 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, 2018. 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, 2018. 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 noted that 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 outperformed its benchmark, the S&P 500 Index, for the one-year and three-year periods, but underperformed its benchmark for the five-year, ten-year and since-inception periods. The Board also noted that the Equity Fund outperformed its Lipper Index for the one-year, three-year, ten-year and since-inception periods, but underperformed its Lipper Index for the five-year period.

The Board noted that the Balanced Fund had outperformed the Bloomberg Barclays Intermediate Government/Credit Bond Index for the three-year, five-year, ten-year and since-inception periods, but underperformed the Bloomberg Barclays Intermediate Government/Credit Bond Index for the one-year period. The Board also noted that the Balanced Fund outperformed the S&P 500 Index for the one-year period, but underperformed the S&P 500 Index for the 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 one-year period, but underperformed the Blended Index for the three-year, five-year and ten-year periods. The Board also noted that the Balanced Fund outperformed the Lipper Index for the one-year, three-year, five-year, ten-year and since-inception periods.

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

The Board also considered the performance of each Fund, as applicable, against its Composite and LKCM's explanation that underperformance was attributable to tax considerations attendant to the management of a Fund that do not apply to non-taxable portfolios included in the Composite and the timing of cash flows resulting from 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), total expense ratio 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, 2020.

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, that the Institutional Class shares was currently the only class of shares offered by the Funds and 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 certain of the Funds' contractual advisory fee rates are 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 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 second 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 fourth 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 the greater regulatory, compliance and related expenses incurred by LKCM in providing investment management services to the Funds as compared to the 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 revenue sharing 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 which enhance the level of research that LKCM performs on the Funds' portfolio companies. The Board also noted that LKCM believes its relationship with the Funds provides an indirect benefit to both parties in the form of heightened recognition among institutional and other investors, consultants and other members of the financial community. The Board considered the indirect benefits to LKCM of this recognition in the form of additional clients with separately managed portfolios or subadvisory relationships with other mutual funds, which also may attract additional investors to the 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.

## **APPROVAL OF INVESTMENT ADVISORY AGREEMENT WITH RESPECT TO LKCM INTERNATIONAL EQUITY FUND**

Introduction. At a meeting held on February 26, 2019, the Board of Trustees of LKCM Funds, including the independent Trustees (the “Board”), approved the Investment Advisory Agreement (the “Agreement”) between Luther King Capital Management Corporation (“LKCM”) and LKCM Funds (the “Trust”) on behalf of the LKCM International Equity Fund (the “Fund”), a new series of the Trust. In voting to approve the Agreement, the Board considered the overall fairness of the Agreement and factors it deemed relevant with respect to the Fund including, but not limited to: (1) the nature, extent and quality of the services to be provided to the Fund; (2) the performance of an account managed by LKCM pursuant to a similar investment strategy (“Similar Account”) as compared to a relevant benchmark and peer group of funds compiled by Lipper, Inc. (“Lipper”); (3) the proposed contractual advisory fee rate, estimated actual advisory fee rate and estimated net expense ratio of the Fund, how those compared to a peer group of funds compiled by Lipper, and how the Fund’s proposed contractual advisory fee rate compared to that of the Similar Account; (4) the estimated costs of services to be provided by LKCM to the Fund and the projected profitability of LKCM with respect to such services; (5) the extent to which economies of scale would be realized by LKCM as the Fund grows and whether the fee levels reflect economies of scale for the benefit of investors; and (6) any other benefits to be derived by LKCM from its relationship with the Fund. The Board did not identify any single factor or item of information as controlling and each Board member may have accorded different weights to the various factors in reaching his conclusions with respect to the Agreement.

In considering the approval of the Agreement, the Board requested and considered a broad range of information provided by LKCM, including, but not limited to, the Fund’s proposed investment program, the Fund’s estimated expense structure, information regarding the Similar Account, 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 approval of the Agreement. The Board also noted that its oversight of the Fund and the services to be provided by LKCM would be ongoing, such as by reviewing the Fund’s performance and expenses at each quarterly meeting of the Board.

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

The Board also reviewed the compliance services to be provided to the Fund by LKCM, including LKCM’s oversight of the Fund’s 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 the oversight it will provide over the Fund’s key service providers. The Board also considered LKCM’s description of its best execution practices, and noted LKCM’s representation that its soft-dollar and commission sharing arrangements for client transactions (including those for the Fund) comply with the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

Performance. Because the Fund had not yet commenced operations, the Board considered the performance of the Similar Account compared to the Fund’s proposed benchmark, the MSCI EAFE Index (“benchmark”), and the performance of the Fund’s anticipated peer group funds compiled by Lipper (“Lipper Index”) for various time periods. The Board noted that the Similar Account outperformed the benchmark during the 2015 and 2016 calendar years, but underperformed the benchmark during the 2017 and 2018 calendar years. The Board also noted that the Similar Account outperformed the Lipper Index during the 2015, 2016 and 2018 calendar years, but underperformed the Lipper Index during the 2017 calendar year. In reviewing this information, the Board considered LKCM’s discussion of the Similar Account’s performance and LKCM’s representations regarding the impact of the Similar Account’s higher level of cash and cash equivalent holdings on its relative performance.

In reviewing the performance of the Similar Account, the Board considered the differences between how the Similar Account, which is a private fund, is managed and how the Fund would be managed due to differences in, among other matters, the regulatory framework applicable to private and registered funds and other operational matters, such as cash flows resulting from purchases and sales of the Fund’s shares. The Board also considered that, prior to December 31, 2017, LKCM waived its management fees for the Similar Account, which was reflected in the performance information for the Similar Account.

Fees and Expenses. The Board considered the contractual advisory fee rate, estimated effective advisory fee rate (the contractual advisory fee rate net of fee waivers and/or expense reimbursements) and estimated total expense ratio and net expense ratio (the total expense ratio after fee waivers and/or expense reimbursements) of the Fund based on projections of the Fund’s future asset levels. The

Board also considered that LKCM had contractually agreed to waive its advisory fees and/or reimburse expenses for the Fund through May 1, 2020 to the extent necessary to cap the Fund's net expense ratio at 1.00% per annum (subject to certain exceptions).

The Board compared the contractual advisory fee rate, estimated effective advisory fee rate and estimated net expense ratio of the Fund to a category of similar funds compiled by Lipper ("Lipper Category") and to the Similar Account. The Board noted that the Fund's contractual advisory fee rate and total expense ratio were higher than the average of its Lipper Category, but that the Fund's estimated effective advisory fee rate and estimated net expense ratio were lower than the average of its Lipper Category. The Board noted the advisory fee rate paid by the Similar Account and LKCM's explanations regarding the differences in the services LKCM provides to the Similar Account and those it would provide to the Fund.

Costs, Profitability and Economies of Scale. The Board considered LKCM's estimated costs in rendering services to the Fund and the estimated profitability of LKCM based on projections of the Fund's future asset levels. In this regard, the Board reviewed the estimated profit and loss statement provided by LKCM, before and after any estimated revenue sharing payments to be made by LKCM. The Board noted that LKCM will also invest significant resources to cap the Fund's net expense ratio and facilitate the distribution of the Fund. With respect to economies of scale, the Board considered that the Fund will benefit from a competitive effective advisory fee rate and net expense ratio. The Board also considered LKCM's representation that economies of scale likely cannot be achieved until assets increase and, as a result, the Fund's advisory fee rate schedule does not include breakpoints.

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

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

## **LKCM FUNDS PRIVACY NOTICE**

### Our Commitment to Your Privacy

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

### How We Protect Your Nonpublic Personal Information

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

We do not disclose nonpublic personal information about you to non-affiliated firms, organizations or individuals except as authorized by you or your representatives or as required or permitted by law. We may disclose nonpublic personal information about you to nonaffiliated third parties, such as custodians, brokers, auditors, accountants, and systems and administrative service providers, in connection with the services we provide to you or on your behalf. When we provide nonpublic personal information about you to nonaffiliated third parties for these purposes, we expect them to safeguard your nonpublic personal information, use your nonpublic personal information only for the intended purposes and otherwise abide by applicable law.

### How We Obtain Your Nonpublic Personal Information

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

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

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